



Guangdong Haid Group Co., Limited

2020 Annual Report

Stock Code: 002311

Date of Approval for Publication: 17 April 2021

Section I. Important Notes, Table of Contents and Definitions

The board of directors (the "Board"), the supervisory committee, the directors, the supervisors and the senior management of Guangdong Haid Group Co., Limited (the "Company") hereby warrant the truthfulness, accuracy and completeness of the information presented in this report, guarantee that there are no misrepresentations, misleading statements or material omissions contained in this annual report, and are individually and collectively responsible for the authenticity, accuracy and completeness of the information contained in this report.

Mr. Hua Xue, head of the Company, and Mr. Shaolin Yang, head in charge of accounting work and head of the accounting department (Accounting Officer), declare that they warrant the truthfulness, accuracy and completeness of the financial statements in the annual report.

All directors were present in person at the Board meeting to consider and approve this annual report.

The Report contains forward-looking statements such as future plans, which do not constitute any specific undertakings by the Group to its investors. Investors are advised to pay attention to investment risks.

Risk Warning:

1. Risk of Periodical Fluctuations in the Feed Industry due to Abnormal Weather and Epidemic Diseases during Animal Production

The feed industry mainly serves the downstream animal feeding industry. The abnormal changes in natural elements such as precipitation and typhoon may lead to fluctuations of the inventory of livestock or aquatic products and even the large-scale outbreak of animal diseases. This thus affects the demand for feed and likely causes the risk of periodic and regional fluctuations of the latter. With the environmental changes and the expansion of animal production industry, animal epidemic diseases may also occur occasionally. For instance, the African swine fever virus broke out across China in August 2018; and PRRSV-mediated pig disease, shrimp-relevant EMS epidemic disease and poultry-relevant "H7N9" disease all occurred recently. The outbreak of animal

diseases will directly inhibit the scale of animal production and reduce the demand for feed in the short term; major animal epidemic diseases may dampen the demand from end-consumers, leading to a downturn of the animal production industry, and further affect the feed demand, giving rise to adverse effects on the production and operation of feed enterprises.

Risk management methods: (1) The Company is currently fully deploying factories and developing local markets in major areas in Southern China, Central China, Eastern China and Northern China and overseas markets in Southeast Asia, etc. and the expansion of regional distribution can effectively cope with the risk of weather anomalies and natural disasters in local areas. (2) The Company's feed varieties cover pig feed, chicken feed, duck feed, goose feed and other livestock feed and fish feed, shrimp feed and other aquatic feed. With a variety of products and a well-balanced structure, it can effectively mitigate the risk of single breed species and has strong comprehensive risk-relieve capability.

2. Risk of Drastic Price Fluctuations of Major Raw Materials

The feed ingredients mainly consist of various kinds of staple agricultural products such as corn and soybeans (soybean meal). In recent years, the domestic and international markets of agricultural product have been closely linked. Changes in the planting area and harvest of crops in major grain-producing countries, purchasing and storage and subsidy policies, import and export policies, political conflicts between countries, international trade relations, fluctuations in logistics capacity and conditions of shipping, exchange rates, and others may cause great fluctuations in prices of agricultural products, which, in turn, has a certain impact on the cost of feed and farming. With the strengthening of the internationalization in trade of agricultural products, the factors for changes in the prices of agricultural products have become more complex and the price fluctuations have therefore increased. If the Company fails to understand the changes in the trade of feed raw materials in a timely manner and promptly implement strategic management and risk control of procurement, the Company may face the risk of rising procurement costs.

Risk management methods: (1) The Company divides raw material into different categories and implements a combination of centralized procurement of staple category and local procurement of regional varieties, which not only guarantees the advantages of large-scale raw material procurement, but also obtains localization advantages from rapid response in respect of regional procurement; (2) The Company continuously invests in the construction of the raw material procurement research system. The team of the professional raw material information research department is relatively mature. It conducts

strategic procurement through the real-time tracking, research and judgment of the domestic and foreign bulk raw material market trends, and implements position risk management for bulk raw materials through futures hedging, raw materials trade and other tools to effectively control procurement risks; (3) The Company has accumulated extensive experience in research and development of animal nutrition and feed formulation technologies, and has research and development team composed of nearly 2,000 employees. Large amounts of funds are invested on research and development each year, focusing on animal nutrition requirements, feed formulation technology, animal farming and genetic improvement, comprehensive investigation on healthy animal farming strategies, and other research areas. The Company has a profound understanding of animal nutritional requirements and higher level of expertise in comprehensive utilization of raw materials. Therefore, in case of raw material price fluctuations, it can quickly adjust the formula to control the reasonable feed nutrient level and formula costs.

3. Risk of Structural, Regional and Scale Adjustment to Farming Industry under Environmental Protection Regulations and Policies

In recent years, the State has introduced a series of environmental protection laws and regulations including the new Environmental Protection Law (环保法), the Regulations on Prevention and Control of Pollution from Large-Scale Production of Livestock and Poultry (畜禽规模养殖污染防治条例), Action Plan for Prevention and Treatment of Water Pollution (水污染防治行动计划), the Guiding Opinions on Adjusting the Layout of Pig Production in the Southern Water Network Region (关于促进南方水网地区生猪养殖布局调整优化的指导意见), and the antibiotic ban, which stipulate the pollution prevention and control of animal production industry, and especially limit the production scale in the regions of key water sources and its surrounding areas. According to the regulations and policies of the central government, banned areas and restricted areas have been set up throughout the country, and pig farms in the banned areas in the southern water network area are gradually relocating. The implementation of environmental protection policies will speed up the withdrawal of private pig farming farmers, reduce the backward production capacity failing to meet environmental protection standards and with a small scale, and enable large -scale farmers to continuously expand their production capacity and improve the farming scale and structure; In addition, the establishment of banned areas and restricted areas will enforce adjustments to the pig production capacity in all places across the country. The adjustments to the scale composition of pig production and the relocation of pig production area will certainly have a profound impact on the existing capacity layout, market share, pricing power and business model of the feed industry. The impact of

enforced environmental protection policies on the pig growing and feed industries puts existing competitive companies in the market at risk of reshuffle.

Risk management methods: (1) The Company continually improves its capability to serve farmers. In addition to feed products, the Company is also engaged in the industrial chain of animal healthcare products, vaccines and finance and has a strong tie to large-scale farmers; (2) The feed varieties of the Company cover livestock, poultry, and aquatic animals and the product line is abundant. The production lines for pig feed, chicken feed, duck feed and pelleted fish feed can be shared. The Company can rapidly shift the production layout and make adjustments to adapt to the changes in the industry by adjusting the production capacity in all places. (3) The Company adopts multiple models to speed up the production layout in areas with rich resources and large environmental carrying capacity, and to obtain the market share of new animal farming areas. (4) The Company continues to increase R&D investment, and its research results in key technologies of microbial fermented feed and feed antibiotic substitutes have been effectively applied to foster the advancement and development of the industry.

4. Risk of Exchange Rate Fluctuations

The global procurement of raw materials has become the norm. The scale of overseas investment and overseas operations of the Company is also rapidly expanding. The scale of cross-border fund settlement and the stock of overseas assets have grown substantially, involving the currency types of various related countries. Currency exchange rate fluctuations are subject to different influence factors, and exchange rate fluctuations in any currency may have a certain impact on the settlement cost and asset value of the region.

Risk management methods: (1) Based on the business scale, business model, and settlement characteristics in different regions and countries, the Company strictly controls the exchange rate risks, carefully selects settlement currencies, and strives to achieve relatively balanced regional fund inflow and outflow through structural arrangements of financing sources and financing types; (2) The expansion of two-way fluctuations in the RMB exchange rate has become the new normal. The Company further enhances its awareness of foreign exchange risk management, and arranges settlement models based on the procurement and sales strategies and cycle characteristics of import and export operations. And forward foreign exchange settlement and sale, swaps, foreign exchange options and other financial instruments are flexibly used to lock the exchange rate risks, control procurement and sales costs, and control the possible risk resulted from exchange rate fluctuations.

The proposed profit distribution plan of the Company was considered and passed by the Board: on the basis of the total number of shares on the date of record minus the repurchased shares when the plan is implemented in the future, the Company will distribute cash dividend of RMB 3.2 (tax inclusive) and 0 bonus share (tax inclusive) for every 10 existing shares held by all shareholders without capitalization of capital reserve.

This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail. The complete published Chinese 2020 Annual Report is available at <http://www.cninfo.com.cn/new/disclosure/detail?stockCode=002311&announcementId=1209723720&orgId=9900009032&announcementTime=2021-04-20>.

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Definitions

Item	Definition
Company, Group, Haid Group	Guangdong Haid Group Co., Limited
Board	the board of directors of Guangdong Haid Group Co., Limited
Supervisory Committee	the supervisory committee of Guangdong Haid Group Co., Limited
General Meeting	the general meeting of Guangdong Haid Group Co., Limited
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Articles of Association	the Articles of Association of Guangdong Haid Group Co., Limited
RMB	Renminbi
reporting period, the period, the year	the period from 1 January 2020 to 31 December 2020
last year, the same period of last year	the period from 1 January 2019 to 31 December 2019
the end of the period	31 December 2020
the beginning of the period or the year	1 January 2020
CSRC	China Securities Regulatory Commission

Section II. Company Profile and Key Financial Indicators

I. Company profile

Stock name	Haid Group	Stock code	002311
Stock exchanges on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	广东海大集团股份有限公司		
Chinese abbreviation of the Company	海大集团		
English name of the Company (if any)	Guangdong Haid Group Co., Limited		
English abbreviation of the Company (If any)	HAID GROUP		
Legal representative of the Company	Hua Xue		
Registered address	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town, Panyu Dist, Guangzhou, China.		
Postal code of registered address	511445		
Office address	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town, Panyu Dist, Guangzhou, China		
Postal code of office address	511445		
Website of the Company	www.haid.com.cn		
Email address	zqbgs@haid.com.cn		

II. Contact persons and contact methods

	Board Secretary	Securities Affairs Representative
Name	Zhijian Huang	Jiewen Lu and Huafang Yang
Correspondence address	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town, Panyu Dist, Guangzhou, China	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town, Panyu Dist, Guangzhou, China
Telephone	8620-39388960	8620-39388960
Facsimile	8620-39388958	8620-39388958

Email address	zqbgs@haid.com.cn	zqbgs@haid.com.cn
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III. Information disclosure and places for inspection

Designated media for information disclosure	Securities Times, China Securities Journal, Securities Daily, Shanghai Securities News
Designated websites for the publication of the Annual Report as approved by CSRC	www.cninfo.com.cn
Places for inspection of the Company's Annual Report	Securities Department of the Company

IV. Change in registration

Organisation registration code	No change
Change of principal activities since its listing (if any)	No change
Change of the controlling shareholder (if any)	No change

V. Other relevant information

CPAs engaged by the Company

Name of CPAs	Grant Thornton China (Special General Partnership)
CPAs' Office Address	5th Floor, Scitech Palace 22 Jianguomen Wai Avenue, Chaoyang District, Beijing
Name of the Signing Certified Public Accountants	Wenyuan Guan and Shuxia Zhang

Sponsors engaged by the Company to continuously perform its supervisory function during the reporting period

Applicable Not applicable

Name	Office address	Representative	Period of supervision
China Merchants Securities Co., Ltd.	111 Fuhua First Road, Futian Street, Futian District, Shenzhen	Ziqiang Kang and Xiaoliang Shen	From 16 April 2020 to 31 December 2021

Financial Advisors engaged by the Company to continuously perform its supervisory function during the reporting period

Applicable Not applicable

VI. Major accounting data and financial indicators

Retrospective adjustment to or restatement of the accounting data for prior years by the Company

Yes No

	2020	2019	Increase/decrease for the year as compared to the prior year	2018
Operating income (RMB)	60,323,862,405.94	47,612,587,464.50	26.70%	42,156,628,800.11
Net profit for the year attributable to shareholders of the parent company (RMB)	2,522,730,419.35	1,648,762,579.59	53.01%	1,437,281,732.28
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss (RMB)	2,459,587,964.11	1,580,784,060.76	55.59%	1,394,557,560.67
Net cash flows from operating activities (RMB)	485,259,232.03	3,246,980,705.08	-85.06%	1,035,764,006.33
Basic earnings per share (RMB per share)	1.60	1.06	50.94%	0.9
Diluted earnings per share (RMB per share)	1.60	1.05	52.38%	0.9
Rate of return on equity on weighted average basis	23.87%	19.54%	4.33%	20.21%
	As at the end of 2020	As at the end of 2019	Increase/decrease as at the end of the year compared to the end of the prior year	As at the end of 2018
Total assets (RMB)	27,526,958,371.19	18,854,315,218.31	46.00%	17,365,663,861.06
Total equity attributable to shareholders of the parent company (RMB)	13,972,788,864.41	9,103,789,731.01	53.48%	7,745,939,076.96

Whether the lower of the net profit for the year attributable to shareholders of the parent company before and after deducting the non-recurring gain or loss was negative for the last three accounting years, and the latest independent auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern

 Yes No

Whether the lower of the net profit for the year attributable to shareholders of the parent company before and after deducting the

non-recurring gain or loss was negative

Yes No

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

1. Differences between the net profit and net assets disclosed in accordance with international accounting standards and China accounting standards in the financial report

Applicable Not applicable

There was no difference between the net profit and net assets disclosed in accordance with international accounting standards and China accounting standards in the financial report during the reporting period.

2. Differences between the net profit and net assets disclosed in accordance with overseas accounting standards and China accounting standards in the financial report

Applicable Not applicable

There was no difference between the net profit and net assets disclosed in accordance with overseas accounting standards and China accounting standards in the financial report during the reporting period.

VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	10,491,833,608.90	15,394,090,966.02	17,919,935,213.06	16,518,002,617.96
Net profit for the year attributable to shareholders of the parent company	303,687,270.44	800,326,429.80	969,441,641.84	449,275,077.27
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss	305,340,906.20	795,522,343.88	932,527,077.82	426,197,636.21
Net cash flows from operating activities	-264,442,060.74	549,798,766.13	-694,709,163.42	894,611,690.06

Whether the above indicators or their aggregated amounts have any material difference with the respective amounts as disclosed in the quarterly report or interim report

Yes No

IX. Items and Amounts of Non-recurring Gains or Losses

Applicable Not applicable

Unit: RMB

Item	Amount for 2020	Amount for 2019	Amount for 2018	Explanation
Gain or loss on disposal of non-current assets	-8,506,037.63	-699,384.34	-581,071.09	
Government grants charged to current profit or loss (excluding government grants given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	123,628,058.53	53,217,210.55	66,315,959.91	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	1,749,131.53	3,199,250.94		
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and other debt investments	292.58	4,383,792.92	-175,206.74	
Reversal of provision for bad and doubtful debt where accounts receivable and contract assets are individually tested for impairment	3,118,886.26	3,818,866.10	3,466,834.57	
Profits or losses from external entrusted loans	18,750.00			
Other non-operating incomes and expenses, except for the above	-43,325,417.81	19,284,324.06	-12,961,386.26	
Other gain or loss satisfied the definition of non-recurring gain or loss		5,465,542.39	1,263,559.84	
Less: impact of Income tax	9,094,660.10	17,653,550.72	11,931,518.80	
Less: impact of non-controlling interests (net of tax)	4,446,548.12	3,037,533.07	2,672,999.82	
Total	63,142,455.24	67,978,518.83	42,724,171.61	--

Notes for the Company's non-recurring gain or loss items as defined in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gain or Loss (公开发行证券的公司信息披露解释性公告)

第 1 号——非经常性损益) and the non-recurring gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gain or Loss (公开发行证券的公司信息披露解释性公告第 1 号——非经常性损益) defined as its recurring gain or loss items

Applicable Not applicable

No non-recurring gain or loss items as defined or illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Non-recurring Gain or Loss (公开发行证券的公司信息披露解释性公告第 1 号——非经常性损益) were defined by the Company as its recurring gain or loss items during the reporting period.

Section III. Business Overview

I. Principal Operations of the Company during the Reporting Period

(I) Principal operations, main products and business models of the Company during the reporting period

The Company develops industrial chains with the aim of providing overall solutions to animal farming. It has created a vertically integrated aquaculture business, and its livestock & poultry industry chain is being built steadily. The Company's principal products include high-quality animal seedlings, feeds, animal healthcare products, and pig farming. The Company's businesses cover the research and development (R&D), design, production, sales, service and related activities for various products. Specifically, the Company's products include feeds for chickens, ducks, geese, pigs, fishes, shrimps and crabs, farmed species such as pig, shrimp, fish fry and chickens, as well as chemical and biological products, veterinary medicine, vaccines and other products needed for the production of livestock, poultry and aquatic animals.

1. Principal operations and products

(1) Provision of feeds, seedlings and animal healthcare products for animal farming

Feed business is the core foundation of the Company. With a deep understanding of the critical points of production, the Company has developed its aquatic seedlings and animal healthcare business into key segments that facilitate the growth of the feed business -- thanks to over a decade of relentless efforts. In the feed sector, the Company has gathered a wide range of customer resources over the past two decades. It provides customers with high-quality animal seedlings with high demands in the market and cost-effective feed products, and its farming technical services spur the development of vaccines, veterinary medicines, biological products and other animal healthcare products, providing comprehensive solutions to help farmers achieve success. Therefore, the Company enables customers to achieve sustainable animal farming while implementing better control over the cost and gaining competitive advantages in respect of end products.

(2) Extended development of animal farming and product processing

Based on the successful development of feeds, seedlings and animal healthcare products, the Company has extended its core competitive edges in animal farming, and therefore in recent years, has commenced efforts to develop animal farming and food processing business. In livestock & poultry business, the Company currently focuses on pig farming and is steadily expanding into pig and poultry slaughtering. In aquaculture, it uses its high-quality seedlings, feeds and animal healthcare products to farm and process speciality aquatic products such as fishes and prawns. As the R&D investment in aquatic products yields results, the Company plans to involve in the farming and processing of high-quality fishes and shrimps.

2. Major business models

The Company started up from the feed business. Its rich customer resource helps deeply understand and explore customer needs. This results in a continually expanded profile of products and service to the customer, which gradually extends from feed to high tech areas with increased value-added products, such as animal seedlings, veterinary medicines and vaccine products. The scale of production and sales of high value-added products has gradually expanded and resulted in a greater proportion in income structure year by year. In recent years, through the extension of the industrial chain, the Company has further attempted to enter into areas of farming and food processing. The business model has been developed and extended in an orderly manner with various industrial segments interactively supporting and developing each other.

(1) Feeds, seedlings and animal healthcare products

In particular, for the feed business which has the largest scale, the business management is mainly carried out with the business model of centralized procurement of raw materials, distribution of production layout, sales of products accompanied with technical services. The adoption of a centralized procurement model composed of "group + regional center", combined with hedging and other methods, for agricultural products and other bulk raw materials. Such operations can achieve better procurement cost advantages and risk control, because of being closer to the market, convenient in logistics and rich in resources. Currently, the Company had feed factories distributed in nearly 100 cities in China and Southeast Asia; Distribution together with direct sales is the Company's main sales model. Focusing on localized marketing, the Company has fully established distribution channels to efficiently solve farmers' capital and transportation needs. Through service stations established in main production areas, the technical service teams directly visit farmers to provide professional services for farming and have achieved functional complementation and collaboration with sales organization and management teams in terms of sales and service as well as channel and farmers; high-quality animal seedlings, biological Products, veterinary drugs and vaccines have become indispensable products and tools for the Company to provide services and constitute a package of integrated solutions for farmers.

The business models for seedlings and animal healthcare products reflect the distinctive features of research and development with technology as the guide, differentiated products as the carrier, and service support as the main promotion strategy. Seedlings and animal healthcare products demand a long period of investment in research and development. Technology accumulation needs better predictability and market insight, and strong originality of products. To provide better service support, it is necessary to invest in long term and to build service teams with advanced technology, knowledge, and experience. Therefore, a multi-tiered research and development system has been chosen for the business management model, supplemented by a production base that has a relatively high starting point for investment and a marketing strategy with a more aggressive power.

(2) Animal farming and processing business

The Company's pig farming segment is in its early stage of development, which adopts both the "self-breeding + farming community" model and "Company + family farm" model. The "self-breeding + farming community" model means that seedlings are introduced and bred to create a farming system of grandparent - parent - commercial pig, under which reproduction is separated from breeding to ensure that the farming process is safe and controllable. The "Company + family farms" model means that the Company provides family farmers with necessary products for farming, such as seedlings, feeds, and vaccines, and reaches agreement with them on the main technical requirements for farming, while the farmers are directly responsible for animal rearing and transfer

the products to the Company for sales.

The Company is also a new player in the aquatic animal farming and processing sector, and its primary aquatic products are fishes, prawns and other specialty products. With its strengths in high-quality seedlings, feeds, animal healthcare and technologies, the Company is capable of standardized large-scale farming, supplying sustainable, healthy, traceable aquatic products (processed products) to large catering enterprises and fresh food platforms.

The Company has set up specialized function departments including research institute, procurement center, financial center, operation and development center, marketing center, process and information management center, human resource center and Haid College at its headquarters, and set up multiple regional/business divisions according to regions or business categories. Each professional center aims at acquiring technical and management leadership in its field and provides technical and management standards as well as integrated and professional management and service support for large regions/business divisions and various branches and subsidiaries. All regional/business divisions build management platforms, give full play to the collaboration mechanism for R&D, procurement, production and management, strengthen the ability to swiftly respond to the market, fully explore market potential, and enhance refined management efficiency of all business sectors.

(II) Development stage and periodic characteristics of and position of the Company in the industries where the Company operated during the reporting period

1. Industry development stage

Driven by consumption upgrade, increasing awareness of food safety, technological innovation, introduction of more stringent environmental protection regulations, and pandemics, China's farming industry has entered the stage of industrialized, large-scale, intensive and intelligent development. However, due to resources, technologies, land and other objective factors, the large-scale development level varies product from product. In particular, poultry farming is at the highest level of industrialized, large-scale and intensive development, followed by pig farming, whereas aquatic products and cattle & sheep are in their early development stage. With the intensification development of the farming industry as well as the improvement of farming techniques, sectors such as feeds and animal healthcare products are moving towards increasingly intensive development, and industry integration is accelerating. Specially:

China's feed industry began its development in the 1980s. After more than 40 years of development, the total volume of feed production in China has continuously ranked the top in the world in recent years. The national feed output grew in 2020. According to the Overview of the Development of the National Feed Industry in 2020 (《2020年全国饲料工业发展概况》) released jointly by the Ministry of Agriculture and Rural Affairs and the China Feed Industry Association, China's total output of feeds exceeded 250 million tons in 2020, representing a year-on-year increase of 10.4%, including pig feeds of 89.225 million tons (up 16.4%), poultry feeds of 125.277 million tons (up 8.17%), and aquatic feeds of 21.23 million tons (down 3.6%). The level of industry concentration continued to rise. In 2020, China has 33 feed enterprise groups with an annual feed output of more than 1 million

tons, accounting for 54.6% of the country's total output. It is expected that the numbers of players will drop further as the industry consolidation continues. Superior enterprises will make good use of the opportunity of industry consolidation and their scale advantages to extend the industrial chain or develop diversified businesses through mergers and acquisitions as well as construction of new production capacities. Confronted with the development bottlenecks in terms of capital pressure, talent pressure, technical pressure and service capacity, SMEs will gradually be merged by dominant enterprises or eliminated from the market.

The high-quality animal seedlings have a huge market space. However, most of high-quality seedlings for farmed species, especially aquatic seedlings, are currently under-supplied. There are fewer new strains with proprietary intellectual property right, and the production capacity is small. It is far from meeting the demands of the animal farming industry to upgrade and progress. In a longer period, there will be pressure in respect of achieving research and development progress and increasing production supply capacity.

The market demand of animal healthcare products has grown rapidly. In particular, with the uprising of consumption, the upgrading of farming species has significantly increased the demand for health, safety, and green farming. The concept of prevention over treatment has been increasingly accepted by a wide range of farmers. The help of reasonable animal healthcare product investment for farming is mainly reflected in the direct effects of a reduced disease risk, improved health and safety-added values of products, controllable farming costs, and improved farming efficiency, as well as a number of extended effects including reduced labor intensity and improved industrial chain extension capability. In the future, the capacity of the animal healthcare industry will see a greater room for further development on the basis of the current situation, and dominant enterprises will cash in major market development opportunities.

The pig farming business is rapidly moving towards large -scale, intensive, and factory-oriented development. The outbreak of African swine fever (ASF) in 2018 the COVID-19 pandemic in 2020 have accelerated consolidation in the industry. Small-scale farmers and private farmers quickly withdraw from the market, while large companies are expected to expand their farming size rapidly amid the pandemic by virtue of their superiority in investments, technology and the epidemic prevention and control system. Thus, large family farms with strong epidemic prevention capacity are expected to become the key players other than large enterprises.

China's aquatic product industry is dominated by farming and supplemented by fishing. In recent years, the summer fishing moratorium policy has expanded the farming of aquatic products at a faster pace. With the adoption of intelligent and automatic technologies, farming capacity has been enhanced rapidly, and large-scale farming will accelerate the growth of aquaculture business. With the rising consumption, the development of the catering industry and the increasing awareness of food safety, the demand for reliable, safe and high-quality aquatic animal protein is steadily growing. The change in consumption structure will drive the supply of high-end aquatic products. Farming enterprises with high-quality seedlings and strong technical and financial strengths are poised to become leaders in the field of aquaculture. The market space will be much broader amid the continuous technological innovation in the sector.

2. Periodic characteristics of the industry

The cycle of the animal production industry is mainly determined by the supply end (feeding capacity). The cycle of feed, animal healthcare products, seedlings and other industries follow the same cycle.

China is a country with a large population. Residents have a huge food consumption demand which remains relatively rigid and stable for a certain period of time. Therefore, the supply end of the animal production industry (animal farming capacity) determines the price of the farmed species and thus determines the cycle of the animal production industry. In general, the feed industry will lag behind the cycle of the animal production industry. When the animal farming capacity is smaller than the demand, the terminal price of the farmed species will increase, the profit of the farming will be considerable, and the farming cycle will have a high degree of prosperity. However, due to the reduction of the farming capacity, feed demand will decline. When the farming amount is greater than the consumer demand, the terminal price of the farmed species will fall, resulting in farming loss and sluggish farming cycle. However, due to the larger amount of animal farming, there is a greater demand for feed. As the prosperity of the animal farming industry directly affects the farmers' choice of high-quality or low-grade feed products, the enthusiasm of feed feeding, the sensitivity of feed product prices, and the effective transfer of feed raw material price fluctuations, etc., the cyclical factors of the feed industry, including seedlings and animal healthcare, offset each other, with a limited impact on feed products. The feed industry features a weak cycle.

3. Position of the Company in the industries in which the Company operates

The Company is a large integrated enterprise.

For feed business, although the industrial concentration is increasing, the sector remains decentralized. In 2020, the Company sold 14.66 million tons of feed, accounting for approximately 5.80% of China's total feed output. It ranked second among all Chinese feed producers, with an increased market share, but there is still much room for improvement. The Company's aquatic feed ranks at the forefront of the domestic industry due to its technological and scale leadership; and the livestock and poultry feed ranks among the top ten in the industry and in a leading position in technology and industry scale in the regional market. The Company ranks among the top ten feed enterprises in the world in terms of production and sales scale.

The Company has been gradually expanding feed, seedlings and animal healthcare markets in Vietnam, India, Indonesia, Ecuador, etc.

The Company's high-quality fish and shrimp fry, and animal healthcare products for aquatic species are playing a leading role in the industry in respect of technology and market shares.

The Company is recognized as a Key National Leading Enterprise for Industrialization of Agriculture, a State-Level Enterprise Technology Center, and is among the top 500 Chinese companies, the top 500 Chinese manufacturing companies, the top 500 privately-held companies in China, the 2020 Fortune China 500, and China's Agricultural Flagship Enterprise in 2020.

II. Material Changes of Major Assets

1. Material Changes of Major Assets

Major assets	Description
Equity assets	During the reporting period, the Company's equity assets decreased by 1.34% from the beginning of the period, mainly because investees declared cash dividends.
Fixed assets	During the reporting period, the Company's fixed assets increased by 22.31% from the beginning of the period, mainly because the Company's projects under construction were transferred to fixed assets after completion and being put into production in the year, as well as due to the acquisition of new companies and the increase in purchase and construction of production equipment.
Intangible assets	During the reporting period, the Company's intangible assets increased by 12.03% from the beginning of the period, mainly due to the new land use rights, software use rights and trademark rights, etc.
Construction in progress	During the reporting period, the construction in progress of the Company increased by 142.00% from the beginning of the period, mainly due to the new factory buildings and equipment that were not ready for their intended use.
Inventories	During the reporting period, the Company's inventories increased by 62.56% from the beginning of the period, mainly due to the increase in stocks of raw materials for production and the inventory of consumptive biological assets at the end of the period as a result of the rising prices of agricultural commodities.

2. Major Assets Overseas

Applicable Not applicable

III. Analysis of Core Competitiveness

The Company's products and services are centered on the needs of the animal production industry. Its core competitiveness is represented by the capability of creating values for customers while carrying out the mission of changing rural China. Specifically, its core competitive edges include a diversified and complete product configuration, outstanding single product advantage, comprehensive farming technology service capabilities, industrial layout and the ability to organize the development of the industrial chain-related links, the lean management capability, and an attractive system of talent incentive and development.

1. Diverse and complete product configurations to provide farmers with complete products and solutions covering the whole production process

Centering on the animal farming chain, after many years of technological investment, transformation of research and development achievements, product accumulation, production layout, etc., the Company's product configuration has reached a relatively diversified and complete state and covered the whole process of animal

farming including feed, functional feed, seedlings, drugs, vaccines, biological products, etc. and it is still under further development. With respect to feed products, the Company is one of the few feed producers in China that can produce feed for fish, shrimps, pigs, meat poultry and egg poultry. And it is fairly competitive in all the product categories, with a large market share all in major markets. Product configuration capability requires strong insights into customer demands, R&D capability, results conversion capability, investment in construction of production facilities, processing organization capability, marketing promotion capability, and technical service capability.

The Company has rich technical research reserves and an R&D team composed of more than 2,000 employees. It annually invests a considerable amount in R&D, with expertise in multi-disciplinary fields of animal nutrition, veterinary medicine, animal farming and genetic improvement, animal farming strategy optimization, bioengineering, biochemistry and machinery. The fast transformation of R&D outcomes, and rapid implementation of investment supporting strategies contribute to the Company's strong product configuration capability.

For example, for feed formulations, the Company, through more than 20 years of accumulation in continuous research and development, has established a huge database of animal nutrition requirements and reserved a variety of raw material formula technologies. Thousands of sets of comparative experimental results are added to the database of core nutritional needs of animals and raw materials utilization to convert technologies into productivity. Therefore, the Company has a strong capacity in terms of organization and continuous optimization of product formulas and adaptation to changes. To quickly adjust the formula when the raw material prices fluctuate can achieve cost competitive advantages.

The Company has teams for technical services and marketing with a deep understanding of its technologies and products, who visit farms or farming sites to know the actual farming situation in a timely manner. Therefore, the Company has detailed data sources for terminal consumption habits, animal growth performance after feed utilization, epidemic disease prevention, animal farming strategy and animal farming needs, and can accurately grasp the demands of farmers and precisely propose technical requirements on product design to support full concentration of the Company's technical resources on customer's core needs.

The Company provides farmers with comprehensive farming solutions covering seedlings, farming technologies, disease prevention, farming model, health and environmental protection solutions. Meanwhile, business development lays a more solid foundation for R&D and technological innovation that pave the way for the further development of the industry.

2. Clear and excellent product performance is the Company's most important competitive advantage

For all series of products, the Company is dedicated to creating product superiority that is significantly ahead of its competitors and has invested heavily in the explicit expression of product performance.

Despite of a high price, high-end products have the obvious advantage of ultimate pursuit of animal survival rate, growth efficiency and have a prominent brand effect. On the basis of ensuring leading production efficiency, middle-end products are close to the competitors' product pricing and are pursuing outstanding cost competitiveness. Therefore, in light of the industry's overall good farming benefits, the Company's customers,

with the support of integrated products, can obtain significantly higher returns than other farmers; in the event that the industry's farming benefits decline and even the entire industry suffers losses, the Company's customers can suffer less or even no loss.

The manifestation of product power requires the support of various internal professional capabilities of the Company: the research and development capabilities of animal nutrition and raw material utilization, product formula technology capability, raw material value procurement capability, efficient internal operation capability are all indispensable. For example, in respect of support of purchase capacity, the Company's procurement team has outstanding professional capabilities. The team is young and specialized, and it performs division of labor according to subdivided raw material categories. The wide industry perspective and a large amount of information acquisition and analysis ensure tracking, research, and judgment of the market trends of bulk raw materials at home and abroad in a real time and utilization of futures instruments for hedging of bulk raw materials to effectively control the purchase price risk and position risk. The prominent purchase capability can identify numerous raw material purchase opportunities, making cost advantages for feed products and trade of raw materials possible. The Company is the first company to successfully achieve centralized purchase in the industry. It has clear advantages in respect of large-scale purchases. Besides, it is sophisticated in the combined application of purchase tools including spot goods, futures and options, as well as flexible application methods. Forward value purchase and risk position management also help the Company to gain purchasing cost advantages.

Another example is the Company's ability to support efficient operations. By promoting the application of SAP, EPS, the business sharing system and other management software, the Company has a strong information-based system, and internal operations are streamlined, standardized, and data-based. The role of data-based operation is to find out the efficient and energy-saving operation method by comparing the big data of branches; the role of process-based operation and standardization is to greatly improve the internal reproducibility. The platform-based management mechanism enables swift allocation of production, R&D, procurement and personnel resources to respond to the market and match the market and customer needs in a more flexible, fast and efficient fashion. Efficient operation capacity underpins effective organization of specialized production of all kinds of products.

3. The comprehensive animal farming technical service system is an important initiative for the Company to coordinate product chain, create value for customers and continuously acquire new customers and improve customer royalty

In 2006, the Company took the lead in the industry to provide comprehensive technical services to farmers, and positioned the Company as a service-oriented enterprise providing animal farming solutions to farmers. The Company provides farmers with full-process product and technical service support including "seedlings - stocking mode - environmental control - animal epidemic prevention - feed - market information - finance support" to ensure that farmers can use the most advanced farming technology to ensure farmers' growing success and profitability. The Company has a technical service team composed of nearly 8,000 talents with the most experience and most passion in the industry; it has also accumulated a variety of advanced animal farming models based on local characteristics; its hundreds of highly efficient service stations in farming concentrated areas throughout the country can simultaneously provide technical services for tens of thousands of farmers. The Company's relatively complete service system in the industry can give full play to its product strengths and provides a full range of technical services for farming, which can effectively amplify the benefits for customers, thereby boosting customer royalty.

The Company started farming technical services by aquaculture services. After over a decade of efforts to build professional teams and platforms, the Company's process and concept of farming technical service system have penetrated all aspects of products, technologies, R&D, market and operation, significantly driving the growth of the aquatic animal feeds and animal healthcare products. Besides, the process and concept have been gradually applied to poultry and pig farming. In recent years, the Company has achieved remarkable results in boosting the development of livestock and poultry business by setting up livestock and poultry service stations.

The comprehensive animal farming technical services have become an important brand label of the Company and an important means to create value for customers, obtain customers and boost customer royalty.

4. The Company's existing industrial layout advantage supports the Company to quickly organize the comprehensive development of multiple links in the industrial chain, reserve of new businesses in order, and the increasingly prominent industrial comprehensive advantages.

The Company's feed products include a full range of feed products for livestock, poultry and aquatic feeds. The product line is complete and the product mix features endow the company with a strong anti-risk capability. Different kinds of feed products have different technical contents, different gross profit margins, and different market characteristics and operational risks. The Company's product mix makes it possible for the Company to obtain higher gross profit margins than the industry's general level, and to better control the market operational risks caused by animal epidemic diseases and imbalance of supply and demand and ensures the Company's stable revenue from sales of feed products and maintain a rapid growth much higher than that of the industry.

Over the years, the Company has orderly developed high-quality aquatic animal seedlings, aquatic animal healthcare products, livestock and poultry vaccines, veterinary drugs, animal healthcare products for livestock and poultry, pig farming and other businesses. The core technologies in industrial chain have gradually gained advantages in terms of technology, industrial layout and industrial collaboration, thus fostering more new business growth points and profit growth points for the Company and laying a solid foundation for the Company to further amplify the multiplier effects of the industrial chain and create comparative competitive advantages.

5. Continuously building excellent operation management team and lean management capability to promote sustainability

The Company has a hard-working, dedicated, professional management team with a consistent philosophy. Most of the members of the team are graduated from agricultural institutions of higher learning and have a strong technical background. The management has a profound and comprehensive understanding of the feed industry and has accumulated extensive practical experience and formed magnificent and unified visions and goals, strong industry insight, leadership and executive force, enabling them to adapt to the rapid changes in the feed industry and the Company's ever-increasing operational management requirements in terms of academic background, knowledge structure, industry experience and age.

In recent years, the industry is in an era of dramatic changes with tremendous changes in industry development, scale of farmers and needs of customers. Emerging industries including rural finance and "Internet+" model have also constantly impacted the industry. To promote the transformation and innovation of the industry and create corporate mechanism and culture, i.e. the collective learning capacity that can quickly respond to changes

enabling the Company to continuously create value for customers, is the foundation for the Company to gain sustainable competitive advantages.

From producing aquafeed premixture to manufacturing compound feeds for various aquatic species including freshwater fish, marine fish, and shrimps, from having leading advantages in aquatic feeds at the beginning to gradually having apparent advantages extended to feed for livestock and poultry, from simple feed production operation to provision of comprehensive services including seedlings, animal healthcare and animal farming technical services for farmers, and from business operation only in Southern China to expansion to Central China, Eastern China, Northern China, Southeast Asia and South America, the Company has experienced the process of development from scratch to become stronger and larger and to rank the forefront of the industry, relying on the collective learning ability of the Company's management and all employees. Affected by this culture and benefits from this capacity, the Company keeps learning and growing.

6. The sound talent training system and effective incentive mechanism promote the sustained and stable development of the Company

The Company continues to foster an organizational climate where talent training is valued. Haid College and the Human Resources Center have built a training system covering the whole career of employees, all businesses of the Company and all positions. A learning ecosystem that combines popular education and elite training has been established and standardized. In addition, the Company provides skill training programs appropriate to the development of employees at all levels with a view to quickly nurturing more internal professionals. With the Company's continuous business development and further expansion of business network, many young professionals who are young, enthusiastic, energetic, and have new ideas in this new era have become the mainstay of the Company's middle management and core technology teams. Through school-enterprise cooperation and industry-education integration programs, the Company recruits a large number of outstanding graduates every year, who compose a talent reserve that supports sustainable corporate development. China Vocational Education Group of Modern Fishery and Rural Revitalization College, established by the Company, have encouraged many farmers to participate in the cultivation of technical and industrial talents. The internal and external talent development systems can generate professionals for the Company and empower industry development, thus promoting the progress of the industry as a whole.

Since its listing, the Company has implemented equity incentive plans and employee stock ownership plans for core management members and core technical experts at many levels. It has put in place a mechanism of long-term and short-term incentives and constraints under which the interests of the management members and core technical experts are consistent with the interests of all shareholders. Performance targets are set and linked to incentives to ensure the accomplishment of the Company's development strategies and business objectives so that the Company can maintain sustained and stable growth.

Section IV. Discussion and Analysis of Operations

I. Overview

(I) Industry situation

The outbreak of the COVID-19 pandemic in 2020 had a significant impact on the food and beverage consumption of Chinese people. As the pandemic has been under control, the Chinese economy has managed to recover, but the overall consumption remains in the doldrums. The international trade relations in the context of the geopolitical landscape became increasingly complex, and the agro-product prices went up sharply and fluctuated considerably. COVID-19 created uncertainties as to the development of the traditional real economy, which, coupled with the low food consumption and rising agro-product prices as well as the resurgence of ASF, brought many difficulties to feed and farming sectors. Tremendous changes took place in the industry development landscape.

Pig farming and feed sectors. Hog in stock continued to increase steadily. In 2020, 527.04 million pigs were produced and 406.5 million pigs were in stock, which recovered to 76% and 95% of 2018's levels, respectively, according to the Statistical Communiqué on 2020 National Economic and Social Development (《2020年国民经济和社会发展统计公报》) released by the National Bureau of Statistics of the PRC. Pig prices fluctuated at high levels throughout the year, and farming was very lucrative. Thanks to the steady growth of pig in stock and a low base over the last year, China's total output of pig feed for the whole year was 89.225 million tons, an increase of 16.4% over the same period last year, indicating a return to about 90% of the levels before the outbreak of ASF in 2018 and 2017. Driven by the high profitability of pig farming, traditional large-scale pig feed enterprises shifted their focus to pig farming business, while reducing or even stopping investment in the pig feed sector. Small pig feed enterprises were in a worsening situation as they faced difficulties in material procurement (supply and cost control) and were not recognized in terms of biological prevention and control capabilities. Against the backdrop of the outbreak of ASF, the competitive landscape of the pig feed sector underwent profound changes, and there was a market reshuffle.

Poultry farming and feed sectors. Poultry farming was stuck in a long-term downturn cycle. In the first half of 2020, as the COVID-19 pandemic affected consumption, especially live poultry consumption, live poultry prices fell to the bottom. In the second half, due to the gradual increase in pork supply, the consumption share taken by others was recovered. As a result, the poultry farming sector (yellow chickens and meat ducks) remained loss-making from the end of 2019 to the end of 2020. China's total poultry feed output for the whole year was 125.277 million tons, up 8.17% over year on year. Although the sales volume increased from the prior year, poultry feed sector faced pressure from the ongoing loss-making situation and a sharp rise in raw material prices, remaining subdued. The poultry farming and feed sectors fell from their highs in 2019 to the bottom, with many SMEs and large enterprises struggling to survive, or shutting down, or managing to achieve a business transformation.

Aquaculture and feed sectors. The aquaculture sector was at a low level before a rise, achieving good profitability throughout the year. In the first half of 2020, in the wake of the COVID-19 pandemic, the "Xinfadi" incident, and floods in some regions, the seedling, circulation and consumption of aquatic products were all considerably affected. Especially, in recent years, as crayfish and bullfrog are popular among Chinese consumers, the demand

for aquatic products has more than halved; thus, the farming and feed sectors have all suffered heavy losses. However, due to the drop in the deployment of aquatic seedlings in the first half of the year, the supply of aquatic products remained tight in the second half of the year. Therefore, the prices of aquatic products were better in the second half, generating good profits. Furthermore, the decrease in aquatic products in stock resulted in weak demand for aquatic feeds. The total domestic aquatic feed output in China for the whole year was 21.236 million tons, down 3.6% year on year. The decline in feed demand further intensified market competition, with many enterprises recording a drop in sales volume and profits.

On the one hand, these were attributable to COVID-19, low consumption, a big climb in raw material prices, intensifying competition and other operating uncertainties. On the other hand, many SMEs in the feed sector shut down in the middle of the year, as a result of the industry-wide technological progress, enhanced management, expansion of economies of scale, accelerating efforts to industrialize agriculture, and the introduction of more stringent policies. Consequently, industry consolidation increased faster.

(II) Review of the Company's businesses

During the reporting period, the Company, in adherence to the principle of creating value for customers, continued its efforts to build value chains with the aim of providing better customer services, and comprehensively upgraded its services. It increased R&D investment and market research on raw materials, optimized product structure, and enhanced product competitiveness. It built an efficient platform-based management model to offer customers the best cost-effective products and services in a more flexible and efficient way. The Company carried out Harvest Operation and Thunder Operation. Internally, it created a climate where all employees strove for excellence, conducted benchmarking management, enhanced product competitiveness; externally, it constantly expanded market shares and built more competitive edges over competitors. During the reporting period, the Company continued to enhance its product competitiveness and brand competitiveness, with growth in all the business segments of feeds, animal healthcare products, seedlings and farming. It recorded operating income of RMB 60,323.8624 million, an increase of 26.70% over the last year. The net profit for the year attributable to the shareholders of the parent company stood at RMB 2,522.7304 million, up 53.01% year on year. Thus, the Company's competitive advantages have been further strengthened.

1. A sound farming service system was built, focusing on feeds, seedlings and animal healthcare products

The Company has forged strong synergy among feeds, seedlings and animal healthcare products to increase the benefits from farming services. High-quality seedlings and animal healthcare products based on services have created a strong driver for feed sales. At the same time, competitive feed products have become the driving force and key source of customers for seedlings and animal healthcare products. Feeds, seedlings and healthcare products have become the three key business segments that underpin the sustainable development of the Company.

(1) Feed business

During the reporting period, despite all the difficulties and operating uncertainties, the Company, in adherence to

the principle of creating values for customers, managed to sell feed of 14.66 million tons (excluding 540,000 tons of self-use feed for farming business), a steady and rapid increase of 19.33% year on year, and the gross profit margin was 10.32%, down by 0.52 percentage point from the prior year (if adjustment to recognized income and cost under accounting standards in the year is excluded, the gross profit margin rose by 0.11 percentage point year on year under the same statistical standard as last year).

The sales volume of **poultry feed** expanded by 20% year on year, and the gross profit margin declined by 0.86 percentage point year on year. To respond to the substantial increase in the agro-product prices, the Company leveraged its technical strengths to adjust product formulas in time to mitigate the relevant impact and control feed costs. In the meanwhile, the Company actively acquired customers as large-scale farming companies, providing them with customized and personalized solutions and products in line with their farming conditions, market positioning and demands. The Company also joined hands with large-scale farming companies to achieve win-win outcomes through industrial chain cooperation. During the reporting period, the Company, based on its aquaculture service system that has been continuously refined for many years, established livestock & poultry farming service stations in key markets to provide farmers with animal healthcare solutions, vaccine products and other related services, helping them enhance their farming value. On the basis of high-quality products, development of big customers and farming services, the Company's sales volume grew considerably; especially, in the core poultry feed markets -- South China and North China -- the Company's market share expanded significantly. In the newly developed poultry feed market -- Southeast Asia, the sales volume more than doubled. Besides, the Company's poultry feed profitability was higher than that of the industry, with evident competitive edges.

The sales volume of **pig feed** rose by 37% year on year, and the gross profit margin was up by 0.94 percentage point compared to last year. These indicated that the Company achieved rapid breakthroughs in pig feed business, with record-high gross profit margin. As for product competitiveness, the Company built more than 30 pig feed test sites across China, which have a number of doctors and masters specializing in the development of new pig feed products. Thus, the Company enhanced its ability to commercialize and apply R&D achievements. According to the nutritional needs of each process of pig production, health improvement and other needs, the Company continued to roll out more pig feed products to better improve disease resistance, uniformity, growth rate and birth rate of pigs. The rollout and promotion of high-end products and comprehensive technical service methods such as anti-ASF further expanded the Company's pig feed market influence and enhanced competitiveness. Sow feed, creep feed, concentrate and suckling pig feed continued to be high cost-effective, further optimizing the product structure. In particular, the development of the northern market was accelerated fully, with sales volume close to two times higher than that before ASF (2018), and some products were exceptionally popular among local customers. In the context of epidemic prevention, the Company, by leveraging digital means for transformation of technical services, developed the online and offline service model of "Internet + Services". It offered farmers online training and answered their questions through live streaming, video, WeChat official accounts, communities and other new media means. The training programs covered such topics as farming model improvement & plan optimization, disease prevention and control, farming fund planning and arrangement, market conditions, and market forecast and analysis. Furthermore, on the basis of the on-site testing and services of offline livestock & poultry farming service stations, the Company provided technical services covering the entire farming process. These programs helped farmers enhance their profitability as well as disease prevention and control capacity. The optimization and improvement of the pig feed product structure, successful development of the northern market and the establishment of the service system all demonstrated the great enhancement of

Company's capacities in R&D, resource allocation, production, service and operation of pig feed products. The Company's product competitiveness and brand recognition have been fully acknowledged by the market, and there is still huge room for growth in the pig feed market of the Company in the next few years.

The sales volume of **aquatic feed** rose by 10% year on year, and the gross profit margin was on par with the prior year. Due to the COVID-19 pandemic in the first half of the year, the transportation and seedling of aquatic products were affected. The seedling season was missed, leading to a decline in seedling volume. The principal farming areas of ordinary aquatic products (four common fishes and other traditional aquatic products) were in Central China, with Hubei Province as one of the key areas. Affected by COVID-19, the seedling of aquatic products in Hubei dropped significantly, and the feed demand for the whole year reduced substantially. Also, some areas in Central China were hard hit by floods in the middle of the year, directly leading to a 9% drop in the Company's annual sales volume of aquatic feed. The aquatic feed profit in Central China was under pressure. Besides, crayfish feed in Central China was also severely impacted by the decline in consumption, with a flat sales volume and a decline in profit. Other varieties and regions registered notably good market performance. Driven by the Company's feeds, seedlings and animal healthcare products, the sales volumes of shrimp and crab feed and high-grade floating fish feed all climbed, with the annual sales volume of shrimp and crab feed (including crayfish feed in Central China) by 25%. In particular, the annual sales volume of shrimp and crab feed in East China made recorded a record-high increase of more than 50% year on year, far above the market average. The production capacity of high-grade floating fish feed (fish, sea bass, etc.) somewhat expanded, and the products maintained highly competitive, with the annual sales volume rising more than 30% over last year. Especially, the annual sales of California perch feed went up by more than 60%. The Company's structure of aquatic feeds was optimized notably, with shrimp and crab feed and high-grade floating fish feed accounting for 47% of aquatic feeds. The gross profit margin of aquatic products for the whole year was flat, and the gross profit per ton achieved year-on-year growth, despite the overall poor performance of original aquatic feeds.

(2) Animal healthcare products

During the reporting period, the Company registered sales revenue of animal healthcare products of RMB 665 million, an increase of 15.78% year on year and a gross profit margin of 51%. The Company comprehensively enhanced the professionalism of aquatic animal healthcare services through tool upgrading, service deepening and product innovation and created a new high-tech service platform called Aquatic Epoch Service Station. By referring to the advanced technologies of human medicine and veterinary medicine, intelligent monitoring, the Company applied professional testing and accurate diagnosis and treatment to the aquaculture sector and effectively commercialized its R&D achievements made over the years. It built a "Tertiary A Hospital" for the aquatic farming sector, which includes testing, diagnosis, prevention, treatment and training -- a comprehensive service platform that integrates industry products and leading technologies. During the reporting period, the Company's aquatic animal healthcare products were considerably affected by the decline in crayfish farming, with the annual sales revenue up by 9.24% year on year, representing a deceleration. Drawing upon the practices in development of aquatic services, the Company commenced the construction of livestock & poultry service stations with professional veterinarians and service engineers, with the aim of making them service-oriented suppliers of livestock & poultry farming services. They will provide a wide range of products of seedlings, medicine and devices for farming to quickly apply and commercialize advanced products and technologies of the Company. Thus, the Company's service system will be more comprehensive, professional, accurate and efficient.

(3) Seedling business

During the reporting period, the Company's revenue from seedling business amounted to RMB 586 million, an increase of 66% over the last year, with a gross profit margin of 53%. Seedlings are the basis of farming and the foundation of developing farming sector. Guided by the principle of "driving agricultural development with technologies and giving priority to developing improved varieties", the Company has forged synergy between its seedling business and animal healthcare products, which plays a vital role in giving full play to the advantages of the Company's industrial chains. The Company's seedlings primarily include fish fry and shrimp fry. In terms of fish fry, the Company has built five R&D bases and more than 20 production bases. Through more than 10 years of R&D efforts, the Company has achieved fruitful results in the selection, improvement, reproduction and large-scale development of improved varieties. The Company is able to supply California perch fry all year round. It has addressed the off-season supply problem, greatly improving the farming efficiency and advancing industrial progress as well as feed sales growth. Thanks to years of R&D, the Company has created and adopted a controllable, standardized production and management model for shrimp seedlings, covering breeding, propagation and reproduction, especially in the breeding of white shrimp. Its self-breeding varieties have clear advantages and have been recognized by farmers. During the reporting period, the sales revenue of shrimp seedlings grew by 68% year on year, and the gross profit margin climbed by more than 8 percentage points. The Company is committed to rendering green, healthy, high-quality and high-yield aquatic seedlings to customers. Its further strengthening and investment in production, study, research, education, reproduction and promotion will provide a more solid foundation for the development of its industrial chains.

2. The industrial chains of farming and processing businesses were extended on the basis of enhancing core competitiveness

(1) Pig farming business registered revenue of RMB 3,794 million, up 175.46% year on year, with a gross profit margin of 30%. The annual hog output was nearly 1 million. During the reporting period, resurgences of ASF took place in some areas, and anti-ASF became a new normal. Through nearly two years of efforts, the Company has built a pig farming team with professional technologies, veterinary technologies and environmental treatment technologies, as well as good anti-ASF methods. Operationally, pig farming and production, veterinary medicine, breeding, nutrition, cost control and other systems have been basically put in place, leading to a substantial rise in the survival rate of pigs. The Company will continue to build a modern, technology-based and intensive pig farming model. With the continuous construction of independent pig farms, the cost of pig farming of the Company will be better controlled in the future.

(2) The poultry industry chain generated revenue of RMB 1,805 million, representing an increase of 81.27% over the same period last year. The scale of the poultry industry chain is still small at present. During the reporting period, the poultry farming sector was in the doldrums, and the Company's poultry industry chain suffered a slight loss. The Company's poultry industry chain includes poultry farming and meat poultry slaughtering, which are extended businesses on the basis of the principal businesses and are in their early development stage. As the Company gains a better understanding of the market and terminal, the poultry industry chain, feeds and animal healthcare products will support mutually in development, so that the Company can better understand the industry in exploring the development of the industrial chain and more effectively leverage its competitive edges of the

industrial chain.

(3) As for the aquaculture business, the Company carried out special aquaculture business during the reporting period, which is still in its early development stage. By leveraging its advantages in special aquatic feeds, seedlings and technical services established for many years, and in-depth research and understanding of the market, the Company will be able to go further in the development of special aquatic industry chain.

3. Trade business

During the reporting period, the Company recorded revenue from raw materials trade of RMB 4,405 million, down 15.28% year on year. During the reporting period, the agro-product prices fluctuated dramatically, with the prices of major feed raw materials such as corn and soybean meal on a continuous rise. The Company gave priority to ensuring its own production demand during the procurement of agro-products, resulting in a decline in raw materials trade.

II. Analysis of Principal Operations

1. Overview

Please see "I. Overview" under "Discussion and Analysis of Operations" for relevant information.

2. Revenue and cost

(1) Components of operating income

Unit: RMB

	2020		2019		Increase/decrease
	Amount	% of operating income	Amount	% of operating income	
Total operating income	60,323,862,405.94	100%	47,612,587,464.50	100%	26.70%
By industry					
Feed industry	53,955,776,608.48	89.44%	44,871,383,878.06	94.24%	20.25%
Farming industry	6,368,085,797.46	10.56%	2,741,203,586.44	5.76%	132.31%
By product					
Feed sales	48,765,213,907.42	80.84%	38,985,186,067.96	81.88%	25.09%
Animal healthcare products sales	664,662,163.91	1.10%	574,064,192.41	1.21%	15.78%
Agricultural sales	6,368,085,797.46	10.56%	2,741,203,586.44	5.76%	132.31%
Trade business	4,404,959,107.51	7.30%	5,199,456,961.28	10.92%	-15.28%

Other	120,941,429.64	0.20%	112,676,656.41	0.24%	7.33%
By region					
Southern China	34,089,748,602.32	56.51%	26,044,702,214.86	54.70%	30.89%
Eastern China	8,782,920,530.71	14.56%	6,301,474,741.13	13.23%	39.38%
Northern China	21,128,275,963.35	35.02%	16,583,504,018.01	34.83%	27.41%
Central China	12,591,006,531.74	20.87%	10,075,744,770.11	21.16%	24.96%
Overseas	5,586,714,516.28	9.26%	4,285,189,298.17	9.00%	30.37%
Combined offset	-21,854,803,738.46	-36.23%	-15,678,027,577.78	-32.93%	-39.40%

Note: Sales of agricultural products include sales of seedlings, pigs, poultry and aquatic products.

(2) Industries, products or regions accounting for over 10% of operating income or operating profit of the Company

✓ Applicable □ Not applicable

Unit: RMB

	Operating income	Operating costs	Gross profit margin	Increase/decrease of operating income as compared to the corresponding period of the prior year	Increase/decrease of operating costs as compared to the corresponding period of the prior year	Increase/decrease of gross profit margin as compared to the corresponding period of the prior year
By industry						
Feed industry	53,955,776,608.48	48,350,322,343.75	10.39%	20.25%	20.58%	-0.25%
Farming industry	6,368,085,797.46	4,941,457,315.68	22.40%	132.31%	132.62%	-0.11%
By product						
Feed sales	48,765,213,907.42	43,734,476,976.26	10.32%	25.09%	25.82%	-0.52%
Animal healthcare products sales	664,662,163.91	328,469,521.22	50.58%	15.78%	24.51%	-3.46%
Agricultural sales	6,368,085,797.46	4,941,457,315.68	22.40%	132.31%	132.62%	-0.11%
Trade business	4,404,959,107.51	4,257,457,841.99	3.35%	-15.28%	-15.59%	0.35%

By region						
Southern China	34,089,748,602.32	29,852,879,701.80	12.43%	30.89%	30.88%	0.01%
Eastern China	8,782,920,530.71	8,176,185,580.43	6.91%	39.38%	40.22%	-0.56%
Northern China	21,128,275,963.35	19,899,292,170.13	5.82%	27.41%	27.27%	0.10%
Central China	12,591,006,531.74	11,747,755,245.47	6.70%	24.96%	24.60%	0.28%
Overseas	5,586,714,516.28	4,940,394,296.64	11.57%	30.37%	29.91%	0.31%

Under the circumstances that the statistics specification for the Company's principal operations data experienced adjustment in the reporting period, the principal operations data upon adjustment of the statistics specification at the end of the reporting period in the latest year

Applicable Not applicable

(3) Whether revenue from sales in kind is higher than revenue from services

Yes No

By industry	Item	Unit	2020	2019	Increase/ decrease
Feed industry	Sales volume	10,000 tones	1,466.07	1,228.64	19.32%
	Production output	10,000 tones	1,469.58	1,259.01	16.73%
	Inventories	10,000 tones	18.64	15.13	23.20%

Explanation on why the related data varied by more than 30%

Applicable Not applicable

(4) Performance of material sales contracts of the Company during the reporting period

Applicable Not applicable

(5) Composition of operating costs

By industry and product

Unit: RMB

By industry	Item	2020		2019		Increase/decrease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed industry	Material costs	46,208,636,806.18	95.57%	38,314,454,972.39	95.55%	20.60%
Feed industry	Labor costs	577,162,499.20	1.19%	502,192,987.50	1.25%	14.93%

Feed industry	Manufacturing expenses	1,381,867,251.75	2.86%	1,250,454,649.07	3.12%	10.51%
Feed industry	Contract performance costs	152,737,782.34	0.32%			
Feed industry	Others	29,918,004.28	0.06%	32,057,368.59	0.08%	-6.67%
Total of feed industry		48,350,322,343.75	100.00%	40,099,159,977.55	100.00%	20.58%
Farming industry	Material costs	3,977,617,606.06	80.49%	1,798,900,558.11	84.68%	121.11%
Farming industry	Labor costs	632,978,273.06	12.81%	211,537,541.78	9.96%	199.23%
Farming industry	Manufacturing expenses	323,797,587.09	6.56%	113,813,839.66	5.36%	184.50%
Farming industry	Contract performance costs	7,063,849.47	0.14%			
Total of farming industry		4,941,457,315.68	100.00%	2,124,251,939.55	100.00%	132.62%

By product

Unit: RMB

By product	Item	2020		2019		Increase/decrease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed sales	Material costs	41,661,229,143.22	95.26%	33,027,101,264.23	95.02%	26.14%
Feed sales	Labor costs	568,414,674.05	1.30%	493,259,024.87	1.42%	15.24%
Feed sales	Manufacturing expenses	1,370,569,543.68	3.13%	1,239,282,995.49	3.57%	10.59%
Feed sales	Contract performance costs	134,263,615.31	0.31%			
Total feed sales		43,734,476,976.26	100.00%	34,759,643,284.59	100.00%	25.82%
Animal healthcare products sales	Material costs	289,949,820.97	88.27%	243,706,084.30	92.38%	18.98%
Animal healthcare	Labor costs	8,747,825.15	2.66%	8,933,962.63	3.39%	-2.08%

products sales						
Animal healthcare products sales	Manufacturing expenses	11,297,708.07	3.44%	11,171,653.58	4.23%	1.13%
Animal healthcare products sales	Contract performance costs	18,474,167.03	5.632%			
Total animal healthcare products sales		328,469,521.22	100.00%	263,811,700.51	100.00%	24.51%
Agricultural sales	Material costs	3,977,617,606.06	80.49%	1,798,900,558.11	84.68%	121.11%
Agricultural sales	Labor costs	632,978,273.06	12.81%	211,537,541.78	9.96%	199.23%
Agricultural sales	Manufacturing expenses	323,797,587.09	6.56%	113,813,839.66	5.36%	184.50%
Agricultural sales	Contract performance costs	7,063,849.47	0.14%			
Total agricultural sales		4,941,457,315.68	100.00%	2,124,251,939.55	100.00%	132.62%
Trade business	Sales costs	4,257,457,841.99	100.00%	5,043,647,623.86	100.00%	-15.59%
Total of trade business		4,257,457,841.99	100.00%	5,043,647,623.86	100.00%	-15.59%
Other	Sales costs	29,918,004.28	100.00%	32,057,368.59	100.00%	-6.67%

(6) Change of scope of consolidation during the reporting period

Yes No

During the year, the scope of consolidation included 389 subsidiaries. For details, please refer to the Note "VII. Interests in Other Entities" in Section XII "Financial Report". The scope of consolidation of the Company in this year increased by 78 and reduced by 6 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" in Section XII "Financial Report".

(7) Significant change in or adjustment of the businesses, products or services of the Company during the reporting period

Applicable Not applicable

(8) Sales to major customers and major suppliers

Sales to major customers of the Company

Total sales to top 5 customers (RMB)	1,478,247,841.14
Total sales to top 5 customers as a percentage of the total sales for the year	2.45%
Sales to top 5 customers who are related parties as a percentage of the total sales for the year	0.00%

Information on top 5 customers of the Company

No.	Name of customer	Sales (RMB)	As a percentage of the total sales for the year (%)
1	No. 1	488,455,184.26	0.81%
2	No. 2	307,099,971.95	0.51%
3	No. 3	237,149,622.61	0.39%
4	No. 4	224,001,055.82	0.37%
5	No. 5	221,542,006.50	0.37%
Total	--	1,478,247,841.14	2.45%

Other explanation of major customers

Applicable Not applicable

The top five customers of the Company are mainly customers of the trade business. The top five customers have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major customers. The top five customers accounted for 2.45% of total annual sales. The Company's sales revenue does not depend on single or top five customers.

Major suppliers of the Company

Total purchases from top 5 suppliers (RMB)	5,649,597,067.41
Total purchases from top 5 suppliers as a percentage of the total purchases for the year	11.96%
Total purchases from top 5 suppliers who are related parties as a percentage of the total purchases for the year	0.00%

Information on top 5 suppliers of the Company

No.	Name of supplier	Purchases (RMB)	As a percentage of the total purchases for the year (%)
1	No. 1	2,230,205,414.68	4.72%
2	No. 2	1,175,967,239.49	2.49%
3	No. 3	766,229,585.66	1.62%
4	No. 4	743,550,935.36	1.57%
5	No. 5	733,643,892.22	1.55%
Total	--	5,649,597,067.41	11.96%

Other explanation of major suppliers

Applicable Not applicable

The top five suppliers of the Company have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major suppliers. The top five suppliers accounted for 11.96% of total annual purchases. The Company's purchases do not depend on single or top five suppliers.

3. Expenses

Unit: RMB

	2020	2019	Increase/ decrease	Reasons for material changes
Selling and distribution expenses	1,342,844,756.41	1,562,696,499.51	-14.07%	Mainly because the Company adopted the new accounting standard governing revenue for the current period, and product transport expenses and port charges were recognized in operating costs as contract performance costs
General and administrative expenses	1,558,972,459.50	1,190,746,169.15	30.92%	Mainly due to the expansion of the Company's operating scale, the increase in management personnel and their salary and benefits, and the increase in office expenses
Financial expenses	236,239,259.96	211,949,889.53	11.46%	Increase in bank loans
Research and development expenses	479,306,685.65	416,009,959.72	15.22%	Mainly due to a higher number of R&D personnel and higher salaries for the R&D personnel in a bid to enhance

				the research and development
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4. Research and development investments

√ Applicable Not applicable

R&D provides the basis for the survival of the Company while continuous increase in R&D spending serves as the basis for the sustainable development of the Company. During the reporting period, the Company spent RMB491 million on R&D (including R&D expenses and development costs), up by 14.63% year on year. By focusing on breeding/nutrition/health/farming and food, the Company built an industrial leading R&D system for the whole industrial chain. While raising the spending on application technology, the Company focused on strengthening the building of technology platforms for various business modules on the industrial chain and formed a three-level R&D system covering from the research in platform technology and the development of application technology to the application of system solutions. The Company's R&D team currently comprises more than 2,100 members, including nearly 500 holding PhD and Master's Degree (The whole Group has a total of 1,084 employees holding PhD Degree and Master's Degree), providing adequate HR foundation for the improvement of the Company's R&D system.

During the reporting period, the Company continued to make R&D investment for all the industry chains, and adopted a three-tier R&D system while focusing on strengthening the first- and second-tier R&D platforms, thus ensuring the sustainable output and rapid commercialization of technological achievements. The first-tier R&D platform mainly focuses on basic and forward-looking research on the development prospects of the industry with a view to gathering strengths for the Company's continuous technological innovation, the second-level R&D platform concentrates on addressing common market issues to continuously enhance product competitiveness; the third-level R&D platform aims to help farmers address the problems that they encounter during farming. The basic research has constantly improved the Company's databases with core competitiveness, such as "Animal Nutrition and Feed Formula Database", "Microbial Strain Database", and "Molecular Genetics and Breeding Database". At the same time, the Company has conducted more in-depth, forward-looking research to produce technology reserves for areas with higher added value, such as breeding, vaccines and animal healthcare products, as well as more and more comprehensive varieties, e.g., aquatic products, poultry, and pig diseases in relation to the vaccine field. In addition, in view of the prominent common problems faced by the feed sector in 2020, like full antibiotic ban, accurate nutrition, shortage of raw material resources, mismatch between formula and process/technology, the Company has done technical research and made breakthroughs in related fields, thus further enhancing the independent innovation capacity and market competitiveness.

In terms of industry-education-research collaboration, the Company has conducted various forms of such collaboration with more than 50 domestic and foreign colleges and research institutes. The collaboration modes include jointly building industry-education-research collaboration bases, academicians' workstations and key laboratories. The Company actively carried out horizontal projects, took part in government projects, and joined forces to solve key, common, prospective and emergency problems facing the sector. During the reporting period, the Company undertook and was involved in 26 ongoing government projects in total, including eight state-level, eight provincial, seven municipal and three district-level projects. During the reporting period, the Company actively supplied talents to the industry and other enterprises through the "Enterprise Postdoctoral Research Workstation in Panyu Energy-Saving Science & Technology Park". It has recruited and nurtured 41 postdoctoral

talents in collaboration with Ocean University of China, Institute of Hydrobiology, Chinese Academy of Sciences, Sun Yat-sen University, among other universities and research institutes.

In 2020, with the implementation of the full antibiotic ban, the Company leveraged its technology reserves built up over years and creatively integrated internal and external resources to make breakthroughs and layouts in feed technology, farming management, environmental control, biological control, and other areas. It addressed piglet diarrhea and chicken coccidiosis that arose after antibiotic ban, ensuring success in the comprehensive promotion of antibiotic-free feeds and market stability. Therefore, the Company won the trust of farmers. The company will continue active actions to pursue green and healthy farming using antibiotic-free feeds and driven by technological innovations, to foster the sustainable development of the farming sector. The Company aims to make breakthroughs in key technologies in the biosynthesis of antibiotic-free feeds, provide systematic solutions for substitutes of feed containing antibiotics, and demonstrate and promote solutions to propel industrial progress and development.

Research and development investments of the Company

	2020	2019	Percentage change
Research and development headcount	2,162	1,623	33.21%
Ratio of research and development personnel	8.24%	7.81%	0.43%
Research and development investments (RMB)	490,795,848.72	428,148,011.70	14.63%
Research and development investments as % of operating income	0.81%	0.90%	-0.09%
Capitalized amount of research and development investments (RMB)	12,836,233.50	0.00	100.00%
Capitalized research and development investments as % of total research and development investments	2.62%	0.00%	2.62%

Reasons for significant change in total research and development investments as % of operating income

Applicable Not applicable

Reasons for significant change in capitalization rate of research and development investments and explanations thereon

Applicable Not applicable

5. Cash flows

Unit: RMB

Item	2020	2019	Increase/ decrease
Sub-total of cash inflows from operating activities	62,715,373,846.39	50,517,055,726.03	24.15%
Sub-total of cash outflows for operating activities	62,230,114,614.36	47,270,075,020.95	31.65%
Net cash flows from operating activities	485,259,232.03	3,246,980,705.08	-85.06%
Sub-total of cash inflows from investing activities	4,079,849,668.13	1,097,694,547.15	271.67%
Sub-total of cash outflows for investing activities	8,400,395,782.73	3,214,662,629.47	161.32%
Net cash flows from investing activities	-4,320,546,114.60	-2,116,968,082.32	-104.09%
Sub-total of cash inflows from financing activities	13,992,384,966.94	8,012,906,351.42	74.62%
Sub-total of cash outflows for financing activities	9,978,234,208.90	9,500,550,393.79	5.03%
Net cash flows from financing activities	4,014,150,758.04	-1,487,644,042.37	369.83%
Net increase in cash and cash equivalents	186,622,412.65	-333,902,151.08	155.89%

Explanation on main effects of material changes

✓ Applicable Not applicable

1. Net cash flows from operating activities decreased by 85.06% as compared to the corresponding period of the prior year mainly due to the increase in expenditures and prepayments with respect to raw materials at the end of the period as a result of the rising prices of raw materials.
2. Net cash flows from investing activities decreased by 104.09% as compared to the corresponding period of the prior year mainly due to the expansion of the Company's scale and the increase in fixed asset investments.
3. Net cash flows from financing activities increased by 369.83% as compared to the corresponding period of the prior year mainly due to the issuance of convertible corporate bonds and the increase in bank loans.

Explanation on main reasons leading to the material difference between net cash flows from operating activities during the reporting period and net profit for the year

✓ Applicable Not applicable

During the reporting period, the net cash flows from operating activities of the Company amounted to RMB 485.2592 million, which was RMB 2,364.5519 million less than the net profit of RMB 2,849.8111 million. The difference was mainly due to the increase in expenditures and prepayments with respect to raw materials at the end of the period as a result of the rising prices of agricultural commodities.

III. Analysis of Non-Principal Operations

Applicable Not applicable

IV. Analysis of Assets and Liabilities

1. Material changes of asset items

The Company adopted the new accounting standard governing revenue in 2020 for the first time, and adjusted the relevant financial statement items at the beginning of the year of adoption

Applicable

Unit: RMB

	As at the end of 2020		As at the beginning of 2020		Percentage change	Description of major changes
	Amount	As % of total assets	Amount	As % of total assets		
Cash at bank and on hand	2,056,471,632.75	7.47%	1,849,735,912.84	9.81%	-2.34%	At the end of the period, the percentage in total assets decreased by 2.34 percentage points; and the balance increased by 11.18% from the beginning of the period, which was mainly due to the increase in the scale of the Company's operations.
Accounts receivable	1,067,301,941.46	3.88%	1,021,751,432.56	5.42%	-1.54%	At the end of the period, the percentage in total assets decreased by 1.54 percentage points; and the balance increased by 4.46% from the beginning of the period, which was mainly due to the increase in the scale of the Company's operations.
Inventories	7,255,350,539.93	26.36%	4,463,319,035.43	23.67%	2.69%	At the end of the period, the percentage in total assets increased by 2.69 percentage points; and the balance increased by 62.56% from the beginning of the period, which was mainly due to the increase in stocks of raw materials for production and the inventory of consumptive biological

						assets at the end of the period as a result of the rising prices of agricultural commodities.
Investment properties	29,426,486.24	0.11%	30,645,502.71	0.16%	-0.05%	At the end of the period, the percentage in total assets decreased by 0.05 percentage point; and the balance decreased by 3.98% from the beginning of the period, which was mainly due to the accumulated depreciation and amortization and translation of financial statements denominated in foreign currencies.
Long-term equity investments	59,465,879.68	0.22%	62,614,691.35	0.33%	-0.11%	At the end of the period, the percentage in total assets decreased by 0.11 percentage point; and the balance decreased by 5.03% from the beginning of the period, which was mainly because investees declared cash dividends.
Fixed assets	7,703,538,937.81	27.99%	6,298,328,342.41	33.41%	-5.42%	At the end of the period, the percentage in total assets decreased by 5.42 percentage points; and the balance increased by 22.31% from the beginning of the period, which was mainly because the Company's projects under construction were transferred to fixed assets after completion and being put into production in the year, as well as due to the acquisition of new companies and the increase in purchase and construction of production equipment.
Construction in progress	1,591,741,924.42	5.78%	657,751,195.76	3.49%	2.29%	At the end of the period, the percentage in total assets increased by 2.29 percentage points; and the balance increased by 142% from the beginning of the period, which was mainly due to the new factory buildings and equipment that were not ready for their intended use.
Short-term loans	4,735,948,585.16	17.20%	3,020,892,004.18	16.02%	1.18%	At the end of the period, the percentage in total assets increased by 1.18 percentage points; and the balance

						increased by 56.77% from the beginning of the period, which was mainly due to the increase in short-term loans from banks as a result of a larger business scale.
Long-term loans	1,161,404,700.00	4.22%	821,661,042.98	4.36%	-0.14%	At the end of the period, the percentage in total assets decreased by 0.14 percentage point; and the balance increased by 41.35% from the beginning of the period, which was mainly due to the increase in long-term loans from banks.

2. Assets and liabilities measured at fair value

✓ Applicable □ Not applicable

Unit: RMB

Item	Opening balance	Gain or loss from changes in fair value during the period	Cumulative fair value changes recognized in equity	Impairment provided during the period	Purchases during the period	Disposal during the period	Other changes	Closing balance
Financial assets								
1. Held-for-trading financial assets (exclusive of derivative financial assets)	28,583,495.35	80,310,028.27						86,719,309.28
Sub-total of financial assets	28,583,495.35	80,310,028.27						86,719,309.28
Others (note)	255,521,350.00				252,000,000.00	3,103,787.36		504,417,562.64
Total of the above	284,104,845.35	80,310,028.27			252,000,000.00	3,103,787.36		591,136,871.92
Financial liabilities	2,633,510.00	-92,290,287.58						127,446,229.19

Note: Others include bank's wealth management products and non-current financial assets measured at fair value.

Contents of other changes

Whether there were any material changes on the measurement attributes of major assets of the Company during the reporting period

Yes No

3. Restriction on asset rights as at the end of the reporting period

As at the end of the reporting period, the Company still had restricted assets of around RMB 66.2911 million, which were mainly land reclamation deposits, letter of credit deposits, deposits for customs duties and loan deposits.

V. Analysis of Investments

1. Overview

Applicable Not applicable

Investments during the reporting period (RMB)	Investments during the corresponding period of prior year (RMB)	Change
3,390,357,467.37	1,336,744,184.76	153.63%

2. Material equity investments during the reporting period

Applicable Not applicable

3. Material non-equity investments during the reporting period

Applicable Not applicable

4. Financial investments

(1) Securities investments

Applicable Not applicable

The Company did not make any securities investment in the reporting period.

(2) Derivatives investments

Applicable Not applicable

Unit: RMB'0,000

Counterparty	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Opening investment amount	Purchased in the period	Sold in the period	Impairment allowance (if any)	Closing investment amount	Closing investment amount as % of the Company's closing net assets	Actual gain/loss in the period
Future company	Non-related party	Not	Future contracts of corn, soybean meal, etc.	0	1 Jan. 2020	31 Dec. 2020	6,278.52	16,508.85			22,787.37	1.63%	-4,042.71
Commercial bank	Non-related party	Not	Forward and swap contracts	0	1 Jan. 2020	31 Dec. 2020	60,244.85		29,828.12		30,416.73	2.18%	-522.06
Total				0	--	--	66,523.37	16,508.85	29,828.12		53,204.10	3.81%	-4,564.77
Funding source				Self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of the announcement about the board's consent for the derivative investment (if any)				17 March 2020									
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)				12 May 2020									

<p>Risk analysis of positions held in derivatives during the reporting period and explanation of control measures (Including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)</p>	<ol style="list-style-type: none"> 1. The hedging business was compatible with the production and operation of the Company. The Company strictly controlled the positions of futures and options, conducted foreign exchange hedging transactions in strict accordance with its projected collection period, payment period and amount, and reasonably made use of futures, options, portfolios of the aforementioned products, foreign exchange hedging and other instruments to have a lock on the Company's costs and expenses of raw materials of animal feeds and other related products. 2. Relevant departments and personnel strictly controlled the scale of hedging funds, reasonably planned and used the margin, and gave operation instructions in strict accordance with the Company's futures trading management policies. No operation could be carried out unless it had been approved in light of related regulations. The Company will reasonably allocate funds for its hedging business. 3. In accordance with the Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies (《深圳证券交易所上市公司规范运作指引》), the Futures Management Policy (《期货管理制度》) and the Measures for Futures Management (《期货管理办法》) have been formulated, which clearly stipulate the approval authority, internal review process and risk handling procedures for hedging business. The Company has established a special team for commodity hedging operation and a monitoring team for commodity hedging operation, and developed corresponding business procedures. Relevant business and activities were controlled through the implementation of authorization, position restraint, internal audit and other measures. 4. The Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》), which clearly stipulates the limit of foreign exchange hedging business, the scope of varieties, approval authority, internal review procedures, responsible departments and persons, information isolation measures, internal risk reporting policies and risk handling procedures. The Policy is in conformity with the relevant requirements of regulatory authorities, meets the needs of actual operation, and contains effective risk control measures. 5. The Securities Department of the Company conducted regular and irregular inspections of the hedging transaction business, and supervised the implementation of risk management policies and risk management procedures by the personnel taking charge of the hedging transaction business, to timely prevent operational risks in the business.
<p>Changes in market prices or fair value of derivative products during the reporting period, specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives</p>	<p>Since the Company's varieties of commodity hedging transactions were traded at futures exchanges, with transparent markets and active transactions, the transaction price and the settlement unit price of the day could fully reflect the fair value of the derivatives. The varieties of foreign exchange hedging transactions were measured at the fair value on the date of contract signing between the Company and commercial banks, and their fair value was subsequently measured based on the valuation notices issued by each commercial bank at the end of the period.</p>

Explanation of significant changes in accounting policies and specific financial accounting principles in respect of the Company's derivatives for the reporting period as compared to the previous reporting period	The Company conducted accounting processing of hedging business in accordance with the stipulations in the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (《企业会计准则第 22 号——金融工具确认和计量》), the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets (《企业会计准则第 23 号——金融资产转移》), the Accounting Standards for Business Enterprises No. 24 - Hedging Accounting (《企业会计准则第 24 号——套期会计》) and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (《企业会计准则第 37 号——金融工具列报》) as well as their guidelines.
Special opinions expressed by independent directors concerning the Company's derivatives investment and risk control	1. The commodity hedging business of the Company was carried out in strict accordance with relevant policies. Therefore, the Company effectively controlled the cost of raw materials related to production and trade as well as related products, and effectively prevented and mitigated risks. The relevant approval procedures for the Company to use its own funds to carry out hedging business in commodity futures and options markets were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association (《公司章程》). The Company has established a sound organizational structure and developed the Futures Management Policy (《期货管理制度》) for commodity hedging. There is no circumstance where the interest of the Company and its entire shareholders has been damaged. 2. The decision-making procedures of the Company for foreign exchange hedging business were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association. The Company made use of foreign exchange hedging instruments to reduce exchange rate risks and financial expenses and control operational risks on the basis of normal production and operation. There is no circumstance where the interest of the Company, its entire shareholders and especially, its minority shareholders has been damaged. At the same time, the Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》). By strengthening internal control and implementing risk prevention measures, specific operation standards have been developed for the Company's foreign exchange hedging business. In summary, it is approved that the Company and its majority-owned subsidiaries carry out commodity hedging business and foreign exchange hedging business within the considered limit.

5. Use of raised funds

√ Applicable Not applicable

(1) Overall use of raised funds

√ Applicable Not applicable

Unit: RMB'0,000

Year for fund-raising	Method of fund-raising	Total raised funds	Total raised funds that have	Total raised funds that have been used	Total raised funds with	Total accumulative raised funds with	Proportion of total accumulative raised	Total raised funds that have not	Use and ownership change of unused raised	Raised funds that have
			have	used			raised	have not		have

			been used in the current period	accumulative y	altered purposes during the reportin g period	altered purposes	funds with altered purposes	been used yet	funds	been left unused for over two years
2020	Public offering of convertible corporate bonds	283,000	92,548.09	92,548.09	0	0	0.00%	189,535.95	In addition to temporary replenishment of working capital and cash management, the unused amount of raised funds was deposited in the special bank account for fund-raising projects.	0
Total	--	283,000	92,548.09	92,548.09	0	0	0.00%	189,535.95	--	0

Explanation of the overall use of raised funds

Upon the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") through the issuance of the Approval on the Public Offering of Convertible Corporate Bonds by Guangdong Haid Group Co., Limited (《关于核准广东海大集团股份有限公司公开发行可转换公司债券的批复》) (Zheng Jian Xu Ke [2020] No. 205), the Company was allowed to issue convertible corporate bonds with a total face value of RMB 2,830 million to the public. Actually, the Company issued 28.3 million convertible corporate bonds with a face value of RMB 100 each to the public, and raised RMB 2,830 million of funds in total. After deducting the fees related to the issuance, the actual net raised funds was RMB 2,810,854,200. The availability of the above-mentioned raised funds has been verified by Grant Thornton China (Special General Partnership), which issued the Capital Verification Report (《验资报告》) (Grant Thornton Yan Zi [2020] No. 440ZC0065) on 26 March 2020.

On 18 April 2020, the Proposal on Replacing Self-raised Funds That Has Been Invested in Fund-raising Investment Projects with the Raised Funds (《关于以募集资金置换预先已投入募集资金投资项目的自筹资金的议案》) on the Ninth Meeting of the Fifth Board of Directors. The Company replaced the self-raised funds that had been invested with the raised funds of RMB 393,920,200. The interval between this replacement with raised funds and the arrival of raised funds is shorter than six months.

As at the end of 2020, the Company used RMB 925,480,900 of raised funds, accrued RMB 9,986,100 of interest income (with banks' handling fees deducted), temporarily replenished RMB 1,365 million of working capital with idle raised funds, and carried out cash management with an amount of RMB 250 million with idle raised funds. The balance of its special account for raised fund deposit

was RMB 280,359,500.

(2) Committed projects of raised funds

 ✓ Applicable Not applicable

Unit: RMB'0,000

Committed investment projects and investment of excessive raised funds	Whether projects have been altered (including partial alternation)	Total committed investment with raised funds	Adjusted total investment amount (1)	The investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3) = (2)/(1)	Date when the projects are ready for their intended use	Benefits recorded during the reporting period	Whether the estimated benefits are reached	Whether there are material changes in the project feasibility
Committed investment projects										
Animal feed project of Nantong Haid with an annual output of 240,000 tons (hereinafter referred to as the "Nantong Haid project")	No	7,144.21	7,144.21	3,749.66	3,749.66	52.49%	30 June 2021		N/A	No
Animal feed project of Qingyuan Haid with an annual output of 240,000 tons (hereinafter referred to as the "Qingyuan Haid project")	No	6,493.11	6,493.11	5,454.88	5,454.88	84.01%	30 September 2021		N/A	No
Animal feed project of Huai'an Hailong with an annual output of 200,000 tons (hereinafter referred to as the "Huai'an	No	16,123.49	16,123.49	8,417.86	8,417.86	52.21%	31 December 2021		N/A	No

Hailong project")										
Animal feed project of Nanning Haid with an annual output of 480,000 tons (hereinafter referred to as the "Nanning Haid project")	No	23,589.07	23,589.07	11,086.46	11,086.46	47.00%	30 June 2022		N/A	No
Animal feed project of Zhaoqing Gaoyao with an annual output of 240,000 tons (hereinafter referred to as the "Zhaoqing Gaoyao project")	No	4,679.43	4,679.43	4,679.43	4,679.43	100.00%	30 April 2020	-239.03	No	No
Animal feed project of Fuzhou Haid with an annual output of 180,000 tons (hereinafter referred to as the "Fuzhou Haid project")	No	29,075.05	29,075.05	8,665.06	8,665.06	29.80%	30 June 2022		N/A	No
Animal feed project of Qingyuan Haibei with an annual output of 30,000 tons (hereinafter referred to as the "Qingyuan Haibei project")	No	15,053.58	15,053.58	2,064.63	2,064.63	13.72%	30 June 2022		N/A	No

Animal feed project of Shaoguan Haid with an annual output of 400,000 tons (hereinafter referred to as the "Shaoguan Haid project")	No	13,964.32	13,964.32	9,705.42	9,705.42	69.50%	31 December 2021	N/A	No
Animal feed project of Qingyuan Hailong with an annual output of 720,000 tons (hereinafter referred to as the "Qingyuan Hailong project")	No	36,955.3	36,955.3	16,245.61	16,245.61	43.96%	31 December 2022	N/A	No
Animal feed project of Yicheng Haid with an annual output of 380,000 tons (hereinafter referred to as the "Yicheng Haid project")	No	16,509.88	16,509.88	1,459.78	1,459.78	8.84%	31 December 2022	N/A	No
Animal feed project of Hexian Haid with an annual output of 300,000 tons (hereinafter referred to as the "Hexian Haid project")	No	21,344.95	21,344.95	8,643.84	8,643.84	40.50%	30 June 2022	N/A	No
Animal feed project of	No	17,069.03	17,069.03	5,624.81	5,624.81	32.95%	30 June 2022	N/A	No

Kaifeng Haid with an annual output of 300,000 tons (hereinafter referred to as the "Kaifeng Haid project")										
Animal feed project of Zhanjiang Haid with an annual output of 200,000 tons (hereinafter referred to as the "Zhanjiang Haid project")	No	20,380.33	18,465.75			0.00%	31 December 2022		N/A	No
Animal feed project of Yulin Haid with an annual output of 450,000 tons (hereinafter referred to as the "Yulin Haid project")	No	31,186.61	31,186.61	2,512.4	2,512.4	8.06%	31 December 2022		N/A	No
Animal feed project of Sichuan Rongchuan with an annual output of 200,000 tons (hereinafter referred to as the "Sichuan Rongchuan project")	No	23,431.64	23,431.64	4,238.25	4,238.25	18.09%	30 June 2022		N/A	No
Subtotal of committed investment projects	--	283,000	281,085.42	92,548.09	92,548.09	--	--	-239.03	--	--

Investment of excessive raised funds										
N/A										
Total	--	283,000	281,085.42	92,548.09	92,548.09	--	--	-239.03	--	--
Cases and reasons for failing to reach the planned progress or predicted return (by specific projects)	The Zhaoqing Gaoyao project was recently put into operation, with a comparatively short operation period. Due to the impact of the COVID-19 in the first half, the resumption of production was postponed. The expense of fixed asset amortization and the period expense were high. As a result, losses incurred.									
Explanations of the material changes in the project feasibility	N/A									
Amount, use, and use progress of excessive raised funds	N/A									
Implementation of location changes in the investment projects with the raised funds	N/A									
Implementation of method adjustments to the investment projects with the raised funds	N/A									
Early investment and placement concerning the investment projects with the raised funds	√Applicable On 9 April 2020, Grant Thornton China issued the Verification Report on the Early Investment of Self-raised Funds in the Investment Projects with Raised Funds by Guangdong Haid Group Co., Limited (《关于广东海大集团股份有限公司以自筹资金预先投入募集资金投资项目的鉴证报告》) (Grant Thornton Zhuan Zi (2020) No. 440ZA4433). The Company invested RMB 393,920,200 of self-raised funds in the raised fund projects in the preliminary stage. On 18 April 2020, the Proposal on Replacing Self-raised Funds That Has Been Invested in Fund-raising Investment Projects with the Raised Funds (《关于以募集资金置换预先已投入募集资金投资项目的自筹资金的议案》) on the Ninth Meeting of the Fifth Board of Directors. The Company replaced the self-raised									

	funds that had been invested with the raised funds of RMB 393,920,200. The interval between this replacement with raised funds and the arrival of raised funds is shorter than six months.
Temporary replenishment of working capital with the idle raised funds	<p>√Applicable</p> <p>The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》) was reviewed and approved on the Ninth Meeting of the Fifth Board of Directors on 18 April 2020. It was approved that the Company could temporarily replenish working capital with no more than RMB 1,400 million of idle raised funds. The use term should be less than 12 months upon the approval of the Board of Directors.</p> <p>As at 31 December 2020, the balance of the idle raised funds for temporary replenishment of working capital was RMB1,365,000,000.</p>
Surplus raised funds for project implementation and reasons for the surplus	N/A
Use and ownership change of unused raised funds	In addition to temporary replenishment of working capital and cash management, the unused amount of raised funds was deposited in the special bank account for fund-raising projects.
Problems in the use of raised funds and disclosure, or other cases	N/A.

(3) Altered projects of raised funds

Applicable Not applicable

There were no altered projects of raised funds by the Company during the reporting period.

VI. Disposal of Material Assets and Equity Interest

1. Disposal of material assets

Applicable Not applicable

The Company did not dispose of any material asset in the reporting period.

2. Disposal of material equity interest

Applicable Not applicable

VII. Analysis of major subsidiaries and investees

Applicable Not applicable

Major subsidiaries and investees accounting for over 10% of the net income of the Company

Unit: RMB'0,000

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Guangdong Hiner Biotechnology Group Co., Ltd.	Subsidiary	Production and sales of premixture	8,000	117,181.38	107,418.47	118,835.50	50,202.50	42,980.34

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Zhongshan Yugezi	Business combination not under common control	No material effects on the results of the period
Gaozhou Haiyuan	Business combination not under common control	No material effects on the results of the period
Dingsheng International	Business combination not under common control	No material effects on the results of the period
Taiwan Sheng Long	Business combination not under common control	No material effects on the results of the period
Yunnan Zhonggui	Business combination not under common control	No material effects on the results of the period
Guangdao Xingyuan	Business combination not under common control	No material effects on the results of the period
Qingdao Runguiyuan	Business combination not under common control	No material effects on the results of the period
Wujiaqu Taikun	Business combination not under common control	No material effects on the results of the period
Hainan Zhuangmei	Business combination not under common control	No material effects on the results of the period
Jiangxi Jiabo	Business combination not under common control	No material effects on the results of the period
Jiangxi Gunanbencao	Business combination not under common control	No material effects on the results of the period
Jiangxi Renxintang	Business combination not under common control	No material effects on the results of the period
Luoding Yitun	Newly established	No material effects on the results of the period
Lianzhou Yitun	Newly established	No material effects on the results of the period

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Long'an Yitun	Newly established	No material effects on the results of the period
Youxian Yitun	Newly established	No material effects on the results of the period
Wengyuan Yitun	Newly established	No material effects on the results of the period
Fufeng Yitun	Newly established	No material effects on the results of the period
Linyou Yitun	Newly established	No material effects on the results of the period
Laibin Yitun	Newly established	No material effects on the results of the period
Yantai Yitun	Newly established	No material effects on the results of the period
Guiyang Yitun	Newly established	No material effects on the results of the period
Yongji Haijingzhou	Newly established	No material effects on the results of the period
Yuncheng Haishengyuan	Newly established	No material effects on the results of the period
Changyi Haijingzhou	Newly established	No material effects on the results of the period
Nantong Haijingzhou	Newly established	No material effects on the results of the period
Shanwei Haijingzhou	Newly established	No material effects on the results of the period
Guangzhou Haijingzhou	Newly established	No material effects on the results of the period
Sanya Fengmu	Newly established	No material effects on the results of the period
Dong Nai Haid Breeding	Newly established	No material effects on the results of the period
Linyi Haiding Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Henan Haiding	Newly established	No material effects on the results of the period
Qingzhou Haiding	Newly established	No material effects on the results of the period
Linyi Haiding Lusheng	Newly established	No material effects on the results of the period
Qinggang Fengcheng Bozun	Newly established	No material effects on the results of the period
Suihua Fengcheng Bozun	Newly established	No material effects on the results of the period
Chengwu Fengcheng	Newly established	No material effects on the results of the period
Binhai Haiding	Newly established	No material effects on the results of the period
Linyi Dinghao	Newly established	No material effects on the results of the period
Hainan Bairong	Newly established	No material effects on the results of the period
Zhaoqing Baishengyuan	Newly established	No material effects on the results of the period
Chengdu Haiqi	Newly established	No material effects on the results of the period
Binzhou Haiying	Newly established	No material effects on the results of the period
Linyi Zhizhuxia	Newly established	No material effects on the results of the period
Laiyang Haihe	Newly established	No material effects on the results of the period

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Guangxi Ronghai	Newly established	No material effects on the results of the period
Mianyang Zhonggui	Newly established	No material effects on the results of the period
Chongqing Haizhi	Newly established	No material effects on the results of the period
Wengyuan Haifeng	Newly established	No material effects on the results of the period
Yingde Haifeng Agriculture and Animal Husbandry	Newly established	No material effects on the results of the period
Qingyuan Haichuan	Newly established	No material effects on the results of the period
Ezhou Haifeng	Newly established	No material effects on the results of the period
Yingde Haifeng	Newly established	No material effects on the results of the period
Qingyuan Guanghong	Newly established	No material effects on the results of the period
Guangzhou Haiqi	Newly established	No material effects on the results of the period
Guangdong Haid International Trade Co., Ltd.	Newly established	No material effects on the results of the period
Nansha Haid	Newly established	No material effects on the results of the period
Yancheng Haiwei	Newly established	No material effects on the results of the period
Hainan Haid Seed Industry	Newly established	No material effects on the results of the period
Wuzhou Haid	Newly established	No material effects on the results of the period
Dongguan Haiqi	Newly established	No material effects on the results of the period
Zhangzhou Haiheng	Newly established	No material effects on the results of the period
Deyang Dachuan	Newly established	No material effects on the results of the period
Mianyang Hailong	Newly established	No material effects on the results of the period
Meishan Haid	Newly established	No material effects on the results of the period
Guangzhou Nongzhidao	Newly established	No material effects on the results of the period
Yingkou Dachuan	Newly established	No material effects on the results of the period
Jieshou Haid	Newly established	No material effects on the results of the period
Anlu Haid	Newly established	No material effects on the results of the period
Jingzhou Haihe	Newly established	No material effects on the results of the period
Guangzhou Chenzhao	Newly established	No material effects on the results of the period
Yancheng Runchuan	Newly established	No material effects on the results of the period
Zigong Hailong	Newly established	No material effects on the results of the period
Guangxi Rongchuan	Newly established	No material effects on the results of the period
Dali Haid	Newly established	No material effects on the results of the period

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Guangzhou Haid Technology	Newly established	No material effects on the results of the period
Heshan Haiwei	Newly established	No material effects on the results of the period
Junan Dinghao	Newly established	No material effects on the results of the period
Shaoyang Yitun	De-registered	No material effects on the results of the period
Xinjiang Ruitai Biotechnology	De-registered	No material effects on the results of the period
Qufu Haiding	De-registered	No material effects on the results of the period
Hubei Sea Power	De-registered	No material effects on the results of the period
Yancheng Dachuan	De-registered	No material effects on the results of the period
Junan Dinghao	De-registered	No material effects on the results of the period

Description of major subsidiaries and investees

Guangdong Hinder Biotechnology Group Co., Ltd. is mainly engaged in feed premixture which are mainly sold to other internal branches and subsidiaries of the Company and other feed companies in the industry. The gross profit of the product is higher than that of the Company's compound feed products. During the reporting period, its operating income and profit were good and recorded a net profit of RMB 430 million (including internal and external sales).

VIII. Structured Entities Controlled by the Company

Applicable Not applicable

IX. Outlook on the Future Development of the Company

(I) Industry development and trend

The period covered by the 14th Five-Year Plan (2021-2025) will be the first five years in which China embarks on a new journey to build the nation into a modern socialist country in all respects. The Opinions of the CPC Central Committee and the State Council on Comprehensively Promoting Rural Revitalization and Accelerating Modernization of Agriculture and Rural Areas (hereinafter the "Opinions on Rural Revitalization") (《关于全面推进乡村振兴加快农业农村现代化的意见》) states that it is necessary to "enhance the ability to supply and guarantee grain and important agro-products" and "expedite the building of a modern farming system". The farming sector will move faster towards standardized, industrialized, large-scale, intelligent and capital-intensive development, and the feed sector will enter a stage of fast integration. Industry giants will enjoy bigger advantages and positions in the international market.

1. Structural development of the feed sector

During the 13th Five-Year Plan period from 2016 to 2020, China's total feed output grew by 21%, and the industry experienced sustained growth. With the industrialized and large-scale development of the farming sector, the feed application rate will rise to continuously drive the growth of total feed output. The continuous rise in per capita disposable income, consumption upgrade, further urbanization and the change of consumption behaviors will push up the demand for high-quality, characteristic and high-end meat products; the consumption of aquatic products, beef and mutton will increase notably; the consumption of poultry and eggs will be stable; pork consumption will decline. As a result, many feed varieties will undergo structural adjustments.

2. The industry integration will continue, and some companies will notably enhance their international competitiveness

The growth of total feed output will slow down, and the competition among companies will be fierce. Due to many factors, such as the epidemics and diseases, heightening awareness of food safety, pressure from self-sufficiency in food, and uncertainties as to international trade, more and more SMEs in the industry will shut down, presenting more opportunities for enterprises with great strengths in capital, management, technologies and talents to integrate the market. Leading enterprises will expand rapidly into emerging markets such as Southeast Asia, Northeast Asia, and Africa, which will significantly enhance their international competitiveness.

3. It is more apparent for technology to drive industry progress

In the differentiation and integrated development of the feed industry, technology has played an increasingly important role in the industrial competition. The global agricultural products are becoming more and more closely related. Weather conditions and uncertainties in international trade relations in certain regions will cause large fluctuations in the prices of agricultural products. Animal nutrition requirements, feed formula adjustments, and raw material substitution technologies are the core fields of feed technology competition. For other technologies, vigorous development of biological feed technology, continuous increase in the types and the continuous expansion of functions of feed microbes, enzyme preparations, etc. have shown tremendous potentials in promoting the replacement of feed antibiotics and efficient utilization of feed resources, and will become new threshold of competition in the industry.

4. Seedlings and animal healthcare industries will rapidly grow in longer periods due to technological advancement and farming upgrades.

The Opinions on Rural Revitalization (《乡村振兴意见》) states that China will "further key scientific and technological projects in agricultural biological breeding" and "intensify efforts to build improved variety breeding & reproduction system to foster the integrated breeding, reproduction and promotion of improved varieties." Focusing on the development of the farming industry, high-quality animal seedlings will have a huge development demand in the long term. Strengthening animal health care is an important trend feature of future animal farming development. Product demand will grow rapidly. As for aquaculture, with the upgrading of the farming sector and the introduction of national access requirements for aquaculture seedling inspection and quarantine, the seedling sector will undergo industry integration and a reshuffle. The demand for high-quality brand seedlings recognized by the government will grow fast, and the value of aquatic seedlings in the farming chain will become increasingly evident, including production/anti-disease/farming and other production and profit-making processes. As the aquatic varieties and structure are upgraded, the profitability of conventional

varieties and their models will move downward. The consumption of famous, special and excellent varieties will stimulate the upgrading of varieties and models. The steady rise in the number of large-scale farming bases and the extension of back-end circulation and processing will cause regional or single-variety industry chain model covering breeding, reproduction, farming and processing to take shape.

5. The farming sector will move faster towards large-scale, industrialized, intelligent and capital-intensive development

Factors such as limited land, food safety, technological advancement and an increase in the proportion of young employees will accelerate the efforts to make the farming sector industrialized, large-scale, intelligent and capita-oriented. For the poultry farming, the large-scale development threshold has been rising. Pig farming is moving fast towards large-scale development in the aftermath of the impact of ASF. The large-scale development level of aquaculture is also improving. Ruminant animal farming is still in its early stage of large-scale operation. The farming sector does not have sufficient funding in general, and listed farming companies with outstanding performance are expanding their business network. Large real estate and technology companies are taking advantage of strengths to enter the farming sector. While bringing capital, manpower, technologies and management techniques to the sector, excellent enterprises will make farming automated, data-driven and intelligent to promote the intelligent and industrialized development of the sector.

6. The development of the industrial chain will be more comprehensive and in-depth

The demand for food green and safety will foster the establishment of food traceability system and agricultural standardization system. Large and excellent enterprises with great strengths in technology, talent and capital will gradually improve the industrial chain layout, have the ability to control all business processes, including seedlings, farming, feeds, animal healthcare products, slaughtering, transportation, and food processing, and further prompt the industrial chain layout of large-scale excellent enterprises to be more efficient and in-depth. In the meanwhile, the increasing awareness of food safety will spur professional exchanges among large-sized enterprises in the production processes of the industry, ensuring that every production process is safe, controllable and traceable, while boosting aggregation of industrial chain operations and accelerating industry integration.

(II) Prospects for the future development of the Company

The Company's development strategy is to become a leading high-tech farming and animal husbandry company with sustainable development capability in China. The Company's development is based on "creating value for customers". Centering around the upstream and downstream sectors of the animal farming business, the Company focuses on links including seedling, animal healthcare, feed, animal farming, slaughtering and food processing. With a complete industrial chain that leads the way in the industry, the Company will provide farmers with comprehensive solutions, including feed, seedling, animal healthcare products and farming technology services, and meet other needs of farmers and distributors for financial services, etc. to effectively enhance the profitability of the farmers and distributors and realize the win-win development of the Company and its customers. Also, the Company intends to promote rural revitalization through its "10 + 100 + 1000 + 10,000 Project" to accomplish the sacred mission of changing rural China.

The basic strategy for the development of the Company's industrial chain is to scale up on the basis of

specialization and to extend the industrial chain based on core competitiveness. The Company will focus on feed products as its core business. At the same time, it will actively develop raw materials, animal healthcare products, seedling, farming, circulation, and food processing businesses, cultivate the Company's professional capabilities in the entire industry chain, and build its comprehensive core competitiveness in the industrial chain.

(III) Possible risks and countermeasures

1. Risk of Periodical Fluctuations in the Feed Industry due to Abnormal Weather and Epidemic Diseases during Animal Production

The feed industry mainly serves the downstream animal feeding industry. The abnormal changes in natural elements such as precipitation and typhoon may lead to fluctuations of the inventory of livestock or aquatic products and even the large-scale outbreak of animal diseases. This thus affects the demand for feed and likely causes the risk of periodic and regional fluctuations of the latter. With the environmental changes and the expansion of animal production industry, animal epidemic diseases may also occur occasionally. For instance, the African swine fever virus broke out across China in August 2018; and PRRSV-mediated pig disease, shrimp-relevant EMS epidemic disease and poultry-relevant “H7N9” disease all occurred recently. The outbreak of animal diseases will directly inhibit the scale of animal production and reduce the demand for feed in the short term; major animal epidemic diseases may dampen the demand from end-consumers, leading to a downturn of the animal production industry, and further affect the feed demand, giving rise to adverse effects on the production and operation of feed enterprises.

Risk management methods: (1) The Company is currently fully deploying factories and developing local markets in major areas in Southern China, Central China, Eastern China and Northern China and overseas markets in Southeast Asia, etc. and the expansion of regional distribution can effectively cope with the risk of weather anomalies and natural disasters in local areas. (2) The Company's feed varieties cover pig feed, chicken feed, duck feed, goose feed and other livestock feed and fish feed, shrimp feed and other aquatic feed. With a variety of products and a well-balanced structure, it can effectively mitigate the risk of single breed species and has strong comprehensive risk-relieve capability.

2. Risk of Drastic Price Fluctuations of Major Raw Materials

The feed ingredients mainly consist of various kinds of staple agricultural products such as corn and soybeans (soybean meal). In recent years, the domestic and international markets of agricultural product have been closely linked. Changes in the planting area and harvest of crops in major grain-producing countries, purchasing and storage and subsidy policies, import and export policies, political conflicts between countries, international trade relations, fluctuations in logistics capacity and conditions of shipping, exchange rates, and others may cause great fluctuations in prices of agricultural products, which, in turn, has a certain impact on the cost of feed and farming. With the strengthening of the internationalization in trade of agricultural products, the factors for changes in the prices of agricultural products have become more complex and the price fluctuations have therefore increased. If the Company fails to understand the changes in the trade of feed raw materials in a timely manner and promptly implement strategic management and risk control of procurement, the Company may face the risk of rising procurement costs.

Risk management methods: (1) The Company divides raw material into different categories and implements a combination of centralized procurement of staple category and local procurement of regional varieties, which not only guarantees the advantages of large-scale raw material procurement, but also obtains localization advantages from rapid response in respect of regional procurement; (2) The Company continuously invests in the construction of the raw material procurement research system. The team of the professional raw material information research department is relatively mature. It conducts strategic procurement through the real-time tracking, research and judgment of the domestic and foreign bulk raw material market trends, and implements position risk management for bulk raw materials through futures hedging, raw materials trade and other tools to effectively control procurement risks; (3) The Company has accumulated extensive experience in research and development of animal nutrition and feed formulation technologies, and has research and development team composed of nearly 2,000 employees. Large amounts of funds are invested on research and development each year, focusing on animal nutrition requirements, feed formulation technology, animal farming and genetic improvement, comprehensive investigation on healthy animal farming strategies, and other research areas. The Company has a profound understanding of animal nutritional requirements and higher level of expertise in comprehensive utilization of raw materials. Therefore, in case of raw material price fluctuations, it can quickly adjust the formula to control the reasonable feed nutrient level and formula costs.

3. Risk of Structural, Regional and Scale Adjustment to Farming Industry under Environmental Protection Regulations and Policies

In recent years, the State has introduced a series of environmental protection laws and regulations including the new Environmental Protection Law (环保法), the Regulations on Prevention and Control of Pollution from Large-Scale Production of Livestock and Poultry (畜禽规模养殖污染防治条例), Action Plan for Prevention and Treatment of Water Pollution (水污染防治行动计划), the Guiding Opinions on Adjusting the Layout of Pig Production in the Southern Water Network Region (关于促进南方水网地区生猪养殖布局调整优化的指导意见), and the antibiotic ban, which stipulate the pollution prevention and control of animal production industry, and especially limit the production scale in the regions of key water sources and its surrounding areas. According to the regulations and policies of the central government, banned areas and restricted areas have been set up throughout the country, and pig farms in the banned areas in the southern water network area are gradually relocating. The implementation of environmental protection policies will speed up the withdrawal of private pig farming farmers, reduce the backward production capacity failing to meet environmental protection standards and with a small scale, and enable large -scale farmers to continuously expand their production capacity and improve the farming scale and structure; In addition, the establishment of banned areas and restricted areas will enforce adjustments to the pig production capacity in all places across the country. The adjustments to the scale composition of pig production and the relocation of pig production area will certainly have a profound impact on the existing capacity layout, market share, pricing power and business model of the feed industry. The impact of enforced environmental protection policies on the pig growing and feed industries puts existing competitive companies in the market at risk of reshuffle.

Risk management methods: (1) The Company continually improves its capability to serve farmers. In addition to feed products, the Company is also engaged in the industrial chain of animal healthcare products, vaccines and finance and has a strong tie to large-scale farmers; (2) The feed varieties of the Company cover livestock, poultry, and aquatic animals and the product line is abundant. The production lines for pig feed, chicken feed, duck feed and pelleted fish feed can be shared. The Company can rapidly shift the production layout and make adjustments

to adapt to the changes in the industry by adjusting the production capacity in all places. (3) The Company adopts multiple models to speed up the production layout in areas with rich resources and large environmental carrying capacity, and to obtain the market share of new animal farming areas. (4) The Company continues to increase R&D investment, and its research results in key technologies of microbial fermented feed and feed antibiotic substitutes have been effectively applied to foster the advancement and development of the industry.

4. Risk of Exchange Rate Fluctuations

The global procurement of raw materials has become the norm. The scale of overseas investment and overseas operations of the Company is also rapidly expanding. The scale of cross-border fund settlement and the stock of overseas assets have grown substantially, involving the currency types of various related countries. Currency exchange rate fluctuations are subject to different influence factors, and exchange rate fluctuations in any currency may have a certain impact on the settlement cost and asset value of the region.

Risk management methods: (1) Based on the business scale, business model, and settlement characteristics in different regions and countries, the Company strictly controls the exchange rate risks, carefully selects settlement currencies, and strives to achieve relatively balanced regional fund inflow and outflow through structural arrangements of financing sources and financing types; (2) The expansion of two-way fluctuations in the RMB exchange rate has become the new normal. The Company further enhances its awareness of foreign exchange risk management, and arranges settlement models based on the procurement and sales strategies and cycle characteristics of import and export operations. And forward foreign exchange settlement and sale, swaps, foreign exchange options and other financial instruments are flexibly used to lock the exchange rate risks, control procurement and sales costs, and control the possible risk resulted from exchange rate fluctuations.

X. Reception of Research Investigations, Communications and Interviews

1. Registration table of reception of research investigations, communications and interviews during the reporting period

✓ Applicable □ Not applicable

Date	Place	Reception method	Type of communication party	Communication party	Main discussions and information provided	Index to basic information on communication
21 April 2020	Company Conference Room	By phone	Institution	Bosera Funds, Dacheng Fund, Taikang Asset, Southern Asset Management, Penghua Fund, Fullgoal Fund, Harvest Fund, Ping An Fund, etc.	Annual operating results of the Company	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2020-001) published on the website of www.cninfo.com.cn on 23 April 2020

11 May 2020	Company Conference Room	Field research	Institution	Shenzhen Jingzhi Assets, China Securities Journal, BOCOM Schrodgers, China Asset Management, China Merchants Futures, Industrial Securities, CITIC Securities, Bosera Funds, GF Securities, Zhong Ou AMC, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2020-002) published on the website of www.cninfo.com.cn on 13 May 2020
11 May 2020	Company Conference Room	By phone	Institution	BOCOM Schrodgers, Harvest Fund, Taikang Asset, Fullgoal Fund, UBS SDIC Fund, GF Fund Management, ICBC Credit Suisse Asset Management, Penghua Fund, China Universal Asset Management, E Fund, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2020-002) published on the website of www.cninfo.com.cn on 13 May 2020
28 July 2020	Company Conference Room	By phone	Institution	BOCOM Schrodgers, Harvest Fund, Taikang Asset, Fullgoal Fund, UBS SDIC Fund, GF Fund Management, ICBC Credit	The Company's interim operating results and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2020-003) published on the website of www.cninfo.com.cn on

				Suisse Asset Management, Penghua Fund, China Universal Asset Management, etc.		29 July 2020
26 October 2020	Company Conference Room	By phone	Institution	BOCOM Schrodgers, Harvest Fund, Taikang Asset, UBS SDIC Fund, GF Fund Management, ICBC Credit Suisse Asset Management, Penghua Fund, China Universal Asset Management, etc.	The Company's Q3 operating results and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2020-004) published on the website of www.cninfo.com.cn on 28 October 2020

Section V. Material Matters

I. Profit Distribution for Ordinary Shares of the Company and Capitalization of Capital Reserve

Formulation, implementation or adjustment of profit distribution policy for ordinary shares, especially the cash dividend during the reporting period

Applicable Not applicable

According to the Proposal on 2019 Profit Distribution Plan (《关于2019年度利润分配预案的议案》) as considered and approved at the 2019 Annual General Meeting convened on 11 May 2020, the distribution plan is as follows: Based on "the total number of shares on the date of record when the plan is implemented in the future", a cash dividend of RMB 3.50 (tax inclusive) was to be paid for every 10 shares. On 20 May 2020, dividend distribution was completed.

The Company's profit distribution policy, dividend distribution policy, dividend standards, and dividend ratios are well-defined and clear. Independent directors have duly performed their duties and functions. Minority shareholders have the opportunity to fully express their views and concern, which is in line with the Articles of Association and the requirements of the consideration procedures. The conditions and procedures for the adjustment or change of the profit distribution policy are compliant and transparent, and the legal rights and interests of small and medium investors are fully protected.

Particulars of Cash Dividend Policy	
Whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting;	Yes
Whether the basis and ratio of the distribution of dividends are well-defined and clear;	Yes
Whether the relevant decision making procedure and system are sound;	Yes
Whether the independent directors have duly performed their duties and functions;	Yes
Whether there are enough opportunities for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc;	Yes
Whether the conditions and procedures are legal and transparent in respect of cash dividend policy with adjustments and changes;	Not applicable

The dividend distribution plans for ordinary shares (proposed) and the proposals on capitalization of capital reserve (proposed) over the past three years (the reporting period inclusive)

1. 2018 annual dividend distribution plan of the Company

Based on the Company's total share capital of 1,580,870,934 shares, a cash dividend of RMB 3.00 (tax inclusive) per 10 shares was distributed and total cash dividend distributed amounted to RMB 474,261,280.20. The retained earnings were carried forward to the following year.

2. 2019 annual dividend distribution plan of the Company

Based on the Company's total share capital of 1,580,357,494 shares, a cash dividend of RMB 3.50 (tax inclusive) per 10 shares was distributed and total cash dividend distributed amounted to RMB 553,125,122.90. The retained earnings were carried forward to the following year.

3. 2020 annual dividend distribution plan of the Company

The Company proposed to distribute RMB 3.20 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the company (parent company) available for distribution to shareholders as at 31 December 2020. The retained earnings will be carried forward to the following year.

Cash dividends for ordinary shares of the Company over the past three years (the reporting period inclusive)

Unit: RMB

Year of distribution	Amount of cash dividends (tax inclusive)	Net profit for the year attributable to ordinary shareholders of the parent company in the consolidated financial statements during the year of distribution	Amount of cash dividends as % of net profit for the year attributable to ordinary shareholders of the parent company in the consolidated financial statements	Amount of cash dividend distribution through other means (such as share repurchase)	Amount of cash dividend distribution through other means as % of net profit for the year attributable to ordinary shareholders of the parent company in the consolidated financial statements	Total amount of cash dividends (including other means)	Total amount of cash dividends (including other means) as % of net profit for the year attributable to ordinary shareholders of the parent company in the consolidated financial statements
2020	531,587,440.32	2,522,730,419.35	21.07%	83,929,094.77	3.33%	615,516,535.09	24.40%

2019	553,125,122.90	1,648,762,579.59	33.55%	0.00	0.00%	553,125,122.90	33.55%
2018	474,390,280.20	1,437,281,732.28	33.01%	0.00	0.00%	474,261,280.20	33.01%

Note: According to the 2020 profit distribution plan of the Company as considered and approved at the Seventeenth Meeting of the Fifth Board of Directors: The Company proposed to distribute RMB 3.20 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the company (parent company) available for distribution to shareholders as at 31 December 2020. The retained earnings will be carried forward to the following year. According to the Company's total share capital of 1,661,210,751 shares as at 17 April 2021, the Company's 2020 annual cash dividend is expected to be RMB 531,587,440.32.

The Company made a profit and had positive retained profit available for ordinary shareholders of parent company during the reporting period without cash dividend for ordinary shares being proposed

Applicable Not applicable

II. Proposals on Profit Distribution and Capitalization of Capital Reserve during the Reporting Period

Applicable Not applicable

Number of bonus share per 10 shares (share(s))	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	3.2
Share base of the distribution proposal (shares)	Total number of shares exclusive of the repurchased shares on the registration date when the plan is implemented in the future
Amount of cash dividend (RMB) (tax inclusive)	531,587,440.32
Amount of cash dividend distribution through other means (such as share repurchase) (RMB)	83,929,094.77
Total amount of cash dividends (including other means) (RMB)	615,516,535.09
Distributable profits (RMB)	2,553,545,708.11
Total amount of cash dividends (including other means) as % of total profit distribution	100%
Cash dividend policy	
For profit distribution of companies which are in the growth period with significant capital expenditure arrangement, the percentage for cash dividend shall represent at least 20% of the profits distribution for the current year	
Particulars of profit distribution and capitalization of capital reserves	
According to the audit report issued by Grant Thornton China (Special General Partnership), the Company (parent company) achieved a net profit of RMB 42,550,966.91 and made provision for statutory surplus reserves of RMB 4,255,096.69 (10% of the	

net profit), without allocation to discretionary revenue reserve in 2020. As at 31 December 2020, the profit available for distribution to shareholders amounted to RMB 2,553,545,708.11.

Based on the good operating conditions and profitability in 2020, as well as the Company's business scale and future growth, the legitimate demands of investors and continuous return to shareholders, the Company formulated the 2020 annual profit distribution plan as follows: The Company proposed to distribute RMB 3.20 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the company (parent company) available for distribution to shareholders as at 31 December 2020. The retained earnings will be carried forward to the following year.

In order to look after the shareholders' immediate and long-term interests in a better way on the premise of guaranteeing the Company's normal operations and long-term development, the Company put forward the above-mentioned profit distribution plan. The preparation of the above-mentioned profit distribution plan is in line with the Company Law and the Articles of Association, and the Dividend Distribution Plan of the Company for the Next Three Years (2019-2021) (《未来三年(2019-2021年)分红回报规划》). The distribution plan is legal, compliant and reasonable and in line with the Company's distribution policy.

The independent directors of the Company expressed their independent opinions that the Company's 2020 profit distribution plan gives full consideration to the returns to investors and is in line with the actual situation of the company without any prejudice to the interests of shareholders, in particular minority shareholders.

This proposal will be submitted to the 2020 Annual General Meeting for final approval.

III. Performance of Undertakings

1. Undertakings made by parties involved in undertakings including the Company's actual controller, shareholders, related parties, acquirers and the Company during the reporting period or prior periods but subsisting to the end of the reporting period

√ Applicable Not applicable

Undertaking	Party involved in undertaking	Types of undertaking	Details of undertaking	Undertaking date	Term of undertaking	Particulars on the performance
Undertaking on shareholding structure reformation						
Undertaking made in offering documents or shareholding alternation documents						
Undertaking made during asset reconstruction						
Undertaking made on initial public offering or refinancing	Hua Xue	Undertaking on horizontal competition,	1. Mr. Hua Xue guarantees no	27 November 2009	Long term	In strict performance

		related party transaction and capital occupation	prejudice to the interests of Haid Group and its other shareholders by virtue of his capacity as the actual controller. 2. Mr. Hua Xue guarantees that, as long as he serves as the actual controller of Haid Group, he and his wholly-owned subsidiaries, controlled subsidiaries and actually controlled companies (except Haid Group) will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment, acquisition or			
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			merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.			
	Guangzhou Haihao Investment Co., Ltd.	Undertaking on horizontal competition, related party transaction and capital occupation	1. It guarantees no prejudice to the interests of Haid Group and other shareholders of Haid Group by virtue of its capacity as the controlling controller. 2. Guangzhou Haihao guarantees that, as long as it is the controlling shareholder of Haid Group, it and its wholly-owned subsidiaries, controlled subsidiaries (except Haid Group) and actually controlled	27 November 2009	Long term	In strict performance

			<p>companies will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment, acquisition or merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.</p>			
	Hua Xue	Refinancing commitment	<p>1. Mr. Hua Xue promises not to intervene in Haid Group's management activities, and not to encroach on</p>	6 August 2019	From 6 August 2019 to 31 December 2020	Expired

		<p>its interests. 2. Before the implementation of Haid Group's public offerings of convertible corporate bonds, if the China Securities Regulatory Commission (CSRC) makes other measures for filling returns and new regulatory provisions on their commitments, and the above commitments cannot meet the requirements of the CSRC, Haihao Investment promises to issue a supplementary commitment according to the latest regulations of the CSRC. 3. Commitments include effectively fulfilling Haid Group's commitment</p>			
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			to fill in return and any other measures that Haihao made to fill in return. If Haihao violates these commitments and causes losses to Haid Group or its investors, it is willing to bear the compensatory liability of Haid Group or its investors according to law.			
	Guangzhou Haihao Investment Co., Ltd.	Refinancing commitment	1. Mr. Hua Xue promises not to intervene in Haid Group's management activities, and not to encroach on its interests. 2. Before the implementation of Haid Group's public offerings of convertible corporate bonds, if the China Securities Regulatory Commission (CSRC)	6 August 2019	From 6 August 2019 to 31 December 2020	Expired

			<p> makes other measures for filling returns and new regulatory provisions on their commitments, and the above commitments cannot meet the requirements of the CSRC, Haihao Investment promises to issue a supplementary commitment according to the latest regulations of the CSRC. 3. Commitments include effectively fulfilling Haid Group's commitment to fill in return and any other measures that Haihao made to fill in return. If Haihao violates these commitments and causes losses to Haid Group or its investors, it is willing to bear </p>			
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			the compensatory liability of Haid Group or its investors according to law.			
	Hua Xue, Li Tian, Yingzhuo Xu, Qi Cheng, Jianfang Gui, Jianguo He, Yunguo Liu, Guoxiang Liu, Xueqiao Qian, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen and Zhijian Huang	Refinancing commitment	1. I promise not to transfer interests to other units or individuals for free or under unfair conditions, or in other way to damage company interests. 2. I promise to regulate personal business consumption behavior. 3. I promise not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of my duties. 4. I promise that the salary system formulated by the board of directors or	6 August 2019	From 6 August 2019 to 31 December 2020	Expired

			<p>the remuneration and appraisal committee is linked to the implementation of the Company's return compensation measures. 5. I promise that the exercise conditions of equity incentive are linked to the implementation of the Company's return compensation measures. 6. From the date of issuance of this commitment to the date before the completion of this public issuance of convertible corporate bonds by the listed company, if China Securities Regulatory Commission makes other new regulatory</p>			
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			<p>provisions on return compensation measures and commitments, and the above commitments fail to meet the provisions of China Securities Regulatory Commission, I promise to issue supplementary commitments in accordance with the latest regulations of the China Securities Regulatory Commission at that time. 7. I promise to implement the Company's relevant return compensation measures and any commitments related to the return compensation measures I have made. If I violate these commitments and cause losses to the Company or investors, I</p>			
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			shall bear the compensation responsibility to the Company or investors in accordance with the law.			
Undertakings related to equity incentives	Guangdong Haid Group Co., Limited	Other undertakings	The Company guarantees no provision of loans or financial assistance in other forms to the incentive targets for acquisition of relevant interests under the 2016 Restricted Share Incentive Plan of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司 2016 年限制性股票激励计划》), including provision of guarantees for their loans.	15 February 2017	From 15 February 2017 to 23 March 2022	In strict performance
Undertakings made to minority shareholders of the Company	Guangdong Haid Group Co., Limited	Dividend undertaking	Specific conditions, proportions and intervals of cash dividends: The following conditions	6 May 2019	From 6 May 2019 to 5 May 2022	In strict performance

			<p>shall be satisfied when the company makes distribution of cash dividends: (1) The profits and the accumulative distributable profit (i.e., tax after the Company makes up losses and make allocation to reserves) realized by the company in the year or half year is positive in value and the cash flow is sufficient. The distribution of cash dividend will not affect the Company's subsequent operations; (2) The auditor has issued a standard unqualified audit report on the Company's annual financial report (if the Company distributes the</p>			
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			interim dividend, the auditor shall have issued a standard unqualified audit report on the Company's financial report for the previous year); (3) The Company has no plan on material external investment or major cash outlays within the next twelve months (except proceeds-financed investment projects). A major investment plan means that the accumulated expenditure of the Company to be used for external investment and purchase of assets or equipment within the next twelve months will reach or exceed 30% of			
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			<p>the Company's latest audited net assets. (4) Other circumstances in which the Board considers it is not suitable for distribution of cash dividends. In compliance with the above conditions, the Company will, in principle, make a distribution of cash dividend once a year. The Board of the Company may propose interim cash dividends based on the profitability of the Company when the relevant regulations allow. In principle, the Company's profits accumulated in cash every three years should not be less than 30% of the annual average</p>			
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			distributable profit realized in the three years.			
	Hua Xue, Li Tian, Yingzhuo Xu, Qi Cheng, Jianfang Gui, Jianguo He, Yunguo Liu, Zhenxiong Qi, Hua Wang, Yongfang Mu, Guoxiang Liu, Xueqiao Qian, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen and Zhijian Huang	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	27 November 2009	Long term	In strict performance
	Jing Wang, Jia Chen	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	21 August 2013	21 May 2021	In strict performance
	Xiaojun Shang, Chengping Lu, Xinchun Li, Erkang Deng	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors,	25 May 2010	6 January 2020	Expired

			supervisors and senior management			
Whether undertakings performed on time	Yes					
Specific reasons why undertakings were not performed on time and next steps	N/A.					

2. Description on the Company's assets and items in meeting original profit forecast and its explanation as there is profit forecast for assets and items of the Company and the reporting period is still within the profit forecast period

√ Applicable □ Not applicable

Earnings forecast asset or project name	Forecast start time	Forecast end time	Expected results for the current period (RMB'0,000)	Actual results for the current period (RMB'0,000)	Reasons for failure to reach the forecast (if applicable)	Date of previous forecast disclosure	Index of previous forecast disclosure
Shandong Daxin Group Co., Ltd.	1 January 2017	31 December 2020	23,000	23,463.36	Not applicable	15 September 2017	For details, please refer to the Announcement on the Acquisition of Partial Equity Interests of Daxin Group and External Investment (《关于收购大信集团部分股权暨对外投资的公告》) (Announcement No. 2017-076) published in China Securities Journal, Securities Times, Securities

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Undertaking of the Company's shareholders and counterparties on operating results in reporting year

Applicable Not applicable

Jianbing Liu, Haibo Yu, Yuqin Wang, Xianlai Duan and Mingjun Yang (hereinafter referred to as “the undertaking party”), former shareholders of Shandong Daxin Group Co., Ltd. (formerly known as Shandong Daxin Group Co., Limited, hereinafter referred to as "Daxin Group"), the acquisition target of the Company, made undertakings on the net profit (i.e., net profit attributable to shareholders of the parent company, before or after the non-recurring gain or loss, whichever is lower; the case is the same below) to be realized in four full accounting years from 2017 to 2020:

(1) Daxin Group will achieve a net profit of not less than RMB 50 million in 2017, the accumulated net profit of not less than RMB 105 million in 2017 and 2018, the accumulated net profit of not less than RMB 165 million in 2017 to 2019, and the accumulated net profit of not less than RMB 230 million in 2017 to 2020.

(2) If the accumulated net profit for the current year fails to reach the committed amount, the undertaking party shall pay the Company compensation = (accumulated net profit for the current year - actual accumulated net profit of the current year) / total committed amount of RMB 230 million * total transaction amount of RMB 298,776,000 – net compensation paid by the undertaking party to the Company. The accumulated compensation amount is limited to the total transaction price of the underlying assets. If the actual accumulated net profit for any year during the results undertaking period is not less than the accumulated net profit undertaken, the Company shall return all the compensation that has been paid by the undertaking party to the undertaking party.

(3) The undertaking party will increase shareholding in Haid Group through purchase of shares from the secondary market within 6 months after receipt of the second installment of payment for equity transfer with an amount of RMB 60 million. After Daxin Group’s fulfillment of the annual results goals for 2017 and 2018 or payment of sufficient compensation in case of non-fulfillment of the goals, the undertaking party may release the lock-up for 50% of the above-mentioned shares additionally purchased; After Daxin Group’s fulfillment of the annual results goals for 2017 to 2020 or payment of sufficient compensation in case of non-fulfillment of the goals, the undertaking party may release the lock-up for the remaining 50% of the above-mentioned shares.

According to the 2017 Audit Report of Shandong Daxin Group Co., Ltd. (山东大信集团有限公司2017年度审计报告) (Guang Kuai Shen Zi [2018] No. G17036521306) and the 2018 Audit Report of Shandong Daxin Group Co., Ltd. (山东大信集团有限公司2018年度审计报告) (Guang Kuai Shen Zi [2019] No. G18031440261) issued by GP Certified Public Accountants (Special General Partnership), the 2019 Audit Report of Shandong Daxin Group Co., Ltd. (山东大信集团有限公司2019年度审计报告) (Grant Thornton Shen Zi (2020) No. 440FC0812), as well as the 2020 Audit Report of Shandong Daxin Group Co., Ltd. (山东大信集团有限公司2020年度审计报告) (Grant Thornton Shen Zi (2021) No. 440C010291) issued by the Guangzhou branch of Grant Thornton China (Special General Partnership), Daxin Group's 2017-2020 audited net profit attributable to shareholders of the parent company was RMB 251.4587 million and the net profit attributable to the shareholders of the parent

company after excluding non-recurring gain or loss was RMB 234.6336 million. Therefore, Daxin Group has fulfilled the 2017-2020 earnings undertaking.

According to the aforesaid earnings undertaking, the compensation of RMB 17.8767 million payable by the undertaking party for failing to fulfill the 2017-2019 earnings undertaking was deducted from the fifth installment of payment for equity transfer. As the undertaking party has fulfilled the 2017-2020 earnings undertaking, according to the way of payment of the earnings compensation as agreed upon by the Company and the undertaking party, the aforesaid deducted compensation of RMB 17.8767 million shall be added to the sixth installment of payment for equity transfer.

The completion of performance commitment and its influence on goodwill impairment test

As Daxin Group has fulfilled the earnings undertaking, there was no need to make goodwill impairment reserves at the end of the reporting period for the goodwill formed by the acquisition of Daxin Group.

IV. Appropriation of Funds of the Company by the Controlling Shareholder and Its Related Parties for Non-Operating Purposes

Applicable Not applicable

There was no appropriation of funds of the Company by the controlling shareholder and its related parties for non-operating purposes during the reporting period.

V. Opinions of the Board, the Supervisory Committee and Independent Directors (If Any) Regarding the "Modified Audit Report" for the Reporting Period Issued by the Accountants

Applicable Not applicable

VI. Reason for Changes in Accounting Policies, Accounting Estimates and Accounting Methods as Compared to the Financial Report for the Prior Year

Applicable Not applicable

For the changes in accounting policies and accounting estimates as compared to the financial report for the prior year, please refer to Note III, 38 in Part XII "Financial Report".

VII. Reason for Retrospective Restatement to Correct Major Accounting Errors During the Reporting Period

Applicable Not applicable

During the reporting period, there was no major accounting error which shall be subject to retrospective restatement.

VIII. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Prior Year

Applicable Not applicable

During the year, the scope of consolidation included 389 subsidiaries. For details, please refer to the Note "VII. Interests in Other Entities" in Section XII "Financial Report". The scope of consolidation of the Company in this year increased by 78 and reduced by 6 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" in Section XII "Financial Report".

IX. Engagement or Dismissal of Accounting Firm

Current accounting firm engaged

Name of the domestic accounting firm	Grant Thornton China (Special General Partnership)
Remuneration of the domestic accounting firm (RMB '0,000)	400
Continued term of service of the domestic accounting firm	2
Name of certified public accountants of the domestic accounting firm	Wenyuan Guan, Shuxia Zhang
Continued term of service of certified public accountants of the domestic accounting firm	Wenyuan Guan: 2 years Shuxia Zhang: 3 years
Name of the overseas accounting firm (if any)	Not applicable
Remuneration of the overseas accounting firm (RMB '0,000) (if any)	0
Continued term of service of the overseas accounting firm (if any)	Not applicable
Name of certified public accountants of the overseas accounting firm (if any)	Not applicable
Continued term of service of certified public accountants of the overseas accounting firm (if any)	Not applicable

Whether to appoint another accounting firm during the current period

Yes No

Particulars on recruitment of accounting firms, financial consultants or sponsors for internal control and auditing purposes

Applicable Not applicable

X. Delisting Upon Publication of Annual Report

Applicable Not applicable

XI. Matters Related to Bankruptcy and Reorganisation

Applicable Not applicable

There was no matter related to bankruptcy and reorganisation during the reporting period.

XII. Material Litigation and Arbitration

Applicable Not applicable

During the reporting period, the Company was not involved in any material litigation and arbitration.

XIII. Punishment and Rectification

Applicable Not applicable

There was no punishment and rectification of the Company during the reporting period.

XIV. Credibility of the Company, Its Controlling Shareholder and Actual Controller

Applicable Not applicable

XV. Implementation of the Equity Incentive Plan, Employee Shareholding Plan or Other Employee Incentive Measures of the Company

Applicable Not applicable

(I) 2016 Restricted Share Incentive Plan

1. Decision-making procedures and approval

(1) On 15 February 2017, the Company convened the First Extraordinary General Meeting of 2017 to consider and approve the 2016 Restricted Share Incentive Plan of Guangdong Haid Group Co., Limited (Revised) (广东海大集团股份有限公司2016年限制性股票激励计划(修订稿)) and its summary (hereinafter referred to as "2016 Restricted Share Incentive Plan") and the Proposal Regarding Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2016 Restricted Share Incentive Plan (《关于提请股东大会授权董事会办理公司2016年限制性股票激励计划相关事宜的议案》) and related resolutions, pursuant to which the Company was approved to issue no more than 46 million restricted shares to awardees by way of private placement of which 41,601,300 shares would be first granted to 1,484 awardees at the grant price of RMB 7.48 per share, and 4,398,700 restricted shares would be reserved.

(2) On 13 March 2017, the Company convened the Sixth Meeting of the Fourth Board of Directors to consider and approve the Proposal on Adjustment to the Number of Interests under the 2016 Restricted Share Incentive Plan of the Company (《关于调整公司2016年限制性股票激励计划权益数量的议案》), pursuant to which the number of awardees of the first grant was changed from 1,484 into 1,373 and the restricted shares not granted yet were adjusted from 41,601,300 shares to 40,283,200 shares. The Proposal on Grant of Restricted Shares to Incentive Targets under the 2016 Restricted Share Incentive Plan of the Company (《关于向公司2016年限制性股票激励计划激励对象授予限制性股票的议案》) was also considered and approved at the aforesaid meeting, pursuant to which the Company was approved to grant 40,283,200 shares to 1,373 awardees for the first time with 13 March 2017 as the first grant date and the grant price of RMB 7.48 per share. On 20 March 2017, the Company completed the registration of grant of all the above-mentioned restricted shares.

(3) On 8 December 2017, the Company convened the Eleventh Meeting of the Fourth Board of Directors to consider and approve the Proposal Regarding the Grant of Reserved Restricted Shares to Awardees under the 2016 Restricted Share Incentive Plan of the Company (《关于向公司2016年限制性股票激励计划激励对象授予预留

限制性股票的议案》), pursuant to which the Company was approved to grant 4,398,700 reserved restricted shares to 399 awardees with the grant price of RMB 10.44 per share and 8 December 2017 as the grant date. Upon audit and confirmation by the Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the registration for grant of reserved restricted shares to 360 awardees. 4,308,000 reserved restricted shares were granted and the listing date of the restricted shares would be 24 January 2018.

2. Implementation during the reporting period

(1) The third unlocking period of the first grant and the second unlocking period of the reserve grant of the 2016 Restricted Share Incentive Plan

On 18 April 2020, the Company convened the Ninth Meeting of the Fifth Board of Directors to consider and approve the Proposal on the Satisfaction of the Unlocking Conditions of the Restricted Share Incentive Plan (《关于股权激励计划符合解锁条件的议案》). The Board was of the view that the unlocking conditions had been satisfied for the third unlocking period of the first grant and for the second unlocking period of the reserve grant under the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) and thus approved the awardees to unlock the relevant shares as prescribed. In the third unlocking period of the first grant, the number of restricted shares available for listing and trading was 10,950,083; and in the second unlocking period of the reserve grant, the number of restricted shares available for listing and trading was 1,130,610.

(2) Repurchase for cancellation for the 2016 Restricted Share Incentive Plan

On 18 April 2020, the Company convened the Ninth Meeting of the Fifth Board of Directors to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, decease caused by illness, etc. of 15 awardees in the first grant of restricted shares and 7 awardees in the reserve grant, the Company was agreed to repurchase and cancel 115,597 restricted shares in the first grant and 52,710 restricted shares in the reserve grant that had been granted to the aforesaid awardees but had not yet reached the unlocking conditions. On 19 June 2019, the Company completed the repurchase for cancellation of the above-mentioned restricted shares. The Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation was then considered and approved at the 2019 Annual General Meeting. On 4 June 2020, the Company convened the Tenth Meeting of the Fifth Board of Directors to consider and approve the Proposal on the Adjustment to the Repurchase Price of the Stock Incentive Plan (《关于调整股权激励计划回购价格的议案》). Due to the implementation of the Company's 2019 annual equity distribution, the Company was approved to adjust the repurchase price of the first granted restricted shares under the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) to RMB 6.28 per share, and adjust the repurchase price of the reserved restricted shares to RMB 9.54 per share. On 19 June 2020, as confirmed by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the Company completed the repurchase for cancellation of the above-mentioned restricted shares.

On 26 October 2020, the Company convened the Twelfth Meeting of the Fifth Board of Directors to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, voluntary waiver, unprofessional conduct, damaging the Company's interests, etc. of 30 awardees in the first grant and 16 awardees in the reserve grant, the Company was

approved to repurchase for cancellation the 219,690 restricted shares in the first grant and the 43,360 restricted shares in the reserve grant of the above-mentioned awardees which had been granted but failed to satisfy the unlocking conditions. On 30 December 2020, as confirmed by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the Company completed the repurchase for cancellation of the above-mentioned restricted shares.

3. Awardees' exercise of interests during the reporting period and interests accumulatively granted but not yet exercised as at the end of the reporting period

In summary, during the reporting period, due to implementation of the 2016 Restricted Share Incentive Plan (Revised) (2016年限制性股票激励计划(修订稿)), the Company repurchased a total of 431,357 restricted shares for cancellation. As at the end of the reporting period, the Company had granted a total of 12,189,090 restricted shares which had not been unlocked.

(II) Explanations for other circumstances due to the implementation of the 2016 Restricted Share Incentive Plan (2016年限制性股票激励计划) during the reporting period

1. Explanation on changes in share capital caused by implementation of the 2016 Restricted Share Incentive Plan (Revised) (2016年限制性股票激励计划(修订稿)).

During the reporting period, the total shares of the Company decreased by 431,357 shares in total due to repurchase of restricted shares for cancellation.

2. Accounting treatment method for option incentive and effects of equity incentive cost on the results of the Company

According to relevant provisions under the Accounting Standards for Business Enterprises No. 11 - Share-based Payment (企业会计准则第11号-股份支付), the Company will, on each balance sheet date in the waiting period, amend the number of restricted shares / share options that are expected to be unlockable / exercisable according to the latest available information of changes in the number of incentive targets allowed to unlock restricted shares/exercise options, completion of performance indicators and other follow-up information and include the services obtained in the current period in the relevant costs or expenses and capital reserve at fair value of the restricted shares/exercise options on the grant date.

The implementation of the above equity incentive plan will not have a significant impact on the Company's financial position and operating results during the reporting period and in the future.

(III) Employee Stock Ownership Plan for Core Team

1. On 15 February 2017, the Proposal Regarding the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited (Revised) and Its Summary (《关于<广东海大集团股份有限公司核心团队员工持股计划(修订稿)>及其摘要的议案》) was approved at the First Extraordinary General Meeting of 2017, pursuant to which the Company was approved to prepare the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited (Revised) (广东海大集团股份有限公司核心团队员工持股计划(修订稿))

(hereinafter referred to as the “Employee Stock Ownership Plan”) in accordance with relevant laws and regulations. As such, the Employee Stock Ownership Plan would permanently exist and be launched each year unless determination as determined by the Stock Ownership Plan Management Committee and consideration and approval by the Board and general meeting; and the Company would formulate specific plans under the Employee Stock Ownership Plan. It was agreed to set special funds of RMB12 million as the capital source for the First Plan of the Employee Stock Ownership Plan (hereinafter referred to as the “First Plan of the Stock Ownership Plan”). As at 21 March 2017, under the First Plan of the Stock Ownership Plan, "GF Yuanchi • Haid Core No. 1 Targeted Asset Management Program (广发原驰•海大核心1号定向资产管理计划)" purchased 720,187 shares from the secondary market. On 29 December 2017, the vesting of the first vesting period of the above-mentioned purchased shares was completed, with 40% of these shares, i.e. 288,075 shares, being vested. On 28 December 2018, the vesting of the second vesting period of the above-mentioned purchased shares was completed, with 30% of these shares, i.e. 216,056 shares, being vested. On 31 December 2019, the vesting of the third vesting period of the above-mentioned purchased shares was completed, with 30% of these shares, i.e. 216,056 shares, being vested. As of 31 December 2019, the total 720,187 shares under the First Plan of the Stock Ownership Plan had been vested, with the vesting particulars in line with the First Plan of the Stock Ownership Plan. On 31 December 2019, the lockup period for the First Plan of the Stock Ownership Plan expired and the unlocking conditions had been satisfied. Therefore, starting from 31 December 2019, all the 720,187 shares under the First Plan of the Stock Ownership Plan have been allowed for trading.

As of 18 June 2020, shares held under the First Plan of the Stock Ownership Plan had been sold out by way of centralized bidding, marking the completion of the implementation and the early termination of the First Stock Ownership Plan. During the reporting period, no change occurred to the holders of the First Plan of the Stock Ownership Plan and their holdings.

2. On 14 May 2018, the Proposal Regarding the Second Plan of the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司核心团队员工持股计划之二期计划>及其摘要的议案》) (hereinafter referred to as the “Second Plan of the Stock Ownership Plan”) was approved at the 2017 Annual General Meeting. As such, the Company was approved to implement the Second Plan of the Employee Stock Ownership Plan. A special fund of RMB38,511,460.57 would be established and the related employees would raise no more than RMB50,000,000. As of 11 July 2018, the "GF Yuanchi • Haid Core No. 2 Targeted Asset Management Program" (广发原驰•海大核心2号定向资产管理计划) purchased 4,386,186 shares of the Company's stock from the secondary market for the Second Plan of the Stock Ownership Plan, of which 1,908,436 shares were purchased with the special fund. On 28 December 2018, the first vesting of the said shares purchased with the special fund was completed, with 40% of these shares, i.e. 763,374 shares, being vested. On 31 December 2019, the second vesting of the said shares purchased with the special fund was completed, with 30% of these shares, i.e. 572,531 shares, being vested. On 31 December 2020, the third vesting of the said shares purchased with the special fund was completed, with 30% of these shares, i.e. 572,531 shares, being vested. The 2,477,750 shares purchased with the employees' self-raised capital were vested according to their payment percentage, including a total of 1,585,760 shares to directors and senior management (Ms. Li Tian, Mr. Qi Cheng, Mr. Xueqiao Qian, Mr. Shaolin Yang, Mr. Zhijian Huang, Mr. Guoxiang Liu, Mr. Xiewu Jiang, Mr. Guocheng Mi, and Mr. Zhongzhu Chen) and a total of 891,990 shares to other core employees. As of 31 December 2020, the total 4,386,186 shares under the Second Plan of the Stock Ownership Plan had been vested, with the vesting particulars in line with the Second Plan of the Stock Ownership Plan. On 31 December 2020, the lockup period for the Second Plan of the Stock Ownership Plan expired and the unlocking conditions

had been satisfied. Therefore, starting from 31 December 2020, all the 4,386,186 shares under the Second Plan of the Stock Ownership Plan have been allowed for trading.

As of the end of the reporting period, 4,386,186 shares were held under the Second Plan of the Stock Ownership Plan, accounting for 0.264% of the then total share capital. During the reporting period, no change occurred to the holders of the Second Plan of the Stock Ownership Plan and their holdings.

3. On 6 May 2019, the Proposal Regarding the Third Plan of the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited and Its Summary (《广东海大集团股份有限公司核心团队员工持股计划之三期计划》及其摘要的议案》) (hereinafter referred to as the “Third Plan of the Stock Ownership Plan”) was approved at the 2018 Annual General Meeting. As such, the Company was approved to implement the Third Plan of the Employee Stock Ownership Plan. A special fund of RMB30,180,630.23 would be established as the capital source. As of 4 November 2019, the “GF Yuanchi • Haid Core Employee Stock Ownership Plan No. 3 Single Asset Management Program” (广发原驰•海大核心员工持股计划3号单一资产管理计划) purchased 888,500 shares of the Company’s stock from the secondary market for the Third Plan of the Stock Ownership Plan. On 31 December 2019, the vesting of the first vesting period of the above-mentioned purchased shares was completed, with 40% of these shares, i.e. 355,400 shares, being vested. On 31 December 2020, the vesting of the second vesting period of the above-mentioned purchased shares was completed, with 30% of these shares, i.e. 266,559 shares, being vested.

As of the end of the reporting period, 888,500 shares were held under the Third Plan of the Stock Ownership Plan, accounting for 0.053% of the then total share capital. During the reporting period, no change occurred to the holders of the Third Plan of the Stock Ownership Plan and their holdings.

XVI. Significant Related Party Transactions

1. Related party transactions associated with day-to-day operation

√ Applicable □ Not applicable

Related party	Related party relationship	Types of the related party transactions	Subject matter of the related party transactions	Pricing basis of the related party transactions	Price of related party transactions	Amount of related party transactions (RMB '0,000)	Percentage as the amount of similar transactions	Amount of transactions approved (RMB '0,000)	Whether exceeding approved cap	Settlement of related party transactions	Market price of available similar transaction	Disclosure date	Disclosure index
Foshan Haihang Xingfa Agriculture and	Associate	Sales of products and commodities	Sales of feed and other products	Market price	The price of each transaction shall	8,066.18	0.13%	7,160	Yes	On normal commercial terms or	Not applicable	21 April 2020	Announcement on Day-to-day

Animal Husbandry Development Co., Ltd.					be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.					in accordance with relevant agreements			Related Party Transaction in 2020 (Announcement No. 2020-026) published on 21 April 2020 in the media designated for information disclosure
Guizhou Fuhai Chemical Co., Ltd.	Associate	Purchase of raw materials	Purchase of raw materials	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by	11,078.73	0.23%	16,884	No	On normal commercial terms or in accordance with relevant agreements	Not applicable	21 April 2020	Announcement on Day-to-day Related Party Transaction in 2020 (Announcement No. 2020-026) published on 21 April 2020 in the

					the seller at the time of transaction.								media designated for information disclosure
Total				--	--	19,144.91	--	24,044	--	--	--	--	--
Particulars on refund of bulk sale				Not applicable									
Actual performance of day-to-day transactions to be conducted in the period for which the total transaction amount is estimated by categories during the reporting period (if any)				Not applicable									
Reasons for large differences between transaction prices and market reference prices (if applicable)				Not applicable									

2. Related party transactions in connection with purchase or sale of assets or equity interest

Applicable Not applicable

There was no related party transaction of the Company in connection with purchase or sale of assets or equity interest during the reporting period.

3. Related party transactions connected to joint external investment

Applicable Not applicable

There was no related party transaction of the Company connected to joint external investment during the reporting period.

4. Related creditors' rights and debts transactions

Applicable Not applicable

There were no related creditors' rights and debts of the Company during the reporting period.

5. Other significant related party transactions

Applicable Not applicable

The Proposal on External Investment and Related Party Transactions (《关于对外投资暨关联交易的议案》) was reviewed and approved on the Eleventh Meeting of the Fifth Board of Directors on 25 July 2020 and the First Extraordinary General Meeting of 2020 on 14 August 2020. It was approved that the wholly-owned subsidiary of the Company could transfer 33.47% of the fund share of Guangzhou Hengjuchang Venture Investment Partnership (Limited Partnership) held by Guangzhou Haihao Investment Co., Ltd., the controlling shareholder of the

Company, with its own capital of RMB 1,011,100, and assume the remaining capital contribution of RMB 669 million from Guangzhou Haihao Investment Co., Ltd. in the Partnership Agreement of Guangzhou Hengjuchang Venture Investment Partnership (Limited Partnership) (《广州市恒聚昌创业投资合伙企业(有限合伙)之合伙协议》) and all the rights and obligations under the Partnership Agreement. As at 16 April 2021, the transfer of the above-mentioned share has been completed and registered for business change.

XVII. Material Contracts and Implementation

1. Custody, contracting and leasing

(1) Custody

Applicable Not applicable

There was no custody of the Company during the reporting period.

(2) Contracting

Applicable Not applicable

There was no contracting of the Company during the reporting period.

(3) Leasing

Applicable Not applicable

There was no leasing of the Company during the reporting period.

2. Significant guarantees

Applicable Not applicable

(1) Guarantees

Unit: RMB'0,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)								
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Term	Fulfilled or not	Guarantee to related parties or not
Customers (such as farmers and dealers)	28 June 2018	2,000	27 August 2019	72.62	Joint liability guarantee	1 year	Yes	No

of seven controlled subsidiaries including Hunan Haid Bio-Feed Co., Ltd.			15 May 2019	140.00	Joint liability guarantee	1-3 years	No	No
Customers (such as farmers and dealers) for whom Shandong Haiding Agriculture and Animal Husbandry Co., Ltd. provided guarantees	26 October 2018	2,000	21 August 2019	32.45	Joint liability guarantee	1 year	Yes	No
			14 January 2020	101.20	Joint liability guarantee	1 year	No	No
Customers (such as farmers and dealers) of eleven controlled subsidiaries including Guangxi Haid Feed Co., Ltd.	16 April 2019	1,500	27 August 2019	69.00	Joint liability guarantee	1 year	Yes	No
			16 May 2019	436.50	Joint liability guarantee	1-3 years	No	No
Customers (such as farmers and dealers) of Nanchang Haid Biotechnology Co., Ltd.	22 October 2019	600	22 October 2019	257.40	Joint liability guarantee	1 year	Yes	No
			18 March 2020	94.00	Joint liability guarantee	1 year	No	No
Customers (such as farmers and dealers) of controlled subsidiaries including Zhanjiang Haid Feed Co., Ltd.	22 October 2019	1,500	24 December 2019	60.00	Joint liability guarantee	1 year	Yes	No
			16 March 2020	7.92	Joint liability guarantee	1 year	No	No
Customers (such as farmers and dealers) of subsidiary	17 March 2020	38,450	10 June 2020	188.00	Joint liability guarantee	1 year	Yes	No
			11 May 2020	1,893.40	Joint liability guarantee	1-3 years	No	No
Customers (such as farmers and dealers) of subsidiary	28 July 2020	52,850	14 August 2020	789.50	Joint liability guarantee	2-3 months	Yes	No
			14 August 2020	12,711.41	Joint liability guarantee	1 year	Yes	No
Total external guarantees approved during the reporting period (A1)			91,300	Total actual external guarantees during the reporting period (A2)				16,853.40
Total external guarantees approved at the end of the reporting period			98,900	Total balance of actual external guarantees at the end				15,348.01

(A3)		of the reporting period (A4)						
Guarantees between the Company and its subsidiaries								
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Term	Fulfilled or not	Guarantee to related parties or not
Sheng Long Bio-Tech International Co.,Ltd	16 April 2019	88,019	23 July 2019	65,822.44	Joint liability guarantee	1 year	Yes	No
	17 March 2020	33,096	21 May 2020	4,451.03	Joint liability guarantee	1-6 months	Yes	No
			21 July 2020	2,260.78	Joint liability guarantee	1 year	No	No
	28 July 2020	-50,353						
Haid International Group Limited	27 October 2017	32,624.5	13 June 2018	32,624.50	Joint liability guarantee	7 years	No	No
	16 April 2019	142,450	7 May 2019	4,592.81	Joint liability guarantee	1 year	Yes	No
	17 March 2020	35,786						
Sheng Long Bio Tech(M)SDN. BHD	16 April 2019	770	17 September 2019	391.49	Joint liability guarantee	6 months	Yes	No
	17 March 2020	795	13 May 2020	130.50	Joint liability guarantee	4 months	Yes	No
Haid Feed Co.,Limited	16 April 2019	16,184	4 September 2019	6,500.51	Joint liability guarantee	2-5 months	Yes	No
	17 March 2020	7,953	12 May 2020	6,941.16	Joint liability guarantee	2-3 months	Yes	No
			20 October 2020	1,608.19	Joint liability guarantee	1 year	No	No
ShengLong Bio-Tech(India)Private Limited	16 April 2019	12,135	10 July 2019	6,555.52	Joint liability guarantee	2-11 months	Yes	No
	17 March 2020	19,349	22 May 2020	1,152.53	Joint liability guarantee	4-5 months	Yes	No
			5 July 2020	4,674.58	Joint liability	1 year	No	No

					guarantee			
Hai Duong Haid Company Limited	16 April 2019	10,250	4 October 2019	5,347.81	Joint liability guarantee	2-4 months	Yes	No
	17 March 2020	11,403	14 May 2020	4,471.50	Joint liability guarantee	2-3 months	Yes	No
			19 October 2020	1,639.00	Joint liability guarantee	1 year	No	No
	28 July 2020	-647						
China Haida Feed Group (HK) Limited	17 March 2020	87,227						
PT.HAIDA AGRICULTURE INDONESIA	16 April 2019	3,850	15 April 2020	2,075.40	Joint liability guarantee	2-3 months	Yes	No
	17 March 2020	15,905	4 June 2020	2,884.19	Joint liability guarantee	3-5 months	Yes	No
			11 December 2020	302.81	Joint liability guarantee	1 year	No	No
VINH LONG HAI DAI CO.,LTD	17 March 2020	2,386						
Guangzhou Yitun Pig Industry Investment Co., Ltd.	29 June 2019	100,000	28 November 2019	24,813.89	Joint liability guarantee	10 years	Yes	No
			10 February 2020	24,352.31	Joint liability guarantee	10 years	No	No
	28 July 2020	55,000	10 September 2020	41,527.16	Joint liability guarantee	10 years	No	No
	28 July 2020	195,000	15 October 2020	6,999.99	Joint liability guarantee	1 month	Yes	No
			24 December 2020	20,000.00	Joint liability guarantee	1 year	No	No
6 subsidiaries including Shijia zhuang Weike Biotechnology Co., Ltd.	17 March 2020	52,000	11 May 2020	11,900.00	Joint liability guarantee	1 year	No	No
Qingyuan Hailong Biological Technology Co., Ltd.	28 July 2020	350	17 August 2020	345.00	Joint liability guarantee	2-3 years	No	No
Wholly-owned or controlled subsidiaries	28 July 2020	5,000	11 September 2020	721.00	Guarantee with collateral	1 year	Yes	No

69 wholly-owned or controlled subsidiaries	17 March 2020	157,050	1 January 2020	132,488.57	Joint liability guarantee	1 year	No	No
22 wholly-owned or controlled subsidiaries	28 July 2020	26,175						
Alaer Ruiliheng Biological Protein Co., Ltd.	26 November 2019	2,737.19	26 November 2019	2,737.19	Joint liability guarantee	2 years	No	No
Total amount of guarantee provided for subsidiaries approved during the reporting period (B1)			653,475.00		Total amount of guarantee provided for subsidiaries during the reporting period (B2)			420,311.86
Total amount of guarantee provided for subsidiaries approved as at the end of the reporting period (B3)			1,062,494.69		Total balance of guarantee provided for subsidiaries as at the end of the reporting period (B4)			240,303.71
Guarantees between subsidiaries								
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Term	Fulfilled or not	Guarantee to related parties or not
Sheng Long Bio-Tech International Co.,Ltd	29 June 2019	14,700	17 January 2020	1,776.78	Joint liability guarantee	2-5 months	Yes	No
	17 March 2020	34,000	25 May 2020	19,279.49	Joint liability guarantee	1-6 months	Yes	No
	28 July 2020	50,353	15 November 2020	1,646.53	Joint liability guarantee	1 month	Yes	No
			17 August 2020	4,957.90	Joint liability guarantee	1 year	No	No
Nantong Haid Biotechnology Co., Ltd.	17 March 2020	1,000	11 May 2020	1,000.00	Guarantee with collateral	1 year	Yes	No
Hai Duong Haid Company Limited	28 July 2020	647						
Total amount of guarantee between subsidiaries approved during the reporting period (C1)			86,000		Total amount of guarantee between subsidiaries during the reporting period (C2)			28,660.7

Total amount of guarantee between subsidiaries approved as at the end of the reporting period (C3)	100,700	Total balance of guarantee between subsidiaries as at the end of the reporting period (C4)	4,957.9
Total amount of guarantee provided (i.e. sum of the above three guarantee amounts)			
Total amount of guarantee approved during the reporting period (A1+B1+C1)	830,775	Total amount of guarantee during the reporting period (A2+B2+C2)	465,825.96
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)	1,262,094.69	Total balance of guarantee as at the end of the reporting period (A4+B4+C4)	260,609.62
The percentage of total amount of guarantee provided (i.e. A4+B4+C4) to the net assets of the Company		18.65%	
Of which:			
Balance of guarantee provided for shareholders, beneficial controllers and its related parties (D)		0	
Balance of guarantee directly or indirectly provided for obligors with gearing ratio over 70% (E)		165,268.27	
Total amount of guarantee provided in excess of 50% of net assets (F)		165,268.27	
Explanations on liability to guarantee occurred during the reporting period or possible joint liability for satisfaction for undue guarantee (if any)		During the reporting period, the Company paid a total of RMB 61,600 for overdue guarantees and received a total of RMB 12,300 as counter-guarantee payments.	
Explanations on provision of guarantee in violation of established procedures		Not applicable	

Notes:

1. The guarantee amounts provided by subsidiaries for external parties are calculated according to the equity-holding percentages of the Company in those subsidiaries.
2. The foreign-currency guarantees in the table above are converted at the middle rate of exchange at the end of the reporting period.

(2) External guarantees against the rules and regulations

Applicable Not applicable

There was no external guarantee provided by the Company which was against the rules and regulations during the reporting period.

3. Entrusted cash and asset management

(1) Entrusted wealth management

Applicable Not applicable

Entrusted wealth management during the reporting period

Unit: RMB'0,000

Type	Fund source for entrusted wealth management	Amount of entrusted wealth management	Undue balance	Overdue outstanding amount
Wealth management products of banks	Owned funds	160,500	0	0
Wealth management products of banks	Raised funds	30,000	25,000	0
Total		190,500	25,000	0

Particulars of high risk wealth management products with individual significant amount or low security, poor liquidity, and non-principal guaranteed

Applicable Not applicable

Unable to recover the principal of entrusted wealth management or other circumstances that may result in impairment

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

Overview of entrusted loans during the reporting period

Unit: RMB'0,000

Total entrusted loans	Source	Undue balance	Overdue outstanding amount
2,250	Owned funds	2,250	0

Particulars of high risk wealth entrusted loans with individual significant amount or low security, poor liquidity, and non-principal guaranteed

Applicable Not applicable

Unable to recover the principal of entrusted loans or other circumstances that may result in impairment

Applicable Not applicable

4. Material contracts in day-to-day operations

Applicable Not applicable

5. Other material contracts

Applicable Not applicable

The Company did not have any other material contract during the reporting period.

XVIII. Fulfillment of Social Responsibility

1. Fulfillment of social responsibility

Please refer to the “Haid Group: Social Responsibility Report 2020” (《海大集团：2020年度社会责任报告》) disclosed by the Company on the media designated for information disclosure.

2. Performance of social responsibility for targeted poverty alleviation

(1) Plan for targeted poverty alleviation

The Company actively responds to the national call for poverty alleviation and rural revitalization, adheres to the corporate mission of "prospering agriculture with science and technology, changing rural China", gives full play to its guidance and radiation role as an industrial leader, implements the industrial poverty alleviation model featuring "five elements of empowerment", and adopts the five major elements, namely industrial chain, service, product, model and technology, to empower underprivileged households. At the same time, the Company makes continuous efforts to targeted poverty alleviation and educational poverty alleviation, and makes contributions to help farmers become rich, activate the rural economy and promote agricultural transformation. In recent years, the Company has planned modern agricultural projects in many national and provincial poverty-stricken counties, helping local farmers get rid of poverty and become rich.

(2) Summary of targeted poverty alleviation in the year

During the reporting period, the Company actively promoted the implementation of poverty alleviation projects.

1. Proactively carrying out poverty alleviation projects through industrial development

The Company gave full play to the advantages of the whole industrial chain and built "seven pillars", including industrial parks, technical service stations, engineers, industrial leaders for rural revitalization, seedlings, think tanks and finance, so as to achieve strong intellectual support.

During the reporting period, the Company donated RMB 10 million on the Guangdong Poverty Alleviation Day as well as the Bijie City Assistance Event to truly help poverty-stricken villages and households develop characteristic local industries, achieve the goal of poverty relief and transform "blood transfusion" into "blood creation". Haid Group fully fulfilled its social responsibilities and contributed positive energy to targeted poverty alleviation.

The Company has successfully helped more than 200 households get rid of poverty and increase their income by adopting the "enterprise + family farm" poultry husbandry and rearing model in nearly 30 villages, including Xialan Village of Shihuipu Town, Babao Village of Shigutang Town and Xilian Village of Xiniu Town in Yingde, Qingyuan.

The Company has set up an aquaculture company in Baidunzi Village, Shawo Town, Jingtai County, Gansu Province, to help local farmers engage in aquaculture on the saline and alkaline land. Four zones, including two aquatic seeding farms, a fishery center and an industrial demonstration area, were established, which have greatly promoted the sustainable development of aquaculture on the saline and alkaline land and provided a new development drive for targeted poverty alleviation and the development of beautiful villages.

During the reporting period, the Company won several national awards and honors for targeted poverty alleviation, such as advanced private enterprise in the National "Ten Thousand Enterprises Helping Ten Thousand Villages" campaign for targeted poverty alleviation, and the annual model enterprise award for targeted poverty alleviation.

Its targeted poverty alleviation cases were selected and incorporated in the Enterprise Examples of China's Poverty Alleviation (《中国扶贫的企业样本》).

2. Actively carrying out charitable projects for educational poverty alleviation

In June 2020, the Ministry of Agriculture and Rural Affairs issued the Notice of the General Office of the Ministry of Agriculture and Rural Affairs on the Cultivation of High-Quality Farmers in 2020 (《农业农村部办公厅关于做好2020年高素质农民培育工作的通知》), which required in-depth implementation of the three-year campaign to improve the quality and efficiency of education and training on farmers. The Company fully responded to the call and cooperated with Nanfang Daily Media Group to jointly launch the "10 + 100 + 1000 + 10,000 Project", a charitable education project for one million new professional farmers. In the future five years, training programs for new professional farmers will be carried out. Particularly, 10 new agricultural industrial parks will be built; 100 strong industrial towns of rural revitalization will be developed; 1,000 technical service stations for rural revitalization will be set up; 10,000 service engineers for rural revitalization will be trained; 10,000 industrial leaders for rural revitalization will be incubated. By doing so, we will ultimately achieve the goal of cultivating one million new professional farmers and stimulating the output value of RMB 100 billion.

Since 2016, the Company has persisted in carrying out public benefit activities themed by "prospering farmers and supporting education" and paid continuous attention to underprivileged children in rural areas. During the reporting period, the Company carried out the "Agriculture Revitalization and Education Assistance" charitable activity at Dangjiu Primary School in Pingjiang Town, Rongjiang County, Guizhou Province, and actively encouraged employees to participate in the "Agriculture Revitalization and Education Assistance" event. More than RMB 20,000 of funds were donated to provide living supplies, and study articles and equipment for underprivileged students. By doing so, the Company insisted on the combination of poverty alleviation, wisdom development and nurture of ambition.

3. Proactively participating in social poverty alleviation activities

During the reporting period, the Company continued to implement the poverty alleviation planning of the national, provincial and municipal governments, and keep an eye on those in need. The Company donated to poverty alleviation funds, helped targeted poor families, and donated to the government's poverty alleviation programs. It donated money and supplies to poverty-stricken areas in Guangxi Province, Fujian Province, Guizhou, etc., which were used to help alleviate poverty, improve education, improve the living environment, purchase social insurance, etc.

During the reporting period, the Company carried out the "1,000 Pigs to 1,000 Villages" event on its own initiative during the Farmers' Harvest Festival. 1,144 pigs were delivered to 1,144 administrative villages under the jurisdiction of Guangzhou Municipality to support villagers in need, including low-income villagers, extremely-poor households, left-behind elderly persons, elderly persons of no family, children in hardship, and poor and severely disabled persons.

(3) Subsequent targeted poverty alleviation plan

In the future, the Company will continue to actively respond to the call of China, closely combine the national

poverty alleviation strategy with its strategic development with policies as the orientation and the industry as the foundation, and further consolidate the achievements of poverty alleviation. The Company will facilitate rural revitalization, transform from "blood transfusion" to "blood creation", gradually improve the endogenous driving force of poverty-stricken areas, continuously enhance the accuracy and sustainability of assistance, consolidate and scale up the achievements of poverty alleviation, and promote organic integration between economic value creation and social responsibility fulfillment.

3. Information on environmental protection

Whether the Company and its subsidiaries are key pollutant discharging units as published by the environmental protection authority

✓ Yes No

Name of the company or subsidiary	Names of major pollutants and characteristic pollutants	Discharge method	Outlet quantity	Outlet distribution	Emission concentration	Pollutant discharge standards	Total discharge	Total discharge approved	Excessive discharge
Guangzhou Haiwei Feed Co., Ltd.	Sewage: pH, suspended matter, COD, BOD5, vegetable oils, cationic surfactant	Sewage: discharged into the municipal pipe network after reaching the standard		West gate of the plant	Suspended matter: 100 mg/L; ammonia oxygen (NH3-N): 15mg/L; COD: 110mg/L	Discharge Limits of Water Pollutants (DB44/26-2001)	22,246 tons/year		/ None
Guangzhou Haiwei Feed Co., Ltd.	Exhaust gas: Particles, nitrogen oxides, sulfur dioxide, Ringelman emittance	Discharge after sewage treatment		Boiler: 8 tons, 1 boiler	Sulfur dioxide: 35mg/Nm ³ ; particulate matter: 20 mg/Nm ³ ; ammonia nitrogen: 150mg/Nm ³ ; mercury and its compounds: 0.05mg/Nm ³ ; smoke blackness: 1 mg/Nm ³	Emission Standard of Air Pollutants for Boiler (DB44/765-2019), Emission Standard of Air Pollutants for Boiler (GB13271-2014), Emission Limits of Air Pollutants	160,000 m ³ /year		/ None

						(DB44/27-2001)			
Gaozhou Sanhe Animal Husbandry Co., Ltd.	TP, TN, COD, ammonia nitrogen, PH, suspended matter	Discharge after sewage treatment	1	Within the sewage treatment zone	COD: 86 mg/L; SS: 50 mg/L; ammonia nitrogen: 5.6 mg/L; TN: 69 mg/L; TP: 2.9 mg/L; pH: 6-9	Level-1 standards for the 2nd time interval of the Discharge Limits of Water Pollutants of Maoming City (《茂名市水污染物排放限值》); Pollutant Discharge Standards for Livestock and Poultry Farming Industry (《畜禽养殖业污染物排放标准》)	COD: 3.14 t/a; SS: 1.82 t/a; ammonia nitrogen: 0.2 t/a; TN: 2.52 t/a; TP: 0.11 t/a		/ None
Jiaxiang Haiying Food Co., Ltd.	COD, ammonia-nitrogen, TN, TP, pH	Discontinuous discharge	1	Total outlet	COD: 53.4 mg/L; ammonia nitrogen: 11.3 mg/L; TN: 26.5 mg/L; TP: 2.97 mg/L; pH: 7.15	COD: 500 mg/L; ammonia nitrogen: 45 mg/L; TN: 70 mg/L; TP: 8 mg/L	COD: 3.49 t/a; ammonia nitrogen: 0.682 t/a; TN: 1.53 t/a; TP: 0.173 t/a		/ None
Linxi County Haiying Food Co., Ltd.	Sewage: TP, TN, COD, ammonia nitrogen, BOD, PH, suspended	Discharged into the municipal pipe network after	1	1 sewage	COD: 300 mg/L; BOD: 250 mg/L; SS: 300mg/L; ammonia	Secondary standard of the Discharge Standard of Water	9.39 tons/year	9.39 tons/year	None

	matter, vegetable oils, fecal coliform and anionic surfactant	reaching the standard			nitrogen: 30mg/L; TN: 30mg/L; TP: 3 mg/L; PH: 6-9; vegetable oils: 50mg/L; fecal coliform: 1000 MPN/L; anionic surfactant: 50mg/L	Pollutants for Meat Packing Industry (《肉类加工工业水污染物排放标准》) (GB13457-1992), and the water intake standards of wastewater treatment plants in Hexi Town, Linxi County			
Linxi County Haiying Food Co., Ltd.	Exhaust gas: Nitrogen oxides, sulfur dioxide, smoke blackness, particulate matter, odor concentration, hydrogen sulfide, ammonia	Organized discharge		2 boilers, 35 exhaust gases	Sulfur dioxide: 10mg/m ³ ; nitrogen oxide: 30mg/m ³ ; particulate matter: 5mg/m ³ ; ammonia: 4.9kg/h; hydrogen sulfide: 0.33kg/h; odor concentration (dimensionless): 2000	Emission Standard of Air Pollutants for Boiler (《锅炉大气污染物排放标准》) (GB13271-2014); Notice on Treatment of Nitrogen Oxides from Boilers (《关于开展燃气锅炉氮氧化物治理工作的通知》) (XQLB [2018] No. 91); Emission Standard for Odor	9.39 tons/year	9.39 tons/year	None

						Pollutants (《恶臭污染 物排放标 准》) (GB14554- 1993)			
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Construction and operation of pollution prevention and control facilities

During the reporting period, the Company arranged different pollution prevention and control equipment for different processes. Details are presented as follows:

(1) Combustion waste gas treatment: Circumstances permitted, low nitrogen natural gas boilers were arranged; in areas where the natural gas pipeline network could not be arranged, high-quality and qualified fuels were adopted as required; and cloth bag dust collectors and desulfurization and denitrification devices were installed to ensure the waste gas treatment satisfies relevant standards.

(2) Process waste gas treatment: In view of process waste gas treatment, the cyclone + bag filter and other equipment were prepared to treat dusty waste gas; for the process involving relatively large odor, superimposed spraying equipment or biological deodorization equipment were added to further remove dust and odor.

(3) Production wastewater treatment: Since the wastewater was mainly farming wastewater, solid-liquid separation + cover lagoon anaerobic + two-stage AO + Fenton treatment process were adopted for the wastewater treatment process.

2. The Company paid more attention to the harmless treatment of animal husbandry, and the back-end facilities was equipped with fermenters to achieve harmless and resource-based treatment.

3. The pollution prevention and control equipment arranged by the Company was under effective operation. The concentration and total volume of pollutant discharge were within the scope of the discharge permit.

Environmental impact assessment and other environmental protection administrative licensing of construction projects

All the aforementioned feed factories prepared environmental impact reports before project implementation and submitted to the environmental authority for review and approval in accordance with the requirements of environmental laws and regulations. They commenced project construction after obtaining the approval and carried out construction works strictly in accordance with the requirements of environmental impact assessment. Furthermore, they went through the procedures for the acceptance of project completion for environmental impact assessment in accordance with laws and obtained the pollutant discharge permit.

Emergency plan for emergent environmental incidents

In accordance with the requirements in the Management Measures of Haid Group for Safety and Environmental Protection Emergency Preparation and Response (《海大集团安全环保应急准备和响应管理办法》), the Company has established a top-down organizational structure for emergency response and allocated personnel and resources to enhance the response to risks and events of different degrees, and strengthen the collaboration between various departments. At the same time, all branches and subsidiaries have formulated contingency plans for environmental protection in accordance with the requirements of local environmental protection authorities and have carried out drills under the contingency plans.

Self-monitoring program for environment

The Company has formulated environmental self-monitoring plans in accordance with the requirements of local environmental protection authorities and contacted qualified monitoring units to conduct self-monitoring on a regular basis. Besides, it disclosed relevant information or filed with local environmental protection authorities as required. All self-monitoring activities were in compliance with the requirements of the environmental protection evaluation and emission standards.

Other environmental information that should be disclosed

None

Other information on environmental protection

None

XIX. Other Matters of Significance

Applicable Not applicable

The Company did not have any other matters of significance to be explained during the reporting period.

XX. Matters of Significance of Subsidiaries of the Company

Applicable Not applicable

Section VI. Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issue	Shares as dividend converted from retained earnings	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	26,761,978	1.69%				-12,051,801	-12,051,801	14,710,177	0.89%
1.3 Shares held by other domestic investors	26,761,978	1.69%				-12,051,801	-12,051,801	14,710,177	0.89%
Of which: shares held by domestic natural persons	26,761,978	1.69%				-12,051,801	-12,051,801	14,710,177	0.89%
2. Non-restricted shares	1,553,595,516	98.31%	81,284,614			11,620,444	92,905,058	1,646,500,574	99.11%
2.1 RMB ordinary shares	1,553,595,516	98.31%	81,284,614			11,620,444	92,905,058	1,646,500,574	99.11%
3. Total shares	1,580,357,494	100.00%	81,284,614			-431,357	80,853,257	1,661,210,751	100.00%

Reasons for share changes:

 Applicable Not applicable

1. Based on the shareholdings of the Company's directors, supervisors and senior management in the Company at the end of last year, their tradable shares were recalculated at the beginning of the current year, resulting in changes in their shares in lockup.

2. Certain restricted shares were repurchased and cancelled under the 2016 Restricted Share Incentive Plan (Revised) (《2016 年限制性股票激励计划 (修订稿)》).

(1) As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016 年限制性股票激励计划

(修订稿)》) had resigned, been dismissed or failed in their individual performance appraisals of 2019, among others, the Company repurchased and cancelled a total of 168,307 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 19 June 2020, the Company completed the repurchase and cancellation of the said restricted shares. As such, the Company's total shares decreased by 168,307 shares.

(2) As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) had resigned, signed a waiver on the corresponding restricted share incentives, damaged the Company's interests, among others, the Company repurchased and cancelled a total of 263,050.00 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 31 December 2020, the Company completed the repurchase and cancellation of the said restricted shares. As such, the Company's total shares decreased by 263,050.00 shares.

3. Restricted shares were unlocked under the restricted share incentive plan

On 8 May 2020, as the unlocking conditions had been satisfied for the third unlocking period of the first grant and for the second unlocking period of the reserve grant under the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》), a total of 12,080,693 restricted shares were unlocked, including 10,950,083 restricted shares in the first grant and 1,130,610 restricted shares in the reserve grant.

4. "Haid Convertible Bonds" were converted to shares.

"Haid Convertible Bonds" were allowed to be converted to shares starting from 25 September 2020. As of 22 December 2020, 81,284,614 new shares were converted from "Haid Convertible Bonds", increasing the Company's total shares by 81,284,614 shares.

After all the changes above, the Company's total shares have changed from 1,580,357,494 shares to 1,661,210,751 shares.

Approval of share changes:

Applicable Not applicable

1. On 18 April 2020, the Company convened the Ninth Meeting of the Fifth Board of Directors to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, decease caused by illness, etc. of 15 awardees in the first grant of restricted shares and 7 awardees in the reserve grant, the Company was agreed to repurchase and cancel 115,597 restricted shares in the first grant and 52,710 restricted shares in the reserve grant that had been granted to the aforesaid awardees but had not yet reached the unlocking conditions. The Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》) was considered and approved at the 2019 Annual General Meeting.

2. On 26 October 2020, the Company convened the Twelfth Meeting of the Fifth Board of Directors to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, voluntary waiver, unprofessional conduct, damaging the

Company's interests, etc. of 30 awardees in the first grant and 16 awardees in the reserve grant, the Company was approved to repurchase for cancellation the 219,690 restricted shares in the first grant and the 43,360 restricted shares in the reserve grant of the above-mentioned awardees which had been granted but failed to satisfy the unlocking conditions. The Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》) was considered and approved at the Second Extraordinary General Meeting of 2020.

3. With SZSE's consent in the document "SZS [2020] No. 279", the Company's convertible corporate bonds of RMB 2,830 million have been listed on SZSE for trading since 16 April 2020. The convertible corporate bonds in this offering can be converted to shares in the Company starting from 25 September 2020. And the convertible corporate bonds were officially delisted on 31 December 2020.

Transfer of share ownership:

Applicable Not applicable

Implementation progress of any share repurchase

Applicable Not applicable

On 26 October 2020, the Proposal on the Plan for Share Repurchase (《关于回购公司股份方案的议案》) was reviewed and approved on the Twelfth Meeting of the Fifth Board of Directors of the Company. It was approved that the Company could repurchase its shares with not less than RMB 300 million and not more than RMB 600 million of its own funds at a maximum repurchase price of RMB 70 per share. The implementation period of the repurchase should not exceed 12 months from the date when the Board of Directors reviewed and approved the plan for share repurchase. On 4 March 2020, the Proposal on Adjusting the Plan for Share Repurchase (《关于调整回购股份方案的议案》) was reviewed and approved on the Sixteenth Meeting of the Fifth Board of Directors. The following adjustment to the share repurchase plan of the Company was approved: The Company could repurchase its shares with not less than RMB 400 million and not more than RMB 800 million of its own funds at a maximum repurchase price of RMB 90 per share. Other terms of the share repurchase plan remained unchanged.

The Company conducted the repurchase through a securities account for repurchase by means of call auction for the first time on 25 November 2020, and released the Announcement on the First Repurchase of the Company's Shares (《关于首次回购公司股份的公告》) on 26 November 2020.

During the reporting period, the Company repurchased 1,438,596 shares by means of call auction, accounting for 0.09% of its total share capital. The highest transaction price was RMB 61.12 per share and the lowest transaction price was RMB 54.63 per share. The total transaction amount was RMB 83,929,094.77 (excluding transaction expenses).

On 6 April 2021, the Proposal on Terminating the Plan for Share Repurchase (《关于终止回购公司股份方案的议案》) was reviewed and approved on the Seventeenth Meeting of the Fifth Board of Directors. From the first share repurchase date on 25 November 2020 to the disclosure date for this announcement, the Company repurchased a total of 11,466,690 shares by means of call auction and transaction, accounting for 0.69% of the total share capital of the Company. The highest transaction price was RMB 76.00 per share and the lowest transaction price was

RMB 54.63 per share. The total transaction amount was RMB 791,371,488.37 (excluding transaction expenses), accounting for 197.84% of the lower limit of RMB 400 million and 98.92% of the upper limit of RMB 800 million of the total amount specified in the share repurchase plan. The Company terminated this share repurchase plan.

Implementation progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, equity per share attributable to the ordinary shareholders of the parent company and other financial indicators of the prior year and the prior period, respectively:

Applicable Not applicable

See “VI. Major accounting data and financial indicators” in Section II.

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable Not applicable

2. Change in Restricted Shares

Applicable Not applicable

Unit: share

Shareholder	Opening restricted shares	Increased in Reporting Period	Unlocked in Reporting Period	Closing restricted shares	Reason for lockup	Date of unlocking
Li Tian	1,379,385	47,220		1,426,605	Shares in lockup due to her senior management position: 47,220 restricted shares were transferred to her shares in lockup due to her senior management position upon being unlocked during the reporting period.	Not applicable
Li Tian	94,440		47,220	47,220	Restricted shares: 47,220 restricted shares were unlocked during the reporting period.	8 May 2020
Xueqiao Qian	273,975	33,450		307,425	Shares in lockup due to his senior management position: 33,450 restricted shares were transferred to his shares in lockup due to his senior management position upon being unlocked during the reporting period.	Not applicable

Xueqiao Qian	66,900		33,450	33,450	Restricted shares: 33,450 restricted shares were unlocked during the reporting period.	8 May 2020
Shaolin Yang	180,855	33,660		214,515	Shares in lockup due to his senior management position: 33,660 restricted shares were transferred to his shares in lockup due to his senior management position upon being unlocked during the reporting period.	Not applicable
Shaolin Yang	67,320		33,660	33,660	Restricted shares: 33,660 restricted shares were unlocked during the reporting period.	8 May 2020
Zhijian Huang	226,623	41,280		267,903	Shares in lockup due to his senior management position: 1. The shares in lockup due to his senior management position decreased by 103,011 shares upon the recalculation of his transferable shares in the year according to his shareholdings on 1 January 2020; 2. 41,280 restricted shares were transferred to his shares in lockup due to his senior management position upon being unlocked during the reporting period.	Not applicable
Zhijian Huang	82,560		41,280	41,280	Restricted shares: 41,280 restricted shares were unlocked during the reporting period.	8 May 2020
Zhongzhu Chen		69,687		69,687	Shares in lockup due to his senior management position: 153,480 restricted shares were unlocked during the reporting period, of which 83,793 shares became tradable, and the rest 69,687 shares were transferred to his shares in lockup due to his senior management position.	Not applicable
Zhongzhu Chen	335,170		153,480	181,690	Restricted shares: 153,480 restricted shares were unlocked during the reporting period.	8 May 2020
Qi Cheng	70,000		30,000	40,000	Restricted shares: 30,000 restricted shares were unlocked during the reporting period.	8 May 2020
Qi Cheng		12,500		12,500	Shares in lockup due to his senior management position: 30,000 restricted	Not applicable

					shares were unlocked during the reporting period, of which 17,500 shares became tradable, and the rest 12,500 shares were transferred to his shares in lockup due to his senior management position.	
Xiewu Jiang	66,780		33,390	33,390	Restricted shares: 33,390 restricted shares were unlocked during the reporting period.	8 May 2020
Xiewu Jiang		16,695		16,695	Shares in lockup due to his senior management position: 33,390 restricted shares were unlocked during the reporting period, of which 16,695 shares became tradable, and the rest 16,695 shares were transferred to his shares in lockup due to his senior management position.	Not applicable
Guoxiang Liu	360,170		164,730	195,440	Restricted shares: 164,730 restricted shares were unlocked during the reporting period.	8 May 2020
Guoxiang Liu		74,687		74,687	Shares in lockup due to his senior management position: 164,730 restricted shares were unlocked during the reporting period, of which 90,043 shares became tradable, and the rest 74,687 shares were transferred to his shares in lockup due to his senior management position.	Not applicable
Guocheng Mi	353,760		161,130	192,630	Restricted shares: 161,130 restricted shares were unlocked during the reporting period.	8 May 2020
Guocheng Mi		131,070		131,070	Shares in lockup due to his senior management position: 161,130 restricted shares were unlocked during the reporting period, of which 107,900 shares became tradable, and the rest 131,070 shares were transferred to his shares in lockup due to his senior management position.	Not applicable
Other restricted share	23,204,040		11,813,710	11,390,330	Restricted shares: 1. A total of 11,382,353 restricted shares were unlocked during the reporting period; 2.	8 May 2020

awardees than senior management						A total of 431,357 restricted shares were repurchased and cancelled during the reporting period.	
Total	26,761,978	460,249	12,512,050	14,710,177		--	--

II Issuance and Listing of Securities

1. Securities (Exclusive of Preferred Shares) issued in reporting period

√ Applicable □ Not applicable

Name of the stock and its derivative securities	Issuance date	Issuance price (or interest rate)	Number of shares to be issued	IPO Date	Approved offering and trading volume	Final trading date	Index to disclosed information	Disclose date
Stock								
Convertible corporate bonds, convertible corporate bonds with detachable call warrant, corporate bonds								
Haid Convertible Bonds	19 March 2020	RMB 100 / piece	28,300,000	16 April 2020	28,300,000	23 December 2020	For details, please refer to the Announcement on Public Offering of Convertible Corporate Bonds (《公开发行可转换公司债券上市公告书》) numbered 2020-021 and disclosed on media designated by the Company, including Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and the cninfo website.	15 April 2020
Other derivative securities								

Information on the issuance of securities (excluding preferred shares) during the reporting period

Upon the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") through the issuance of the Approval on the Public Offering of Convertible Corporate Bonds by Guangdong Haid Group Co., Limited (《关于核准广东海大集团股份有限公司公开发行可转换公司债券的批复》) (Zheng Jian Xu Ke [2020] No. 205), on 19 March 2020, the Company issued 28.3 million convertible corporate bonds with a face value of RMB 100 each to the public, with a total amount of RMB 2,830 million and a term of six years.

With SZSE's consent in the document "SZS [2020] No. 279", the Company's convertible corporate bonds of RMB 2,830 million have been listed on SZSE for trading since 16 April 2020, with the abbreviation of "Haid

Convertible Bonds" and the bond code of "128102".

The closing price of the Company's stock (stock code: 002311.SZ) was not lower than 120% (inclusive) of the current conversion price of "Haid Convertible Bonds" of RMB 34.74/share (i.e. RMB 41.69/share) for at least fifteen trading days out of thirty consecutive trading days from 25 September 2020 to 13 November 2020, which had triggered the conditional redemption terms stipulated in the Prospectus for the Public Offering of Convertible Corporate Bonds of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司公开发行可转换公司债券募集说明书》) (hereinafter referred to as the "Prospectus"). On 16 November 2020, the Proposal on Early Redemption of "Haid Convertible Bonds" (《关于提前赎回“海大转债”的议案》) was reviewed and approved on the Thirteenth Meeting of the Fifth Board of Directors and the Eleventh Meeting of the Fifth Supervisory Committee of the Company. The Company decided to exercise the conditional redemption right for "Haid Convertible Bonds" and redeem all the "Haid Convertible Bonds" that had not been converted to shares at the price of the face value of the bonds plus the accrued interest for the current period.

On 23 December 2020, the redemption date of "Haid Convertible Bonds", the trading and conversion of "Haid Convertible Bonds" into shares were terminated. The Company has fully redeemed the "Haid Convertible Bonds" registered with China Securities Depository and Clearing Corporation Limited Shenzhen Branch as at the closing time of the redemption registration date (22 December 2020). On 31 December 2020, "Haid Convertible Bonds" issued by the Company were officially delisted from the Shenzhen Stock Exchange.

2. Change in Total Shares, Shareholder Structure and Asset and Liability Structures

Applicable Not applicable

(1) Conversion of convertible corporate bonds into shares

In accordance with the relevant laws and regulations as well as stipulations in the Prospectus (《募集说明书》), the conversion period of "Haid Convertible Bonds" is from the first trading day (25 September 2020) after six months from the final issuance date of convertible bonds (25 March 2020) to the maturity date of convertible bonds (18 March 2026, or postpone the date in case of a holiday). From 25 September 2020 to the redemption date of "Haid Convertible Bonds" (23 December 2020), the face value of "Haid Convertible Bonds" reduced by RMB 2,823,906,100 due to conversion, and the bonds were converted into 81,284,614 shares accumulatively. After the conversion, the total share capital of the Company increased by 81,284,614 shares

(2) Implementation of equity incentive plan

As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) had resigned, deceased due to illness, among others, the Company repurchased and cancelled a total of 168,307 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 21 April 2020, the Company disclosed the Announcement on Decrease in Capital due to Repurchase and Cancellation of Certain Restricted Shares (《关于回购注销部分限制性股票的减资公告》) (announcement No. 2020-028) and publicized the capital decrease matter for 45 days. As of 8 June 2020, the Company had paid a total of RMB 1,228,802.56 for share repurchases, thus reducing the share capital by RMB 168,307.00 and the capital reserve by RMB 1,060,495.56. The said matter was verified by Grant Thornton China (Special General

Partnership), which issued the Capital Verification Report ZTYZ (2020) No. 440ZC00167 (致同验字(2020)第440ZC00167号《验资报告》)。On 19 June 2020, as confirmed by the Shenzhen branch of China Securities Depository and Clearing Co., Ltd., the Company completed the repurchase and cancellation of the said restricted shares with the said authority. As such, the Company's total shares decreased by 168,307 shares.

As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) had resigned, voluntarily signed a waiver on the corresponding restricted share incentives, committed unprofessional conduct, damaged the Company's interests, among others, the Company repurchased and cancelled a total of 263,050 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 27 October 2020, the Company disclosed the Announcement on Decrease in Capital due to Repurchase and Cancellation of Certain Restricted Shares (《关于回购注销部分限制性股票的减资公告》) (announcement No. 2020-095) and publicized the capital decrease matter for 45 days. As of 11 December 2020, the Company had paid a total of RMB 1,793,307.60 for share repurchases, thus reducing the share capital by RMB 263,050.00 and the capital reserve by RMB 1,530,257.60. The said matter was verified by Grant Thornton China (Special General Partnership), which issued the Capital Verification Report ZTYZ (2020) No. 440C001012 (致同验字(2020)第440C001012号《验资报告》)。On 30 December 2020, as confirmed by the Shenzhen branch of China Securities Depository and Clearing Co., Ltd., the Company completed the repurchase and cancellation of the said restricted shares with the said authority. As such, the Company's total shares decreased by 263,050 shares.

The above changes in the Company's total shares did not result in the change of the Company's actual controller.

3. Existing Staff-Held Shares

Applicable Not applicable

III Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at Period-End

Unit: share

Ordinary shareholders at period-end	23,690	Ordinary shareholders at month-end prior to disclosure of this Report	22,073	Preferred shareholders with resumed voting rights at period-end (if any) (see note 8)	0	Preferred shareholders with resumed voting rights at month-end prior to disclosure of this Report (if any) (see note 8)	0
5% or greater shareholders or top 10 shareholders							
Name	of Nature	of Shareh	Shares	Change	Restricted	Non-restrict	Pledged or froze n shares

shareholder	shareholder	olding percen tage at period -end (%)		during Reporting Period	shares	ed shares	Status	Shares
Guangzhou Haihao Investment Co., Ltd. (note)	Domestic non-state-owned juridical person	53.91%	895,589,359	-15,000,000		895,589,359	Pledged	46,020,000
Hong Kong Securities Clearing Company Ltd.	Foreign juridical person	2.74%	45,466,407	-26,446,906		45,466,407		
Industrial and Commercial Bank of China – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	Other	1.75%	28,999,257	8,999,335		28,999,257		
Norges Bank – Proprietary Fund	Foreign juridical person	1.20%	19,922,106	-2,726,111		19,922,106		
Central Huijin Asset Management Ltd.	State-owned juridical person	1.03%	17,187,600	0		17,187,600		
Industrial and Commercial Bank of China – Lombarda China Shidai Xianfeng Stock Founder Securities Investment Fund	Other	0.87%	14,477,872	12,178,536		14,477,872		
Bank of China – Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	Other	0.72%	11,999,944	889,944		11,999,944		
Monetary Authority of Macao – Proprietary Fund	Foreign juridical person	0.69%	11,533,942	11,533,942		11,533,942		

National Social Security Fund Portfolio 104	Other	0.60%	9,905,575	2,164,100		9,905,575	
Abu Dhabi Investment Authority	Foreign juridical person	0.54%	8,925,515	-2,403,739		8,925,515	
Strategic investor or general juridical person becoming top-10 shareholder due to placing of new shares (if any) (see note 3)	N/A						
Related or acting-in-concert parties among shareholders above	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Administrative Measures On Acquisition Of Listed Companies (《上市公司收购管理办法》) or any related party.						
Top 10 non-restricted shareholders							
Name of shareholder	Non-restricted shares held at period-end	Type of shares					
		Type	Shares				
Guangzhou Haihao Investment Co., Ltd. (note)	895,589,359	RMB ordinary stock	895,589,359				
Hong Kong Securities Clearing Company Ltd.	45,466,407	RMB ordinary stock	45,466,407				
Industrial and Commercial Bank of China – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	28,999,257	RMB ordinary stock	28,999,257				
Norges Bank – Proprietary Fund	19,922,106	RMB ordinary stock	19,922,106				
Central Huijin Asset Management Ltd.	17,187,600	RMB ordinary stock	17,187,600				
Industrial and Commercial Bank of China – Lombarda China Shidai Xianfeng Stock Founder Securities Investment Fund	14,477,872	RMB ordinary stock	14,477,872				
Bank of China – Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	11,999,944	RMB ordinary stock	11,999,944				
Monetary Authority of Macao – Proprietary Fund	11,533,942	RMB ordinary stock	11,533,942				
National Social Security Fund Portfolio 104	9,905,575	RMB ordinary stock	9,905,575				

Abu Dhabi Investment Authority	8,925,515	RMB ordinary stock	8,925,515
Related or acting-in-concert parties among top 10 non-restricted ordinary shareholders, as well as between top 10 non-restricted ordinary shareholders and top 10 ordinary shareholders	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Measures for Administration of Takeover of Listed Companies (《上市公司收购管理办法》) or any related party.		
Top 10 ordinary shareholders conducting securities margin trading (if any) (see note 4)	Note: As at the end of the reporting period, the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. held 34,000,000 shares in the Company in its client account of collateral securities for margin trading; and it lent out another 15,000,000 shares (not a shareholding reduction as it retained ownership of these shares) in its refinancing securities lending business. Except for that, other shareholders of the top 10 ordinary shareholders were not engaged in margin trading.		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea No

No such cases in the Reporting Period.

2. Controlling Shareholder

Nature of controlling shareholder: Controlled by a natural person

Type of controlling shareholder: Juridical person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Unified social credit code	Main business scope
Guangzhou Haihao Investment Co., Ltd.	Hua Xue	27 September 2006	91440113793877530G	Investment with self-owned capital; wholesale of commodities (excluding commodities that require a permit or approval document to trade); retail sales of commodities (excluding commodities that require a permit or approval document to trade); import and export of commodities (excluding commodities restricted to specific parties); and import and export of technologies

Change of the controlling shareholder during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

3. Actual Controller

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

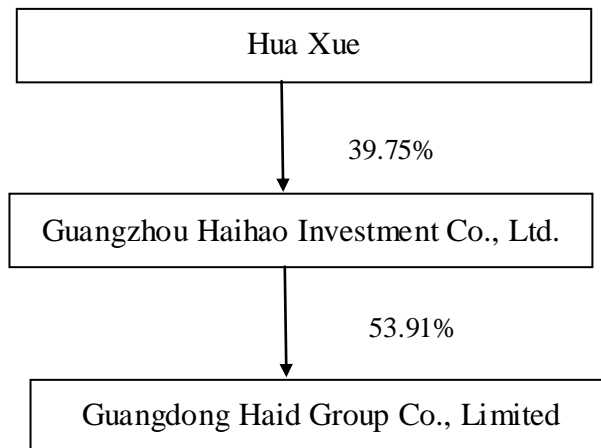
Name of actual controller	Relationship with actual controller	Nationality	Right of residence in other countries or regions
Hua Xue	Himself	Chinese	None
Main office titles	Chairman of the Board, and President (General Manager)		
Used-to-be-holding listed companies at home and abroad in past 10 years	N/A		

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

Applicable Not applicable

4. Other 10% or Greater Juridical-Person Shareholders

Applicable Not applicable

5. Holdings of the Company's Controlling Shareholder, Actual Controller, Reorganizer and Other Commitment Makers under Restricted Sales Condition

Applicable Not applicable

Section VII. Preferred Shares

Applicable Not applicable

No preferred shares in the Reporting Period.

Section VIII. Convertible Corporate Bonds

Applicable Not applicable

I Previous Price Adjustments for Conversion of Bonds into Shares

On 19 March 2020, the Company issued convertible corporate bonds with a total face value of RMB 2,830 million (bond code: 128102, bond abbreviation: "Haid Convertible Bonds") to the public. The initial conversion price was RMB 35.09 per share.

On 19 May 2020, the Company carried out the 2019 annual equity distribution and distributed cash dividends of RMB 3.50 (including tax) for every 10 shares. Meanwhile, the conversion price of the Company's convertible bonds was adjusted from RMB 35.09 per share to RMB 34.74 per share, with the adjusted conversion price coming into force from 20 May 2020.

II Cumulative Conversion of Bonds into Shares

Applicable Not applicable

Abbreviation of bonds being converted	Starting/ending dates of conversion into shares	Total issuance volume (piece)	Total issuance amount	Accumulative amount of conversion into shares (RMB)	Accumulative quantity of shares converted from bonds (shares)	Proportion of the shares converted from bonds to the total issued shares of the Company before the conversion	Amount of bonds that have not been converted into shares (RMB)	Proportion of the amount of bonds that have not been converted into shares to the total issuance amount
Haid Convertible Bonds	25 September 2020	28,300,000	2,830,000,000.00	2,823,906,100.00	81,284,614	5.14%	0.00	0.00%

III Information on Top Ten Convertible Bond Holders

On 31 December 2020, "Haid Convertible Bonds" were officially delisted from the Shenzhen Stock Exchange. There was no convertible bond holder.

IV Significant Changes in Profitability, Assets and Credit Standing of Guarantors

Applicable Not applicable

V The Company's Liabilities as at the End of the Reporting Period, Credit Standing Changes and Cash Arrangements for Debt Repayment For the Coming Year

1. Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the Follow-up Rating Report on Convertible Corporate Bonds Publicly Issued by Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司公开发行可转换公司债券跟踪评级报告》) on June 18, 2020. The Company's corporate credit rating was AA+, with a "Stable" outlook. The credit rating of Haid Convertible Bonds was AA+. These follow-up rating results remain same as the results of the previous rating. For details of the above follow-up credit rating report, please refer to www.cninfo.com.cn.

The closing price of the Company's stock was not lower than 120% (inclusive) of the current conversion price of "Haid Convertible Bonds" of RMB 34.74/share (i.e. RMB 41.69/share) for at least fifteen trading days out of thirty consecutive trading days from 25 September 2020 to 13 November 2020, which had triggered the conditional redemption terms stipulated in the Prospectus for the Public Offering of Convertible Corporate Bonds of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司公开发行可转换公司债券募集说明书》). On 16 November 2020, the Proposal on Early Redemption of "Haid Convertible Bonds" (《关于提前赎回“海大转债”的议案》) was reviewed and approved on the Thirteenth Meeting of the Fifth Board of Directors and the Eleventh Meeting of the Fifth Supervisory Committee of the Company. The Company decided to exercise the conditional redemption right for "Haid Convertible Bonds" and redeem all the "Haid Convertible Bonds" that had not been converted to shares at the price of the face value of the bonds plus the accrued interest for the current period (RMB 100.15 per piece). On 23 December 2020, the Company fully redeemed 60,939 pieces of "Haid Convertible Bonds" that had not been converted into shares. On 31 December 2020, "Haid Convertible Bonds" were officially delisted from the Shenzhen Stock Exchange.

Section IX. Directors, Supervisors, Senior Management and Staff

I Change in Shareholdings of Directors, Supervisors and Senior Management

Name	Office title	Incumbent/Former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in Reporting Period (share)	Decrease in Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)
Hua Xue	Chairman of the Board	Incumbent	Male	51	6 June 2007	16 July 2022					
Hua Xue	President	Incumbent	Male	51	25 May 2010	16 July 2022					
Yingzhuo Xu	Vice Chairman of the Board	Incumbent	Male	53	6 June 2007	16 July 2022					
Li Tian	Director	Incumbent	Female	49	7 June 2016	16 January 2021	1,965,100				1,965,100
Qi Cheng	Director	Incumbent	Male	41	16 July 2019	16 July 2022	70,000				70,000
Qi Cheng	Executive Vice President	Incumbent	Male	41	16 July 2019	16 July 2022					
Jianfang Gui	Independent Director	Incumbent	Male	65	16 July 2019	16 July 2022					
Jianguo He	Independent Director	Incumbent	Male	59	16 July 2019	16 July 2022					
Yunguo Liu	Independent Director	Incumbent	Male	55	16 July 2019	16 July 2022					
Zhenxiong Qi	Supervisor	Incumbent	Male	51	6 June 2007	16 July 2022					
Jing Wang	Supervisor	Former	Female	42	15 May 2014	16 November 2020					

Jia Chen	Supervisor	Former	Female	39	21 August 2013	16 November 2020					
Hua Wang	Supervisor	Incumbent	Male	34	16 November 2020	16 July 2022					
Yongfang Mu	Supervisor	Incumbent	Female	32	16 November 2020	16 July 2022	1,740			1,740	
Guoxiang Liu	Vice President	Incumbent	Male	53	16 July 2019	16 July 2022	360,170		90,000		270,170
Xueqiao Qian	Vice President	Incumbent	Male	54	16 July 2019	16 July 2022	454,500		113,600		340,900
Xueqiao Qian	Chief Engineer	Incumbent	Male	54	6 June 2007	16 July 2022					
Shaolin Yang	Vice President	Incumbent	Male	47	16 July 2019	16 July 2022	330,900				330,900
Shaolin Yang	Chief Financial Officer	Incumbent	Male	47	22 October 2012	16 July 2022					
Xiewu Jiang	Vice President	Incumbent	Male	53	16 July 2019	16 July 2022	66,780				66,780
Guocheng Mi	Vice President	Incumbent	Male	49	16 July 2019	16 July 2022	431,600		107,900		323,700
Zhongzhu Chen	Vice President	Incumbent	Male	51	16 July 2019	16 July 2022	335,170		83,700		251,470
Mingzhong Chen	Vice President	Incumbent	Male	56	6 June 2007	16 July 2022					
Zhijian Huang	Vice President	Incumbent	Male	43	26 July 2012	16 July 2022	412,244				412,244
Zhijian Huang	Board Secretary	Incumbent	Male	43	26 July 2012	16 July 2022					
Total	--	--	--	--	--	--	4,428,204	0	395,200	1,740	4,031,264

Notes:

1. Based on the shareholdings of the Company's directors, supervisors and senior management in the Company at the end of last year, their tradable shares were recalculated at the beginning of the current year, resulting in changes in their shares in lockup.
2. Ms. Jing Wang and Ms. Jia Chen had resigned before their tenures expired on 16 November 2020, and Mr. Hua Wang and Ms. Yongfang Mu have been appointed as the new supervisors.
3. The opening shareholding of Supervisor Ms. Yongfang Mu is based on her shareholding when she was appointed as the Supervisor.

4. Director Ms. Li Tian has resigned before her tenure expired on 18 January 2021.

5. Mr. Xueqiao Qian was appointed as a Director on 3 February 2021.

II Change in Directors, Supervisors and Senior Management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
Jing Wang	Supervisor	Resignation	16 November 2020	Resignation
Jia Chen	Supervisor	Resignation	16 November 2020	Resignation
Hua Wang	Supervisor	Appointed	16 November 2020	Appointed
Yongfang Mu	Supervisor	Appointed	16 November 2020	Appointed

III Brief Biographies

Professional backgrounds, main working experience and current responsibilities in the Company of the incumbent directors, supervisors and senior management:

1. Directors

(1) Hua Xue

Mr. Hua Xue is an engineer. He graduated from College of Fisheries of Huazhong Agricultural University in 1992 with a major in special aquaculture; in 1995, he obtained the master's degree in zoology from School of Life Sciences of Sun Yat-Sen University. As one of the founders of the Company, he now serves as the Chairman of the Board and President (General Manager) of the Company, as well as an Executive Director of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. He was/is the Executive Vice President of China Feed Industry Association (CFIA), Chairman of China Vocational Education Group of Modern Fishery, Vice Chairman of China Association of Young Rural Entrepreneurial Leaders (CAYREL), Chairman of Guangdong Hi-tech Enterprise Association (GDHTEA), Vice Chairman of Guangdong Agricultural Science and Technology Innovation Alliance, Vice President of Guangdong Feed Industry Association, Vice Chairman of Guangdong Antibiotic-Free Feed Industry Alliance, Vice President of Guangdong Fisheries Association, Vice Chairman of Guangdong Association of Young Scientists (GDAYS), Executive Vice Chairman of Guangdong Shaanxi Chamber of Commerce, the NPC Member of the 14th National Congress of the Communist Party of Guangzhou, a member of the 11th Chinese People's Political Consultation Conference Guangzhou Committee, Vice Chairman of the 15th Executive Committee of Guangzhou Federation of Industry and Commerce, President of Guangzhou Association of Agricultural Leading Enterprises, and Honorary Chairman of Guangzhou Feed Profession Association (GZFPA). Meanwhile, he is recognized as "Leading Entrepreneur in China's Feed Industry" by the Ministry of Agriculture, and "Top 30 Excellent Entrepreneurs in China" by China Feed Industry Association (CFIA). Mr. Hua Xue holds 39.75% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. and is the actual controller of the Company.

(2) Li Tian

Ms. Li Tian is a Chinese Certified Public Accountant and Certified Tax Accountant. She graduated from Beijing Wuzi University in 1993 with a major in accounting. From 2002 to 2004, she studied and obtained EMBA from Sun Yat-sen Business School. From 1993 to 1996, she was engaged in financial work at Guangdong Reclamation Yanling Building Co., Ltd.. From 1996 to 2001, she worked for Guangzhou Lingnan Certified Public Accountants and Guangdong Kangyuan Certified Public Accountants in succession. In January 2004, she joined the Company and successively served as Chief Financial Officer, Board Secretary, Vice General Manager and Director. She resigned before her tenure expired on 18 January 2021.

(3) Yingzhuo Xu

Mr. Yingzhuo Xu is one of the founders of the Company, and he now serves as the Company's Vice Chairman of the Board. He holds a bachelor's degree and is a livestock specialist. He also holds a master's degree in business administration from HEC Paris. From 1991 to 1997, he worked for Guangdong Academy of Agricultural Sciences in technology research and promotion with respect to feed for the animal husbandry industry. He served as a Vice President and Director of the Company starting from 1998 before being a Vice Chairman of the Board of the Company. Mr. Yingzhuo Xu holds 27% equity interests in Guangzhou Haihao Investment Co., Ltd., the Company's controlling shareholder.

(4) Qi Cheng

Mr. Qi Cheng graduated from the major of Automation of Huazhong University of Science and Technology in 2002; studied the major of World Economy in Sun Yat-sen University from 2005 to 2008 and obtained the Master's degree; studied EMBA in CEIBS from 2013 to 2015 and obtained MBA. From 2002 to 2010, he served as Process Engineer, Operation Manager, Supply Chain Manager and Director of Technology in Guangzhou Procter & Gamble Co., Ltd.; from 2010 to 2017, he served as Operation Director of East Asia-Pacific Region and Global Supply Chain Director in Essel Propack Co., Ltd.. Joining the Company in March 2017, he currently serves as a Director, an Executive Vice President (Vice General Manager) and the General Manager of the South China Region of the Company.

(5) Jianfang Gui

Dr. Jianfang Gui has obtained PhD and is a doctoral supervisor, academician of the Chinese Academy of Sciences and of The World Academy of Sciences. He graduated from the major of Cytobiology of Wuhan University and obtained the Bachelor's degree in January 1982; obtained the Master's degree in Genetics from Wuhan University in December 1984 and joined in Institute of Hydrobiology, Chinese Academy of Sciences in the same year and has since worked there. In 1995, he obtained the Doctor's degree of science from Institute of Hydrobiology, Chinese Academy of Sciences. From 1991 to 1994, he paid work visits and conducted postdoctoral research in Medical College of Ohio and US San Diego. From 1995, he served as Researcher and Doctoral Supervisor in Institute of Hydrobiology, Chinese Academy of Sciences. He served as Executive Deputy Director and Director of Hydrobiology from 1999 to 2007, Director of State Key Laboratory of Freshwater Ecology and Biotechnology from 2001 to 2011, and Independent Director of the 1st and 2nd sessions of the Board of the Company from 2007 to 2013. Currently he serves as a research fellow of the Institute of Hydrobiology, Chinese Academy of Sciences, a Vice President of China Society of Fisheries, and an Independent Director of the Company.

(6) Jianguo He

Dr. Jianguo He has obtained PhD and is a professor, winner of “The National Science Fund for Distinguished Young Scholars” and Chief Scientist of the State Shrimp and Crab Industry Technology System. He graduated from the major of Zoology of Sun Yat-sen University and obtained the Doctor’s degree of science in 1990. He has been working in Sun Yat-sen University since 1991. He served as Deputy Director of College of Life Sciences, Sun Yat-sen University from 2000 to 2008, and Director of College of Marine Science, Sun Yat-sen University from 2008 to 2018. His current positions include Professor of Sun Yat-sen University, Director of State Key Laboratory of Pest Control and Resource Utilization, Member of Fisheries Advisory Committee of MARA, Deputy Director of Aquacultural Disease Control Expert Commission of MARA, President of Guangdong Zoological Society, Vice President of Chinese Crustacean Society, Head of China-ASEAN Center for Joint Research and Promotion of Marine Aquaculture Technology and Independent Director of the Company.

(7) Yunguo Liu

Dr. Yunguo Liu has obtained the Doctor’s degree in management (accounting) from Xiamen University. His current positions and titles include Professor of Accounting and Doctoral Supervisor in Sun Yat-sen Business School (SYSBS), Director of Sun Yat-sen University Cost and Management Accounting Research Center, Director of School of Accountancy in Xinhua College of Sun Yat-sen University (a private college), Member of Management Accounting Professional Committee of Chinese Accounting Society, Executive Director of Cost Research Society of China, a management, accounting and consultancy expert of the Ministry of Finance, Leading Talent in Accountancy (Phase I) under the Ministry of Finance, Third Batch of Shortlisted Candidates for Special Support Program of the Development of State Leading Talents in Accountancy under the Ministry of Finance, Shortlisted Candidate (2019) for the Development of Accounting Celebrities under the Ministry of Finance, Member of CGMA North Asian 100 Think Tank Leaders, and Member of IMA China Academic Consultation Commission. He is currently Independent Director of the Company, Shenzhen Heungkong Holding Co., Ltd. (600162.SH), Guangdong Daya Smart Kitchen Appliances Co., Ltd. (837009.OC) and Changwei Information Technology Development Co., Ltd..

2. Supervisors

(1) Zhenxiong Qi

Dr. Zhenxiong Qi is a doctoral degree holder and senior engineer. He successively participated in a key program of National Natural Science Foundation of China, the National Key Technologies R & D Program of China during the 8th Five-Year Plan Period, National Climb—B Plan, and programs of the Shandong and Guangdong Provincial Natural Science Funds. Meanwhile, he has also published many research papers, applied for multiple invention patents and been granted a State Technological Invention Award (Second Prize). Since he joined the Company, he has been mainly engaged in researches on animal nutrition and feed, aquatic farming and disease control. He has years of experience in product development, grass-root farming and technology promotion. He is now the Chairman of the Company’s Supervisory Committee. Mr. Zhenxiong Qi holds 0.1% equity interests in the Company’s controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(2) Hua Wang

Mr. Hua Wang, Chinese Han nationality, is a member of the CPC, an economist and a political mentor. Hua Wang majored in politics and administration and graduated from Southwest Jiaotong University in 2009. He obtained a professional master's degree in political theory from Wuhan University in 2011. Hua Wang worked for China Tunnel Construction Co. Ltd. Guangdong from July 2011 to March 2017, and worked for Guangdong Cinda Real Estate Co., Ltd. from June 2017 to March 2019. He joined Guangdong Haid Group Co., Limited in April 2019, and currently serves as the Senior Manager of the Group's Secretary Office.

(3) Yongfang Mu

Ms. Yongfang Mu, Chinese Han nationality, is an intermediate accountant. Yongfang Mu graduated from Henan University of Economics and Law in June 2012, majoring in accounting. She joined Guangdong Haid Group Co., Limited in July 2012 and has held positions related to cost accounting, budget management and financial management for the Company. She currently serves as Financial Director of the Company.

3. Senior Management

(1) Guoxiang Liu

Mr. Guoxiang Liu is an assistant research fellow. He graduated from the Aquaculture Department of Huazhong Agricultural University in 1992, majoring in special aquaculture professionalism. He is now a Vice President (Vice General Manager) and the Central China General Manager of the Company, in addition to being the Vice Chairman of Hubei Province Feed Industry Association. Mr. Guoxiang Liu holds 1.5% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(2) Xueqiao Qian

Dr. Xueqiao Qian, Chinese Han nationality, is an Associate Professor and has obtained the doctorate degree from the Institute of Hydrobiology, Chinese Academy of Science. He successively presided over or participated in the Hubei Provincial Natural Science Fund Project -- Development and Utilization of Feather Proteins in Fishery Feeds, the development projects of the State Key Laboratory of Freshwater Ecology and Biotechnology -- Effects of Nutrition Levels and Nutritional History on Fish's Growth and Activities, Research on the Feeding Behavior and Chemical Sensation of Allogynogenetic Crucian Carp, and Studies on the Utilization of Plant Protein by Main Cultured Freshwater Fish, the NSFC Project -- Studies on the Comparative Nutritional Energetics of Feed Protein Requirements of Carnivorous Fish and Omnivorous Fish, and the MOA's 948 project -- Artificial Propagation and Large-scale Aquaculture of Paddlefish etc.. Further, he has published more than 20 papers, of which, three papers were published in international publications and included in SCI. He joined the Company in 2004 and is mainly engaged in the aquatic animal nutrition and feed research and the development of new feed additives. Now, he is a Vice President (Vice General Manager) and the Chief Engineer of the Company.

(3) Shaolin Yang

Mr. Shaolin Yang has obtained the master's degree. Graduated from Sun Yat-sen University with a major in Business Administration, he is also a senior accountant, certified public accountant, and certified tax accountant, and has been selected and listed into the expert database of the high-tech enterprises of Department of Science and

Technology of Guangdong Province. From December 2008 to April 2012, he served as Executive Director, CFO and Joint Secretary of KEE Holdings Company Limited (HK.02011). From May/June 2016 till now, he has served as a supervisor of Guangdong Association of Management Accountants (GAMA) and an off-campus tutor for master candidates in accounting of Sun Yat-sen Business School. In April 2012, he joined the Company and is currently the Company's Vice President (Vice General Manager) and CFO.

(4) Xiewu Jiang

Mr. Xiewu Jiang is an aquacultural engineer. He graduated from the major of Special Aquaculture of College of Fisheries, Huazhong Agricultural University in 1992. Subsequently, he studied in the postgraduate program of Aquatic Animal Nutrition of Sun Yat-sen University and EMBA of South China University of Technology. Currently, he serves as Vice President (Deputy General Manager) of the Company and General Manager of Aquacultural Breeding/Premix BU. His other positions include Director of Guangdong Feed Industry Association, Vice President of Guangdong Marine Fishery Association, Director of Guangzhou Municipal Agricultural Leading Enterprises Association and Vice President of Zhanjiang Shrimp Breed Society. Mr. Xiewu Jiang holds 4.5% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(5) Guocheng Mi

Mr. Guocheng Mi graduated from the major of Freshwater Fishery of Southwest Agricultural University. He joined in the Company in 2010 and currently serves as a Vice President (Vice General Manager) and the General Manager of the Pig Farming BU of the Company.

(6) Zhongzhu Chen

Mr. Zhongzhu holds an MBA degree for senior management personnel from Xiamen University. He joined in the Company in 2004 and currently serves as a Vice President (Vice General Manager) and the General Manager of the Shrimp Feed BU of the Company.

(7) Mingzhong Chen

Mr. Mingzhong Chen graduated from MBA of Hong Kong Baptist University. His past titles include Deputy to Zhuhai Municipal People's Congress and Member of Shaowu Municipal CPPCC and current social titles include Vice President of Guangzhou Municipal Agricultural Leading Enterprises Association, Vice President of the Standing Committee of Panyu District Federation of Industry and Commerce of Guangzhou, Vice President of the three federations of Guangzhou (including Guangzhou Industrial Economy Federation) and Executive Vice President of Nancun General Chamber of Commerce of Panyu District, Guangzhou. He has won a number of honors and titles, such as "Excellent Entrepreneur for Caring for Employees in Panyu District, Guangzhou". He joined in the Company in 2004 and served as the head for project investment and preparations and Director of Purchase. He currently serves as a Vice President (Vice General Manager) of the Company and is responsible for public relations, brand image and promotion of the Company.

(4) Zhijian Huang

Mr. Zhijian Huang is an accountant and a bachelor's degree holder. He joined the Company in 2004 and is now a Vice President (Vice General Manager) and the Board Secretary of the Company.

Posts concurrently held in shareholding entities:

Applicable Not applicable

Name	Shareholding entity	Post held in shareholding entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from shareholding entity
Hua Xue	Guangzhou Haihao Investment Co., Ltd.	Executive director	September 27, 2006		None
Yingzhuo Xu	Guangzhou Haihao Investment Co., Ltd.	Supervisor	September 27, 2006		None

Posts held concurrently in other entities:

Applicable Not applicable

Name	Other entity	Post held in other entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from the entity
Hua Xue	Guangdong Aerocity Holding Co., Ltd.	Director	21 January 2015		None
Yingzhuo Xu	Zhuhai Haihao Industrial Investment Co., Ltd.	Executive Director	20 March 2020		None
Yingzhuo Xu	Guangzhou Haihao Technology Industry Operation Co., Ltd.	Director	20 March 2020		None
Yingzhuo Xu	Guangdong Haihaowan Development Co., Ltd.	Executive Director	22 April 2020		None
Yingzhuo Xu	Guangzhou Haihao Biotechnology Co., Ltd.	Executive Director	29 April 2020		None
Yingzhuo Xu	Guangzhou Haoyue Biotechnology Development Co., Ltd.	Supervisor	29 May 2020		None
Jianfang Gui	Institute of Hydrobiology, Chinese Academy of Sciences	Research fellow	1 August 1995		Yes
Jianguo He	Sun Yat-Sen University	Professor	1 December 1994		Yes
Yunguo Liu	Sun Yat-Sen University	Professor	1 December 1999		Yes
Yunguo Liu	Guangdong Daya Smart Kitchen Appliances Co., Ltd.	Independent Director	22 June 2017	12 October 2022	Yes
Yunguo Liu	Shenzhen Heungkong Holding Co., Ltd.	Independent Director	6 May 2016	17 May 2022	Yes
Yunguo Liu	Changwei Information Technology Development Co., Ltd.	Independent Director	1 September 2016	1 September 2022	Yes

Xiewu Jiang	Bangpu Breeding Technology Co., Ltd.	Director	1 May 2019		None
Shaolin Yang	Guangdong Association of Management Accountants	Supervisor	18 May 2016	18 May 2021	None
Shaolin Yang	Sun Yat-Sen University	Extramural Tutor for master's degree students	5 June 2016	5 June 2022	Yes

Punishments imposed in the recent three years by the securities regulator on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period:

Applicable Not applicable

IV Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure, determination basis and actual payments of remuneration for directors, supervisors and senior management:

The remuneration of the Company's directors, supervisors and senior management is in strict compliance with the Company's Rules of Procedure for Meetings of Shareholders (《股东大会议事规则》) and Rules of Procedure for Board (《董事会议事规则》), as well as with the Company Law and the Company's Articles of Association. The remuneration is determined according to the Company's operating performance and these personnel's performance appraisal indicators.

Remuneration of directors, supervisors and senior management in the Reporting Period:

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Remuneration from related party
Hua Xue	Chairman of the Board and President (General Manager)	Male	51	Incumbent	161.35	No
Yingzhuo Xu	Vice Chairman of the Board	Male	53	Incumbent	131.91	No
Li Tian	Director	Female	49	Incumbent	14.51	No
Qi Cheng	Director and Executive Vice President (Vice General Manager)	Male	41	Incumbent	464	No
Jianfang Gui	Independent Director	Male	65	Incumbent	12	No
Jianguo He	Independent Director	Male	59	Incumbent	12	No
Yunguo Liu	Independent Director	Male	55	Incumbent	12	No

Zhenxiong Qi	Supervisor	Male	51	Incumbent	181.46	No
Jing Wang	Supervisor	Female	42	Former	92.25	No
Jia Chen	Supervisor	Female	39	Former	32.55	No
Hua Wang	Supervisor	Male	34	Incumbent	8.13	No
Yongfang Mu	Supervisor	Female	32	Incumbent	4.87	No
Guoxiang Liu	Vice President (Vice General Manager)	Male	53	Incumbent	140.22	No
Xueqiao Qian	Director, Vice President (Vice General Manager) and Chief Engineer	Male	54	Incumbent	154.32	No
Shaolin Yang	Vice President (Vice General Manager) and Chief Financial Officer	Male	47	Incumbent	186.78	No
Xiewu Jiang	Vice President (Vice General Manager)	Male	53	Incumbent	292.24	No
Guocheng Mi	Vice President (Vice General Manager)	Male	49	Incumbent	356.28	No
Zhongzhu Chen	Vice President (Vice General Manager)	Male	51	Incumbent	337.77	No
Mingzhong Chen	Vice President (Vice General Manager)	Male	56	Incumbent	88.56	No
Zhijian Huang	Vice President (Vice General Manager) and Board Secretary	Male	43	Incumbent	98.11	No
Total	--	--	--	--	2,781.31	--

Notes:

- As Hua Wang and Yongfang Mu were elected as supervisors of the Fifth Supervisory Committee at the Second Extraordinary General Meeting of 2020 and the Tenth Meeting of the Fifth Supervisory Committee, the remuneration data of theirs in the table above are for the period from November 2020 to December 2020. Jing Wang and Jia Chen quit as members of the Fifth Supervisory Committee before their tenures expired in November 2020. Therefore, the remuneration data of theirs are for the period from January 2020 to October 2020.
- The remuneration data of others are for the whole year of 2020.

Equity incentives for directors, supervisors and senior management in the Reporting Period:

Applicable Not applicable

V Employees

1. Numbers, Functions and Educational Backgrounds of Employees

Number of in-service employees of Parent Company (Haid Group exclusive of subsidiaries)	1,433
Number of in-service employees of major subsidiaries	24,808
Total number of in-service employees	26,241
Total number of paid employees in Reporting Period	26,241
Number of retirees to whom Parent Company or its major subsidiaries need to pay retirement pension	0
Functions	
Function	Employees
Production	12,224
Sales	7,433
Technical	2,162
Financial	1,521
Administrative	2,316
Procurement	585
Total	26,241
Educational backgrounds	
Educational background	Employees
Doctoral degree	92
Master's degree	992
Bachelor's degree	5,267
Junior college	5,116
Senior high school, technical secondary school and below	14,774
Total	26,241

2. Employee Remuneration Policy

While strictly abiding by the Labor Law (《劳动法》), the Labor Contract Law (《劳动合同法》) and other national and local related laws, regulations, department rules and regulatory documents, the Company implements the following principles according to the characteristics of the industry and the Company's operations: persist in the principle of labor-based distribution combining duties, power and interests; implement the principle of linking income levels with the Company's performance and work goals; implement the principle of integrating individual remuneration with the Company's long-term interests to ensure sustained and sound growth in main business, prevent short-term behaviors and promote the Company's sustained operations and development; stick to the

principle of linking remuneration with performance appraisal with equal emphasis on incentive and restraint; give comprehensive consideration to market changes and market remuneration levels. The Company has established a reasonable post and remuneration system to provide employees with competitive salaries in the industry, link performance with remuneration, align employees' and the Company's interests, enhance staff awareness for team work and give full play to every employee's enthusiasm and creativity.

3. Employee Training Plans

The Company always emphasizes the development of human resources and talents with a firm belief that staff development is an important power and resource for the Company's continuous development. The Company has established an extensive talent cultivation system covering new employees, key personnel, managers, assistant general managers/vice general managers and the general manager, possesses an excellent course development system and a systematic internal trainer development system and carries out broad-based and precise talent development through famous trainer courses, outdoor training, behavior learning, coach tutoring, online broadcasting, online learning and other channels. The Company has also established a self-inspection mechanism covering "talent development mechanism, talent development platform operation and plan implementation, talent assessment and talent management self-inspection reports".

Haid College, the Company's functional department for talent development, carries out elite training and inclusive education based on the Group's strategies and business practice, so as to solve key problems for the organization development. While actively creating opportunities for employees to improve their abilities and qualities, Haid College actively responds to the national rural revitalization strategy. It has established the Haid Rural Revitalization Education Institute and the Rural Revitalization Industrial Center to facilitate the training of one million new professional farmers. With the Group's rapid development in 2020, cadre training has been fully commenced, and resource platforms gradually came into being. As a result, a strong learning atmosphere has been gradually formed in the organization. The talent training program for middle-level and grassroots management cadres, which is a combination of online and offline activities, was launched by Haid College in cooperation with regional/business divisions. Haid College provides courses, operational plans, evaluation standards and supporting guidance, while regional/business divisions are in charge of specific implementation. Transformation of learning results is completed through annual key tasks. The team coaching capability of managers is developed through tutorial guidance. Online and offline course learning and transformation are guided by Drucker's thoughts and theories in the Eight Essential Management Skills (《八项基本管理技能》) and the Executives and Organizations (《经理人与组织》). Employees' abilities are improved through actual work tasks. Rapid mass empowerment is conducted to satisfy the Group's need of cadre training. Relevant tasks have been orderly advanced at each center and regional/business division. In order to provide development paths in personal capability enhancement and job training for the Group's employees, the study roadmaps of 27 positions in 11 professional lines at 71 levels have been completed, covering lines such as quality control, production, human resources and procurement. The Second Talent Development Annual Conference provided solid support for the development of an organizational atmosphere for talent training and the operation of the talent training system. The constant overseas talent training has laid a foundation for the learning journey without boundaries.

Haid College continues to explore new models of talent development. To make its training more targeted and diverse, the College has made full use of network, video and other forms and developed its own online learning platform Haiwei (《海味》). The objectives of the platform include enhancing organizational learning abilities,

improving the overall work competence of employees, and effectively communicating organizational experience. As of the end of 2020, the platform had covered all major specialty lines, including QC, finance, HR, plant and purchase, with administrators of functional centers, regions/business units, branches and subsidiaries organizing their employees to study online, and administrators of specialty lines organizing their employees to enhance their specialty skills. The online platform Haiwei has fully covered the Group's staff, with an annual online rate of 71.71%, a total annual online time of 626,896.82 hours, a total learning time of 326,183.49 hours, a per capita online time of 33.81 hours for online trainees, and a per capita learning time of 17.6 hours for online trainees. 2,343 high-quality courses have been introduced; 1,694 professional courses have been internally studied. Online classes on crayfish farming technology, aquatic new service engineers and shrimp farming for aquatic jobs are offered. Besides, online classes on general skills, such as etiquette, Cantonese teaching, mind mapping, PPT mastery, PPT presentation, Internet marketing, creative copywriting, copywriting skills, EXCEL, emotion management, workplace influence and 365-day training mastery, are available. More than 4,000 people have been covered. By combining the introduction of select external courses and the continuous development of internal courses and integrating on-site and online training, the College makes learning more efficiently, enables staff to improve their work skills and comprehensive competence, and achieves win-win results including both improvement to individual professional abilities and sustainable development of the Company.

4. Labor Outsourcing

Applicable Not applicable

Section X. Corporate Governance

I Overview

1. The Establishment of the Company System

From the Company's listing to the end of the reporting period, the Company has formulated and strictly implemented various systems, including the Articles of Association (《公司章程》), the Rules of Procedure of the General Meeting (《股东大会议事规则》), the Rules of Procedure of the Board of Directors (《董事会议事规则》), the Working System of the Special Committee of the Board of Directors (《董事会专门委员会工作制度》), the Rules of Procedure of the Supervisory Committee (《监事会议事规则》), the Independent Director System (《独立董事制度》), the Working Rules of General Manager (《总经理工作细则》), the Code of Conduct of Directors, the Supervisors and Senior Management (《董监高行为守则》), the Working System of the Board Secretary (《董事会秘书工作制度》), the Related Party and Related Party Transaction Management System (《关联方和关联交易管理制度》), the Special Reserve and Use Management System of Raised Funds (《募集资金专项存储及使用管理制度》), the Management Policy for Shares held by Directors, Supervisors and Senior Management in the Company and Related Changes (《董监高所持本公司股份及其变动管理办法》), the Management Measures for the External Provision of Financial Assistance (《对外提供财务资助管理办法》), the Controlled Subsidiary Management System (《控股子公司管理制度》), the Management System for Information Insider Registration (《内幕信息知情人登记管理制度》), the Accountability System for Major Errors in Information Disclosure in Annual Reports (《年报信息披露重大差错责任追究制度》), the Futures Management System (《期货管理制度》), the Working Rules for Annual Reports by the Audit Committee (《审计委员会年报工作规程》), the Investment Decision-Making Management System (《投资决策管理制度》), the Investor Relations Management System (《投资者关系管理制度》), the External Information User Management System (《外部信息使用人管理制度》), the Information Disclosure System (《信息披露制度》), the Internal Reporting System for Substantial Information (《重大信息内部报告制度》), the Dividend Management System (《分红管理制度》), the Information Disclosure Management System for Debt Financing Instruments in the Inter-bank Bond Market (《银行间债券市场债务融资工具信息披露管理制度》), the Investor Complaints Management System (《投资者投诉管理制度》), the Management Policies for the Implementation and Appraisal of the 2016 Restricted Share Incentive Plan (《2016年限制性股票激励计划实施考核管理办法》), the Foreign Exchange Hedging Management System (《外汇套期保值业务管理制度》), the Complaint and Complainant Protection System (《投诉举报及投诉举报人保护制度》), the Management System for Securities Investments and Derivatives Trading (《证券投资与衍生品交易管理制度》), etc., and the established sound internal control system in order to continuously improve the Company's governance structure and enhance the Company's governance level.

2. Shareholders and General Meeting

During the reporting period, the Company strictly adhered to applicable laws and regulations such as the Company Law (《公司法》), the Rules of the General Meeting of Listed Companies (《上市公司股东大会规则》), the Articles of Association (《公司章程》), and the Rules of Procedure of the General Meeting (《股东大会议事规则》), as well as the Company's internal control rules, and standardized the convening, holding and voting procedures of the General Meeting to ensure that all shareholders could be equal, and fully exercise their rights. In

addition, as witnessed by the hired lawyers, the legitimacy of the meeting's convening, holding and voting procedures could be guaranteed, and relevant legitimate rights and interests of the Company and its shareholders could be secured as well. In 2020, three general meetings were convened and held by the Board in total; the convening, holding and voting procedures of such meetings were witnessed by the lawyers and all were legal and valid.

3. Directors and the Board of Directors

Strictly in accordance with the Company Law (《公司法》), the Articles of Association (《公司章程》), the Rules of Procedure of the Board of Directors (《董事会议事规则》) and the Independent Director System (《独立董事制度》), the Company has elected and appointed various directors, and such election and appointment procedures are open, fair and just. Besides, the composition and number of directors meet relevant legal and regulatory requirements. The members for the Company's Fifth Board of Directors are all nominated, approved and elected by the Board of Directors by means of the cumulative voting system. Currently, there are 7 directors, including 3 independent directors. Independent directors occupy more than one third of all directors and their qualifications are in accordance with the Guidance Opinions on the Establishment of Independent Director System in Listed Companies (《关于在上市公司建立独立董事制度的指导意见》).

All directors of the Company have performed their duties in strict compliance with relevant laws, regulations, and regulatory documents, attended all board meetings and carried out related works in a serious and responsible manner, and firmly conformed to any statement and commitment made by directors. However, independent directors have full right to know about the Company's major issues and can issue independent opinions on major issues without being influenced.

The Board of Directors has established the Audit Committee, the Remuneration and Appraisal committee, the Strategy Committee and the Nomination Committee. Each committee can exercise its functions in accordance with its work rules and make due contributions to the standardization of corporate governance. In the meantime, the Board of Directors is able to carry out its work in strict accordance with relevant laws and regulations. All directors of the Company are honest and trustworthy, diligent and responsible, attend corresponding board meetings and general meetings with a serious attitude, actively participate in relevant training, and are familiar with relevant laws and regulations.

4. Supervisors and the Supervisory Committee

The Company has strictly observed the Company Law (《公司法》), the Articles of Association (《公司章程》), and other relevant regulations to appoint supervisors. The Fifth Supervisory Committee consists of three supervisors, including two shareholder supervisors and one employee supervisor. The number and composition of the Supervisory Committee meet relevant requirements stipulated in applicable laws and regulations. However, the shareholder representative supervisors are elected by adopting the cumulative voting system, and the employee supervisors are elected and appointed by means of the employees' assembly in the form of secret ballot. The number of supervisors that served as directors or senior management personnel of the Company in recent two years does not exceed one half of the total number of supervisors of the Company, and the number of supervisors nominated by a single shareholder does not exceed one half of the total number of supervisors of the Company.

The Company's supervisors can earnestly fulfill their responsibilities in accordance with the Rules of Procedure of the Supervisory Committee (《监事会议事规则》), effectively supervise and inspect the Company's major issues, related party transactions, the legality and compliance of duties performed by the Company's directors and senior management, and maintain legitimate rights and interests of the Company and its shareholders.

5. Internal Audit System

The Company has established the complete internal audit system and set up the internal audit department in charge of the effective internal supervision of the Company's daily operations.

6. Stakeholders

The Company fully respects and safeguards legitimate rights and interests of relevant stakeholders, realizes the coordinated balance of interests of the society, shareholders, the Company, and employees etc., sincerely treats suppliers and customers, earnestly cultivates every employee, develops the mutual benefit and win-win cooperation with relevant stakeholders, and jointly promotes the Company's sustained, healthy and rapid development.

7. Information Disclosure and Transparency

Pursuant to relevant laws and regulations, as well as the Company's Information Disclosure System (《信息披露制度》) and Investor Relations Management System (《投资者关系管理制度》), the Company has disclosed corresponding information in a true, accurate, complete and timely manner to ensure that all shareholders have equal access to such information.

The Company has designated the Board Secretary in charge of the Company's information disclosure and investor relations management, and the Securities Department serves as the executive department for information disclosure and investor relations management. The Company pays special attention to communicate with investors and will strengthen communication with investors by various means such as telephone, e-mail, and investor relations interactive platform etc.

8. Investor Relations Management

The Company has always attached great importance to the management of investor relations, carried out related works in accordance with the Investor Relations Management System (《投资者关系管理制度》) and other systems, implemented the investor relations management by various means such as Shenzhen Stock Exchange investor relations interactive platform, investor hot-lines, and reception of investors etc., strengthened the communication with investors, and fully guaranteed the investors' right to know.

The corporate governance is a systematic and long-term project that requires continuous improvement. After the Company is successfully listed, it is willing to accept supervisions from all parties, adhere to the scientific outlook on development, constantly improve the corporate governance system, and strengthen the implementation of various laws and regulations to promote the healthy development of the Company and enhance the overall competitiveness.

9. Insider Information Management

According to the Company Law (《公司法》), the Securities Law (《证券法》), the Administrative Methods for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》), the Stock Listing Rules of Shenzhen Stock Exchange (《深圳证券交易所股票上市规则》), the Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies (《深圳证券交易所上市公司规范运作指引》), the Regulations on the Establishment of Insiders Registration and Management System by Listed Companies (《关于上市公司建立内幕信息知情人登记管理制度的规定》) and other relevant laws, regulations, and the Articles of Association (《公司章程》), the Company has established the Management System for Information Insider Registration (《内幕信息知情人登记管理制度》). The Company properly carried out corresponding information insider registration and reporting works strictly according to relevant requirements and systems, and recorded and revealed the list of all information insiders and relevant reports, communications, formulation, resolutions and disclosures before any information was disclosed. During the Reporting Period, the Company notified all directors, supervisors, senior management and relevant information insiders that they were not allowed to buy and sell the Company's shares within the window period by means of SMS and e-mail 30 days before the disclosure of regular reports and 10 days before the disclosure of earnings forecasts and Preliminary Earnings Estimate, and conducted an internal audit on the buying and selling of the Company's shares and convertible corporate bonds by directors, supervisors, senior management and relevant information insiders. During the reporting period, no information insider was ever involved in the illegal buying and selling of the Company's shares and convertible corporate bonds, and no relevant personnel was suspected of being involved in insider trading and was imposed some supervision measures and administrative penalties by competent regulatory departments.

Indicate by tick market whether there is any material incompliance with the regulatory documents issued by the CSRC governing the governance of listed companies.

Yes No

No such incompliance.

II The Company's Independence from Controlling Shareholder in Business, Personnel, Asset, Organizational Structure and Financial Affairs

The Company has independent and complete businesses and independent management capabilities. It is completely independent from the controlling shareholder in terms of business, personnel, assets, organization, and finance. The controlling shareholder exercises its rights and assumes corresponding obligations in accordance with the law, and does not affect the personnel appointment or dismissal of the listed Company, nor restricted the duty fulfillment of the directors, supervisors, senior management or other personnel of the listed Company by means other than exercising shareholder's rights specified in laws and regulations. There is no direct or indirect interference with the Company's decision-making and business operation beyond the authority of the general meeting. Meanwhile, the Company's Board of Directors, Supervisory Committee, and various internal functional departments are capable of independent operations. There is no competition against the Company in the business scope, business nature, customers and product substitutability. As of the reporting period, no controlling shareholder of the Company ever occupied the capital of the listed Company, and no listed Company illegally provided any controlling shareholder with any guarantee.

III Horizontal Competition

Applicable Not applicable

IV Annual and Extraordinary General Meetings Convened during the Reporting Period

1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date	Disclosure date	Index to disclosed information
2019 Annual General Meeting	Annual	61.52%	11 May 2020	12 May 2020	Announcement on Resolutions of 2019 Annual General Meeting (No. 2020-041) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
First Extraordinary General Meeting of 2020	Extraordinary	73.74%	14 August 2020	15 August 2020	Announcement on Resolutions of First Extraordinary General Meeting of 2020 (No. 2020-076) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Second Extraordinary General Meeting of 2020	Extraordinary	59.62%	16 November 2020	17 November 2020	Announcement on Resolutions of Second Extraordinary General Meeting of 2020 (No. 2020-105) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn

2. Extraordinary General Meetings Convened at Request of Preferred Shareholders with Resumed Voting Rights

Applicable Not applicable

V Performance of Duties by Independent Directors in Reporting Period

1. Attendances of Independent Directors at Board Meetings and General Meetings

Attendances of independent directors at board meetings and general meetings

Independent director	Due attendances at board meetings in Reporting Period	Attendances at board meetings on site	Attendances at board meetings by telecommunication	Attendances at board meetings through a proxy	Absences at board meetings	Not attending board meetings in person for twice in a row	Attendances at general meetings
Jianfang Gui	6	1	5	0	0	N/A	0
Jianguo He	6	6	0	0	0	N/A	2
Yunguo Liu	6	5	1	0	0	N/A	1

Explanation for any independent director not attending board meetings in person for twice in a row:

2. Objections Raised by Independent Directors on Matters of the Company

Indicate by tick mark whether any independent director raised any objection on any matter of the Company.

Yes No

No such cases in the reporting period.

3. Other Information about Performance of Duties by Independent Directors

Indicate by tick mark whether any suggestions from independent directors were adopted by the Company.

Yes No

Suggestions of independent directors adopted or not adopted by the Company:

During the reporting period, the Company's independent directors performed their duties in strict accordance with the Company Law (《公司法》), the Code of Corporate Governance for Listed Companies in China (《上市公司治理准则》), the Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies (《深圳证券交易所上市公司规范运作指引》), the Directive on Establishment of Independent Director System in Listed Companies (《关于在上市公司建立独立董事制度的指导意见》), the Independent Director System (《独立董事制度》) and other applicable laws and regulations, as well as the Company's Articles of Association (《公司章程》). Upon an in-depth knowledge about the Company's production and operation status obtained through attending the Company's board meetings and general meetings, as well as through on-site supervision, the independent directors carefully exercised their voting rights and effectively performed their duties. The independent directors issued independent, just opinions on the Company's continuing related-party transactions, profit distribution, 2019 Annual Internal Control Self-Assessment Report (《公司2019年度内部控制自我评价报告》), provision of guarantees for external parties, repurchase and cancellation of certain restricted shares, reappointment of the CPA firm, listing and advance redemption of convertible corporate bonds, and other matters arising during the reporting period. All the independent directors' suggestions and opinion were accepted by the Company during the reporting period, which protected the interests of the Company as a whole, as well as the legal interests of the shareholders, especially the minority shareholders.

VI Performance of Duties by Specialized Committees under the Board of Directors in the Reporting Period

1. Performance of Duties by the Audit Committee under the Board of Directors

The Audit Committee under the Fifth Board of Directors convened a total of six meetings during the reporting period, at which the Company's periodic reports, the related party transactions, the matter concerning the occupation of the Company's funds by its controlling shareholder or other related parties, changes to the accounting policies, the work report of the internal audit department, etc. were reviewed, the person-in-charge of internal audit was nominated, as well as the independent auditor for the convertible corporate bonds project and for the annual financial statements was appointed. The Audit Committee also communicated with the external auditors on the audit of the 2019 annual financial statements and the 2020 annual financial statements and urged the audit progress. As such, the Audit Committee has faithfully fulfilled its supervision and examination duties.

2. Performance of Duties by the Remuneration and Appraisal Committee under the Board of Directors

The Remuneration and Appraisal Committee under the Fifth Board of Directors convened four meetings during the reporting period to improve the post and remuneration systems, as well as to push forward the implementation of the core team stock ownership plan and the repurchase and cancellation of restricted shares.

3. Performance of Duties by the Nomination Committee under the Board of Directors

The Nomination Committee under the Fifth Board of Directors convened two meetings during the reporting period to review the core management candidates and offer advice.

4. Performance of Duties by the Strategy Committee under the Board of Directors

The Strategy Committee under the Fifth Board of Directors convened three meetings during the reporting period to discuss and offer advice on the production capacity planning, the application for issuance of medium-term notes and super short-term financing bonds, etc.

VII Performance of Duties by the Supervisory Committee

Indicate by tick mark whether the Supervisory Committee found any risk to the Company during its supervision in the reporting period.

Yes No

The Supervisory Committee raised no objections in the reporting period.

VIII Appraisal of and Incentive for Senior Management

1. Appraisal of Senior Management

The Company has put in place a senior management selection, appraisal, incentive and restrictive system. All appointed by and being responsible to the Board of Directors, senior management shoulders the operating indicators set by the Board of Directors. The Remuneration and Appraisal Committee under the Board is responsible for a year-end appraisal of senior management's service ability, performance of duties and fulfillment of objectives, among others. And then the committee formulates a remuneration plan for the Board's review. During the reporting period, the Company duly restricted its senior management as per the applicable laws and regulations by strengthening the connection between performance appraisal and remuneration and incentives,

aligning remuneration with appraisal results, and achieving differentiation in remuneration and incentives.

2. Incentive for Senior Management

For details, see “Part V Significant Events”, “XV Implementation of Equity Incentive Plans, Employee Stock Ownership Plans or Other Employee Incentive Measures” herein.

IX Internal Control Assessment Report

1. Material Internal Control Deficiencies Identified for the Reporting Period

Yes No

2. Internal Control Self-Assessment Report

Disclosure date of internal control self-assessment report	20 April 2021	
Index to disclosed internal control self-assessment report	www.cninfo.com.cn	
Assessed entities' combined assets as a percentage of consolidated total assets	100.00%	
Assessed entities' combined operating income as a percentage of consolidated operating income	100.00%	
Internal control deficiency identification standards		
Type	Financial-reporting related	Non-financial-reporting related
Nature standard	<p>A material deficiency refers to a deficiency or a deficiency group that consists of multiple deficiencies that may cause a great deviation from the control objective. It is considered a material financial-reporting internal control deficiency if any of the following cases occurs: (1) Any of the Company's directors, supervisors or senior management is involved in a serious fraud; (2) The Company corrects its disclosed financial statements for multiple times; (3) certified public accountants identifies a material misstatement in the current financial statements which the Company has failed to identify during its internal control process; or (4) The Company's Audit Committee and internal audit organ maintain invalid</p>	<p>Material deficiencies: (1) The internal control environment is invalid; (2) Any leak of insider information about any investment in external parties, asset restructuring, etc. against regulations causes any severe fluctuations in the Company's stock price or any materially adverse impact on the Company's image; (3) The violation of the Company's decision-making procedure in any significant event causes a significant economic loss to the Company; or (4) The independent auditor identifies any other material deficiencies in the Company. Serious deficiencies: (1) The Company provides any guarantee or conducts any</p>

	<p>supervision over internal control.</p> <p>A serious deficiency refers to a single deficiency or a deficiency group including other deficiencies that is less serious than a material deficiency but may still cause a deviation from the control objective. It is considered a serious financial-reporting internal control deficiency if any of the following cases occurs: (1) The Company does not select and adopt its accounting policies as per the generally accepted accounting standards; (2) The Company does not formulate anti-fraud procedures or control measures; (3) The Company has no control systems for the accounting treatment of non-conventional or special transactions; or (4) There are one or multiple deficiencies in controls over the financial reporting process and there is no reasonable assurance that the financial statements prepared are truthful and accurate.</p> <p>An ordinary deficiency refers to any deficiency that is neither a material deficiency nor a serious deficiency.</p>	<p>derivative financial instrument transaction without due authorization or performance of the corresponding information disclosure duty; (2) A severe loss of key talent occurs; (3) The Company is punished or a materially adverse impact is made to its image due to deviation from governing policies, measurement errors, etc.; (4) The independent auditor identifies any other serious deficiencies in the Company.</p> <p>An ordinary deficiency refers to any deficiency that is neither a material deficiency nor a serious deficiency.</p>
Quantitative standard	<p>Material deficiency: misstated amount > 3% of profit before income tax, misstated amount > 3% of net asset value.</p> <p>Serious deficiency: 1% of profit before income tax < misstated amount ≤ 3% of profit before income tax, 1% of net asset value < misstated amount ≤ 3% of net asset value.</p> <p>Ordinary deficiency: misstated amount ≤ 1% of profit before income tax, misstated amount ≤ 1% of net asset value.</p>	<p>Material deficiency: Direct loss caused to the Company (hereinafter referred to as “loss amount”) > 3% of profit before income tax, loss amount > 3% of net asset value.</p> <p>Serious deficiency: 1% of profit before income tax < loss amount ≤ 3% of profit before income tax, 1% of net asset value < loss amount ≤ 3% of net asset value.</p> <p>Ordinary deficiency: loss amount ≤ 1% of profit before income tax, loss amount ≤ 1% of net asset value.</p>
Number of material financial-reporting internal control deficiencies	0	
Number of material non-financial-reporting internal control deficiencies	0	
Number of serious financial-reporting internal control deficiencies	0	

Number of serious non-financial-reporting internal control deficiencies	0
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X Independent Auditor's Report or Verification Report on Internal Control

Not applicable

Section XI. Corporate Bonds

Does the Company have any corporate bonds publicly offered and listed on the stock exchange, which were undue before the date of this Report's approval or were due but could not be redeemed in full?

No.

Section XII. Financial Statements

Independent Auditors Report

Audit Opinion	Unmodified unqualified audit opinion
Audit Report Sign-off Date	April 17 th , 2021
Audit Institution Name	Grant Thornton China (Special General Partnership)
Audit Report Number	GTCNSZ (2021) NO. 440A010535
Name of Certified Public Accountant	Wenyuan Guan, Shuxia Zhang

To the Shareholders of Guangdong Haid Group Co., Limited,

I. Opinion

We have audited the financial statements of Guangdong Haid Group Co., Limited (the “Company”), which comprise the consolidated balance sheet as at December 31, 2020, and the consolidated income statement, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (the “Ethics Code”) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key audit matters

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

(I) Revenue Recognition

Please refer to Note III. 29 and Note V. 49 in the Notes to the Financial Statements for the disclosure of revenue recognition.

1. Description

Haid Group is mainly engaged in feed production and sales. In 2020, the Company's operating revenue was RMB60,323.86 million. We identified revenue recognition as a key audit matter because operating revenue is one of the Company's key performance indicators, there is an inherent risk that management may manipulating the timing of revenue recognition to achieve specific goals or expectations

2. How Our Audit Addressed the Key Audit Matter

(1) We understood and evaluated the design effectiveness of internal controls related to revenue recognition. We tested the operation effectiveness of key internal controls.

(2) We carried out a spot check on significant sales contracts to analyze whether the identification of performance obligations, the allocation of transaction prices and the determination on when the transfer of control of the related goods or services are in line with the business model of the Company and complied with the accounting standards for business enterprises;

(3) We performed analytical procedures to assess the reasonableness of changes in revenue and gross margin; examined the monthly average sales price of the Company's major products, and compared it with the data in the prior period;

(4) We obtained the archival information of the new significant customers, searched their relevant information through public channels and conducted assessment on whether they were related parties of the Company.

(5) To test the authenticity and completeness of revenue, we inspected the supporting documents related to revenue recognition, including extracting sales statements to review the related sales contracts, delivery notes, bills of lading, weighing notes, bank receipts, and monthly customer sales statements. We verified and analyzed the sales data in the Company's logistics system and financial system.

(6) To evaluate the accuracy and completeness of revenue, we performed confirmation procedures on revenue.

(7) We performed revenue cut-off testing as of the balance sheet date in conjunction with inventory observation procedures to evaluate whether revenue was recognized in the appropriate period.

(II) Expected Credit Losses on Accounts Receivable

Please refer to Note III. 10 (6) and Note V. 4 in the Notes to the Financial Statements for the disclosure of expected credit losses on accounts receivable.

1. Description

As of December 31, 2020, the balance of the Company's accounts receivable was RMB1,067.30 million, including provision of bad and doubtful debts of RMB141.65 million. The Company's management assessed the expected credit losses on accounts receivable individually and collectively based on the consideration of past events, current situations and predictions of future economic conditions. Except for accounts receivable with provision of bad and doubtful debts made individually, the management classified the accounts receivable into corresponding portfolios based on similar credit risk characteristics. For accounts receivable classified into portfolios, the management prepared comparison table of the accounts receivable aging and expected credit loss rate based on the historical credit losses in conjunction with the current situation and predictions of future economic conditions, and calculated the expected credit losses.

We identified expected credit losses on accounts receivable as a key audit matter because the Company involved significant accounting estimate and judgment in making the expected credit losses on accounts receivable, and the impact was significant.

2. How Our Audit Addressed the Key Audit Matter

- 1) We understood and evaluated the design effectiveness of internal controls related to expected credit losses on accounts receivable. We tested the operation effectiveness of key internal controls.
- 2) For accounts receivable that measure expected credit losses based on portfolio of credit risk characteristics, we evaluated the appropriateness of portfolio classification, reviewed the appropriateness of the historical losses rate and prospective adjustment calculated based on the migration rate model, reviewed if the expected credit losses was adequate.
- 3) We selected samples based on the distribution of accounts receivable as at balance sheet date and the revenue in the current year to perform confirmation procedure on accounts receivable. We compared the confirmation result against the Company's book records.
- 4) For accounts receivables with significant balance as at balance sheet date or long aged, we selected samples to examine customers' operation situation, historical payment records and subsequent payment after the balance sheet date.

(III) Inventory Provision

Please refer to Note III. 12 and Note V.7 in the Notes to the Financial Statements for disclosure of inventory provision.

1. Description

As of December 31, 2020, the balance of the Company's inventory was RMB7,255.35 million, which accounted for 26.36% of the total assets, with an inventory provision of RMB9.63 million. The Company measured its inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs to completion, estimated selling expenses and relevant tax expenses. The Company used the conclusive evidence obtained as the basis, in conjunction with the consideration of the purpose of holding the inventories and the impact of subsequent events after the balance sheet date to determine the net realizable value. We identified inventory provision as a key audit matter because the inventory balance was significant as at December 31, 2020 and it involved management's significant judgment in determining the net realizable value.

2. How Our Audit Addressed the Key Audit Matter

- 1) We understood, evaluated and tested the design and operation effectiveness of internal controls related to inventory.
- 2) We performed inventory observation procedures to inspect the inventory quantity and condition.
- 3) We obtained the inventory provision calculation schedule, tested for inventory provision and analyzed if the inventory provision was adequate.
- 4) We obtained the inventory list as at December 31, 2020. We performed analytical review on inventories with long aging in conjunction with the inventory condition and evaluated the appropriateness of inventory provision.

- 5) For inventory provision accrued in prior year, we inspected its movement in the current period.
- 6) For products with available open market price, we selected samples to perform independent research and compared the open market price with the Company's estimated sales price. For products without available open market price, we compared the Company's estimated sales price against their latest actual sales price or actual sales price in the subsequent period or actual sales price of similar products, to evaluate if the inventory provision was adequate.

IV. Other Information

The Company's management is responsible for the other information. The other information comprises all of the information included in the Company's 2020 Annual Report other than the financial statements and our auditor's report thereon.

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

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

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

V. Responsibilities of Management and Those Charged with Governance for Financial Statements

The Company's management is responsible for the preparation of the financial statements that give a fair view in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for Audit of Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Consolidated and Company Balance Sheet

As at December 31, 2020

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note V	As at 31/12/2020		As at 31/12/2019	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash at bank and on hand	1	2,056,471,632.75	699,532,802.68	1,849,735,912.84	835,484,081.66
Held-for-trading financial assets	2	336,719,309.28	263,640,850.00	28,583,495.35	18,432,715.85
Notes receivable	3	17,833,751.84	-	10,722,401.32	-
Accounts receivable	4	1,067,301,941.46	-	1,021,751,432.56	-
Accounts receivable financing		-	-	-	-
Prepayments	5	1,870,808,733.28	1,819,630.87	452,844,423.19	4,383,870.87
Other receivables	6	732,315,186.36	10,705,830,242.22	186,236,378.57	6,904,805,047.57
Including: Interest receivables		2,807.70	-	8,069.14	-
Dividend receivables		-	-	-	-
Inventories	7	7,255,350,539.93	84,736,207.88	4,463,319,035.43	23,596,543.22
Contract assets		-	-	Not Applicable	Not Applicable
Assets held-for-sale	8	-	-	28,946,788.99	-
Non-current assets due within one year	9	2,457,622.86	-	903,000.00	-
Other current assets	10	925,208,486.45	8,795,911.92	691,897,026.52	7,995,946.84
Total current assets		14,264,467,204.21	11,764,355,645.57	8,734,939,894.77	7,794,698,206.01
Non-current assets:					
Debt investments	11	22,501,033.35	-	-	-
Loans and advances to customers	12	31,418,327.11	-	15,281,255.35	-
Other debt investments		-	-	-	-
Long-term receivables	13	97,462,501.79	907,302.50	48,844,850.63	1,627,302.50
Long-term equity investments	14	59,465,879.68	4,452,434,939.93	62,614,691.35	4,053,854,039.62
Investments in other equity instruments		-	-	-	-
Other non-current financial	15	254,417,562.64	222,596,212.64	255,521,350.00	225,000,000.00

assets					
Investment properties	16	29,426,486.24	20,565,176.04	30,645,502.71	14,317,378.50
Fixed assets	17	7,703,538,937.81	239,611,327.76	6,298,328,342.41	230,056,977.11
Construction in progress	18	1,591,741,924.42	16,372,133.08	657,751,195.76	19,384,268.98
Productive biological assets	19	286,202,211.97	-	165,272,087.28	-
Oil and natural gas assets		-	-	-	-
Intangible assets	20	1,257,221,361.76	118,046,787.57	1,122,210,364.05	106,977,723.95
Development costs	21	13,567,349.13	-	14,914,419.56	-
Goodwill	22	342,738,904.21	-	349,068,366.52	-
Long-term deferred expenses	23	352,075,183.20	28,770,769.63	241,325,867.74	23,316,596.39
Deferred tax assets	24	847,086,216.97	398,251,653.53	591,920,121.34	267,443,309.22
Other non-current assets	25	373,627,286.70	2,695,741.00	265,676,908.84	8,145,708.44
Total non-current assets		13,262,491,166.98	5,500,252,043.68	10,119,375,323.54	4,950,123,304.71
Total assets		27,526,958,371.19	17,264,607,689.25	18,854,315,218.31	12,744,821,510.72
Current liabilities:					
Short-term loans	26	4,735,948,585.16	4,169,670,770.39	3,020,892,004.18	2,313,032,093.55
Held-for-trading financial liabilities	27	127,446,229.19	1,046,249.19	2,633,510.00	996,670.00
Notes payable		-	-	-	-
Accounts payable	28	2,060,550,537.54	38,737,771.88	1,917,055,340.85	25,086,884.14
Advances from customers	29	-	-	1,548,283,455.21	-
Contract liabilities	30	1,889,338,880.88	-	Not applicable	Not applicable
Employee benefits payable	31	925,893,314.96	150,890,070.01	691,556,025.73	113,898,495.24
Taxes payable	32	196,208,088.61	1,013,415.11	106,556,060.79	1,045,722.46
Other payables	33	456,555,079.92	2,976,129,435.19	382,083,114.86	2,624,459,870.36
Including: Interest payables		-	-	-	-
Dividend payables		2,591,473.50	-	1,159,042.39	-
Liabilities held-for-sale		-	-	-	-
Non-current liabilities due within one year	34	142,405,690.99	39,999,252.87	48,838,331.24	45,139,661.24
Other current liabilities	35	314,566,716.35	17,907,456.12	187,961,887.41	19,441,864.89
Total current		10,848,913,123.60	7,395,394,420.76	7,905,859,730.27	5,143,101,261.88

liabilities					
Non-current liabilities:					
Long-term loans	36	1,161,404,700.00	-	821,661,042.98	220,290,277.78
Debentures payable	37	-	-	-	-
Long-term payables	38	36,320,489.48	-	85,596,111.44	38,712,712.67
Long-term employee benefits payable	39	144,890,945.29	23,032,749.25	66,078,784.25	-
Provisions		-	-	-	-
Deferred income	40	202,333,450.44	11,016,146.26	120,386,515.06	14,564,630.31
Deferred tax liabilities	24	174,403,701.02	10,829,462.30	112,742,726.55	14,632,099.92
Other non-current liabilities		-	-	-	-
Total non-current liabilities		1,719,353,286.23	44,878,357.81	1,206,465,180.28	288,199,720.68
Total liabilities		12,568,266,409.83	7,440,272,778.57	9,112,324,910.55	5,431,300,982.56
Share capital	41	1,661,210,751.00	1,661,210,751.00	1,580,357,494.00	1,580,357,494.00
Other equity instruments	42	-	-	-	-
Including:		-	-	-	-
Preference share		-	-	-	-
Perpetual debt		-	-	-	-
Capital reserve	43	5,041,921,064.80	5,136,265,883.82	2,118,792,106.43	2,202,920,835.86
Less: Treasury stock	44	165,350,332.65	165,350,332.65	172,540,566.20	172,540,566.20
Other comprehensive income	45	-106,486,348.07	-	5,292,263.90	-
Specific reserve		-	-	-	-
Surplus reserve	46	638,662,900.40	638,662,900.40	634,407,803.71	634,407,803.71
General risk provision	47	7,814,011.67	-	-	-
Retained earnings	48	6,895,016,817.26	2,553,545,708.11	4,937,480,629.17	3,068,374,960.79
Total equity attributable to shareholders of the parent company		13,972,788,864.41	9,824,334,910.68	9,103,789,731.01	7,313,520,528.16
Non-controlling interests		985,903,096.95	-	638,200,576.75	-
Total shareholders' equity		14,958,691,961.36	9,824,334,910.68	9,741,990,307.76	7,313,520,528.16
Total liabilities and		27,526,958,371.19	17,264,607,689.25	18,854,315,218.31	12,744,821,510.72

shareholders' equity					
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Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated and Company Income Statement

For the year ended December 31, 2020

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note V	2020		2019	
		Consolidated	Company	Consolidated	Company
I. Operating income	49	60,323,862,405.94	1,259,053,597.66	47,612,587,464.50	801,491,539.77
Less: Operating costs	49	53,291,779,659.43	605,645,251.12	42,223,411,917.10	333,183,369.63
Taxes and surcharges	50	68,867,125.96	3,547,468.19	60,616,092.81	4,786,024.41
Selling and distribution expenses	51	1,342,844,756.41	5,140,366.51	1,562,696,499.51	8,752,800.43
General and administrative expenses	52	1,558,972,459.50	370,336,332.69	1,190,746,169.15	307,640,882.34
Research and development expenses	53	479,306,685.65	176,021,384.05	416,009,959.72	150,757,403.12
Financial expenses	54	236,239,259.96	106,253,737.27	211,949,889.53	72,769,221.15
Including: Interest expenses		226,613,261.69	199,329,480.27	226,706,748.45	192,491,251.13
Interest income		27,826,287.56	109,576,830.47	32,415,237.75	130,741,914.61
Add: Other income	55	101,912,587.05	23,045,148.97	52,346,144.86	11,814,738.58
Investment income ("-" for losses)	56	2,075,166.49	67,117,893.44	160,042,248.95	1,233,790,116.18
Including: Income from investment in associates and joint ventures		-2,612,715.19	1,265,025.86	13,127,173.32	8,990,725.43
Income from derecognition of financial assets measured at amortized cost ("-" for losses)		-	-	-	-
Net exposure hedge income ("-" for losses)		-	-	-	-
Gains from changes in fair value ("-" for losses)	57	-11,980,259.31	9,546,233.81	8,048,044.27	-13,614,360.73

Credit losses ("-" for losses)	58	-43,414,958.12	-1,057,645.44	-23,069,181.57	-238,316.40
Impairment losses ("-" for losses)	59	-56,901,585.79	-	-50,187,230.29	-
Gains from assets disposal ("-" for losses)	60	9,248,271.38	-37,061.08	3,880,771.91	97,384.38
II. Operating profit ("-" for losses)		3,346,791,680.73	90,723,627.53	2,098,217,734.81	1,155,451,400.70
Add: Non-operating income	61	24,320,115.25	91,722.27	34,597,910.64	18,369,229.09
Less: Non-operating expenses	62	86,797,071.05	46,860,743.13	38,793,929.24	1,312,862.99
III. Profit before income tax ("-" for losses)		3,284,314,724.93	43,954,606.67	2,094,021,716.21	1,172,507,766.80
Less: Income tax expenses	63	434,503,577.10	1,403,639.76	304,514,610.16	15,737,000.28
IV. Net profit for the year ("-" for losses)		2,849,811,147.83	42,550,966.91	1,789,507,106.05	1,156,770,766.52
(I) Classification according to operation continuity					
Including: Net profit from continuing operations ("-" for net loss)		2,849,811,147.83	42,550,966.91	1,789,507,106.05	1,156,770,766.52
Net profit from discontinued operations ("-" for net loss)		-	-	-	-
(II) Attributable to:					
Including: Shareholders of the parent company ("-" for net loss)		2,522,730,419.35	42,550,966.91	1,648,762,579.59	1,156,770,766.52
Non-controlling interests ("-" for net loss)		327,080,728.48		140,744,526.46	
V. Other comprehensive income, net of tax		-111,562,601.99	-	-2,824,205.77	-
Other comprehensive income (net of tax) attributable to shareholders of the parent company		-111,778,611.97	-	-2,308,513.75	-
(I) Items that will not be reclassified to profit or loss		-	-	-	-
(II) Items that may be reclassified to profit or loss		-111,778,611.97	-	-2,308,513.75	-

1. Translation differences arising from translation of foreign currency financial statements		-111,778,611.97	-	-2,308,513.75	-
Other comprehensive income (net of tax) attributable to non-controlling interests		216,009.98	-	-515,692.02	-
VI. Total comprehensive income for the year		2,738,248,545.84	42,550,966.91	1,786,682,900.28	1,156,770,766.52
Attributable to shareholders of the parent company		2,410,951,807.38	42,550,966.91	1,646,454,065.84	1,156,770,766.52
Attributable to non-controlling interests		327,296,738.46	-	140,228,834.44	-
VII. Earnings per share					
1. Basic earnings per share		1.60		1.06	
2. Diluted earnings per share		1.60		1.05	

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated and Company Cash Flow Statement

For the year ended December 31, 2020

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note	2020		2019	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities					
Cash received from sales of goods and rendering of services		61,960,961,513.0 4	20,873,482.39	49,705,675,429.9 2	12,436,542.60
Cash received from interest, handling fee and commission		45,244,949.44	-	19,945,475.46	-
Refund of taxes		38,261,655.98	4,284,368.54	48,400,096.51	29,991,402.22
Cash received from other operating activities	64	670,905,727.93	62,409,219,017.9 1	743,034,724.14	45,195,700,504.0 9
Sub-total of cash inflows from operating activities		62,715,373,846.3 9	62,434,376,868.8 4	50,517,055,726.0 3	45,238,128,448.9 1
Cash paid for goods and services		57,120,540,167.9 8	809,973,824.23	42,501,531,813.5 8	11,395,794.60

Net increase in loans and advances to customers		-14,879,876.33	-	393,174,508.66	-
Cash paid to and on behalf of employees		3,001,611,662.91	383,005,520.39	2,451,482,886.43	327,384,279.58
Taxes payments		597,257,702.00	10,039,004.17	491,222,772.04	29,724,618.22
Cash paid for other operating activities	64	1,525,584,957.80	64,388,722,865.81	1,432,663,040.24	43,955,295,776.89
Sub-total of cash outflows for operating activities		62,230,114,614.36	65,591,741,214.60	47,270,075,020.95	44,323,800,469.29
Net cash flows from operating activities	65	485,259,232.03	-3,157,364,345.76	3,246,980,705.08	914,327,979.62
II. Cash flows from investing activities					
Cash received from disposal of investments		3,725,092,243.75	482,597,769.82	956,266,418.22	314,666,943.70
Cash received from investment gains		285,536,504.66	71,510,549.50	97,253,227.58	1,182,430,736.93
Cash received from disposal of fixed assets, intangible assets and other long-term assets		69,020,919.72	237,045.38	24,536,424.57	242,488.07
Net proceeds from disposal of subsidiaries and other business units		-	-	19,638,476.78	-
Cash received from other investing activities		200,000.00	-	-	-
Sub-total of cash inflows from investing activities		4,079,849,668.13	554,345,364.70	1,097,694,547.15	1,497,340,168.70
Payment for acquisition of fixed assets, intangible assets and other long-term assets		3,390,357,467.37	78,357,682.21	2,324,812,735.79	58,130,506.13
Payment for acquisition of investments		4,860,043,796.49	1,107,328,066.90	856,376,669.90	963,788,421.82
Net payments for acquisition of subsidiaries and other business units		132,986,317.45	-	32,449,955.99	-
Cash paid for other investing activities	64	17,008,201.42	-	1,023,267.79	-
Sub-total of cash outflows for investing activities		8,400,395,782.73	1,185,685,749.11	3,214,662,629.47	1,021,918,927.95
Net cash flows from investing activities		-4,320,546,114.60	-631,340,384.41	-2,116,968,082.32	475,421,240.75
III. Cash flows from financing activities					

Cash received from investors		60,493,073.65	-	18,454,808.10	552,501.00
Including: Proceeds from non-controlling shareholders of subsidiaries		60,493,073.65	-	17,742,307.10	-
Cash received from borrowings		13,881,524,523.67	11,747,213,296.52	7,994,282,918.63	5,503,415,120.00
Cash received from other financing activities	64	50,367,369.62	7,530,907.48	168,624.69	-
Sub-total of cash inflows from financing activities		13,992,384,966.94	11,754,744,204.00	8,012,906,351.42	5,503,967,621.00
Repayments of borrowings		8,959,667,200.65	7,283,320,406.16	8,712,869,548.16	6,632,093,487.60
Payment for dividends, profit distributions or interests		844,897,007.11	714,931,286.78	740,985,630.07	673,297,183.20
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		77,305,907.82	-	28,896,451.17	-
Cash paid for other financing activities	64	173,670,001.14	100,419,296.90	46,695,215.56	20,405,206.58
Sub-total of cash outflows for financing activities		9,978,234,208.90	8,098,670,989.84	9,500,550,393.79	7,325,795,877.38
Net cash flows from financing activities		4,014,150,758.04	3,656,073,214.16	-1,487,644,042.37	-1,821,828,256.38
IV. Effect of foreign exchange rate changes on cash and cash equivalents		7,758,537.18	-4,119,911.66	23,729,268.53	24,038,713.62
V. Net increase in cash and cash equivalents		186,622,412.65	-136,751,427.67	-333,902,151.08	-408,040,322.39
Add: Cash and cash equivalents at the beginning of the period		1,824,265,608.78	828,018,393.76	2,158,167,759.86	1,236,058,716.15
VI. Cash and cash equivalent at the end of the period		2,010,888,021.43	691,266,966.09	1,824,265,608.78	828,018,393.76

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated Statement of Changes in Shareholders' Equity

For the year ended December 31, 2020

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2020												
	Attributable to shareholders' equity of the parent company											Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk provision	Retained earnings		
Preference share		Perpetual debt	Others										
I. Balance at the end of last year	1,580,357,494.00	-	-	-	2,118,792,106.43	172,540,566.20	5,292,263.90	-	634,407,803.71	-	4,937,480,629.17	638,200,576.75	9,741,990,307.76
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for business combinations involving enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,580,357,494.00	-	-	-	2,118,792,106.43	172,540,566.20	5,292,263.90	-	634,407,803.71	-	4,937,480,629.17	638,200,576.75	9,741,990,307.76

III. Changes in equity during the year ("-" for decrease)	80,853,257.00	-	-	-	2,923,128,958.37	-7,190,233.55	-111,778,611.97	-	4,255,096.69	7,814,011.67	1,957,536,188.09	347,702,520.20	5,216,701,653.60
(I) Total comprehensive income	-	-	-	-	-	-	-111,778,611.97	-	-	-	2,522,730,419.35	327,296,738.46	2,738,248,545.84
(II) Shareholders' contributions and decrease of capital	80,853,257.00	-	-	-	2,788,649,129.67	-2,773,077.10	-	-	-	-	-	99,144,120.70	2,971,419,584.47
1. Contribution by ordinary shareholders	-431,357.00	-	-	-	-2,590,753.16	-86,802,893.35	-	-	-	-	-	60,493,073.65	144,273,856.84
2. Contribution by holders of other equity instruments	81,284,614.00	-	-	-	2,791,538,927.85	-	-	-	-	-	-	-	2,872,823,541.85
3. Share based payment included in shareholders' equity	-	-	-	-	7,968,763.90	-	-	-	-	-	-	351,840.94	8,320,604.84
4. Others	-	-	-	-	-8,267,808.92	84,029,816.25	-	-	-	-	-	38,299,206.11	-53,998,419.06
(III) Appropriation of profits	-	-	-	-	-	-4,417,156.45	-	-	4,255,096.69	7,814,011.67	-565,194,231.26	-78,738,338.96	-627,446,305.41
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	4,255,096.69	-	-4,255,096.69	-	-
2. Appropriation for general	-	-	-	-	-	-	-	-	-	7,814,011.67	-7,814,011.67	-	-

risk provision													
3. Distributions to shareholders	-	-	-	-	-	-4,417,156.45	-	-	-	-	-553,125,122.90	-78,738,338.96	-627,446,305.41
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the	-	-	-	-	-	-	-	-	-	-	-	-	-

year													
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	134,479,828.70	-	-	-	-	-	-	-	134,479,828.70
IV. Balance at the end of the year	1,661,210,751.00	-	-	-	5,041,921,064.80	165,350,332.65	-106,486,348.07	-	638,662,900.40	7,814,011.67	6,895,016,817.26	985,903,096.95	14,958,691,961.36

Consolidated Statement of Changes in Shareholders' Equity (continued)

Item	Year ended 31/12/2019												
	Attributable to shareholders' equity of the parent company											Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk provision	Retained earnings		
Preference share		Perpetual debt	Others										
I. Balance at the end of last year	1,581,211,084.00	-	-	-	2,010,778,182.22	251,038,100.40	7,600,777.65	-	518,730,727.06	-	3,878,656,406.43	477,986,956.94	8,223,926,033.90
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for business combinations involving enterprises under common	-	-	-	-	-	-	-	-	-	-	-	-	-

control													
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,581,211,084.00	-	-	-	2,010,778,182.22	251,038,100.40	7,600,777.65	-	518,730,727.06	-	3,878,656,406.43	477,986,956.94	8,223,926,033.90
III. Changes in equity during the year ("-" for decrease)	-853,590.00	-	-	-	108,013,924.21	-78,497,534.20	-2,308,513.75	-	115,677,076.65	-	1,058,824,222.74	160,213,619.81	1,518,064,273.86
(I) Total comprehensive income	-	-	-	-	-	-	-2,308,513.75	-	-	-	1,648,762,579.59	140,228,834.44	1,786,682,900.28
(II) Shareholders' contributions and decrease of capital	-853,590.00	-	-	-	10,888,051.86	-70,933,160.20	-	-	-	-	-	48,525,325.89	129,492,947.95
1. Contribution by ordinary shareholders	-853,590.00	-	-	-	-5,545,900.60	-70,933,160.20	-	-	-	-	-	47,724,233.45	112,257,903.05
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	17,414,992.86	-	-	-	-	-	-	801,092.44	18,216,085.30
4. Others	-	-	-	-	-981,040.40	-	-	-	-	-	-	-	-981,040.40
(III) Appropriation	-	-	-	-	-	-7,564,374.00	-	-	115,677,076.65	-	-589,938,356.85	-28,540,540.52	-495,237,446.72

of profits													
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	115,677,076.65	-	-115,677,076.65	-	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-7,564,374.00	-	-	-	-	-474,261,280.20	-23,809,602.33	-490,506,508.53
4. Others	-	-	-	-	-	-	-	-	-	-	-	-4,730,938.19	-4,730,938.19
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to	-	-	-	-	-	-	-	-	-	-	-	-	-

retained earning													
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	97,125,872.35	-	-	-	-	-	-	-	97,125,872.35
IV. Balance at the end of the year	1,580,357,494.00	-	-	-	2,118,792,106.43	172,540,566.20	5,292,263.90	-	634,407,803.71	-	4,937,480,629.17	638,200,576.75	9,741,990,307.76

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Company Statement of Changes in Shareholders' Equity

For the year ended December 31, 2020

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2020										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
I. Balance at the end of last year	1,580,357,494.00	-	-	-	2,202,920,835.86	172,540,566.20	-	-	634,407,803.71	3,068,374,960.79	7,313,520,528.16
Add: Changes in	-	-	-	-	-	-	-	-	-	-	-

accounting policies											
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,580,357,494.00	-	-	-	2,202,920,835.86	172,540,566.20	-	-	634,407,803.71	3,068,374,960.79	7,313,520,528.16
III. Changes in equity during the year ("-" for decrease)	80,853,257.00	-	-	-	2,933,345,047.96	-7,190,233.55	-	-	4,255,096.69	-514,829,252.68	2,510,814,382.52
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	42,550,966.91	42,550,966.91
(II) Shareholders' contributions and decrease of capital	80,853,257.00	-	-	-	2,797,268,779.53	-2,773,077.10	-	-	-	-	2,880,895,113.63
1. Contribution by ordinary shareholders	-431,357.00	-	-	-	-2,590,753.16	-86,802,893.35	-	-	-	-	83,780,783.19
2. Contribution by holders of other equity instruments	81,284,614.00	-	-	-	2,791,538,927.85	-	-	-	-	-	2,872,823,541.85
3. Share based payment included in shareholders' equity	-	-	-	-	8,320,604.84	-	-	-	-	-	8,320,604.84
4. Others	-	-	-	-	-	84,029,816.25	-	-	-	-	-84,029,816.25
(III) Appropriation of profits	-	-	-	-	-	-4,417,156.45	-	-	4,255,096.69	-557,380,219.59	-548,707,966.45
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	4,255,096.69	-4,255,096.69	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-

3. Distributions to shareholders	-	-	-	-	-	-4,417,156.45	-	-	-	-553,125,122.90	-548,707,966.45
4. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	136,076,268.43	-	-	-	-	-	136,076,268.43
IV. Balance at the end of the year	1,661,210,751.00	-	-	-	5,136,265,883.82	165,350,332.65	-	-	638,662,900.40	2,553,545,708.11	9,824,334,910.68

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Company Statement of Changes in Shareholders' Equity(continued)

Item	Year ended 31/12/2019										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
I. Balance at the end of last year	1,581,211,084.00	-	-	-	2,089,547,854.24	251,038,100.40	-	-	518,730,727.06	2,501,542,551.12	6,439,994,116.02
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,581,211,084.00	-	-	-	2,089,547,854.24	251,038,100.40	-	-	518,730,727.06	2,501,542,551.12	6,439,994,116.02
III. Changes in equity during the year ("-" for decrease)	-853,590.00	-	-	-	113,372,981.62	-78,497,534.20	-	-	115,677,076.65	566,832,409.67	873,526,412.14
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	1,156,770,766.52	1,156,770,766.52
(II) Shareholders' contributions and decrease of capital	-853,590.00	-	-	-	12,670,184.70	-70,933,160.20	-	-	-	-	82,749,754.90
1. Contribution by ordinary shareholders	-853,590.00	-	-	-	-5,545,900.60	-70,933,160.20	-	-	-	-	64,533,669.60
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders'	-	-	-	-	18,216,085.30	-	-	-	-	-	18,216,085.30

equity											
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-7,564,374.00	-	-	115,677,076.65	-589,938,356.85	-466,696,906.20
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	115,677,076.65	-115,677,076.65	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-7,564,374.00	-	-	-	-474,261,280.20	-466,696,906.20
4. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-

(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	100,702,796.92	-	-	-	-	-	100,702,796.92
IV. Balance at the end of the year	1,580,357,494.00	-	-	-	2,202,920,835.86	172,540,566.20	-	-	634,407,803.71	3,068,374,960.79	7,313,520,528.16

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Notes to the Financial Statements

I. Company Profile

1. Company's Information

Guangdong Haid Group Co., Limited (formerly known as “Guangdong Haid Industrial Co., Ltd.” or “Guangdong Haid Group Limited”, and hereinafter referred to as the “Company”) is a share limited company registered in Guangdong Province, which was incorporated with joint investments from natural persons Hua Xue, Yingzhuo Xu, Lili Tan, Qiang Luo and Xiewu Jiang. The Company was registered with the Guangdong Province Administration for Industry and Commerce on January 8, 2004. It has obtained the business license issued by the Guangdong Province Administration for Industry and Commerce with a unified social credit code 914400007578948436. The Company's headquarter and register address is located at Room 701, Block 2, No. 42, Wanbo 4th Road, Nancun Town, Panyu District, Guangzhou, Guangdong Province.

On May 17, 2007, Guangdong Haid Group Limited changed into Guangdong Haid Group Co., Limited as a whole with a base day of December 31, 2006 in accordance with the approval “Reply on Approval of the Change of Guangdong Haid Group Limited to Foreign-Invested Limited Liability Company (SZP [2007] No. 905) issued by the Ministry of Commerce of the People's Republic of China. The Company went public on the Shenzhen Stock Exchange in November 2009.

As of December 31, 2020, the total share capital of the Company was 1,661,210,751 shares, of which 14,710,177 shares were restricted shares, accounted for 0.89% of the total shares, and 1,646,500,574 shares were non-restricted shares, accounted for 99.11% of the total shares.

The Company and its subsidiaries (hereinafter referred to as the “Group”) operates in the feed industry, the main products include aquatic and livestock feed, high-quality aquatic animal seedlings, animal health products, biological products, pig breeding and so on, covering all business chain such as research and development, design, production, sales and service of various products.

The financial statements and notes have been approved by the 18th meeting of the fifth Board of Directors of the Company on April 17, 2021.

2. Scope of Consolidated Financial Statements

A total of 389 subsidiaries were included in the scope of the consolidated financial statements of the current year. 78 entities were added into and 6 entities were removed from the consolidation scope for the current year when compared to prior year. For further information, please refer to the disclosures in Note VI. Changes in Consolidation Scope and Note VII. Interests in Other Entities

II. Basis of Preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, “Accounting Standards for Business Enterprises”). In addition, the Group also disclosed the relevant financial information in accordance with the Explanatory Announcement No. 15 on Information Disclosure for Companies Offering Their Securities to the Public—General Requirements for Financial Reporting (2014 version) issued by the China Securities Regulatory Commission.

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

The Group adopts the accrual basis of accounting. The financial statements are prepared under the historical cost except for certain financial instruments. Non-current assets held-for-sale are measured at the lower of the amount of the fair value less estimated costs and the book value when it was recognized as held-for-sale. If the assets were impaired, a provision for impairment shall be provided in accordance with the relevant regulations.

III. Significant Accounting Policies and Accounting Estimates

The Group determines revenue recognition policy according to the characteristics of its production and operation and relevant requirements in Accounting Standards for Business Enterprises. For more information on the accounting policies, please refer to Note III. 29.

1. Representation of Compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises. These financial statements have truly and completely presented the consolidated financial position and financial position of the Company as at December 31, 2020 and their operating results and cashflows for the year ended December 31, 2020.

2. Accounting Period

The Group the calendar year as its accounting period, i.e. from January 1 to December 31.

3. Operating Cycle

The operating cycle of the Group is 12 months.

4. Functional currency

The Company and its domestic subsidiaries use Renminbi (“RMB”) as their functional currency. The overseas subsidiaries of the Company determine their functional currency according to the primary economic environment where they operate. The financial statements of the Group have been prepared in RMB.

5. Accounting Treatment for Business Combination Involving Entities under Common Control and not under Common Control

(1) Business combinations involving entities under common control

For a business combination involving entities under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve (share capital premium), with any excess adjusted against retained earnings.

For a business combination involving entities under common control achieved in stages that involves multiple exchange transactions

In the separate financial statements, the initial investment cost is the combining party's share of the carrying amount of the net assets of the combined party in the consolidated financial statements of the ultimate controlling party at combination date. The difference between initial investment cost, and the total of investment carrying amount prior to combination date and additional investment cost at the combination date is adjusted to capital reserve (share premium). Any excess is adjusted to retained earnings.

In the consolidated financial statements, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies; the difference between the sum of the carrying amount of the investment before combination and the carrying amount of new consideration paid at the combination date, and the carrying amount of the net asset acquired in the combination, is adjusted against capital reserve (share premium), with any excess adjusted against retained earnings. The long-term equity investment of the combining party before acquiring the control, the profit or loss, other comprehensive income and other changes in the owner's equity recognized from the later of the initial acquisition date of the equity and the date when the combining party and the combined party under common ultimate control party to the combination date, shall be offset against the opening retained earnings and profit or loss for the current period in the comparative statement.

(2) Business combinations involving entities not under common control

For business combinations involving entities not under common control, the consideration costs are the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquiree on the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured based on its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after reassessment.

For a business combination involving entities not under common control and achieved in stages that involves multiple exchange transactions

In the individual financial statements, the initial investment cost is the sum of the book value of the equity investment held by the purchased party before the purchase date and the new investment cost on the purchase date. The equity investment is recognized as other comprehensive income by using equity method, this part of other comprehensive income is not adjusted in the purchase date, when disposal this investment, using the same basis as the investee directly dispose of related assets or liabilities for accounting treatment; equity recognized due to changes in the other equity of the investee (other than the changes in net profit and loss, other comprehensive income and profit distribution), is transferred to the gain or loss in the disposal period when this investment is disposed. If the equity investment held before the purchase date is measured at fair value, the cumulative change in fair value that was originally included in other comprehensive income is transferred to profit or loss in the current period when the cost method is used.

In the separate financial statements, the initial investment cost is the total of the carrying amount of previously-held equity investment and the additional investment cost at the acquisition date. When the previously-held equity investment which was recognized under the equity method before the acquisition date, any other comprehensive income previously recognized is not adjusted on acquisition date. When the investment is disposed, the previous recognized amount in the other comprehensive income is recognized on the same basis as would be required if the investee had directly disposed the related assets or liabilities. For the changes of the investee's other owners' equity which have recognized in the owner's equity except for net profit or loss, other comprehensive income and profit distribution are transferred to profit or loss for the current period when disposing the investment. When the previously-held equity investment which was measured at fair value before the acquisition date, the accumulated changes in fair value included in other comprehensive income is transferred to profit or loss for the current period upon commencement of the cost method.

In the consolidated financial statements, the cost of business combination is the total of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date shall be re-measured at the fair value at the acquisition date, the difference between the fair value and par value shall be recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date shall be transferred to profit or loss for the current period, except for other comprehensive income arising from the movement of net liabilities or assets in the investee's re-measurement of defined benefit plan.

(3) The accounting treatment of transaction costs in business combination

The overhead for the business combination, including the expenses for auditing, legal services, appraisal and advisory, and other related administrative expenses, are recognized in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the consideration of business combination are included in the initial recognition amount of the equity or debt securities.

6. Consolidated Financial Statements

(1) Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Company has power

over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including entity, a portion of an investee as a deemed separate component, and structured entity controlled by the entity).

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing the consolidated financial statements, the accounting policies and accounting periods of the subsidiaries shall be consistent with those established by the Company. All significant intra-company balances and transactions shall be eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving entities not under common control, its revenue, expenses and profit from the acquisition date to the end of the reporting period are included in the consolidated income statement and its cash flows are included in the consolidated cash flow statement.

The non-controlling interests of the subsidiary that is not attributable to the Group are presented separately in the shareholders' equity section within the consolidated balance sheet. Net profit or loss attributable to non-controlling shareholders is presented separately as non-controlling interests below the line item "net profit" within the consolidated income statement. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

(3) Acquire shares from minority shareholders of subsidiary

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

(4) Disposal of subsidiaries

When the Group loses control over a subsidiary due to partial disposal of equity investment or other reasons, the remaining equity interests is re-measured at its fair value at the date when the control is lost. A gain or loss is the total of consideration received from the disposal of equity investment and the remaining equity investment at its fair value, deducted the total of the subsidiary's net asset and goodwill which calculated in proportion based on the original shareholding percentage since the acquisition date. Any resulting gain or loss is recognized as investment income for the current period.

Except for the other comprehensive income arose from the movement of net liabilities or net assets driven by investee's remeasurement on defined benefit plan, other comprehensive income related to the original equity investment in subsidiaries is transferred to profit or loss for the current period when the Group loses control of the subsidiary.

(5) The treatment of disposing equity investment by stages until the control is lost

The Company considers the arrangements of multiple transactions by disposing equity investment by stages until the control is lost as a single transaction when the terms, conditions and economic impact of each transaction meet one or more of the following situations:

- ① The transactions are entered into at the same time or in contemplation of each other;
- ② The transactions are considered as a single transaction to achieve an overall commercial effect;
- ③ The occurrence of one transaction dependent on the occurrence of at least one other transaction;
- ④ A transaction is not economically justified when considered on its own, but it is economically justified when considered together with other transactions.

In the separate financial statements, for multiple transactions by disposing equity investment by stages until the control is lost that not qualified as a single transaction, the carrying amount of long-term equity investments related to each transaction of disposal of equity is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as investment income. For those arrangements qualified as a single transaction, the carrying amount of long-term equity investments related to each transaction of disposal of equity is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally recognized in profit or loss for the current period on the date when the control is lost.

In the consolidated financial statements, when the Company disposal of investments step by step through multiple transactions until loss of control, the evaluation of remaining share and accounting for the disposal of equity gain or loss can refer to the aforementioned "treatment of loss of control of the subsidiary". Before the loss of control, the difference between the price of each disposal and the corresponding share of the net asset book value of the subsidiary since the purchase date corresponding to the disposal of the investment shall be treated as follows:

In the consolidated financial statements, please refer to the above "disposal of subsidiaries" for the measurement of remaining equity and accounting treatment for profit or loss of disposing equity investment by stages until the control is lost. The difference between each consideration received and the share of the subsidiary's net assets since acquisition date relevant to disposing investment until the control is lost:

- ① is recognized in other comprehensive income if the arrangements are regarded as a single transaction. Other comprehensive income is transferred to profit or loss for the current period until the control is lost.
- ② is recognized in capital reserve (share premium) as an equity transaction if the arrangements are not regarded as a single transaction. Capital reserve is not transferred to profit or loss for the current period when the control is lost.

7. Joint Arrangement Classification and Accounting Treatment for Joint Operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any assets held jointly;
- B. its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation;
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

The Group adopts equity method of long-term equity investment to account for its investment in joint venture.

8. Cash and Cash Equivalents

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

9. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Group at the spot exchange rates or approximate spot exchange rates (usually, it refers to the central parity rate published by the People's Bank of China) on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate at balance sheet date and the spot exchange rate at initial recognition or at the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date when the fair value is determined. The resulting exchange differences are recognized in profit or loss.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, except for retained earnings, are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the approximate exchange rates determined under a systematic and rational method at the transaction dates.

Items of cash flow statement are translated to Renminbi at the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as Effect of foreign exchange rate changes on cash and cash equivalents in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity in the balance sheet.

When the control on foreign operation is lost due to disposal, the translation differences accumulated in shareholders' equity attributable to the foreign operation as presented under shareholders' equity in the balance sheet are transferred to profit or loss for the current period entirely or partially based on the disposed portion.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

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

If one of the following criteria is met, a financial asset is derecognized:

A. The contractual rights to receive the cash flows from the financial asset are terminated;

B. The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability is derecognized entirely or partially when its contractual obligation is ceased entirely or partially. If the Group (borrower) enters into an agreement with the lender to replace the existing financial liability with a new assumed financial liability, and contractual terms are different in substance, the existing financial liability is derecognized while a new financial liability is recognized.

Conventionally traded financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Group classifies financial assets into three categories at initial recognition according to the business model in which a financial asset is managed and its contractual cash flow characteristics: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

The Group classifies financial assets that meet the following conditions and are not designated as financial assets measured at fair value through profit or loss, as financial assets measured at amortized cost:

- The objective for the business model in which the financial asset is managed, is to collect the contractual cash flows;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest on the outstanding principal.

The effective interest method is adopted to measure such financial assets at amortized cost after initial recognition. Gains or losses arising from financial assets measured at amortized cost and are not part of any hedging relationship are recognized in profit or loss when they are derecognized, amortized according to the effective interest method or recognized for impairment.

Financial assets measured at fair value through other comprehensive income

The Group classifies financial assets that meet the following conditions and are not designated as financial asset measured at fair value through profit or loss, as financial assets measured at fair value through other comprehensive income:

- The objectives for the business model in which the financial asset is managed, are to collect the contractual cash flows and to sell the financial asset;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest on the outstanding principal.

Such financial assets are subsequently measured at fair value after initial recognition. Interest calculated by using effective interest method, impairment losses or gains, and exchange gains and losses are recognized in the profit or loss for the current period, while other gains or losses are recognized in other comprehensive income. When they are derecognized, the accumulated gains or losses in the other comprehensive income are transferred to profit or loss for the current period.

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or financial assets measured at fair value through other comprehensive income as described above, the Group classifies them as financial assets measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at financial assets measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These financial assets are subsequently measured at fair value. Gains or losses (including interest and dividend income) are recognized in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

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

The Group evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on a specific date is only the payment for principal and interest on the outstanding principal. Principal is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal during a particular period of time and for other basic lending risks and costs, as well as profits. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Only when the Group changes the business model for managing financial assets, all relevant affected financial assets are reclassified on the first day of the first reporting period after the business model is changed, otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets are measured at fair value at initial recognition. The relevant transaction cost for financial assets measured at fair value through profit or loss is recognized in profit or loss for the current period, while the transaction cost for other financial assets is included in their initial cost. The Group recognizes the expected consideration that the Group is entitled to as the initial cost for accounts receivable arising from the sale of products or render of services and/or do not contain or consider significant financing components.

(3) Classification and measurement of financial liabilities

The Group classifies financial liabilities into different categories at initial recognition: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. The relevant transaction cost is included in initial cost for financial liabilities other than those classified as financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include held-for-trading financial liabilities and financial liabilities designated as financial liabilities measured at fair value through profit or loss at initial recognition. Such financial liabilities are subsequently measured at fair value. Gain or losses arising from change in fair value, and any dividend and interest expenses related to such financial liabilities are recognized in profit or loss for the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition or amortization are recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contract is not a financial liability designated as financial liabilities measured at fair value through profit or loss. It is initially measured at fair value, and subsequently measured at the higher of the loss allowance of provisions determined by the expected credit loss model, and the balance of the initial recognized amount deducts the accumulated amortization.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- A. a contractual obligation to deliver cash or another financial asset to another entity;
- B. a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group;
- C. a non-derivative contract that will or may be settled in the Group's own equity instruments and the Group is obliged to deliver a variable number of the Group's own equity instruments;
- D. a derivative contract that will or may be settled in the Group's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of the Group's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled by the Group's own equity instruments, classification of the instrument depends on whether the Group's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in the Group's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(4) Derivative financial instruments and embedded derivative instruments

The Group's derivative financial instruments included forward exchange contract, currency exchange rate swap agreement, interest rate swap agreement and foreign currency option contract, etc. Derivative financial instruments are initially measured at fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments with positive fair value are recognized as assets while those with negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized in profit or loss for the current period.

For hybrid instruments with embedded derivatives, the relevant requirements for financial asset classification are applicable to the entire hybrid instruments if the master contracts are financial assets. If the master contract is not a financial asset and such hybrid instrument is not designated as measured at fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to the master contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then the embedded derivative is separated from hybrid instrument and considered as a individual derivative. If the embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, the entire hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Fair value of financial instruments

For the recognition of fair value of financial assets and financial liabilities, please refer to Note III. 11.

(6) Impairment of financial assets

The Group makes provisions of impairment and recognizes impairment losses based on expected credit loss for the following items:

- Financial assets measured at amortized cost
- Receivables and debt investments measured at fair value through other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 - Revenue;

- Lease receivables
- Financial guarantee contract (except for those measured at fair value through profit and loss, the transfer of financial assets does not meet the conditions for derecognition or continue to involve in the transferred financial assets)

Measurement of expected credit losses

Expected credit loss is the weighted average of credit losses of financial instruments with the risk of default. Credit loss is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Company calculates the probability-weighted amount of the present value of the difference between the contractual cash flow receivables and the expected cash inflow, and recognizes as the expected credit loss, based on reasonable and reliable information on past events, current status and future economic conditions, and weighted by the risk of default.

The Group measures the expected credit losses of financial instruments at different stages separately. The financial instrument is at the first stage when there is no significant increase in credit risk since initial recognition. The Group measures the loss allowance according to the expected credit losses in the next 12 months. The financial instrument is at the second stage when there is significant increase in credit risk since initial recognition and credit loss is not yet occurred. The Group then measures the loss allowance according to expected credit losses over the expected life of a financial instrument. The financial instrument is at the third stage when there is significant increase in credit risk since initial recognition and credit loss is occurred. The Group then measures the loss allowance according to expected credit losses over the expected life of a financial instrument.

For financial instrument that has low credit risk at the balance sheet date, the Group assumes there is no significant increase in its credit risk since initial recognition. The Group measures the loss allowance according to the expected credit losses in the next 12 months.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Expected credit losses in the next 12 months are the portion of expected losses that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

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

For the financial instruments at the first and second stage as well as financial instruments that have low credit risk, the Group calculates the interest income based on the book value without loss allowance deducted and effective interest rate. While for the financial instruments at the third stage, the Group calculates the interest income based on the amortized cost of the book value less loss allowance and effective interest rate.

Notes receivable, accounts receivable

For notes receivable and accounts receivable, regardless of whether they involve significant financing components, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group classifies the notes receivable and accounts receivable into different groups according to the credit risk characteristics when the expected credit loss information of a single financial assets cannot be assessed at a reasonable cost. Expected credit losses are calculated based on groups. The basis of determination is as below:

A. Notes receivable

- Group 1 of notes receivable: Bank acceptance notes
- Group 2 of notes receivable: Commercial acceptance notes
- Group 3 of notes receivable: Usance letters of credit

B. Accounts receivable

- Group 1 of accounts receivable: Accounts receivable due from feed related customers
- Group 2 of accounts receivable: Accounts receivable due from related parties within the scope of consolidation
- Group 3 of accounts receivable: Accounts receivable due from raw materials customers

For notes receivable classified into groups, the Group calculates the expected credit losses through the exposure to risk of default and the lifetime expected credit loss rate, based on the historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions.

For accounts receivable classified into groups, the Group prepares the credit loss matrix on the aging of accounts receivable/days of overdue and lifetime expected credit loss rates based on the Group's historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions. The Group then uses the matrix to calculate the expected credit losses.

Other receivables

The Group classified other receivables into groups based on credit risk characteristics. Expected credit losses are calculated based on groups. The basis of determination is as below:

- Group 1 of other receivables: Security deposits
- Group 2 of other receivables: Futures margin
- Group 3 of other receivables: Receivables due from external parties
- Group 4 of other receivables: Performance compensation
- Group 5 of other receivables: Petty cash
- Group 6 of other receivables: Other receivables due from related parties within the scope of consolidation
- Group 7 of other receivables: Others

For other receivables that are divided into portfolios, the Group calculates the expected credit loss through the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

For other receivables classified into groups, the Group calculates the expected credit losses through the exposure to risk of default, and expected credit loss rate within the next 12 months or lifetime expected credit loss rate.

Loans and advances to customers

For loans and advances to customer, the Group calculates the expected credit loss through the exposure to risk of default, and expected credit loss rate within the next 12 months or lifetime expected credit loss rate.

Long-term receivables

The Group's long-term receivables include financial lease receivables, security deposit receivables, receivables for subcontracting due by installment, etc.

The Group classified financial lease receivables, security deposit receivables and receivables for subcontracting due by installment into groups based on credit risk characteristics. Expected credit losses are calculated based on groups. The basis of determination is as below:

A. Finance lease receivables

- Group 1 of finance leases: Receivable due from related parties within the scope of consolidation.

- Group 2 of finance leases: Receivable due from other customers

B. Other long-term receivables

- Group 1 of long-term receivables: Security deposit receivables
- Group 2 of long-term receivables: Receivables for subcontracting due by installments
- Group 3 of long-term receivables: Other receivables

For receivables for subcontracting due by installment and security deposit receivables, the Group calculates the expected credit losses through the exposure to risk of default and the lifetime expected credit loss rate, based on the historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions.

For other receivables classified into groups, except for receivables for subcontracting due by installment receivables and security deposit receivables, the Group calculates the expected credit losses through the exposure to risk of default, and expected credit loss rate within the next 12 months or lifetime expected credit loss rate.

Debt investments and other debt investments

For debt investments and other debt investments, the Group calculates the expected credit losses according to the nature of the investment, counterparty and various types of risk exposures, the exposure to risk of default and the expected credit loss rates for the next 12 months or lifetime expected credit loss rate.

Assessment of significant increase in credit risk

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

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

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

Depending on the nature of the financial instruments, the Group assesses whether there is a significant increase in credit risk either on an individual basis or a collective basis. When the Group is assessed on a collective basis, the financial instruments are classified into groups based on shared credit risk characteristics, such as past due status and credit risk ratings.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have adverse impact on the expected future cash flows of financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- Significant financial difficulty of the borrower or issuer;

- A breach of contract, such as default or overdue in interest or principal payments;
- For economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concessions that would not otherwise consider;
- It is probable that the borrower will enter into bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of issuer's or borrower's financial difficulties.

Presentation of allowance for expected credit losses

The Group remeasures the expected credit losses at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any increase or reversal of expected credit losses shall be recognized as an impairment gain or loss in profit or loss for the current period. The Group recognizes an impairment gain or loss for financial assets measured at amortized cost with a corresponding adjustment to their carrying amount through a loss allowance account. While the Group recognizes a loss allowance in other comprehensive income for debt investments that are measured at fair value through other comprehensive income and does not adjust their carrying amount.

Write-off

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

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period when the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets is the transfer or delivery of financial assets to another party (the transferee) other than the issuer of financial assets.

A financial asset is derecognized if the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. A financial asset is not derecognized if the Group retains substantially all the risks and rewards of ownership of the financial asset to the transferee.

The Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the accounting treatments are as following: if control over the financial assets is surrendered, the Group derecognizes the financial assets and recognize any assets and liabilities arose; if the Group retains the control of the financial assets, financial assets to the extent of the continuing involvement in the transferred financial assets by the Group and any relating liability are recognized.

(8) Offset between financial assets and financial liabilities

When the Group has the legal right to offset the recognized financial assets and financial liabilities, and the legal rights is enforceable, and the Group plans to settle by net amount or realize the financial assets and pay off the financial liabilities, the amount after being offset is presented in the balance sheet. Otherwise, financial assets and financial liabilities are presented separately in the balance Sheet and not allowed to offset against each other.

11. Fair Value Measurement

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

The Group measures related assets or liabilities at fair value assuming the assets or liabilities are transferred in an orderly transaction in their principal market; In the absence of a principal market, the Group assumes that the transaction is occurred in the most advantageous market for the underlying asset or liability. Principal market (or the most advantageous market) is the market that the Group can normally enter into a transaction at the measurement date. The Group adopts the assumptions that would be used by market participants in achieving the maximized economic benefit when pricing the assets or liabilities.

For financial assets or financial liabilities that have an active market, the Group uses the quoted prices in the active market as their fair value. Otherwise, the Group uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset considers market participants' ability to generate economic benefits by using the asset in its best way or ability to sell the asset to another market participant who is able to generate economic benefits by using the asset in its best way.

The Group uses valuation techniques that are appropriate in the current circumstances and for which sufficient data and other information are available. The Group uses the relevant observable inputs in preference and only use unobservable input when the observable inputs are unavailable or impractical to obtain.

For assets and liabilities measured or disclosed at fair value in the financial statements, their level of fair value are determined according to the significant lowest level input to the entire fair value measurement: Level 1 inputs are the unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date ; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At the balance sheet date, the Group revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether any change within the levels of fair value is occurred.

12. Inventories

(1) Classification

Inventories include raw materials, finished goods, work in progress, consumptive biological assets and consigned processing material, etc.

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. Raw materials and finished goods are calculated by using weighted average method, for the measurement and amortization of consumptive biological assets, please refer to Note III. 19.

(3) Basis for determining the net realizable value and method for provision for the decline in value of inventories

Net realizable value is the estimated selling price less the estimated costs to completion, estimated selling expenses and relevant tax expenses. The Group used the conclusive evidence obtained as the basis, in conjunction with the consideration of the purpose of holding the inventories and the impact of subsequent events after the balance sheet date to determine the net realizable value.

Any excess of the cost over the net realizable value at the balance sheet date is recognized as a provision for the decline in value of inventories. The Group generally recognizes the provision for decline in value of inventories by single inventory item. If the previous factors caused the decline in value of inventories have disappeared at the balance sheet date, the previously recognized provision for decline in value of inventories is reversed.

(4) Inventory count system

The Group maintains a perpetual inventory system.

13. Assets Held for Sale and Discontinued Operations

(1) Classification and measurement of non-current assets or disposal groups held-for-sale

The Group classifies a non-current asset or disposal group as held-for-sale when the carrying amount of the non-current asset or disposal group will be recovered through a sale transaction (including an exchange transaction of non-monetary assets with commercial substance) other than through continuous use.

The non-current assets mentioned above do not include investment properties subsequently measured by fair value model, biological assets measured at fair value less selling costs, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

The disposal group is a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Under certain circumstances, the disposal group includes goodwill acquired in a business combination.

A non-current asset or disposal group is classified as held-for-sale when all the following criteria are met: the non-current asset or disposal group is available for immediate sale in its present condition according to the customary practices of selling such asset or disposal group in similar transactions; the sale is highly probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding purchase agreement with other parties, and the sale is expected to be completed within one year. When the Group is committed to a sale plan involving loss of control of a subsidiary and the classification criteria for held-for-sale are met, the Group classifies the entire investment to subsidiary as held-for-sale in the separate financial statements, and classifies all the assets and liabilities of that subsidiary as held-for-sale in the consolidated financial statements, regardless of whether the Group retains any non-controlling interest in the subsidiary after the sale.

Non-current assets or disposal groups held-for-sale are initially and subsequently measured at the lower of carrying amount and fair value less selling cost. Any excess of the carrying amount over the fair value less selling cost is recognized as an impairment loss. The impairment loss recognized for a disposal group is adjusted to the carrying amount of goodwill allocated to the disposal group first, and then adjusted the carrying amount of other non-current assets on pro rata basis in proportion to the carrying amount of each non-current asset in the disposal group.

The Group recognizes a gain for any subsequent increase in fair value less selling cost of an asset in profit or loss for the current period, to the extent of the cumulative impairment loss that has been recognized after classified as held-for-sale. The reduced carrying amount of goodwill cannot be reversed.

The Group is no longer depreciated or amortized the non-current assets and assets in the disposal group once they have been classified as held-for-sale. The Group continue to recognize the interests and other expenses attributable to the liabilities of a disposal group classified as held-for-sale. If an entire or partial investment in an associate or a joint venture is classified as held-for-sale, the held-for-sale portion is no longer measured by the equity method while equity method is continue applied for the retain portion (which is not classified as held-for-sale). When the Group can no longer exercise significant influence over an associate or a joint venture due to the sale transaction, the use of equity method shall be suspended.

When an asset or disposal group is classified as held-for-sale, but no longer satisfies the recognition criteria for held-for-sale non-current assets subsequently, the Group ceases to classify it as held-for-sale, and measure it at the lower of:

- ① its carrying amount of the asset or disposal group before it was classifying as held-for-sale, and adjusted for any depreciation, amortization or impairment as if it has not being classified as held-for-sale;
- ② its recoverable amount.

(2) Discontinued operations

Discontinued operation is a component that either has been disposed or classified as held-for-sale by the Group if it is separately identifiable and satisfies one of the following conditions:

- ② It represents a separate major line of business or a separate geographical area of operations;
- ③ It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired for the purpose of resale.

(3) Presentation

The Group presents a non-current asset classified as held-for-sale and the assets of a disposal group classified as held-for-sale as Assets held-for-sale in the balance sheet. While the liabilities of a disposal group classified as held-for-sale is presented as Liabilities held-for-sale in the balance sheet.

The Group separately presents profit or loss from discontinued operations and profit or loss from continuing operations in the income statement. Impairment loss and reversal amount and any disposal gain or loss of a non-current asset or disposal group classified as held-for-sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations. Any gain or loss from continuing operation of discontinued operations, including impairment loss and reversal amount, and gain or loss on disposal is included in profit or loss from discontinued operations.

A disposal group which is planned to cease operation rather than for sale, and meets the criteria of a part of discontinued operation, the Group presents it as discontinued operation from the date of cessation.

Where an operation is classified as discontinued in the current period, the information previously presented as profit or loss from continuing operations in the comparable period is reclassified to profit or loss from discontinued operations in the income statement for the current period. If the Group ceases to classify a discontinued operation as held-for-sale, the information previously presented as discontinued operations in the comparable period is reclassified to profit or loss from continuing operations.

14. Long-term Equity Investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. When the Group can exercise significant influence over the investee, the investee is its associate.

(1) Recognition of initial investment cost

Long-term equity investments arising from business combination: the initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Group's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost is the combination cost.

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

(2) Subsequent measurement and recognition of profit or loss

Investment in subsidiaries is measured by the cost method, unless the investment meets the conditions for held-for-sale while an investment in associates and joint ventures is measured by the equity method.

For a long-term equity investment which is subsequently measured by the cost method, except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Group recognizes its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is subsequently measured by the equity method, no adjustment is made to the initial investment cost if the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets. If the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets, the difference is recognized in profit or loss for the current period and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the investee's net profit or loss as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, respectively. The carrying amount of the investment is also adjusted accordingly. The carrying amount of the investment is reduced by the portion of any cash dividends or profit distributions declared by the investee that is attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the Group's capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Group.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Group uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method on conversion date. The difference between the fair value and carrying amount of the previously-held equity, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The difference between the fair value and the carrying amount of the remaining equity investment shall be recognized in profit or loss for the current period at the date when the joint control or significant influence is lost. Any other comprehensive income previously recognized under the equity method shall be treated on the same basis as would have been required if the Group had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owners' equity related to original equity investment is transferred to profit or loss for the current period.

When the Group can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and able to exercise joint control of or significant influence over an investee with the remaining equity after disposal, the remaining equity is adjusted by equity method as would have been applied from the date of acquisition. When the Group cannot exercise joint control of or significant influence over an investee with the remaining equity after disposal, the difference between the fair value and the carrying amount of the remaining equity investment shall be recognized in profit or loss for the current period at the date when the control is lost in accordance with Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

When the Group can no longer exercise control over an investee due to new capital injection by other investors, and the Group can exercise joint control of or significant influence over an investee, the Group recognizes its share of the investee's newly added net assets based on the new shareholding percentage. The difference between its new share of the investee's newly added net assets and the reduction in the shareholding percentage of the original long-term equity investment is recognized in profit or loss for the current period. The long-term equity investment is adjusted accordingly to the new shareholding percentage by the equity method as it would have been used from the date of acquisition.

Unrealized profits or losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. The Group recognized them as investment income or loss. Any losses resulting from transactions between the Group and the investee, which are attributable to impairment loss shall not be eliminated.

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

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether a joint control is existed, the Group considers whether the arrangement is controlled by all participants or a group of participants collectively. The Group also considers whether strategic decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that sharing of control. All participants or a group of participants are considered to control the arrangement collectively if they must act together to determine the activities related to an arrangement. If there are two or more groups of participants that can control an arrangement collectively, joint control is not exist. Protective rights are not taken into consideration when assessing whether a joint control is existed.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Group can exercise significant influence over an investee, it considers the impact of direct or indirect voting rights held by the Group as well as the assumption of the current exercisable potential rights held by the Group or other parties have been converted into investee's equity, including the impact of convertible warrants, share options and convertible bonds.

When the Group holds 20% (inclusive) or more but less than 50% of investee's voting shares through its subsidiaries directly or indirectly, the Group has significant influence over the investee. Unless there is clear evidence indicated that the Group cannot participate in the production and business decisions of the investee, and therefore significant influence is not existed. When the Group holds 20% (exclusive) or less of the voting shares, the Group does not have significant influence over the investee. Unless there is clear evidence indicated that the Group can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Equity investments held-for-sale

Accounting treatment for an entire or partial equity investment in an associate or a joint venture that is classified as held-for-sale, please refer to Note III. 13.

Any remaining equity investment that has not been classified as held-for-sale shall be measured by using the equity method.

When an equity investment in an associate or a joint venture that has been previously classified as held-for-sale no longer meets the criteria of held-for-sale, the equity method shall be adopted and retrospective adjustment is required from the date when it is classified as assets held-for-sale.

(5) Method of impairment testing and impairment provision

For impairment on investments in subsidiaries, associates and joint ventures, please refer to Note III. 22.

15. Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. The Group's investment properties include leased land use rights, land use right held and ready to transfer after appreciation and leased buildings.

The Group's investment properties are initially measured at acquisition cost. They are depreciated or amortized in accordance with the relevant rules of fixed assets or intangible assets.

For impairment on investment properties that are subsequently measured by the cost model, please refer to Note III. 22.

The balance of the disposal income from the sale, transfer, scrapping or damage of the investment real estate after deducting its book value and relevant taxes shall be recorded into the current profit and loss.

16. Fixed Assets

(1) Recognition of fixed assets

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

Fixed assets are only recognized when its related economic benefits is probable to flow to the Group and its cost can be reliably measured.

Fixed asset are initially measured at cost up on acquisition.

(2) Depreciation of fixed assets

The Group adopts the straight-line method for depreciation. Fixed asset begins to be depreciated when it is ready for its intended use, and stops being depreciated when it is derecognized or classified as non-current assets held for sale. Without considering the provision for impairment, the Group determines the annual depreciation rate of fixed assets according to the asset categories, estimated useful lives and estimated residual value of fixed as follows:

Category	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and buildings	5-40 <small>(Note)</small>	5	19.00-2.38
Machinery and equipment	3-12	5	31.67-7.92
Motor vehicles	5	5	19.00
Electronic equipment	3-5	5	31.67-19.00
Others	3-5	5	31.67-19.00

Note:

- ① For the immovable buildings on the leased land, they are depreciated over the shorter of the lease term of land use right and the expected useful lives of the immovable buildings.s
- ② The Group purchased freehold lands in India and Ecuador. No depreciation is recognizes for these lands because their estimated useful lives is uncertain. The Group tests for impairment on these lands every year.

For impaired fixed assets, depreciation rate is calculated based on the carrying amounts after deducting the provision for impairment.

(3) For the impairment on fixed assets, please refer to Note III. 22.

(4) Recognition, measurement and depreciation of fixed assets acquired under finance leases

Fixed assets leased by the Group are recognized as finance leases when they meet one or more of the following criteria:

- ① The ownership of leased assets is transferred to the Group by the end of the lease term.
- ② The Group has the option to purchase the leased asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.

- ③ Even if the ownership of the assets is not transferred, the lease term covers for the most of the useful life of the leased asset.
- ④ At the inception of lease, the present value of minimum lease payments amounts is substantially all of the fair value of leased asset.
- ⑤ Leased assets are of a specialized nature that only the Group can use them without major modifications.

For fixed assets acquired under finance leases, the Group recognize their cost at the lower of the fair value of leased asset at the commencement of the lease term and the present value of minimum lease payment. The minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is recognized as unrecognized financing charges. Initial direct costs such as handling charges, legal fees, travelling expenses and stamp duty attributable to the finance lease that are incurred by the Group are included in the carrying amount of the leased asset. Unrecognized finance charges are amortized by using the effective interest method over the lease term.

Depreciation is accounted for in accordance with the accounting policies of fixed assets. If there is reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

- (5) At the end of each year, the Group reivews the useful lives, estimated net residual values and depreciation methods of fixed assets

The Group adjusts the useful lives and estimated net residual values of fixed assets if they are different from the original estimated useful lives and net residual values.

- (6) Overhaul costs

Overhaul costs occurred in regular inspection are recognized in the cost if there is undoubted evidence to confirm that this part meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognized in profit or loss for the current period. Fixed assets are depreciated during the period of regular overhaul.

17. Construction In Progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs and any other costs directly attributable to bring the asset to working condition for its intended use.

Construction in progress is transferred to fixed asset when it is ready for its intended use.

For the impairment on construction in progress, please refer to Note III. 22.

18. Borrowing Costs

- (1) Recognition of capitalized borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of the asset. Other borrowing costs are expensed in profit or loss for the current period as incurred. The capitalization of borrowing costs shall commence only when the following criteria are met:

- ① asset expenditures have been incurred, including expenditures in the form of cash payment, transfer of non-cash assets or the assumption of interest-bearing liabilities;
- ② borrowing costs have been incurred;
- ③ acquisition, construction or production activities necessary for bring the asset to working conditions for its

intended use or ready for sales have been commenced.

(2) Capitalization period of borrowing costs

Capitalization of borrowing costs ceases when qualifying the asset being acquired, constructed or produced becomes ready for its intended use, the borrowing costs incurred thereafter are recognized as expenses in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months. The borrowing costs incur during the normal interrupted period are continue to be capitalized.

(3) Capitalization rate and calculation method of borrowing costs

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

During the capitalization period, exchange differences of specific-purpose borrowings in foreign currency are capitalized while the exchange differences of general-purpose borrowings in foreign currency are recognized in profit or loss for the current period.

19. Biological Assets

(1) Recognition criteria for biological assets

Biological assets are assets that composed of living animals and plants. Biological assets shall be recognized if they satisfy all of the following conditions:

- ① The entity owns or controls the biological asset due to past transactions or events;
- ② The economic benefits or potential service related to the biological asset are probable to flow into the entity;
- ③The cost of the biological asset can be measured reliably.

(2) Classification of biological assets

The Group's biological assets include consumptive biological assets and productive biological assets.

① Consumptive biological assets

Consumptive biological assets are the biological assets held-for-sale or harvested as agricultural products in the future, including livestock for sale, etc. Consumptive biological assets are initially measured at cost. The cost of self-propagating or breeding consumptive biological assets is the necessary expenditure incurred that can directly attributable to the asset before the asset is sold or stored in the warehouse, including capitalized borrowing costs. Subsequent expenditures after harvest such as management, protection and feeding expenses are recognized in the profit or loss for the current period.

When the consumptive biological assets are harvested or sold, the cost of goods sold is recognized based on the carrying amount using the weighted average method.

② Productive biological assets

Productive biological assets are the biological assets held for the purpose of producing agricultural products, providing services or leasing, including livestock production. Productive biological assets are initially measured at

cost. The cost of productive biological asset by self-growing or propagating is the necessary expenditure directly attributable to the asset incurred before the asset reaches its intended production and operation purpose, including capitalized borrowing costs.

The subsequent expenditure for managing, protecting and feeding the productive biological assets incurred after crown closure or reaching its intended objective of production and operation is recognized in profit or loss for the current period.

Productive biological assets are depreciated by straight-line method. Depreciation for each period is calculated and recognized based on the estimated useful lives less residual value of each type of biological assets.

At the end of each year, the Group reviews the useful lives, estimated net residual values and depreciation methods of productive biological assets. If there is any change, it is treated as a change in accounting estimates.

The proceeds on disposal of productive biological asset for the sales, inventory loss, dead or damage less the carrying amount and related taxes are recognized in profit or loss for the current period.

(3) Impairment of biological assets

When the net realizable value of a consumptive biological asset is lower than its carrying amount, the difference is recognized as the impairment provision and the corresponding impairment loss is recognized in profit or loss for the current period. If the previous factors caused the decline in value of consumptive biological asset have disappeared at the balance sheet date, the previously recognized provision for decline in value of consumptive biological assets is reversed, to the extent of provision recognized in the past, the reversal amount is recognized in profit or loss for the current period.

For the impairment of productive biological assets, please refer to Note III. 22.

20. Intangible assets

Intangible assets include land use rights, patent rights, software use rights, trademarks, and non-patent, etc.

Intangible asset is initially measured cost and its useful life is determined at the time of acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

At the end of each year, the Group reviews the useful life and amortization method of intangible assets with finite useful life. If there is any change, adjustment made to original estimates and it shall be treated as the change of accounting estimate.

On the balance sheet date, an intangible asset shall be derecognized in profit or loss for the current period when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III. 22.

21. Research and development expenditure

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

Expenditures in the research phase is recognized in the profit or loss for the current period when incurred.

Expenditure in the development phase is capitalized only when the Group satisfies all of the following criteria: there is technical feasibility of completing the intangible asset so that it can be used or sold; has the intention to complete the intangible asset, and use or sell it; ways to generate economic benefits from the intangible asset, including the existence of a market for the output of the intangible asset or the intangible asset itself or, evidence of usefulness where it will be used internally; has sufficient technical, financial and other resources to complete the development of intangible assets as well as the ability to use or sell the intangible asset; the expenditure attributable to the intangible asset during its development phase can be measured reliably. If the development expenditure does not satisfied the above criteria, it is recognized as profit or loss for the current period.

The Group's research and development projects will enter into the development phase when they meet the above criteria, technical and economic feasibility research is completed and granted the necessary approval of the project.

Capitalized expenditure on the development phase is presented as Development costs in the balance sheet and transferred to intangible assets when the project is reached its intended use.

22. Asset Impairment

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured by the cost model, fixed assets, construction in progress, productive biological assets measured by the cost model, intangible assets, goodwill, etc. (excluding inventories, investment properties measured by the fair value model, deferred tax assets and financial assets) are determined as follows:

At the balance sheet date, the Group assesses whether there is any indication of impairment. If any indication exists, the Group will estimate the recoverable amount and test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that are not ready for use are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less disposal costs and the present value of expected future cash flows. The Group estimates the recoverable amount based on each individual asset. If it is impossible to estimate the recoverable amount of each individual asset, the Group determines the recoverable amount for the asset group to which the asset belongs. An asset group is determined based on whether the main cash inflow generated by the asset group is independent of the cash inflow of other assets or asset groups.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly.

For the impairment test of goodwill, the carrying amount of goodwill arising from a business combination shall be allocated to the relevant asset groups by using a reasonable method from the date of acquisition. If the carrying amount of goodwill is unable to be allocated to the asset group, it shall be allocated to the relevant set of asset groups. Relevant asset group or set of asset groups is the asset group or group of asset groups, that is expected to benefit from the synergies of the combination and not greater than the reportable segment of the Group.

If any impairment indication exists in asset group or set of asset groups related to goodwill, the Group shall perform an impairment test for the asset group or set of asset groups which does not contain goodwill first, the recoverable amount is calculated and recognized the corresponding impairment losses. Then the Group shall perform an impairment test for the asset group or set of asset groups that contain goodwill by comparing its carrying amount and recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

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

23. Long-term deferred expenses

Long-term deferred expenses are measured at cost and amortized by using straight-line method over the expected beneficial period. If the Group cannot benefit from the long-term deferred in the future accounting period, the amortized cost shall be recognized in profit or loss for the current period.

24. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Group to the spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

Employee benefits are separately presented as Employee benefits payable and Long-term employee benefits payable on the balance sheet based on the liquidity.

(2) Short-term employee benefits

Employee wages or salaries, bonuses, social insurance contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred at the applicable benchmarks and rates, are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. If the liability is not expected to be settled in full within 12 months after the end of the annual reporting period in which the employees render the related services, and has significant financial impact, the liability will be measured at the discounted value.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans which an entity pays a fixed amount of fee to an independent fund and has no further payment obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

The contribution amount calculated according to the defined contribution plan is recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the projected unit credit method. The Group recognizes the following components of employee benefits cost arising from defined benefit plan:

- ① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- ② net interest on the net defined benefit plan liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- ③ changes as a result of re-measurement of the net defined benefit liabilities or assets.

Item①and item②above should be recognized in profit or loss for the current period unless another accounting standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item③shall be recognized in other comprehensive income and shall not be reclassified to profit or loss in a subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

The Group provides termination benefits to employees, the employee liabilities arising from the termination benefits shall be recognized with a corresponding charge to profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal; when the Group recognizes the costs or expenses related to a restructuring plan involving the payment of termination benefits.

When the Group implements an internal retirement plan, the economic compensation before the formal retirement date is attributable to the termination benefits. The salaries and social insurance payment to be paid for the early-retired employee are recognized as one-off expense in profit or loss for the current period between the date when the employee stops rendering service and formal retirement. Economic compensation after the date of formal retirement (such as normal pension) shall be accounted for as post-employment benefits.

(5) Other long-term employee benefits

The Group provides other long-term employee benefits to the employees. For those satisfied the conditions for classifying as a defined contribution plan, they shall be accounted for in accordance with the requirements relating to defined contribution plan as described above. When the benefits satisfied the conditions for defined benefit plan, they shall be accounted for in accordance with the requirements relating to defined benefit plan described as above. The movement arising from the remeasurement of net liabilities or assets in the defined benefit plan shall be recognized in profit or loss for the current period or included in the cost of assets where appropriate.

25. Provisions

A provision is recognized for an obligation related to a contingency if all the following conditions are satisfied:

- (1) The Group has a present obligation;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation and the relevant risk, uncertainty and time value of money shall be taken into consideration. Where the effect of the time value of money is significant, the best estimates are determined by discounting the expected future cash flows. The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If the entire or partial settlement related to the provision is expected to be compensated by a third party, and the compensated amount can be received certainly, the compensated amount is recognized as an asset. The recognized compensated amount shall not exceed the carrying amount of the provision.

26. Share-based Payment and Equity Instruments

(1) Types of share-based payment

The Group's share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

(2) Recognition method of the fair value of equity instruments

If an active market exists for the equity instruments such as stock option granted by the Group, the fair value of

the equity instrument shall be determined according to the quoted price in the active market. If an active market does not exist, the fair value of the equity instrument shall be determined by using the option pricing model. The Group considers the following factors when selecting the model: A) the exercise price of the option; B) the validity period of the option; C) current price of underlying stock; D) expected volatility of the stock price; E) expected dividend of the stock; F) risk-free interest rate within the validity period of the option.

(3) Basis for the best estimate of exercisable equity instruments

At each balance sheet date of the waiting period, the Group revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

(4) Accounting treatments for the implementation, modification and termination of share-based payment plans

① Accounting treatment on the grant date

When the Group grants restricted shares to its employees under a share incentive plan, the Group shall recognize the share capital and capital reserve (share premium) on the grant date based on the subscription received from employees. The Group shall recognize the repurchase obligation based on the total repurchase amount as a liability, which shall be included in treasury stocks and presented as an allowance item for shareholders' equity in the balance sheet.

No accounting treatment is required for stock option granted to the employees under a share incentive plan on the grant date.

② Accounting treatment during the waiting period

Equity-settled share-based payments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date during the waiting period. If the share incentive plan is cancelled by forfeiture when the vesting conditions are not satisfied during the waiting period, the Group reverses the previously recognized relevant costs or expenses.

Restricted shares issued by the Group are eligible for profit distribution where cash dividends are cancellable. For the cash dividends allocated to the holders of restricted shares where their restricted shares are expected to be relieved in the future, the Group treats such cash dividends as profit distribution. For the cash dividends allocated to the holders of restricted shares where their restricted shares are expected not to be relieved in the future, the Group records the cash dividends against related liability. If any subsequent information indicates that the number of restricted shares that are expected not to be relieved in the future is different from the previous estimate, it shall be treated as a change in accounting estimates.

③ Accounting treatment on the vesting day or the day when the shares become unlock

When restricted stocks are regarded as the equity instrument for share-based payment, the Group shall repurchase and cancel those shares which did not meet the relevant requirement for unlocking. When the treasury stocks are cancelled, the share capital shall be reduced to the extent of the total par value of the treasury stocks cancelled. Where the cost of the treasury stocks cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury stocks cancelled is less than the total par value, the difference is credited to the capital reserve (share premium). When the treasury stocks are transferred, any excess of proceeds above cost is recognized in capital reserve (share premium) while any shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially. For restricted shares satisfied the unlock conditions where no repurchase is required, the Group reduced the corresponding liabilities and treasury stocks by their carrying amount, any difference is adjusted to capital reserve (share premium).

When stock options are regarded as the equity instrument for share-based payment, the Group shall recognize the subscription paid by the employees as share capital on the vesting date and the capital reserve recognized during the waiting period shall be transferred to share premium at the same time.

27. General risk provision

General risk provision refers to the provision for loan losses which has been deducted after calculating the potential risk estimate of a risky asset using the standard method, and is set aside from undistributed profits and used to partially cover the potential loss that has not been identified. Risk assets include loans, advances and other current assets held by subsidiaries engaged in financial business.

General risk provision is a provision that transferred from the undistributed profit to partially compensate any unidentified possible loss, after calculating the estimated potential risk of risk assets using the standard method and deducted the recognized loan impairment reserve. Risk assets include loans and advances to customers held by subsidiaries engaged in financial business, other receivables, etc.

28. Other Financial Instruments such as Preference shares, Perpetual Bonds

(1) Distinction between financial liabilities and equity instruments

The Group classifies the financial instrument or its components as a financial asset, financial liabilities or equity instruments at initial recognition, according to the contract terms of the financial instrument issued and its economic substance, not only in legal form, and in conjunction with the definition of financial assets, financial liabilities and equity instruments.

(2) Accounting treatment for preference shares, perpetual bonds

The Group initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Group, and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost, and gains or losses arising from the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

When the Group issues financial instrument, the relevant transaction costs such as handling charges and commission are recognized the initial amount of issued instrument if it is classified as debt instrument measured at amortized cost. The transaction costs are deducted against equity if it is classified as equity instrument.

29. Revenue

(1) General principle

The Group recognizes the revenue when it satisfied its performance obligation stated in the contract, that is, when the control of the good or service is transferred to the customer.

If the contract comprises two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the proportion of sales price for the goods or service committed by each performance obligation at the commencement date of the contract. Revenue is recognized the allocated transaction for each performance obligation.

If one of the following conditions is satisfied, the Group satisfies its performance obligation over time; Otherwise, the performance obligation is satisfies at a point in time.

- ① The customer simultaneously receives and consumes the economic benefits provided by the Group's performance as the Group's performs its obligation;
- ② The Group's performance produces good that the customer control as the good is created;
- ③ The Group's performance produces goods without an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group shall recognize the revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the progress cannot be reasonably measured and the Group is expected to be compensated for the costs already incurred, revenue shall be recognized to the extent of the costs that have been incurred until the progress can be reasonably measured.

For performance obligation satisfied at a point in time, the Group recognizes revenue at the time when the control of good or service is transferred to the customer. The Group considers the following indications when determining whether the control of good or service is transferred to the customer:

- ① The Group has a present right to payment for good or service, i.e. the customer has a present payment obligation for the good
- ② The Group has transferred the legal title of the good to the customer, i.e. the customer has the legal title.
- ③ The Group has transferred the physical good to the customer, i.e. the customer has physical possession.
- ④ The Group has transferred the significant risks and rewards of ownership of the good to the customer, i.e. the customer has the significant risks and rewards of ownership.
- ⑤ The customer has accepted the good.

⑥ Other indications that the customer has the control of the good.

Contract asset is recognized when the Group has the right to consideration in exchange for goods or services that the Group has transferred to a customer (such right is conditional other than the passage of time). Impairment of contract assets is calculated based on the expected credit losses (please refer to Note III. 10 (6)). The Group presented the right to consideration is unconditional if only the passage of time is required before payment of that consideration is due, as accounts receivable.

Contract assets and contract liabilities under the same contract shall be presented as a net amount. The net amount is presented as Contract assets or Other non-current assets according to liquidity if it has a debit balance. While the net amount is presented as Contract liabilities or Other non-current liabilities according to liquidity if it has a credit balance.

(2) Specific method

The specific recognition method for the Group's sales of goods is as follows:

The Group recognizes the revenue when the customers collect the goods by door or the goods have been delivered to the designated location, and the customers accept the goods and obtain the control of goods.

For the sale of goods with sales return clauses, revenue recognition is limited to extent of cumulative recognized revenue that is unlikely to be materially reversed. The Group recognizes a liability according to the expected refund. The carrying amount of the returned goods less than the estimated cost to recover the goods (including the decline in value for the returned goods) is recognized as an asset at the same time.

30. Contract cost

Contract costs include the incremental costs of obtaining a contract and costs to fulfill a contract.

Incremental costs of obtaining a contract are the cost only incurred if the contract is obtained (i.e. commission). The Group expects to recover these costs and recognized as an asset of incremental costs of obtaining a contract. Other expenditures of obtaining a contract except for the incremental costs expected to be recovered, are recognized in profit or loss for the current period when incurred.

The Group recognizes the costs to fulfill a contract as an asset if the costs are incurred for fulfilling the performance obligation of the contract, do not fall within the scope of other accounting standards, such as inventory, and meet the following criteria:

- ① The costs directly related to a contract or an anticipated contract that can specifically identify, including direct labor, direct materials, manufacturing overheads (or similar expenses), costs explicitly chargeable to the customer and other costs incurred solely for the contract;
- ② The costs generate or enhance resources of Group that will be used in satisfying performance obligations in the future.
- ③ The cost is expected to be recovered.

Assets recognized from costs of obtaining a contract and costs to fulfill a contract (hereinafter referred to as "assets related to contract cost") shall be amortized in the profit or loss for the current period on the same basis as revenue recognition of goods or services related to such assets. If the amortization period does not exceed one year, it is recognized in profit or loss for the current period when it occurs.

When the carrying amount of the assets related to the contract cost is greater than the difference between the following two items. The Group shall make provision for impairment of the excess amount and recognize as

impairment loss:

- ① The remaining consideration that the Group is expected to be received as a result of the transfer of the goods or services related to the asset;
- ② Costs probably incurred for transferring of the relevant goods or services

When the costs to fulfill the contract is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Inventories. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

When the costs of obtaining a contact is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Other current assets. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

31. Government grants

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

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Group for expenses or losses already incurred is recognized in profit or loss or offset against related expenses directly. A grant that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in profit or loss or offset against related expenses in the periods in which the expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in the profit or loss for the current period. The Group applies the same method to the same or similar government grant.

A grant related to ordinary activities is recognized as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income.

For repayment of a government grant, if the government grant is offset against the carrying amount of the related asset at the time of recognition, the carrying amount of the related asset shall be adjusted. If there is related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the current period. Otherwise, the repayment is recognized immediately in profit or loss for the current period.

For the grant of interests on bank loan, the Group offset against the borrowing costs.

32. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are both recognised in current profit or loss except for the adjusted goodwill arising from business combination or the deferred tax related to the transactions or events directly included in the owner's equity.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax

base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;
- (2) taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes a deferred tax asset for the deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;
- (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, the Group measures the deferred tax assets and deferred tax liabilities according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are settled, and reflect the income tax impact of the expected asset recovery or liability settlement method on the balance sheet date.

At the balance sheet date, the Company reviews the carrying amount of any deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

33. Operating lease and financial lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

(1) As a lessor

At the commencement of the lease term, the Group recognized the total of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable, and recognized unguaranteed residual value at the same time. The difference between the total of minimum lease receipts, initial direct costs and unguaranteed residual value and their present value is recognized as unrecognized financing gains. Unrecognized financing gains are measured at amortized cost using the effective interest method over the lease term and recognized as financing charges for the current period.

Rental income derived from operating leases is recognized in profit or loss on a straight-line basis over the lease term. The initial direct costs incurred are recognized in profit or loss for the current period.

(2) As a lessee

When the Group acquires an asset under a finance lease, the carrying amount of asset is measured at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement of the lease term. The minimum lease payments are recorded as long-term payable. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognized finance charges. Initial direct costs attributable to a finance lease that are incurred by the Group are included in the carrying amount of the leased asset. Unrecognized finance charges arising from a finance lease are recognized as

finance charges for the current period using an effective interest method over the lease term. The Group depreciates leased assets in accordance with the depreciation policy for self-owned fixed assets.

Rental expenses derived from operating leases are recognized as cost of related asset or as expenses in profit or loss on a straight-line basis over the lease term. The initial direct costs incurred are recognized in profit or loss for the current period.

34. Repurchase shares

When the Group repurchase its own shares, those shares are treated as treasury stock before they are cancelled or transferred. All the expenditures relating to the repurchased shares are recorded as the cost of treasury stock. The consideration and transaction costs paid in share repurchase reduce the shareholders' equity. No profit or loss is recognized when repurchasing, transferring or canceling the Group's shares.

When the treasury stock is transferred, the difference between the actual amount received and the carrying amount of treasury stock is recognized in capital reserve. Any excess is recognized in surplus reserve and retained earnings. When the treasury stock is cancelled, the share capital should be reduced to the extent of the total par value and the number of shares cancelled. The difference between the carrying amount and par value of the treasury stock cancelled is recognized in capital reserve. Any excess is recognized in surplus reserve and retained earnings.

35. Restricted stock

Under the share incentive plan, the Group grants restricted share to its employees, and the employees subscribe the share first. If the unlocking conditions specified in the share incentive plan are not met subsequently, the Group will repurchase the shares at the agreed price. When the procedures of the increase in capital completed such as registration in accordance with the relevant regulations, the Group recognizes the share capital and capital reserve (share premium) according to the subscription payment received from the employees on the date of grant. Treasury stock and other payables relating to the obligation of repurchase are recognized accordingly.

36. Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of the hedging instrument.

The Group assesses an ongoing basis to determine that the hedging instrument actually have been highly effective throughout the financial reporting periods for which they were designated. The hedge relationship is ceased if it is unsatisfactory. Hedging accounting should meet the following requirements for the effectiveness of hedging:

- ① There is an economic relationship between hedged items and hedging instruments.
- ② The impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments,
- ③ The hedging ratio of the hedging relationship should be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of corresponding hedging instruments. It should not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance will cause the hedge to be invalid and may give accounting results that are inconsistent with objectives of the hedge accounting.

The Group ceases the use of hedge accounting if one of the following situation is exist:

- ① the hedging relationship is no longer meets the risk management objectives due to changes in risk management objectives
- ② The hedging instrument is expired, sold, the contract is terminated or has been exercised.
- ③ The economic relationship between the hedged item and the hedging instrument is no longer existed, or the impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments,
- ④ The hedging relationship is no longer satisfied other conditions for using hedging accounting.

Fair value hedge

Fair value hedge refers to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk. This change in fair value would affect the Group's profit or loss, or other comprehensive income.

Any gain or loss arising from fair value hedge is recognized in profit or loss for the current period. Gain or loss of hedged item arising from the exposure of risk is recognized in profit or loss for the current period, and adjusted the carrying amount of hedged items not measure at fair value accordingly.

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

When unrecognized firm commitment is designated as a hedged item, the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss for the current period. When an asset is obtained or a liability is committed through the fulfillment of confirmed commitment, the initial amount of such asset or liability is adjusted according to the cumulative change in the fair value of recognized hedged item.

Cash flow hedging

Cash flow hedge refers to a hedge of exposure from cash flow changes. This variability in cash flows is attributable to a particular risk associated with a recognized asset or liability or a highly probably forecast transaction and can affect profit or loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized as cash flow hedging reserve in other comprehensive income. Any remaining gain or loss on the hedging instrument that is hedged ineffective is recognized in profit or loss for the current period.

For cash flow hedging, when the hedged item is an expected transaction, and a non-financial asset or non-financial liability arising from the expected transaction, or fair value hedge accounting is applicable to a commitment arising the expected transaction of non-financial assets or non-financial liability, the Group transfers the cash flow hedging reserve previously recognized in the other comprehensive income to the initial recognition amount of such asset or liability.

For cash flow hedges that do not fall into the above situations, the Group transfers cash flow hedging reserve previously recognized in the other comprehensive income to profit or loss for the period when the the profit or

loss is impacted by the expected cash flow being hedged.

If the cash flow hedging reserve recognized in the other comprehensive income is a loss, the entire or part of the loss is not expect to be recovered in the future accounting period, the Group transfers the unrecovered portion from the other comprehensive income to profit or loss.

When the Group ceases the use of hedging accounting for cash flow hedges, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained if the hedged cash flow is expected to occur in the future. The cash flow hedging reserve is treated in accordance with the accounting policies of cash flow hedging mentioned above when the expected transaction has occurred. The cumulative cash flow hedging reserve recognized in the other comprehensive income is transferred to profit or loss for the current period if the hedged cash flow is not expected to be occurred in the future. If the hedged cash flow is no longer probable to be occurred in the future but it may still be expected to be occurred, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained until the expected transaction has occurred, it is then treated in accordance with the accounting policies of cash flow hedging mentioned above

37. Significant accounting estimates and judgments

The Group assesses the significant accounting estimates and key assumptions on an ongoing basis, based on the historical experience and other factors, including reasonable expectation of future events.

It is probable that the significant adjustment risk to the carrying amount of assets and liability in the next accounting period will arise from the following significant accounting judgments and key assumptions:

Measurement of expected credit losses on accounts receivable

The Group calculates the expected credit loss of accounts receivable through the default risk exposure of accounts receivable and the expected credit loss rate of accounts receivable. The Group determines the expected credit loss rate based on the probability and loss rate of default. When determining the expected credit loss rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data in conjunction with current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, changes in the external market environment, technological environment and customer situation. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses.

Impairment of goodwill

The Group assesses the impairment of goodwill at least once a year. The Group shall evaluate the value in use for the cash-generating units to which goodwill has been allocated. When assessing the value in use, the Group requires to estimate the expected future cash flows from the cash-generating unit and select an appropriate discount rate to calculate the present value.

Deferred tax asset

To the extent that there is likely that there will be sufficient profits to offset losses, deferred tax assets should be recognized for all unutilized tax losses. The management requires using many judgments to estimate the time and amount of future taxable profits, in conjunction with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

38. Changes in significant accounting policies, accounting estimates

(1) Changes in significant accounting policies

New revenue standards

The Ministry of Finance issued the Accounting Standards for Business Enterprises No. 14 - Revenue (Revised) in 2017 (hereinafter referred to as the "New Revenue Standards"). The Group adopted the New Revenue

Standards from January 1, 2020 after the resolution of the second meeting of the Audit Committee of the Board of Directors in 2020. The relevant accounting policies have been revised.

The Group recognizes the revenue when it satisfied its performance obligation stated in the contract, that is, when the control of the good or service is transferred to the customer. The Group satisfies the performance obligation over time when certain criteria are met, otherwise it satisfies the performance obligation at a point in time. If the contract comprises two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the proportion of sales price for the goods or service committed by each performance obligation at the commencement date of the contract. Revenue is recognized the allocated transaction for each performance obligation.

The Group revised the relevant accounting policies in accordance with the specific provisions on specific matters or transactions under the New Revenue Standards.

When the Group has the right to consideration in exchange for goods or services that the Group has transferred to a customer and such right is conditional other than the passage of time, the Group presents as contract assets. The Group presents its obligation to transfer goods for which the Group has received consideration from the customer in the balance sheet as contract liabilities.

The Group has recognized the cumulative effect of initial application as an adjustment to the opening balance of retained earnings and the amount of other relevant items in the financial statements at January 1, 2020, and comparative information has not been restated. The Group only adjusted the cumulative effect of contracts that were not completed before January 1, 2020 to the opening balance of retained earnings and the amount of other relevant items in the financial statements at January 1, 2020.

Details and reason for changes in accounting policies	Affected financial statement line item	Affected amount (January 1, 2020)
The Group adopted the New Revenue Standard and recognized the conditional right to consideration related to the sale of goods and provision of services as contract assets; reclassified the advances from customers related to the sale of goods and services to contract liabilities.	Advances from customers	-1,548,283,455.21
	Contract liabilities	1,539,648,813.53
	Other current liabilities	8,634,641.68

Compared with the previous revenue standard, the impact on the related items in the financial statements for the year ended December 31, 2020 after the adoption of New Revenue Standards is as follows:

Affected balance sheet line items	Affected amount December 31, 2020
Advances from customers	-1,905,798,347.24
Contract liabilities	1,889,338,880.88
Other current liabilities	16,459,466.36

Affected income statement line items	Affected amount For the year ended December 31, 2020
Operating costs	309,274,562.97
Selling and distribution expenses	-309,274,562.97

(2) Changes in significant accounting estimates

There was no change in the Group's significant accounting estimate during the reporting period.

(3) Impact of the adoption of New Revenue Standards on the relevant items in the financial statements as at January 1, 2020

Consolidated balance sheet

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Current asset:			
Cash at bank and on hand	1,849,735,912.84	1,849,735,912.84	-
Held-for-trading financial assets	28,583,495.35	28,583,495.35	-
Notes receivable	10,722,401.32	10,722,401.32	-
Accounts receivable	1,021,751,432.56	1,021,751,432.56	-
Accounts receivable financing	-	-	-
Prepayments	452,844,423.19	452,844,423.19	-
Other receivables	186,236,378.57	186,236,378.57	-
Including: Interest receivables	8,069.14	8,069.14	-
Dividend receivables	-	-	-
Inventories	4,463,319,035.43	4,463,319,035.43	-
Contract assets	Not applicable	-	-
Assets held-for-sale	28,946,788.99	28,946,788.99	-
Non-current assets due within one year	903,000.00	903,000.00	-
Other current assets	691,897,026.52	691,897,026.52	-
Total current assets	8,734,939,894.77	8,734,939,894.77	-
Non-current assets:			
Debt investments	-	-	-
Loans and advances to customers	15,281,255.35	15,281,255.35	-
Other debt investments	-	-	-
Long-term receivables	48,844,850.63	48,844,850.63	-
Long-term equity investments	62,614,691.35	62,614,691.35	-
Investments in other equity instruments	-	-	-
Other non-current financial assets	255,521,350.00	255,521,350.00	-
Investment properties	30,645,502.71	30,645,502.71	-
Fixed assets	6,298,328,342.41	6,298,328,342.41	-
Construction in progress	657,751,195.76	657,751,195.76	-
Productive biological assets	165,272,087.28	165,272,087.28	-
Oil and natural gas assets	-	-	-
Intangible assets	1,122,210,364.05	1,122,210,364.05	-
Development costs	14,914,419.56	14,914,419.56	-
Goodwill	349,068,366.52	349,068,366.52	-
Long-term deferred expenses	241,325,867.74	241,325,867.74	-
Deferred tax assets	591,920,121.34	591,920,121.34	-
Other non-current assets	265,676,908.84	265,676,908.84	-
Total non-current assets	10,119,375,323.54	10,119,375,323.54	-

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Total assets	18,854,315,218.31	18,854,315,218.31	-
Current liabilities:			
Short-term loans	3,020,892,004.18	3,020,892,004.18	-
Held-for-trading financial liabilities	2,633,510.00	2,633,510.00	-
Notes payable	-	-	-
Accounts payable	1,917,055,340.85	1,917,055,340.85	-
Advances from customers	1,548,283,455.21	-	-1,548,283,455.21
Contract liabilities	Not applicable	1,539,648,813.53	1,539,648,813.53
Employee benefits payable	691,556,025.73	691,556,025.73	-
Taxes payable	106,556,060.79	106,556,060.79	-
Other payables	382,083,114.86	382,083,114.86	-
Including: Interest payables	-	-	-
Dividend payables	1,159,042.39	1,159,042.39	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	48,838,331.24	48,838,331.24	-
Other current liabilities	187,961,887.41	196,596,529.09	8,634,641.68
Total current liabilities	7,905,859,730.27	7,905,859,730.27	-
Non-current liabilities:			
Long-term loans	821,661,042.98	821,661,042.98	-
Debentures payable	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-
Long-term payables	85,596,111.44	85,596,111.44	-
Long-term employee benefits payable	66,078,784.25	66,078,784.25	-
Provisions	-	-	-
Deferred income	120,386,515.06	120,386,515.06	-
Deferred tax liabilities	112,742,726.55	112,742,726.55	-
Other non-current liabilities	-	-	-
Total non-current liabilities	1,206,465,180.28	1,206,465,180.28	-
Total liabilities	9,112,324,910.55	9,112,324,910.55	-
Shareholders' equity:			
Share capital	1,580,357,494.00	1,580,357,494.00	-
Other equity instruments	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-
Capital reserve	2,118,792,106.43	2,118,792,106.43	-
Less: Treasury stock	172,540,566.20	172,540,566.20	-
Other comprehensive income	5,292,263.90	5,292,263.90	-
Specific reserve	-	-	-

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Surplus reserve	634,407,803.71	634,407,803.71	-
Retained earnings	4,937,480,629.17	4,937,480,629.17	-
Total equity attributable to shareholders of the parent company	9,103,789,731.01	9,103,789,731.01	-
Non-controlling interests	638,200,576.75	638,200,576.75	-
Total shareholders' equity	9,741,990,307.76	9,741,990,307.76	-
Total liabilities and shareholders' equity	18,854,315,218.31	18,854,315,218.31	-

Company Balance Sheet

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Current asset:			
Cash at bank and on hand	835,484,081.66	835,484,081.66	-
Held-for-trading financial assets	18,432,715.85	18,432,715.85	-
Derivative financial assets	-	-	-
Notes receivable	-	-	-
Accounts receivable	-	-	-
Accounts receivable financing	-	-	-
Prepayments	4,383,870.87	4,383,870.87	-
Other receivables	6,904,805,047.57	6,904,805,047.57	-
Including: Interest receivables	-	-	-
Dividend receivables	-	-	-
Inventories	23,596,543.22	23,596,543.22	-
Assets held-for-sale	-	-	-
Non-current assets due within one year	-	-	-
Other current assets	7,995,946.84	7,995,946.84	-
Total current assets	7,794,698,206.01	7,794,698,206.01	-
Non-current assets:			
Debt investments	-	-	-
Loans and advances to customers	-	-	-
Other debt investment	-	-	-
Long-term receivables	1,627,302.50	1,627,302.50	-
Long-term equity investments	4,053,854,039.62	4,053,854,039.62	-
Investments in other equity instruments	-	-	-
Other non-current financial asset	225,000,000.00	225,000,000.00	-
Investment properties	14,317,378.50	14,317,378.50	-
Fixed assets	230,056,977.11	230,056,977.11	-
Construction in progress	19,384,268.98	19,384,268.98	-
Productive biological assets	-	-	-
Oil and natural gas assets	-	-	-
Intangible assets	106,977,723.95	106,977,723.95	-

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Development costs	-	-	-
Goodwill	-	-	-
Long-term deferred expenses	23,316,596.39	23,316,596.39	-
Deferred tax assets	267,443,309.22	267,443,309.22	-
Other non-current assets	8,145,708.44	8,145,708.44	-
Total non-current assets	4,950,123,304.71	4,950,123,304.71	-
Total assets	12,744,821,510.72	12,744,821,510.72	-
Current liabilities:			
Short-term loans	2,313,032,093.55	2,313,032,093.55	-
Held-for-trading financial liabilities	996,670.00	996,670.00	-
Derivative financial liabilities	-	-	-
Notes payable	-	-	-
Accounts payable	25,086,884.14	25,086,884.14	-
Advances from customers	-	-	-
Contract liabilities	-	-	-
Employee benefits payable	113,898,495.24	113,898,495.24	-
Taxes payable	1,045,722.46	1,045,722.46	-
Other payables	2,624,459,870.36	2,624,459,870.36	-
Including: Interest payables	-	-	-
Dividend payables	-	-	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	45,139,661.24	45,139,661.24	-
Other current liabilities	19,441,864.89	19,441,864.89	-
Total current liabilities	5,143,101,261.88	5,143,101,261.88	-
Non-current liabilities:			
Long-term loans	220,290,277.78	220,290,277.78	-
Debentures payable	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-
Long-term payables	38,712,712.67	38,712,712.67	-
Long-term employee benefits payable	-	-	-
Provisions	-	-	-
Deferred income	14,564,630.31	14,564,630.31	-
Deferred tax liabilities	14,632,099.92	14,632,099.92	-
Other non-current liabilities	-	-	-
Total non-current liabilities	288,199,720.68	288,199,720.68	-
Total liabilities	5,431,300,982.56	5,431,300,982.56	-
Shareholders' equity:			
Share capital	1,580,357,494.00	1,580,357,494.00	-

Item	As at 31/12/2019	As at 1/1/2020	Adjustments
Other equity instruments	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-
Capital reserve	2,202,920,835.86	2,202,920,835.86	-
Less: Treasury stock	172,540,566.20	172,540,566.20	-
Other comprehensive income	-	-	-
Specific reserve	-	-	-
Surplus reserve	634,407,803.71	634,407,803.71	-
Retained earnings	3,068,374,960.79	3,068,374,960.79	-
Total shareholders' equity	7,313,520,528.16	7,313,520,528.16	-
Total liabilities and shareholders' equity	12,744,821,510.72	12,744,821,510.72	-

IV. Taxation

1. Main type of taxes and corresponding tax rates

Tax	Tax base	Statutory tax rate
Value-added tax (VAT)	Sales revenue or taxable income	Exemption (Note 1, Note 2), 1% (Note 3), 3% (Note 4), 5%, 6%., 9% (Note 5), 10% (Note 6), 13% (Note 5), 16%
Corporate income tax	Taxable income	Please refer to Note IV. 2
City maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Educational surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Note 1: In accordance with document Caishui [2001] No. 121 jointly issued by the Ministry of Finance and the State Administration of Taxation, the Company and its subsidiaries are exempted from VAT on their feed products, which has been filed with the tax authority in charge.

Note 2: The Company and its subsidiaries are eligible for valued-added tax exemption when selling self-produced products in accordance with Article 16 “Agricultural producers are exempted from value-added tax when selling self-produced agricultural products” of the Interim Regulation of People’s Republic of China on Value-Added Tax.

Note 3: According to announcement 2020 No. 13 issued by the Ministry of Finance and State Taxation Administration, “Announcement of State Taxation Administration and the Ministry of Finance on the Policy of Supporting the Value-added Tax of Individual Industrial and Commercial Businesses Returning to Work”, VAT will be levied at a reduced rate of 1% for small-scale taxpayers during the epidemic period.

Note 4: According to the Notice of Ministry of Finance and State Taxation Administration on Policy of Streamlining and Combination of Value-Added Tax Levy Rates (Caishui [2014] No. 57), Qingyuan Haibei Biotechnology Co., Ltd. and Sichuan Hailinger Biopharmaceutical Co., Ltd., the subsidiaries of the Company are eligible for 3% simplified VAT levy rate on their sales revenue. VAT on other taxable revenue is subject to applicable tax rates.

Note 5: In accordance with the regulation of the *Announcement of Related Policies on Further Reformation of Value-added Tax by the Ministry of Finance, State Taxation Administration and General Administration of Customs* (Ministry of Finance, State Taxation Administration General Administration of Customs Announcement 2019 No. 39), the VAT rate changed to 13% and 9% since April 1, 2019 for those taxable sales that were formerly subject to 16% and 10%, respectively.

Note 6: In accordance with the VAT regulation of the Socialist Republic of Vietnam, feed and feed-related industries are exempted from VAT since 2016. The freezer rental revenue from SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD, a company incorporated in Vietnam, is subject to VAT at 10%.

2. Corporate Income Tax

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangdong Haid Group Co., Limited	Haid Group	25	
Guangzhou Runchuan Investment Co., Ltd	Guangzhou Runchuan	25	
Guangzhou Yidu Swine Industry Investment Co. Ltd	Guangzhou Yitun	25	
Enping Fenwo Agriculture and Animal Husbandry Co. Ltd	Enping Fengwo	12.5, exempt from income tax	Note 2, 3
Yangxi Fengwo Ecological Agriculture Co. Ltd	Yangxi Fengwo	Exempt from income tax	Note 2
Yangjiang Yangdong Fengwo Agriculture and Animal Husbandry Co. Ltd	Yangdong Fengwo	Exempt from income tax	Note 2
Enping Yigu Ecological Agriculture Co. Ltd	Enping Yitun	Exempt from income tax	Note 2
Gaozhou Sanhe Animal Husbandry Co. Ltd	Gaozhou Sanhe	Exempt from income tax	Note 2
Yingde Yigu Ecological Agriculture Co., Ltd	Yingde Yitun	Exempt from income tax	Note 2
Hunan Yigu Ecological Agriculture Co. Ltd	Hunan Yitun	Exempt from income tax	Note 2
Hengyang County Jisheng Agriculture and Animal Husbandry Development Co. Ltd	Hengyang Jisheng	Exempt from income tax	Note 2
Yueyang Yigu Agriculture and Animal Husbandry Co. Ltd	Yueyang Yitun	Exempt from income tax	Note 2
Guigang Qintang District Yigu Ecological Agriculture Co. Ltd	Qintang Yitun	Exempt from income tax	Note 2
Pingnan Yigu Ecological Agriculture Co. Ltd	Pingnan Yitun	Exempt from income tax	Note 2
Pingguo Yigu Ecological Agriculture Co. Ltd	Pingguo Yitun	Exempt from income tax	Note 2, 27
Guiping Yigu Ecological Agriculture Co. Ltd	Guiping Yitun	Exempt from income tax	Note 2
Hengyang Yigu Ecological Agriculture Co. Ltd	Hengyang Yitun	Exempt from income tax	Note 2
Hengshan Yigu Ecological Agriculture Co. Ltd	Hengshan Yitun	Exempt from income tax	Note 2
Guigang Gangbei District Yigu Ecological Agriculture Co. Ltd	Gangbei Yitun	Exempt from income tax	Note 2
Duyun Yigu Ecological Agriculture Co. Ltd	Duyun Yitun	Exempt from income tax	Note 2
Rongjiang County Yigu Ecological Agriculture Co. Ltd	Rongjiang Yitun	Exempt from income tax	Note 2
Binyang Yigu Ecological Agriculture Co. Ltd	Binyang Yitun	Exempt from income tax	Note 2
Yicheng Yigu Ecological Agriculture Co. Ltd	Yicheng Yitun	Exempt from income tax	Note 2
Zixing Yigu Ecological Agriculture Co. Ltd	Zixing Yitun	Exempt from income tax	Note 2
Changning Yigu Ecological Agriculture Co. Ltd	Changning Yitun	Exempt from income tax	Note 2
Guigang Donghuang Breeding and Breeding Co., Ltd	Guigang Donghuang	Exempt from income tax	Note 2
Shaoguan Zhenjiang Yigu Ecological Agriculture Co. Ltd	Zhenjiang Yitun	Exempt from income tax	Note 2
Shandong Yigu Ecological Agriculture Co. Ltd	Shandong Yitun	Exempt from income tax	Note 2
Yantai Zhizhuren Animal Husbandry Co. Ltd	Yantai Zhizhuren	Exempt from income tax	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
Laizhou Zhizhu Animal Husbandry Co. Ltd	Laizhou Zhizhuren	Exempt from income tax	Note 2
Qinzhou Yigu Ecological Agriculture Co. Ltd	Qinzhou Yitun	Exempt from income tax	Note 2
Feicheng He Ruifeng Agricultural Science and Technology Co. Ltd	Feicheng Heruifeng	Exempt from income tax	Note 2
Weifang Xuheng Agricultural Science and Technology Co., Ltd	Weifang Xuheng	Exempt from income tax	Note 2
Linyi Yigu Ecological Agriculture Co. Ltd	Linyi Yitun	Exempt from income tax	Note 2
Gao Tang Hua Yu Swine Co., Ltd	Gaotang Huayu	Exempt from income tax	Note 2
Ganong (Lianyungang) Animal Husbandry Technology Co. Ltd	Lianyungang Jianong	Exempt from income tax	Note 2
Guizhou Aikexin Swine Breeding Co. Ltd	Guizhou Aikexin	Exempt from income tax	Note 2
Binyang county hejiyigu ecological agriculture co. LTD	Binyang Heji Yitun	Exempt from income tax	Note 2
Qinzhou Qinnan Yigu Ecological Agriculture Co. Ltd	Qinnan Yitun	Exempt from income tax	Note 2
Huayuan Yigu Ecological Agriculture Co. Ltd	Huayuan Yigu	Exempt from income tax	Note 2
Baojing County Yigu Ecological Agriculture Co. Ltd	Baojing County	Exempt from income tax	Note 2
Yingde Yigu Pig Breeding Co., Ltd	Yingde Yigu	Exempt from income tax	Note 2
Ruyuan County Yigu Pig Breeding Co. Ltd	Ruyuan County	Exempt from income tax	Note 2
Hengnan Yigu Ecological Agriculture Co. Ltd	Hengnan Yigu	Exempt from income tax	Note 2
Luoding Yigu Ecological Agriculture Co. Ltd	Luoding Yigu	Exempt from income tax	Note 2
Lianzhou Yigu Ecological Agriculture Co. Ltd	Lianzhou Yigu	Exempt from income tax	Note 2
Longan County Yigu Ecological Agriculture Co. Ltd	Longan County	Exempt from income tax	Note 2
Youxian Yigu Ecological Agriculture Co. Ltd	Youxian Yigu	Exempt from income tax	Note 2
Wengyuan County Yigu Pig Breeding Co. Ltd	Wengyuan County	Exempt from income tax	Note 2
Fufeng County Yigu Ecological Agriculture Co. Ltd	Fufeng County	Exempt from income tax	Note 2
Linyou Yigu Ecological Agriculture Co. Ltd	Linyou Yigu	Exempt from income tax	Note 2
Laibin Yigu Ecological Agriculture Co. Ltd	Laibin Yigu	Exempt from income tax	Note 2
Gaozhou Haiyuan Agriculture Co. Ltd	Gaozhou Haiyuan	Exempt from income tax	Note 2
Yantai Yidu Ecological Agriculture Co. Ltd	Yantai Yidu	Exempt from income tax	Note 2
Guiyang Yigu Ecological Agriculture Co. Ltd	Guiyang Yigu	Exempt from income tax	Note 2
Guangzhou Haiwei Feed Co., Ltd.	Guangzhou Haiwei	25	
Guangzhou Rongchuan Feed Co., Ltd.	Guangzhou Rongchuan	25	
Foshan Haihang Feed Co., Ltd.	Foshan Haihang	25	
Maoming Haihang Feed Co., Ltd.	Maoming Haihang	25	
Guangzhou Dachuan Feed Co., Ltd.	Guangzhou Dachuan	25	
Hubei Haid Feed Co., Ltd.	Hubei Haid	25	
Guangdong Hinter Biotechnology Group Co., Ltd.	Guangdong Hinter	15	Note 1

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangzhou Haishengyuan Biotechnology Co., Ltd.	Guangzhou Haishengyuan	20	Note 18
Guangzhou Mutai Feed Technology Co., Ltd.	Guangzhou Mutai	20	Note 18
Guangzhou Haiyiyuan Biotechnology Co., Ltd.	Guangzhou Haiyiyuan	20	Note 18
Shaanxi Haid Agriculture and Animal Husbandry Co., Ltd.	Shaanxi Haid	Exempt from income tax	Note 2
Yangling Haid Feed Co., Ltd.	Yangling Haid	15	Note 7
Gansu Haid Feed Co., Ltd.	Gansu Haid	15, exempt from income tax	Note 2, 7
Weinan Haid Feed Co., Ltd.	Weinan Haid	20	Note 18
Hunan Haid Bio-Feed Co., Ltd.	Hunan Haid	25, 12.5	Note 3
Guangzhou Haihe Feed Co., Ltd.	Guangzhou Haihe	25	
Liaocheng Haixin Enterprise Management Consulting Co., Ltd.	Liaocheng Haixin	25	
Anyang Haiyue Feed Technology Co., Ltd.	Anyang Haiyue	20	Note 18
Zoucheng Haiyue Enterprise Management Consulting Co., Ltd.	Zoucheng Haiyue	20	Note 18
Yinan Haiyue Biotechnology Co., Ltd.	Yinan Haiyue	20	Note 18
Lanzhou Haid Feed Co., Ltd.	Lanzhou Haid	25	
Yichang Zhihai Feed Co., Ltd.	Yichang Zhihai	25	
Foshan Haipu Feed Co., Ltd.	Foshan Haipu	25	
Qingyuan Haibei Biotechnology Co., Ltd.	Qingyuan Haibei	15	Note 1
Zhanjiang Haid Feed Co., Ltd.	Zhanjiang Haid	25	
Jiangmen Haid Feed Co., Ltd.	Jiangmen Haid	15	Note 1
Chengdu Haid Biotechnology Co., Ltd.	Chengdu Haid	15	Note 7
Taizhou Haid Bio-Feed Co., Ltd.	Taizhou Haid	25, 12.5	Note 3
Jingzhou Haid Feed Co., Ltd.	Jingzhou Haid	25	
Ezhou Haid Feed Co., Ltd.	Ezhou Haid	25	
Dongguan Haid Feed Co., Ltd.	Dongguan Haid	25	
Fujian Haid Feed Co., Ltd.	Fujian Haid	25	
Zhejiang Haid Feed Co., Ltd.	Zhejiang Haid	25	
Shaoxing Haid Biotechnology Co., Ltd.	Shaoxing Haid	25	
Guangxi Haid Feed Co., Ltd.	Guangxi Haid	25	
KINGHILL HOLDINGS PTE.LTD.	Kinghill Holdings	17	Note 12
KINGHILL PTE.LTD.	Kinghill Pte.	17	Note 12
Haid Egypt Co.,Ltd	Haid Egypt	22.5	Note 22
KINGHILL RESOURCES PTE.LTD.	Kinghill Resources	17	Note 12
VIETNAM HAIBEI BIOTECHNOLOGY CO.,LTD	Vietnam Haibei	Exempt from income tax	Note 10
KINGHILL AGRICULTURE PTE.LTD.	Kinghill Agri	17	Note 12
PT.HAIDA AGRICULTURE INDONESIA	Haida Indonesia	22	Note 20
PT.HAIDA SURABAYA TRADING	Haida Surabaya	22	Note 20
PT HISENOR TECHNOLOGY INDONESIA	Hisenor Indonesia	22	Note 20
Jiangxi Haid Feed Co., Ltd.	Jiangxi Haid	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangzhou Haid Feed Co., Ltd.	Guangzhou Haid	25	
Guangdong Hisenor Group Co., Ltd.	Guangdong Hisenor	12.5	Note 3
Zhanjiang Hisenor Marine Biotechnology Co., Ltd.	Zhanjiang Hisenor	12.5	Note 3
Zhanjiang Haijingzhou Marine Biotechnology Co., Ltd.	Zhanjiang Haijingzhou	12.5	Note 3
Hainan Hisenor Marine Biotechnology Co., Ltd.	Hainan Hisenor	12.5	Note 3
Jingtai Haijingzhou Fishery Technology Co., Ltd.	Jingtai Haijingzhou	12.5	Note 3
Yongji Haijingzhou Fishery Science and Technology Co. Ltd	Yongji Haijingzhou	12.5	Note 3
Yuncheng Haishengyuan Fishery Technology Co. Ltd	Yuncheng Haishengyuan	12.5	Note 3
Zhangzhou Haijingzhou Marine Biotechnology Co. Ltd	Zhangzhou Haijingzhou	12.5	Note 3
Changyi Haijingzhou Biological Technology Co., Ltd	Changyi Haijingzhou	12.5	Note 3
Nantong Haijingzhou Biological Technology Co. Ltd	Nantong Haijingzhou	12.5	Note 3
Shanwei Haijingzhou Marine Biological Technology Co., Ltd	Shanwei Haijingzhou	12.5	Note 3
Guangzhou Haijingzhou Food Co., Ltd	Guangzhou Haijingzhou	25	
Rongcheng Rongchuan Biotechnology Co., Ltd	Rongcheng Rongchuan	25	
Rongcheng Yandun Horn Fish Meal Co., Ltd	Rongcheng Yandun	25, exempt from income tax	Note 4
Fujian Haisheng Feed Co. Ltd	Fujian Haisheng	25, exempt from income tax	Note 5
Pucheng Haisheng Feed Co., Ltd	Pucheng Haisheng	25, exempt from income tax	Note 5
Xinjiang Xiyu Haihua Products Co. Ltd	Xinjiang Xiyu	25	
Jinzhou Zhengyuan Grain Trade Co. Ltd	Jinzhou Zhengyuan	25	
Yingkou Fengmu Agricultural Development Co. Ltd	Yingkou Fengmu	25	
Guangzhou haiyou trade co., LTD	Guangzhou haiyou	20	Note 18
Alaer Ruili Heng Sheng Protein Co., Ltd	Alaer Ruili Heng	25, Free of income tax	Note 19
Ningbo fengmu agricultural development co. LTD	Ningbo fengmu	25	
Wujiaqu Taikun Plant Protein Co., Ltd	Wujiaqu Taikun	25, exempt from income tax	Note 19
Sanya Fengmu Agricultural Development Co., Ltd	Sanya Fengmu	15	Note 23
Maoming Hailong Feed Co., Ltd.	Maoming Hailong	25	
Nanchang Haid Biotechnology Co., Ltd.	Nanchang Haid	25	
Zhuhai Rongchuan Feed Co., Ltd.	Zhuhai Rongchuan	15	Note 1
Jieyang Haid Feed Co., Ltd.	Jieyang Haid	25	
Foshan Sanshuifanling Feed Co., Ltd.	Sanshui Fanling	25	
Dalian Haid Rongchuan Trading Co., Ltd.	Dalian Haid	25	
Haid International Group Limited	Haid International	8.25, exempt from income tax	Note 21
China Haida Feed Group(HK)Limited	Haida HK	16.5	Note 9
Rickworth Investments Limited	Rickworth	Exempt from income tax	Note 8
Hong Kong Longreat Trading Co., Limited	Hong Kong Longreat	16.5	Note 9
HAID FEED COMPANY LIMITED	Dong Nai Haid	Exempt from income tax	Note 10
DONG NAI HAID FARM COMPANY LIMITED	DONG NAI HAID	15	Note 10

Taxpayer	Abbreviation	Income tax rate (%)	Note
Dancl Limited	Dancl	16.5	Note 9
PANASIA TRADING RESOURCES LIMITED	PANASIA TRADING	Exempt from income tax	Note 8
SHENG LONG INTERNATIONAL LTD.	SHENG LONG	Exempt from income tax	Note 8
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD	SHENG LONG BIO-TECH	20, 10	Note 10
LONG SHENG INTERNATIONAL CO.,LTD	LONG SHENG	20, 10	Note 10
Hisenor International Limited	Hisenor	Exempt from income tax	Note 8
HISENOR VIET NAM AQUATIC BREEDING CO.,LTD	HISENOR VIETNAM	Exempt from income tax	Note 10
KEMBANG SUBUR INTERNATIONAL LTD.	KEMBANG SUBUR	24	Note 11
NAMDUONG VIETNAM AQUATIC HATCHERY CO.,LTD.	NAMDUONG VIETNAM	Exempt from income tax	Note 10
SHENG LONG BIO TECH (M) SDN.BHD.	SHENG LONG	24	Note 11
PRIME WORLD CO., LTD.	PRIME WORLD	24	Note 11
Shenglong Biological Technology Co., Ltd	Shenglong	20	Note 24
SHENG LONG AQUA TECHNOLOGY (M) SDN.BHD.	SHENG LONG	24	Note 11
Nano South Limited	Nano South	Exempt from income tax	Note 8
Oceanic Forward Ventures Limited	Oceanic Forward	Exempt from income tax	Note 8
Power Spring Investments Limited	Power Spring	Exempt from income tax	Note 8
Link Tide Limited	Link Tide	Exempt from income tax	Note 8
Changzhou Haid Bio-Feed Co., Ltd.	Changzhou Haid	25, 12.5	Note 3
Tianjin Haid Feed Co., Ltd.	Tianjin Haid	25	
Jiangmen A&T Xinhui Feed Co., Ltd.	A&T Xinhui	25	
Tianmen Haid Feed Co., Ltd.	Tianmen Haid	25	
Zhuhai Hailong Biotechnology Co., Ltd.	Zhuhai Hailong	15	Note 1
Yangjiang Haid Feed Co., Ltd.	Yangjiang Haid	25	
Guigang Haid Feed Co., Ltd.	Guigang Haid	15	Note 25
Yiyang Haid Feed Co., Ltd.	Yiyang Haid	25	
Nantong Haid Biotechnology Co., Ltd.	Nantong Haid	25	
Yunnan Haid Biotechnology Co., Ltd.	Yunnan Haid	15	Note 1
Guangzhou Hailong Feed Co., Ltd.	Guangzhou Hailong	25	
Zhaoqing Haid Feed Co., Ltd.	Zhaoqing Haid	25	
Wuhan Aquaera Biotechnology Co., Ltd.	Wuhan Aquaera	20	Note 18
Shenzhen Longreat Trading Co., Ltd.	Shenzhen Longreat	25	
LANKING PTE.LTD.	LANKING	17	Note 12
Haid Lanking International Trading Inc.	Haid Lanking	13	Note 13
LANKING NEMO (SG) PTE. LTD.	LANKING NEMO	17	Note 12
SHENGLONG BIO-TECH(INDIA)PRIVATE LIMITED	SHENGLONG BIO-TECH	25	Note 14
LANKING RICKWORTH PTE.LTD.	LANKING RICKWORTH	17	Note 12

Taxpayer	Abbreviation	Income tax rate (%)	Note
Lanking Nano PTE.LTD.	Lanking Nano	17	Note 12
HAI DUONG HAID COMPANY LIMITED	HAI DUONG	Free of income tax	Note 10
HAI DAI COMPANY LIMITED	HAI DAI COMPANY	15	Note 10
VINH LONG HAI DAI CO.,LTD	VINH LONG HAI DAI	Exempt from income tax	Note 10
CORESEED AQUACULTURE(Guam) CORPORATION	CORESEED AQUACULTURE	21	Note 26
Hunan Dongting Haid Feed Co., Ltd.	Dongting Haid	25	
Zhangzhou Haid Feed Co., Ltd.	Zhangzhou Haid	25	
Anhui Haid Feed Co., Ltd.	Anhui Haid	25	
Xiangtan Haid Feed Co., Ltd.	Xiangtan Haid	25	
Guangzhou Changsheng Logistics Co., Ltd.	Changsheng Logistics	25	
Guangzhou Cangyouliang Trading Co., Ltd.	Guangzhou Cangyouliang	20	Note 18
Guangzhou Zhongcangsheng Commercial & Trading Co., Ltd.	Guangzhou Zhongcangsheng	25	Note 28
Guangzhou Danong Enterprise Management Co., Ltd.	Guangzhou Danong	25	
Dingtao Hairong Livestock Farming Service Specialized Cooperative	Dingtao Hairong	Exempt from income tax	Note 15
Chengnan Development Zone Hairong Livestock Farming Service Specialized Cooperative	Chengnan Hairong	20, exempt from income tax	Note 16, 18
Guigang Hairong Farming Service Specialized Cooperative	Guigang Hairong	20, exempt from income tax	Note 16, 18
Zhangzhou Longwen Hairong Farming Service Specialized Cooperative	Zhangzhou Hairong	Exempt from income tax	Note 15
Guangzhou Haifengchang Enterprise Management Co., Ltd.	Guangzhou Haifengchang	25	
Wuhan Zeyi Investment Co., Ltd.	Wuhan Zeyi	25	
Shandong Haiding Agriculture and Animal Husbandry Co., Ltd.	Shandong Haiding	25	
Suixian Yuliang Haiding Feed Co., Ltd.	Suixian Haiding	25	
Yuncheng Haiding Hongda Feed Co., Ltd.	Yuncheng Haiding	25	
Heze Development Zone Haiding Commercial & Trading Co., Ltd.	Heze Haiding Commercial & Trading	25	
Dingtao Haiding Feed Co., Ltd.	Dingtao Haiding	25	
Liaocheng Haiding Feed Co., Ltd.	Liaocheng Haiding	25	
Shanxian Zhongyi Haiding Feed Co., Ltd.	Shanxian Haiding	25	
Xinxiang Haiding Feed Co., Ltd.	Xinxiang Haiding	25	
Xinxiang Hairuida Feed Co., Ltd.	Xinxiang Hairuida	25	
Heze Haiding Feed Technology Co., Ltd.	Heze Haiding Feed	15	Note 1
Jining Haiding Feed Co., Ltd.	Jining Haiding	25	
Feixian Hairuida Feed Co., Ltd.	Feixian Hairuida	25	
Yinan Haiding Feed Co., Ltd.	Yinan Haiding	25	
Jinan Fengcheng Agriculture and Animal Husbandry Co. Ltd	Jinan Fengcheng	20	Note 18, 29
Tengzhou Fengcheng Feed Co., Ltd.	Tengzhou Fengcheng	25	
Binzhou Haiding Feed Co., Ltd.	Binzhou Haiding	25	
Jining Fengcheng Feed Co., Ltd.	Jining Fengcheng	20	Note 18

Taxpayer	Abbreviation	Income tax rate (%)	Note
Dong'e Dingxin Farming Service Co., Ltd.	Dong'e Dingxin	Exempt from income tax	Note 2
Heze Haiding Ecological Farming Co., Ltd.	Heze Haiding Farming	Exempt from income tax	Note 2
Linyi Haiding Feed Technology Co., Ltd.	Linyi Haiding	25	
Linyi Hedong Haiding Agriculture and Animal Husbandry Development Co., Ltd.	Linyi Hedong Haiding	20	Note 18
Binzhou Dingxin Farming Service Co., Ltd.	Binzhou Dingxin	Exempt from income tax	Note 2
Junan Haiding Feed Co., Ltd.	Junan Haiding	25	
Sihong Haiding Feed Co., Ltd.	Sihong Haiding	25	
Linyi Dingxin Farming Co., Ltd.	Linyi Dingxin	Exempt from income tax	Note 2
Linyi Haiding Veterinary Service Co., Ltd.	Linyi Haiding	Exempt from income tax	Note 2
Henan Haiding feed co. LTD	Henan Haiding	25	
Qingzhou Haidinghe Xinsheng feed co. LTD	Qingzhou Haidinghe	20	Note 18
Linyi Haiding Lusheng Feed Co., Ltd	Linyi Haiding	25	
Qinggang Feng Chengbai Zun Feed Co., Ltd	Qinggang Feng	20	Note 18
Suihua Feng Chengbaizun Feed Co., Ltd	Suihua Feng	25	
Chengwu Fengcheng Feed Co. Ltd	Chengwu Fengcheng	20	Note 18
Weifang Binhai Haiding Feed Co., Ltd	Weifang Binhai	25	
Linyi Dinghao Breeding Co. Ltd	Linyi Dinghao	Exempt from income tax	Note 2
Xishui Haid Feed Co., Ltd.	Xishui Haid	25	
Yancheng Haid Bio-Feed Co., Ltd.	Yancheng Haid	25	
Honghu Haid Feed Co., Ltd.	Honghu Haid	25	
Kaifeng Haid Feed Co., Ltd.	Kaifeng Haid	25	
Guangzhou Heshengtang Biotechnology Co., Ltd.	Guangzhou Heshengtang Biotechnology	25	
Guangzhou Heshengtang Veterinary Pharmaceutical Co., Ltd.	Guangzhou Heshengtang Pharmaceutical	25	
Guangdong Haid Livestock Veterinary Research Institute Co., Ltd.	Haid Livestock Veterinary Company	25	
Henan Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Henan Haihe	25	
Xuchang Haihe Feed Co., Ltd.	Xuchang Haihe	20	Note 18
Anyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Anyang Haihe	20	Note 18
Jiyuan Haihe Jinyu Feed Co., Ltd.	Jiyuan Haihe	25	
Suqian Haid Feed Co., Ltd.	Suqian Haid	25	
Huaihua Haid Feed Co., Ltd.	Huaihua Haid	25	
Guangzhou Meinong Investment Management Co., Ltd.	Guangzhou Meinong	25	
HAID (ECUADOR) FEED CIA.LTDA.	Haid Ecuador	Exempt from income tax	Note 17
HAID MARINO CIA.LTDA.	HAIDMARINO Food	Exempt from income tax	Note 17
Guangdong Hairuite Pet Nitribution Technology Co., Ltd.	Guangdong Hairuite	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangzhou Haijian Investment Co., Ltd.	Guangzhou Haijian	25	
Foshan Nanhai Bairong Aquatic Farming Co., Ltd.	Nanhai Bairong	12.5	Note 3
Zhaoqing Bairong Aquatic Farming Co., Ltd.	Zhaoqing Bairong	12.5	Note 3
Yangxin Bairong Aquatic Farming Co., Ltd.	Yangxin Bairong	12.5	Note 3
Jingzhou Bairong Aquatic Farming Co., Ltd.	Jingzhou Bairong	12.5	Note 3
Shandong Bairong Fisheries Fine Seed Co. Ltd	Shandong Bairong	12.5	Note 3, 30
Hainan Bairong Aquatic Products Co. Ltd	Hainan Bairong	12.5	Note 3
Zhaoqing Baishengyuan Aquatic Products Co. Ltd	Zhaoqing Baishengyuan	12.5	Note 3
Hunan Innovation Biotechnology Limited	Hunan Innovation	15	Note 1
Guangzhou Haishengke Investment Co., Ltd.	Guangzhou Haishengke	25	
Sichuan Hailinger Biopharmaceutical Co., Ltd.	Sichuan Hailinger	25	
Chengdu Haiqi Biological Technology Co., Ltd	Chengdu Haiqi	25	
Sanming Haid Feed Co., Ltd.	Sanming Haid	25	
Qingyuan Haid Biotechnology Co., Ltd.	Qingyuan Haid	25	
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	Qingyuan Hainong	Exempt from income tax	Note 2
Xuancheng Haid Biotechnology Co., Ltd.	Xuancheng Haid	25	
Guangdong Shunde Haid Biotechnology Co., Ltd.	Shunde Haid	25	
Jiaxing Haid Yongwang Bio-Feed Co., Ltd.	Jiaxing Haid	25	
Shijiazhuang Weike Biotechnology Co., Ltd.	Shijiazhuang Weike	15	Note 1
Chongqing Haid Feed Co., Ltd.	Chongqing Haid	25	
Shenyang Haid Feed Co., Ltd.	Shenyang Haid	15	Note 1
Jiangsu Haihe Agriculture and Animal Husbandry Co., Ltd.	Jiangsu Haihe	20	Note 18
Xuzhou Haihe Feed Co., Ltd.	Xuzhou Haihe	25	
Lianyungang Haihe Feed Co., Ltd.	Lianyungang Haihe	20	Note 18
Xuzhou Haid Hexin Feed Co., Ltd.	Xuzhou Haid	25	
Anshan Dachuan Feed Technology Co., Ltd.	Anshan Dachuan	20	Note 18
Guangzhou Haiyuan Factoring Co., Ltd.	Guangzhou Haiyuan Factoring	25	
Heze Dingtao Hairong Farming Specialized Cooperative Association	Heze Hairong	Exempt from income tax	Note 15
Haid Pet Care Co., Ltd.	Haid Pet	25	
Haid Pet Care (Weihai) Co., Ltd.	Weihai Pet	25	
Qujing Zhihai Feed Co., Ltd.	Qujing Zhihai	25	
Yibin Zhihai Feed Co., Ltd	Yibin Zhihai	25	
Guiyang Haida Zhihai Feed Co. Ltd	Guiyang Haida	20	Note 18
Meishan Haidazhihai feed co. LTD	Meishan haida zhihai	25	
Ganzhou Haida Biotechnology Co., Ltd	Ganzhou Haida	25	
Foshan Haida Beacon Feed co. LTD	Foshan Haida	20	Note 18
Guangzhou Zecan Investment Management Co., Ltd	Guangzhou Zecan	25	
Guangzhou Punong Investment Management Co. Ltd	Guangzhou Punong	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Shandong Fengying Food Co. Ltd	Shandong Fengying	25	
Jiaxiang Haiying Food Co., Ltd	Jiaxiang Haiying	25, exempt from income tax	Note 6
Linxi Haiying Food Co., Ltd	Linxi Haiying	25, exempt from income tax	Note 6
Yiyuan Haiying Food Co., Ltd	Yiyuan Haiying	25, exempt from income tax	Note 6
Zouping Haiying Food Co., Ltd	Zouping Haiying	25, exempt from income tax	Note 6
Binzhou Haiying Food Co., Ltd	Binzhou Haiying	25, exempt from income tax	Note 6
Guangzhou Yannong Investment Management Co. Ltd	Guangzhou Yannong	20	Note 18
Guangdong Haida Poverty Alleviation Investment Development Co. Ltd	Guangdong Haida Poverty Alleviation	25	
Liyang Jiu He Feed Co., Ltd	Liyang Jiu He	25	
Shaoguan Haida Biotechnology Co. Ltd	Shaoguan Haida	25	
Shandong Daxin Group Co. Ltd	Shandong Daxin	25	
Qingdao Daxin feed co., LTD	Qingdao Daxin	25	
Qingdao Huaxin feed co. LTD	Qingdao Huaxin	25	
Weifang Daxin Feed Co., Ltd	Weifang Daxin	25	
Yantai Daxin Feed Co. Ltd	Yantai Daxin	25	
Linyi Yihe Feed Co., Ltd	Linyi Yihe	25	
Jiangsu Daxin Feed Co. Ltd	Jiangsu Daxin	25	
Shandong Daxin Agriculture and Animal Husbandry Technology Co. Ltd	Shandong Daxin Agriculture	25	
Qingdao Zhizhu Xia Pig Raising Service Co. LTD	Qingdao Zhizhuxia	20	Note 18
Linyi Zhizhuxia Breeding Technology Service Co. Ltd	Linyi Zhizhuxia	25	
Liaocheng Daxin Feed Co., Ltd	Liaocheng Daxin	25	
Laiyang Haihe Agriculture and Animal Husbandry Technology Co. Ltd	Laiyang Haihe	25	
Qingdao Runguiyuan Agriculture and Animal Husbandry Technology Co. Ltd	Qingdao Runguiyuan	25	
Huaian Hailong Feed Co. Ltd	Huaian Hailong	25	
Hunan Jinhuilong Technology Co. Ltd	Hunan Jinhuilong	25	Note 31
Yueyang Jinhuilong Biological Technology Co., Ltd	Yueyang Jinhuilong	25	
Jiaozuo Jinhuilong Biological Technology Co. Ltd	Jiaozuo Jinhuilong	25	
Shijiazhuang Huilong Feed Co. Ltd	Shijiazhuang Huilong	20	Note 18
Handan Huilong Feed Co. Ltd	Handan Huilong	20	Note 18
Huilong Feed Co., Ltd	Huilong Feed	20	Note 18
Fuzhou Haida Feed Co., Ltd	Fuzhou Haida	25	
Zhaoqing Gaoyao Haida Biological Technology Co., Ltd	Zhaoqing Gaoyao	25	
Nanning Haida Biotechnology Co., Ltd	Nanning Haida	25	
Ganzhou Hailong Feed Co. Ltd	Ganzhou Hailong	25	
Guangzhou Haiyuan Microfinance Co. Ltd	Guangzhou Haiyuan	25	
Guangdong Haida Biotechnology Co., Ltd	Guangdong Haida	20	Note 18
Jiangmen Rongchuan Feed Co. Ltd	Jiangmen Rongchuan	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Chongqing Zhihai Feed Co., Ltd	Chongqing Zhihai	25	
Meizhou Haida Biotechnology Co., Ltd	Meizhou Haida	25	
Yicheng Haida Biological Technology Co., Ltd	Yicheng Haida	25	
Heshan Ronghai Feed Co., Ltd	Heshan Ronghai	25	
Hexian Haida Biotechnology Co., Ltd	Hexian Haida	25	
Pingnanhai Da Feed Co., Ltd	Pingnanhai Da	25	
Guangzhou Shunkang aquaculture co. LTD	Guangzhou Shunkang	25	
Tianjin Rongchuan Feed Co., Ltd	Tianjin Rongchuan	25	
Zhanjiang Rongda Feed Co., Ltd	Zhanjiang Rongda	25	
Huainan Haida Biological Feed Co. Ltd	Huainan Haida	25	
Maoming Haida Biological Technology Co., Ltd	Maoming Haida	25	
Guangzhou Ronghai Breeding Technology Co. Ltd	Guangzhou Ronghai	25	
Zhongshan City Seawater Production and Aquaculture Co. Ltd	Zhongshan City Seawater	12.5	Note 3
Guangzhou Rongda Aquatic Products Technology Co. Ltd	Guangzhou Rongda	12.5	Note 3
Jiangmen Ronghai Aquaculture Technology Co. Ltd	Jiangmen Ronghai	12.5	Note 3
Zhongshan Yugezi food co., LTD	Zhongshan Yugezi	Exempt from income tax	Note 6
Guangxi Ronghai Fishery Co. Ltd	Guangxi Ronghai	12.5	Note 3
Sichuan Rongchuan Feed Co. Ltd	Sichuan Rongchuan	25	
Yulin Haida Feed Co., Ltd	Yulin Haida	25	
Sichuan Haile Agriculture and Animal Husbandry Co. Ltd	Sichuan Haile	25	
Yichang Zhihai Agriculture and Animal Husbandry Co. Ltd	Yichang Zhihai	25	
Mianyang Zhonggui Feed Co., Ltd	Mianyang Zhonggui	25	
Dali Haiwang Feed Co., Ltd	Dali Haiwang	20	Note 18
Yunnan Zhonggui Feed Co. Ltd	Yunnan Zhonggui	20	Note 18
Chongqing Haizhi Feed Co., Ltd	Chongqing Haizhi	25	
Guangzhou Xingnong Ecological Agriculture and Animal Husbandry Development Co. Ltd	Guangzhou Xingnong	25	
Xinxing County Haifeng Agriculture and Animal Husbandry Co. Ltd	Xinxing County	Exempt from income tax	Note 2
Sihui Haifeng Ecological Agriculture Co. Ltd	Sihui Haifeng	Exempt from income tax	Note 2
Wengyuan Haifeng Ecological Agriculture Co. Ltd	Wengyuan Haifeng	Exempt from income tax	Note 2
Yingde Haifeng Agriculture and Animal Husbandry Co. Ltd	Yingde Haifeng	Exempt from income tax	Note 2
Qingyuan Haichuan Food Co., Ltd	Qingyuan Haichuan	Exempt from income tax	Note 6
Ezhou Haifeng Ecological Agriculture Co. Ltd	Ezhou Haifeng	Exempt from income tax	Note 2
Yingde Haifeng Ecological Agriculture Co. Ltd	Yingde Haifeng	Exempt from income tax	Note 2
Qingyuan Ronghai Breeding Technology Co. Ltd	Qingyuan Ronghai	12.5	Note 3
Guangzhou Haiyin Financing Guarantee Co., Ltd	Guangzhou Haiyin	25	
Qinzhou Hailong Feed Co. Ltd	Qinzhou Hailong	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Deyang Dachuan Biological Technology Co., Ltd	Deyang Dachuan	25	
Hainan Haida Biotechnology Co., Ltd	Hainan Haida	25	
Liuzhou Haida Feed Co. Ltd	Liuzhou Haida	25	
Jiangsu Dachuan Biotechnology Co. Ltd	Jiangsu Dachuan	25	
Zhaoqing Ronghai Aquaculture Technology Co. Ltd	Zhaoqing Ronghai	12.5	Note 3
Gaoan Haida Biotechnology Co., Ltd	Gaoan Haida	25	
Shanghai Gaohaida Biotechnology Co., Ltd	Shanghai Gaohaida	25	
Qingyuan Hailong Biological Technology Co., Ltd	Qingyuan Hailong	25	
Guangdong Qingyuan Guanghong Feed Co. Ltd	Guangdong Qingyuan	25	
Guangzhou Haiki Technology Co., Ltd	Guangzhou Haiki	20	Note 18
Guangdong Haida International Trade Co., Ltd	Guangdong Haida	25	
Guangzhou Nansha Haida Biotechnology Co. Ltd	Guangzhou Nansha	25	
Yancheng Haiwei Biological Technology Co., Ltd	Yancheng Haiwei	25	
Hainan Haida Aquatic Seed Industry Development Co. Ltd	Hainan Haida Aquatic Seed	12.5	Note 3
Wuzhou Haida Biotechnology Co. Ltd	Wuzhou Haida	25	
Dongguan Haiqi Feed Co., Ltd	Dongguan Haiqi	25	
Zhangzhou Haiheng Feed Co., Ltd	Zhangzhou Haiheng	25	
Deyang Dachuan Agriculture and Animal Husbandry Technology Co. Ltd	Deyang Dachuan	25	
Mianyang Hailong Feed Co. Ltd	Mianyang Hailong	25	
Meishan Haida Biotechnology Co., Ltd	Meishan Haida	25	
Guangzhou Nongzhidao Feed Co., Ltd	Guangzhou Nongzhidao	25	
Yingkou Dachuan Feed Technology Co. Ltd	Yingkou Dachuan	25	
Jiesou Haida Feed Co., Ltd	Jiesou Haida	25	
Anlu Haida Feed Co., Ltd	Anlu Haida	25	
Jingzhou Haihe Biological Technology Co. Ltd	Jingzhou Haihe	25	
Guangzhou Chenzhao Investment Co., Ltd	Guangzhou Chenzhao	20	Note 18
Hainan Zhuangmei Agriculture and Animal Husbandry Co. Ltd	Hainan Zhuangmei	25	
Yancheng Runchuan Agricultural Science and Technology Co. Ltd	Yancheng Runchuan	12.5	Note 3
Zigong Hailong Biological Technology Co., Ltd	Zigong Hailong	25	
Jiangxi Jiabo Biological Engineering Co. Ltd	Jiangxi Jiabo	25	
Jiangxi Gunan Herbal Science and Technology Collaborative Innovation Co. Ltd	Jiangxi Gunan Herbal	25	
Jiangxi Renxin Tang Biotechnology Co., Ltd	Jiangxi Renxin	25	
Guangxi Rongchuan Feed Co. Ltd	Guangxi Rongchuan	25	
Dali Haida Biotechnology Co., Ltd	Dali Haida	25	
Guangzhou haida technology development co., LTD	Guangzhou haida	25	
Heshan Haiwei feed co. LTD	Heshan Haiwei	25	

Note 1: The Company's subsidiaries Jiangmen Haida, Guangdong Haiinte, Qingyuan Haibei, Zhuhai Rongchuan, Zhuhai Hailong, Yunnan Haida, Heze Haiding, Hunan Innovation, Shijiazhuang Weike, Shenyang Haida were

recognized as high-tech enterprises by their respective provincial departments of science and technology, departments of finance, offices of the State Administration of Taxation or local taxation bureaus with an effective period of three years. Their applicable corporate income tax rate for 2020 is 15%.

Note 2: In accordance with Corporate Income Tax Law of the People's Republic of China and the Regulation on the Implementation of the Corporate Income Tax Law of the People's Republic of China, the income of the Company's subsidiaries that is derived from livestock and poultry farming and veterinary service is exempt from corporate income tax

Note 3: Guangdong Hisenor, Zhanjiang Hisenor, Hainan Hisenor (recognized as a high-tech enterprise by the provincial department of science and technology, department of finance, office of the State Administration of Taxation or local taxation bureau), Yangxin Bairong, Jingzhou Bairong, Qingyuan Ronghai, Nanhai Bairong, Zhaoqing Bairong, Enping Fengwo, Hunan Haid, Taizhou Haid, Changzhou Haid, Zhongshan Ronghai, Guangzhou Rongda, Zhanjiang Haijingzhou, Jingtai Haijingzhou, Zhangzhou Haijingzhou, Linyi Bairong, Jiangmeng Ronghai, Zhaoqing Ronghai, Yongji Haijing Island, Yuncheng Haishengyuan, Yuncheng Haishengyuan, Nantong Haijing Island, Shanwei Haijing Island, Hainan Bairong, Zhaoqing Baishengyuan, Guangxi Ronghai, Hainan Haida Seed Industry, Yancheng Runchuan, subsidiaries of the Company were subject to 50% discount on corporate income tax rate of 25% on their income from marine and/or inland aquaculture in accordance with Article 27 of the Corporate Income Tax Law of the People's Republic of China and Article 86 of the Regulation on the Implementation of the Corporate Income Tax Law of the People's Republic of China. Other income is subject to corporate income tax rate at 25%.

Note 4: Rongcheng Yandunjiao, the subsidiary of the Company, manufactures fish powder and shrimp powder. Income from these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 5: Fujian Haidsun and Pucheng Haidsun, the subsidiaries of the Company, manufacture chicken powder. Income from the sales of these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 6: Jiexiang Haiying, Linxi Haiying, Yiyuan Haiying, Zouping Haiying, Binzhou Haiying, Zhongshan Yugezi, Qingyuan Haichuan, subsidiaries of the Company engaged in slaughtered and cut poultry. Income derived from the sales of these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 7: Chengdu Haid, Yangling Haid and Gansu Haid, the subsidiaries of the Company are enjoying a preferential corporate income tax rate of 15% for the period from 2013 to 2020, 2018 to 2020 and 2019 to 2020, respectively, in accordance with the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Tax Policy Issues Concerning Further Implementing the Western China Development Strategy (Caishui [2011] No. 58) and the Announcement of the State Administration of Taxation on Issues Concerning Corporate Income Tax Related with Further Implementing the Western China Development Strategy (Announcement 2012 No.12)

Note 8: Rickworth, Panasia Trading, Sheng Long International, Hisenor International, Nano, Oceanic, Power Spring, and Link, subsidiaries of the Company, were registered in British Virgin Islands. These subsidiaries are exempted from corporate income tax according to the local tax law.

Note 9: Haida HK, Hong Kong Longreat and Dancl, subsidiaries of the Company, were registered in Hong Kong. They were subject to a profit tax rate of 16.50% according to Inland Revenue Ordinance in Hong Kong.

Note 10: Dong Nai Haid, Dong Nai Haid, Sheng Long Bio-Tech, Long Sheng, Hisenor Vietnam, Namduong Vietnam, Hai Duong, Hai Dai Company, Vinh Long Hai Dai and Vietnam Haibei, subsidiaries of the Company,

are registered in Vietnam.

- ① Dong Nai Haid and Hai Duong are eligible for corporate income tax exemption for the first two year from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in according to the preferential tax policy. Dong Nai Haid and Hai Duong Haid generated profits in 2019 for the first time. They were exempt from corporate income tax in 2020.
- ② Vinh Long Hai Dai is eligible for corporate income tax exemption for the first two year from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in according to the preferential tax policy. Vinh Long Hai Dai generated its profits in 2020 for the first time. It was exempt from corporate income tax in 2020.
- ③ Vietnam Haibei is eligible for corporate income tax exemption for the first two year from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in according to the preferential tax policy. Vietnam Haibei did not generate profit in 2020 and exempt for corporate income tax
- ④ In accordance with the preferential policies of the Vietnamese government on new investment and industries in difficult areas, Sheng Long Bio-Tech enjoyed a preferential corporate income tax rate at 10%, rental income for cold storage and sales of raw materials were subject to tax rate at 20%. Animal insurance is taxed at 17% with 50% reduction. Other income was subject to a tax rate at 20%.
- ⑤ In accordance with the preferential policies of the Vietnamese government on new investment in difficult areas, Long Sheng continued to enjoy a preferential tax rate (10% for feed output less than 27,000 ton while any excess is taxed at 20%).
- ⑥ Namduong Vietnam and Hisenor Vietnam were engaged in breeding of shrimp. They were exempted from corporate income tax in accordance with the Vietnamese tax law.
- ⑦ The corporate income tax rate for Hai Dai Company and Dong Nai Haid was 15% in accordance with the Vietnamese tax law.

Note 11: Sheng Long Malaysia, Kembang Subur International, Sheng Long Aquatic Malaysia and Golden international, subsidiaries of the Company, were registered in Malaysia and subject to a corporate income tax rate of 24% in accordance with the Malaysian tax law.

Note 12: Lanking, Lanking Nemo, Lanking Rickworth, Lanking Nano, Kinghill Holdings, Kinghill Pte., Kinghill Resources and Kinghill Agri, subsidiaries of the Company, were registered in Singapore and subject to a corporate income tax rate of 17% in accordance with the Singaporean tax law.

Note 13: Lanking America, a subsidiary of the Company registered in the U.S. It is subject to variable tax rates according to the U.S. federal taxation system. No federal corporate income tax was due since the company suffered a loss in 2020 while a minimum tax payment of USD800 of California was due in 2020 (corporate income tax in California is calculated by 8.84% of the taxable income).

Note 14: Sheng Long India, a subsidiary of the Company, registered in India and subject to a corporate income tax rate of 25% in accordance with the Indian tax law.

Note 15: Dingtao Hairong, Zhangzhou Hairong and Heze Hairong, subsidiaries of the Company, were exempted from corporate income tax in 2020. Their income from agriculture, forestry, animal husbandry and fishery were eligible for preferential tax policies on exemption or reduction of corporate income tax in accordance with Article 27.1 of the Corporate Income Tax Law of the People's Republic of China.

Note 16: Chengnan Hairong and Guigang Hairong, subsidiaries of the Company were exempted from corporate income tax. Their income from agriculture, forestry, animal husbandry and fishery were eligible for preferential tax policies on exemption or reduction of corporate income tax in accordance with Article 27.1 of the Corporate Income Tax Law of the People's Republic of China. Other income are subject to a corporate income tax rate at 20%

base on preferential tax incentives for small profit-making enterprise (refer to Note.18).

Note 17: Haid Ecuador and HAIDMARINO Food, subsidiaries of the Company registered in Ecuador. According to Ecuador's tax laws, enterprises begin to enjoy the tax exemption period for 12 years after issuing the first invoice. The tax rate after the tax exemption period is 25%. Haid Ecuador and HAIDMARINO Food were in the construction period in 2020 and exempted from corporate income tax.

Note 18: For Guangzhou Haishenyuan, Guangzhou Mutai, Guangzhou Profit Source, Weinan, Anyang Haiyue, Zoucheng Haiyue, Yinan Haiyue, Guangzhou Haiyou, Wuhan Shuijiyuan, Guangzhou warehouse, Chennan HaiRong, Guigang HaiRong, Jinan Fengcheng, Jining Fengchen, Linyi Hedong HaiDing, Qingzhou HaiDing, Qinggangfeng ChengBai, ChengWu Fengcheng, Xu Changhaihe, AnYangHai, Jiangsu Haihe, Lianyungang Haihe, AnShandachuan, Guiyang Zhihai, Foshan Haida, Guangzhou Yannong, Qingdao Spider-Man, Shijiazhuang Huilong, Handan Huilong, Huaian Huilong, Guangdong Haida Bio, Dali Haiwang, Yunnan Zhonggui, Guangzhou Haiqi, Guangzhou Chenzhao, the subsidiaries of the Company, the taxable income is reduced to 25% for the portion of the annual taxable income of a small low-profit enterprise that does not exceed RMB1 million and taxed at 20% for corporate income tax; the taxable income is reduced to 50% for the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million and taxed at 20% for corporate income tax in accordance with Announcement of the State Administration of Taxation on the Issues Concerning the Implementation of the Inclusive Income Tax Relief Policy for Small and Small Profit Enterprises (State Administration of Taxation Announcement 2019 No. 2) for the period from January 1, 2019 to December 31, 2021.

Note 19: Xinjiang Ruiliheng and Wujia Canal Tai Kun, the subsidiaries of the Company, manufacture cottonseed oil, cottonseed meal, boll hull, cotton linter, Chinese honeylocust fruit and grey cotton. Income from these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 20: Haida Indonesia, Haida Surabaya and Hisenor Indonesia, subsidiaries of the Company, were registered in Indonesia and subject to a corporate income tax rate of 22% in accordance with the Indonesian tax law.

Note 21: Haid International, a subsidiary of the Company registered in the British Virgin Islands, it is exempted from corporate income tax according to the local tax law. Meanwhile, it is considered as a tax resident enterprise in Hong Kong since it is operates and locates in Hong Kong. The treasury center business for Haid International was subject to income tax rate at 8.25% with 50% reduction in 2020.

Note 22: Haid Egypt, a subsidiary of the Company registered in Egypt and subject to a corporate income tax rate of 22.5% in accordance with the Egyptian tax law.

Note 23: Sanya FengMu, a subsidiary of the Company which was an encouraged industrial enterprises registered and substantially operated in Hainan Free Trade Port. The corporate income tax rate is reduced to 15% in accordance with Notice of the Ministry of Finance on Enterprise Income Tax Preferential Policies of Hainan Free Trade Port. (Caishui [2020] No. 31).

Note 24: Taiwan Shenglong, a subsidiary of the Company registered in Taiwan and subject to a corporate income tax rate of 20% in accordance with the Taiwanese tax law.

Note 25: In accordance with Notice of Guangxi Zhuang Autonomous Region Finance Department, State Administration of Taxation, Guangxi Zhuang Autonomous Region Taxation Bureau on Further Clarifying the Policy of Local Sharing of Enterprise Income Tax for Enterprises Producing and Operating Anti-epidemic Supplies (Guicaishui [2020] No. 3) and the Notice of Guangxi Zhuang Autonomous Region Finance Department, State Administration of Taxation Guangxi Zhuang Autonomous Region Taxation Bureau on Printing and Issuing Several Preferential Tax Policies of Further Supporting Enterprises to Return to Work and Production (Guicaishui [2020] No. 13), feed produced by enterprise was considered as the key materials for epidemic prevention and control, the local share of corporate income tax was exempted in 2020. Guigang Haida was subject to corporate income tax rate at 15%.

Note 26: Guam Xingyuan, a subsidiary of the Company registered in Guam of the United States of America and subject to a corporate income tax rate of 21% in accordance with the local tax laws of Guam of the United States of America.

Note 27: Pingguo Country Yigu Ecological Agriculture Co., Ltd, a subsidiary of the Company, changed its name to Pingguo Yigu City Ecological Agriculture Co., Ltd in July 2020.

Note 28: Guangzhou Zhongcangsheng Trading Co., Ltd, a subsidiary of the Company, changed its name to Guangzhou Zhongcangsheng Feed Co., Ltd in May 2020.

Note 29: Liaocheng Haiding Food Co., Ltd, a subsidiary of the Company, changed its name to Jinan Fengcheng Agriculture and Animal Husbandry Co., Ltd in October 2020.

Note 30: Linyi Bairong Aquaculture Co., Ltd, a subsidiary of the Company, changed its name to Shandong Bairong Aquatic Products Co., Ltd in April 2020.

Note 31: Hunan Jinhuilong Agriculture and Animal Husbandry Development Co., Ltd, a subsidiary of the Company, changed its name to Hunan Jinhuilong Technology Co., Ltd in June 2020.

V Notes to Key Items in Consolidated Financial Statements

1. Cash at bank and on hand

Item	2020.12.31	2019.12.31
Cash on hand	575,655.36	1,127,806.04
Cash in bank	1,768,691,707.88	1,788,428,202.67
Other monetary funds	287,204,269.51	60,179,904.13
Total	2,056,471,632.75	1,849,735,912.84
Including: Total overseas deposits	358,120,473.45	450,854,249.90

Note:

(1) Interest receivable included in cash in bank is RMB 3,912,754.59.

(2) For cash with restriction, please refer to Note V “66. Assets with restricted ownership or use right”.

2. Held-for-trading financial assets

Item	2020.12.31	2019.12.31
Held-for-trading financial assets	336,719,309.28	28,583,495.35
Including: Derivative financial assets	86,719,309.28	28,583,495.35
Bank financial products	250,000,000.00	-
Total	336,719,309.28	28,583,495.35

Note:

(1) There were no held-for-trading financial assets as restrictively realizable as of the end of the reporting period.

(2) At the end of the current period, the derivative financial asset is the fair value of the futures business.

3. Notes receivables

Category	As at 31/12/2020	As at 31/12/2019
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	Book value	Provision for bad and doubtful debts	Carrying amounts	Book value	Provision for bad and doubtful debts	Carrying amounts
Bank acceptance bills	12,713,381.26	-	12,713,381.26	5,816,473.71	-	5,816,473.71
Usance letters of credit	5,120,370.58	-	5,120,370.58	4,905,927.61	-	4,905,927.61
Total	17,833,751.84	-	17,833,751.84	10,722,401.32	-	10,722,401.32

(1)The Group had no notes receivables in pledge as of the end of the reporting period.

(2)At the end of the reporting period, the Group does not have endorsed or discounted notes receivable that have not yet matured

(3)As of the end of the reporting period, the Group had no notes that were reclassified into accounts receivable due to note drawers not performing their obligations.

(4)Category by provision for bad and doubtful debts approach

Category	2020.12.31				
	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed for impairment individually	-	-	-	-	-
Assessed for impairment collectively	17,833,751.84	100.00	-	-	17,833,751.84
Including:					
Bank acceptance bills	12,713,381.26	71.29	-	-	12,713,381.26
Usance letters of credit	5,120,370.58	28.71	-	-	5,120,370.58
Total	17,833,751.84	100.00	-	-	17,833,751.84

(Continued)

Category	2019.12.31				
	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed for impairment individually	-	-	-	-	-
Assessed for impairment collectively	10,722,401.32	100.00	-	-	10,722,401.32
Including:					
Bank acceptance bills	5,816,473.71	54.25	-	-	5,816,473.71
Usance letters of credit	4,905,927.61	45.75	-	-	4,905,927.61
Total	10,722,401.32	100.00	-	-	10,722,401.32

(5) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
2019.12.31	-
Recognitions in current period	-
Recoveries or reversals in current period	-
Write off in current period	-
2020.12.31	-

4. Accounts receivable

(1) Accounts receivable by aging

Aging	2020.12.31	2019.12.31
Within 1 year	1,024,592,635.77	985,420,942.02
1 to 2 years	75,813,588.23	68,386,011.26
2 to 3 years	38,524,549.30	27,998,505.44
3 to 4 years	22,171,888.99	24,182,331.50
4 to 5 years	18,703,817.63	21,640,985.52
More than 5 years	29,143,230.13	36,361,428.76
Subtotal	1,208,949,710.05	1,163,990,204.50
Less: provision for bad and doubtful debts	141,647,768.59	142,238,771.94
Total	1,067,301,941.46	1,021,751,432.56

(2)Accounts receivable by the method of recognizing bad and doubtful debts

Category	Book value		As at 31/12/2020			Book value		As at 31/12/2019			Carrying Amount
	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Expected credit loss (%)	Carrying Amount	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Expected credit loss (%)		
Assessed for impairment individually	67,574,375.63	5.59	64,143,642.54	94.92	3,430,733.09	71,004,746.63	6.10	66,025,041.62	92.99	4,979,705.01	
Assessed for impairment collectively	1,141,375,334.42	94.41	77,504,126.05	6.79	1,063,871,208.37	1,092,985,457.87	93.90	76,213,730.32	6.97	1,016,771,727.55	
Including:											
Accounts receivable of feed and relevant customers	1,125,640,267.19	93.11	77,277,772.03	6.87	1,048,362,495.16	1,051,437,723.73	90.33	75,440,942.46	7.18	975,996,781.27	
Accounts receivable of materials trade customers	15,735,067.23	1.30	226,354.02	1.44	15,508,713.21	41,547,734.14	3.57	772,787.86	1.86	40,774,946.28	
Total	1,208,949,710.05	100.00	141,647,768.59	11.72	1,067,301,941.46	1,163,990,204.50	100.00	142,238,771.94	12.22	1,021,751,432.56	

Provision for bad and doubtful debts which were recognized individually:

Name	2020.12.31				2019.12.31			
	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision
Customer A	13,606,809.47	13,606,809.47	100.00	Estimated to be unrecoverable	13,606,809.47	13,606,809.47	100.00	Estimated to be unrecoverable
Customer B	4,801,489.19	4,801,489.19	100.00	Estimated to be unrecoverable	4,801,489.19	4,801,489.19	100.00	Estimated to be unrecoverable
Customer C	3,069,297.47	2,972,001.58	96.83	Estimated to be unrecoverable	-	-	-	-
Customer D	2,960,034.22	2,960,034.22	100.00	Estimated to be unrecoverable	-	-	-	-

Name	2020.12.31				2019.12.31			
	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision
Customer E	2,134,757.09	1,414,917.13	66.28	Estimated to be unrecoverable	-	-	-	
Remaining individual customers	41,001,988.19	38,388,390.95	93.63	Estimated to be unrecoverable	52,596,447.97	47,616,742.96	90.53	Estimated to be unrecoverable
Total	67,574,375.63	64,143,642.54	94.92	/	71,004,746.63	66,025,041.62	92.99	/

Provision for bad and doubtful debts which were recognized collectively:

Recognized collectively item 1: Accounts receivable of feed and relevant customers

	2020.12.31			2019.12.31		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	1,006,830,072.51	15,876,459.07	1.58	938,662,561.80	17,686,116.97	1.88
1 to 2 years	62,274,555.42	17,621,261.78	28.30	62,934,468.54	18,309,635.19	29.09
2 to 3 years	30,645,927.33	19,434,289.81	63.42	18,902,541.23	11,670,485.10	61.74
3 to 4 years	10,434,919.49	9,195,683.61	88.12	11,190,155.79	8,539,000.81	76.31
4 to 5 years	3,273,129.09	3,032,977.23	92.66	7,136,909.90	6,647,317.88	93.14
More than 5 years	12,181,663.35	12,117,100.53	99.47	12,611,086.47	12,588,386.51	99.82
Total	1,125,640,267.19	77,277,772.03	6.87	1,051,437,723.73	75,440,942.46	7.18

Recognized collectively item 2: Accounts receivable of material trade customers

	2020.12.31			2019.12.31		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	15,735,067.23	226,354.02	1.44	41,547,734.14	772,787.86	1.86
Total	15,735,067.23	226,354.02	1.44	41,547,734.14	772,787.86	1.86

(3) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
2019.12.31	142,238,771.94
Adjusted amount of the first implementation of new revenue standard	-
2020.01.01	142,238,771.94
Recognitions in current period	40,211,454.60
Merger in current period	1,087,935.18
Recoveries or reversals in current period	2,588,945.74
Write-off in current period	39,301,447.39
2020.12.31	141,647,768.59

Recoveries or reversals of important provision for bad and doubtful debts in current period are as follow:

Name of debtor	Reason for reversal	Recoveries approach	Original evidence for recognizing the provision for bad and doubtful debts	Recoveries or reversals amount
Customer F	Receive payment	Receive payment	High possibility of bad and doubtful debts	1,377,500.00
Total				1,377,500.00

(4) Accounts receivable actually written off in current period

Item	Write-off amount
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Item	Write-off amount
Accounts receivable actually write-off	39,301,447.39

Important accounts receivable written off are as follow:

Name of debtor	Nature of accounts receivable	Write-off amount	Reason for write-off	Approval procedures	Arising from related party transactions (Y/N)
Customer G	Payment for goods	5,540,546.52	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer H	Payment for goods	3,435,545.95	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer I	Payment for goods	2,349,031.00	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer J	Payment for goods	1,973,741.00	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer K	Payment for goods	1,946,904.34	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer L	Payment for goods	1,838,649.87	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer M	Payment for goods	1,838,141.50	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer N	Payment for goods	1,510,777.35	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer O	Payment for goods	1,026,031.00	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Total		21,459,368.53			

(5)The receivables by debtor with top five closing balance

The total accounts receivable from the top five debtors with the largest closing balance amounted to RMB 141,265,924.86, accounting for 11.69% of the total closing balance of accounts receivable, with the total corresponding closing balance of the provision for bad and doubtful debts being RMB 2,170,837.27.

(6)No accounts receivable was derecognized due to transfer of financial assets in current period.

(7)There were no such cases in current period where the Group had transferred an accounts receivable but continued to be involved in the assets or liabilities associated with that account receivable.

5. Prepayments

(1)Prepayments by aging

Aging	2020.12.31	2019.12.31
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	Amount	Percentage %	Amount	Percentage %
Within 1 year	1,868,697,396.34	99.89	450,795,490.61	99.55
1 and 2 years	1,918,859.44	0.10	1,975,201.31	0.44
2 and 3 years	126,498.30	0.01	7,641.39	0.00
More than 3 years	65,979.20	0.00	66,089.88	0.01
Total	1,870,808,733.28	100.00	452,844,423.19	100.00

Note: Prepayments over 1 year were mainly unsettled prepayment to suppliers.

(2) The prepayments by debtor with top five closing balance

The total amount of prepayments by debtor with top five closing balance was RMB 1,044,805,112.02, accounting for 55.85% of the closing balance of total prepayments.

6. Other receivables

Item	2020.12.31	2019.12.31
Interest receivable	2,807.70	8,069.14
Dividends receivable	-	-
Other receivable	732,312,378.66	186,228,309.43
Total	732,315,186.36	186,236,378.57

(1) Interest receivable

① Interests receivable by category

Item	2020.12.31	2019.12.31
Loan interests receivable	2,876.02	9,399.73
Subtotal:	2,876.02	9,399.73
Less: Provision for bad and doubtful debts	68.32	1,330.59
Total	2,807.70	8,069.14

② Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2019	1,330.59	-	-	1,330.59
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-1,262.27	-	-	-1,262.27
Reversal in current period	-	-	-	-
Sold off in current period	-	-	-	-

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Write-off in current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2020	68.32	-	-	68.32

(2) Dividends receivable

There was no dividends receivable in the Group at the end of current period.

(3) Other receivable

① Other receivable by aging

Aging	2020.12.31	2019.12.31
Within 1 year	717,969,964.39	164,410,366.39
1 to 2 years	10,582,425.49	17,427,622.50
2 to 3 years	12,423,410.50	12,151,229.39
3 to 4 years	3,519,843.01	3,715,808.56
4 to 5 years	3,519,908.56	6,240,596.78
More than 5 years	49,052,224.79	45,947,545.07
Subtotal	797,067,776.74	249,893,168.69
Less: Provision for bad and doubtful debts	64,755,398.08	63,664,859.26
Total	732,312,378.66	186,228,309.43

② Other receivable by nature

Aging	2020.12.31	2019.12.31
Petty cash	4,413,228.62	11,909,053.15
Social security advances	6,963,328.19	5,342,210.26
Security deposits	466,668,362.68	45,887,409.75
Accounts with external parties	84,314,774.71	101,221,352.84
Insurance compensation	3,292,598.32	2,953,508.09
Futures margin	227,873,691.04	62,785,183.41
Government subsidies receivable	-	17,876,735.58
Others	3,541,793.18	1,917,715.61
Total	797,067,776.74	249,893,168.69

③ Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2019	7,661,772.59	-	56,003,086.67	63,664,859.26
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-506,941.97	-	506,941.97	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-424,351.65	-	5,498,276.90	5,073,925.25
Reversal in current period	-	-	529,940.52	529,940.52
Sold off in current period	-	-	-	-
Write off in current period	29,478.82	-	3,437,636.85	3,467,115.67
Other movement	13,669.76	-	-	13,669.76
Balance at 31/12/2020	6,714,669.91	-	58,040,728.17	64,755,398.08

Provision for bad and doubtful debts as of 31/12/2019

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 31/12/2018	21,415,319.53	-	51,973,859.19	73,389,178.72
Adjusted amount of the first implementation of new financial instruments standard	-	-	-	-
Balance at 1/1/2019	21,415,319.53	-	51,973,859.19	73,389,178.72
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-8,186.63	-	8,186.63	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-13,201,823.63	-	4,698,695.04	-8,503,128.59
Reversal in current period	-	-	645,526.19	645,526.19
Sold off in current period	-	-	-	-
Write off in current period	543,536.68	-	32,128.00	575,664.68
Other movement	-	-	-	-
Balance at 31/12/2019	7,661,772.59	-	56,003,086.67	63,664,859.26

④ Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

Category	As	at	Movement in current period	As	at
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	12/31/2019	Recognitions	Recoveries or reversals	Write off	Other changes	31/12/2020
Other receivables	63,664,859.26	5,073,925.25	529,940.52	3,467,115.67	13,669.76	64,755,398.08
Total	63,664,859.26	5,073,925.25	529,940.52	3,467,115.67	13,669.76	64,755,398.08

There were no important recoveries or reversals of provision for bad and doubtful debts in current period.

⑤ Other receivables actually write-off

Item	Write-off amount
Other receivables actually write-off	3,467,115.67

Among them, other important accounts receivable write-offs are as follows:

Name of debtor	Nature of accounts receivable	Write off amount	Reason	Approval procedures	Arising from related party transactions (Y/N)
Customer A	Petty cash	1,611,878.76	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer B	Insurance compensation	1,825,758.09	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Total		3,437,636.85			

⑥ Other receivables with top five closing balance

Name of debtor	Payment nature	Book balance	Aging	Percentage of other receivables ending balance (%)	Provision for bad and doubtful debts
Customer C	Security deposit	396,860,000.00	Within 1 year	49.79	1,220,400.00
Customer D	Futures margin	66,128,660.00	Within 1 year	8.30	-
Customer E	Futures margin	52,631,688.90	Within 1 year	6.60	-
Customer F	Accounts with external party	50,163,343.35	2-5 years and above	6.29	45,373,343.35
Customer G	Futures margin	21,621,169.64	Within 1 year	2.71	-
Total	--	587,404,861.89	--	73.69	46,593,743.35

⑦ There were no other receivables associated with government subsidies as of the period-end.

⑧ No other receivables were derecognized due to transfer of financial assets in current period.

⑨ There were no such cases in current period where the Group had transferred the other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

7. Inventories

(1) Inventories by category

Item	As at 12/31/2020	As at 12/31/2019
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	Book value	Provision for impairment of inventories / Provision for impairment of contract performance costs	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw material	4,374,186,566.18	1,917,611.20	4,372,268,954.98	2,898,684,615.14	1,592,107.63	2,897,092,507.51
Work in progress	12,924,413.31	-	12,924,413.31	13,212,861.21	-	13,212,861.21
Finished goods	1,254,496,791.35	4,074,084.15	1,250,422,707.20	881,362,770.84	6,752,483.94	874,610,286.90
Include :						
Feed products	665,920,554.86	3,053,186.93	662,867,367.93	507,325,374.59	1,616,400.83	505,708,973.76
Consumable biological assets	1,619,822,930.75	3,633,816.70	1,616,189,114.05	682,176,887.52	3,773,507.71	678,403,379.81
Contract performance cost	3,545,350.39	-	3,545,350.39	-	-	-
Total	7,264,976,051.98	9,625,512.05	7,255,350,539.93	4,475,437,134.71	12,118,099.28	4,463,319,035.43

(2) Provision for impairment of inventories

Item	As at 1/1/2020	Additions during the year		Write-back during the year		As at 12/31/2020
		Provision	Others	Reversals or write-off	Others	
Raw material	1,592,107.63	1,880,253.45	37,357.75	1,592,107.63	-	1,917,611.20
Finished goods	6,752,483.94	4,074,084.15	-	6,752,483.94	-	4,074,084.15
Consumable biological assets	3,773,507.71	3,633,816.70	-	3,773,507.71	-	3,633,816.70
Total	12,118,099.28	9,588,154.30	37,357.75	12,118,099.28	-	9,625,512.05

Provision for impairment of inventories (continued)

	Evidence of net realizable value/remaining consideration and upcoming cost	Reasons for reversals or write-off of provision for impairment of inventories
Raw material		
Finished goods	Net realizable value lower than cost	Goods have been sold
Consumable biological assets	Net realizable value lower than cost	Goods have been sold
Consumable biological assets	Net realizable value lower than cost	Goods have been sold

(3) There were no capitalized borrowing costs among the closing balance of inventories

8. Assets held-for-sale

Item	As at 12/31/2020			As at 12/31/2019		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Non-current assets held-for-sale	-	-	-	33,327,600.41	4,380,811.42	28,946,788.99

Including:	-	-	-	23,951,257.04	3,148,319.68	20,802,937.36
Intangible asset	-	-	-	9,376,343.37	1,232,491.74	8,143,851.63
Construction in progress	-	-	-			
Total	-	-	-	33,327,600.41	4,380,811.42	28,946,788.99

Note: In November 2019, the Group's management resolved to sell the land use right and construction in progress to the third party due to the business adjustment. The land use right and construction in progress above proposed for sale are presented as non-current assets held-for-sale in the financial statements. The business was completed in August 2020.

(1) Provision for impairment of assets held-for-sale

Item	As at 1/1/2020	Additions during the year	Write-back during the		As at 12/31/2020
			Reversals	Sales	
Non-current assets held-for-sale	4,380,811.42	-	-	4,380,811.42	-
Including: Intangible asset	3,148,319.68	-	-	3,148,319.68	-
Construction in progress	1,232,491.74	-	-	1,232,491.74	-
Total	4,380,811.42	-	-	4,380,811.42	-

9. Non-current assets due within one year

Item	As at 12/31/2020	As at 12/31/2019
Long-term receivable due within one year	2,457,622.86	903,000.00
Total	2,457,622.86	903,000.00

10. Other current assets

Item	As at 12/31/2020	As at 12/31/2019
Rental expense	100,101,070.74	51,996,952.23
Insurance expense	4,523,272.43	3,055,795.56
Miscellaneous prepaid expense	17,205,335.40	12,264,104.51
Input VAT to be deducted and approved	88,656,028.78	95,597,765.09
Overpaid taxes and charges	22,531,258.74	14,045,826.90
Loans and advances to customers	428,423,628.90	481,129,986.87
Factoring receivables	53,196,566.67	31,526,605.54
Hedged items - procurement commitments and forex forwards	205,284,569.19	-
Others	5,286,755.60	2,279,989.82
Total	925,208,486.45	691,897,026.52

(1) Loans and advances to customers due within one year

① Category by method of guarantee

Item	As at 12/31/2020	As at 12/31/2019
Secured loans	432,397,619.44	487,225,743.79

Loan on credit	996,200.00	-
Mortgage loan	600,000.00	-
Add: Interests receivable	1,072,160.95	1,295,414.27
Subtotal	435,065,980.39	488,521,158.06
Less: Provision for impairment	6,642,351.49	7,391,171.19
Total	428,423,628.90	481,129,986.87

② Category by overdue

Item	As at 12/31/2020	As at 12/31/2019
Not overdue	433,347,669.44	486,862,626.67
1-90 days overdue	646,150.00	304,128.78
91-180 days overdue	-	58,988.34
Add: Interests receivable	1,072,160.95	1,295,414.27
Subtotal	435,065,980.39	488,521,158.06
Less: Provision for impairment	6,642,351.49	7,391,171.19
Total	428,423,628.90	481,129,986.87

(2) Factoring receivables by overdue

Item	As at 12/31/2020	As at 12/31/2019
Not overdue	54,000,000.00	32,000,000.00
Add: Interests receivable	6,666.67	15,111.17
Subtotal	54,006,666.67	32,015,111.17
Less: Provision for impairment	810,100.00	488,505.63
Total	53,196,566.67	31,526,605.54

11. Debt investments

Item	As at 12/31/2020			As at 12/31/2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Entrust loans	22,500,000.00	-	22,500,000.00	-	-	-
Other	1,033.35	-	1,033.35	-	-	-
Subtotal	22,501,033.35	-	22,501,033.35	-	-	-
Less: debt investment due within one year	-	-	-	-	-	-
Total	22,501,033.35	-	22,501,033.35	-	-	-

(1) Provision for bad and doubtful debts

Provision for bad and doubtful	Stage 1	Stage 2	Stage 3	Total
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debts	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2019	-	-	-	-
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-	-	-	-
Reversal in current period	-	-	-	-
Sold off in current period	-	-	-	-
Write off in current period	-	-	-	-
Other movement	-	-	-	-
Balance at 12/31/2020	-	-	-	-

12. Loans and advances to customers

(1) Loans and advances to customers by method of guarantee:

Item	As at 31/12/2020			As at 31/12/2019		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Secured loans	451,019,633.28	6,860,752.09	444,158,881.19	502,695,709.61	7,589,155.94	495,106,553.67
Loan on credit	14,196,200.00	183,104.12	14,013,095.88	-	-	-
Mortgage loan	600,000.00	9,101.54	590,898.46	-	-	-
Add: Interests receivable	1,108,735.08	29,654.60	1,079,080.48	1,325,299.61	20,611.06	1,304,688.55
Subtotal	466,924,568.36	7,082,612.35	459,841,956.01	504,021,009.22	7,609,767.00	496,411,242.22
Less: Due within one year	435,065,980.39	6,642,351.49	428,423,628.90	488,521,158.06	7,391,171.19	481,129,986.87
Total	31,858,587.97	440,260.86	31,418,327.11	15,499,851.16	218,595.81	15,281,255.35

(2) Loans and advances to customers by overdue:

Item	As at 31/12/2020			As at 31/12/2019		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Not overdue	465,169,683.28	7,037,597.43	458,132,085.85	502,332,592.49	7,579,700.38	494,752,892.11
1-90 days overdue	646,150.00	15,360.32	630,789.68	304,128.78	7,276.46	296,852.32
91-180 days overdue	-	-	-	58,988.34	2,179.10	56,809.24
Add: Interests receivable	1,108,735.08	29,654.60	1,079,080.48	1,325,299.61	20,611.06	1,304,688.55
Subtotal	466,924,568.36	7,082,612.35	459,841,956.01	504,021,009.22	7,609,767.00	496,411,242.22

Less: Due within one year	435,065,980.39	6,642,351.49	428,423,628.90	488,521,158.06	7,391,171.19	481,129,986.87
Total	31,858,587.97	440,260.86	31,418,327.11	15,499,851.16	218,595.81	15,281,255.35

(3) Provision for impairment of loans

Provision for impairment of loans	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Life time Expected credit losses (not occurred credit impairment)	Life time Expected credit losses (occurred credit impairment)	
Balance at 12/31/2019	7,544,961.61	55,112.82	9,692.57	7,609,767.00
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-483,891.73	-48,930.67	5,667.75	-527,154.65
Reversal in current period	-	-	-	-
Sold off in current period	-	-	-	-
Write off in current period	-	-	-	-
Due within one year and reclassify into other current assets or interests receivable	6,620,809.02	6,182.15	15,360.32	6,642,351.49
Balance at 31/12/2020	440,260.86	-	-	440,260.86

13. Long-term receivables

(1) Long-term receivables by nature

Item	As at 31/12/2020			As at 31/12/2019			Discounted rate scope
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Security deposits	98,343,124.34	-	98,343,124.34	47,382,350.48	-	47,382,350.48	
Amounts receivable by installments for subcontracting	1,806,000.00	-	1,806,000.00	2,709,000.00	-	2,709,000.00	3.43%~5.75%
Less: Unrealized financing income	228,999.69	-	228,999.69	343,499.85	-	343,499.85	
Subtotal	99,920,124.65	-	99,920,124.65	49,747,850.63	-	49,747,850.63	
Less: Long-term receivables due within one year	2,457,622.86	-	2,457,622.86	903,000.00	-	903,000.00	
Total	97,462,501.79	-	97,462,501.79	48,844,850.63	-	48,844,850.63	

Note: The closing long-term receivables primarily consisted of amounts receivable by installments for subcontracting, as well as security deposits for land rental and consumption of electricity.

- (2) There were no long-term receivables overdue in the Group.
- (3) There were no long-term receivables derecognized in the Group in current period.
- (4) There were no such cases in current period where the Group had transferred a long-term receivable but continued to be involved in the assets or liabilities associated with that long-term receivable.

14. Long-term equity investments

Investee	Balance as at 12/31/2019	Movements during the year							Balance as at 31/12/2020	provisi on for impair ment as at 31/12/ 2020	
		Increase in capital	Decrease in capital	Investment income recognized by equity method	Other comprehen -sive income	Other equity moveme nts	Declared distribution of cash dividends or profits	Provisio n- for impairm ent			Other
Associates											
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	10,481,292.13	-	-	-2,637,154.77	-	-	-	-	-	7,844,137.36	-
Guizhou Fuhai Chemicals Co, Ltd.	24,729,171.02	-	-	2,221,341.77	-	-	-4,500,000.00	-	-	22,450,512.79	-
Bangbu Seed Technology Co., Ltd.	6,124,603.77	-	-	-956,315.91	-	-	-	-	-	5,168,287.86	-
Qingdao Nongken Beidahuang Trade Development Co., Ltd.	12,727,428.93	-	-	-1,816,886.83	-	-	-	-	-	10,910,542.10	-
Vietnam Haid Yingtaogu Co., Ltd.	8,552,195.50	5,214,384.00	-	265,031.39	-	-	-	-	-939,211.32	13,092,399.57	-
Subtotal	62,614,691.35	5,214,384.00	-	-2,923,984.35	-	-	-4,500,000.00	-	-939,211.32	59,465,879.68	-
Total	62,614,691.35	5,214,384.00	-	-2,923,984.35	-	-	-4,500,000.00	-	-939,211.32	59,465,879.68	-

Note:

(1) All the investees above are all associated companies.

(2) During the reporting period, none of the long-term equity investments' recoverable amount was lower than the carrying value, thus no provision for impairment of long-term equity investments was recognized.

15. Other non-current financial assets

Category	As at 2020.12.31	As at 2019.12.31
Equity instrument investments	254,417,562.64	255,521,350.00
Total	254,417,562.64	255,521,350.00

16. Investment properties

Item	Buildings	Land use rights	Total
I. Total original book value			
1. As at 31/12/2019	31,499,058.57	3,753,132.26	35,252,190.83
2. Additions during the year	-	-	-
(1) Purchases	-	-	-
3. Decrease during the year	-	332,641.68	332,641.68
(1) Translation of foreign currency financial statements.	-	332,641.68	332,641.68
4. As at 31/12/2020	31,499,058.57	3,420,490.58	34,919,549.15
II. Total accumulated depreciation or amortization			
1. As at 31/12/2019	4,606,688.12	-	4,606,688.12
2. Additions during the year	886,374.79	-	886,374.79
(1) Depreciation or amortization	886,374.79	-	886,374.79
3. Decrease during the year	-	-	-
(1) Disposals	-	-	-
4. As at 31/12/2020	5,493,062.91	-	5,493,062.91
III. Provision for impairment			
1. As at 31/12/2019	-	-	-
2. Additions during the year	-	-	-
3. Decrease during the year	-	-	-
4. As at 31/12/2020	-	-	-
IV. Carrying amount			
1. As at 31/12/2020	26,005,995.66	3,420,490.58	29,426,486.24
2. As at 31/12/2019	26,892,370.45	3,753,132.26	30,645,502.71

(1) Investment properties without ownership certificates

Item	Carrying amount	Reason for pending
Buildings	2,799,497.99	In progress

17. Fixed assets

Item	As at 31/12/2020	As at 31/12/2019
Fixed assets	7,703,420,944.97	6,291,692,310.64
Fixed assets pending for disposal	117,992.84	6,636,031.77
Total	7,703,538,937.81	6,298,328,342.41

(1) Fixed assets

① Details of fixed assets

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
I. Original book value:						
1. As at 31/12/2019	4,200,192,512.56	4,165,533,431.92	242,660,599.14	281,022,090.55	176,438,922.66	9,065,847,556.83
2. Additions during the year	1,011,872,871.48	926,813,006.58	55,462,460.16	77,086,809.02	86,968,576.77	2,158,203,724.01
(1) Purchases	108,620,251.32	179,305,151.37	47,706,649.97	50,463,945.53	43,879,045.44	429,975,043.63
(2) Additions due to business combinations	857,423,162.63	720,161,211.47	6,995,213.20	24,228,560.17	38,078,628.09	1,646,886,775.56
(3) Increase in corporation mergers	41,166,516.93	22,590,962.85	471,185.51	2,284,762.04	4,884,489.66	71,397,916.99
(4) Financial lease	4,662,940.60	4,755,680.89	289,411.48	109,541.28	126,413.58	9,943,987.83
3. Decrease during the year	35,835,659.53	48,181,448.30	15,132,419.99	11,228,458.65	8,398,080.43	118,776,066.90
(1) Disposals or write-offs	10,147,549.17	23,950,356.32	12,822,869.36	10,229,950.57	7,571,990.35	64,722,715.77
(2) Translation of foreign currency financial statements.	25,688,110.36	24,231,091.98	2,309,550.63	998,508.08	826,090.08	54,053,351.13
4. As at 31/12/2020	5,176,229,724.51	5,044,164,990.20	282,990,639.31	346,880,440.92	255,009,419.00	11,105,275,213.94
II. Accumulated depreciation:						
1. As at 31/12/2019	869,095,793.10	1,507,384,848.37	131,854,068.73	173,575,646.76	91,262,638.05	2,773,172,995.01
2. Additions during the year	172,464,507.45	402,955,332.91	31,878,027.46	51,701,606.13	32,740,470.84	691,739,944.79
(1) Provision	171,741,602.40	399,889,713.25	31,743,790.15	50,831,167.76	32,094,183.50	686,300,457.06
(2) Increase in corporation mergers	722,905.05	3,065,619.66	134,237.31	870,438.37	646,287.34	5,439,487.73
3. Decrease during the year	7,780,611.62	21,666,763.32	13,560,277.11	10,128,377.71	10,612,978.18	63,749,007.94
(1) Disposals or write-offs	5,353,768.26	16,288,882.60	12,423,846.50	9,878,829.62	10,357,802.89	54,303,129.87
(2) Translation of foreign currency financial statements.	2,426,843.36	5,377,880.72	1,136,430.61	249,548.09	255,175.29	9,445,878.07
4. As at 31/12/2020	1,033,779,688.93	1,888,673,417.96	150,171,819.08	215,148,875.18	113,390,130.71	3,401,163,931.86
III. Provision for impairment:						
1. As at 31/12/2019	690,337.11	291,914.07	-	-	-	982,251.18

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
2. Additions during the year	-	-	-	-	-	-
(1)Provision	-	-	-	-	-	-
3. Decrease during the year	-	291,914.07	-	-	-	291,914.07
(1)Disposals or write-offs	-	291,914.07	-	-	-	291,914.07
4. As at 31/12/2020	690,337.11	-	-	-	-	690,337.11
IV. Carrying amount:						
1. As at 31/12/2020	4,141,759,698.47	3,155,491,572.24	132,818,820.23	131,731,565.74	141,619,288.29	7,703,420,944.97
2. As at 31/12/2019	3,330,406,382.35	2,657,856,669.48	110,806,530.41	107,446,443.79	85,176,284.61	6,291,692,310.64

② Temporarily idle fixed assets

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Note
House and building	6,211,311.26	3,488,826.43	-	2,722,484.83	
Machinery equipment	7,365,278.97	6,204,227.58	-	1,161,051.39	
Transportation equipment	3,002,465.00	2,143,181.16	-	859,283.84	
Electronic equipment	613,801.01	495,634.07	-	118,166.94	
Other	231,520.46	219,454.24	-	12,066.22	
Total	17,424,376.70	12,551,323.48	-	4,873,053.22	

③ Fixed assets acquired under financial lease

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
House and building	23,147,542.00	1,238,954.69	-	21,908,587.31
Machinery equipment	13,761,063.98	1,320,795.56	-	12,440,268.42
Transportation equipment	523,999.20	80,566.93	-	443,432.27
Electronic equipment	309,511.40	112,853.33	-	196,658.07
Other	312,722.31	57,317.66	-	255,404.65
Total	38,054,838.89	2,810,488.17	-	35,244,350.72

④ There were no fixed assets leased out under operating leases in current period.

⑤ Fixed assets without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
House and building	597,614,839.30	No ownership certificates for rented buildings on collective and state-owned land
House and building	696,951,789.40	In progress

(2) Fixed assets pending for disposal

Item	As at 31/12/2020	As at 31/12/2019	Reasons for disposals
House and building	-	5,965,842.35	They have already been scrapped
Machinery equipment	117,198.52	666,282.21	They have already been scrapped
Transportation equipment	-	3,518.26	They have already been scrapped
Electronic equipment	794.32	388.95	They have already been scrapped
Total	117,992.84	6,636,031.77	

18. Construction in progress

Item	As at 31/12/2020	As at 31/12/2019
Construction in progress	1,591,741,924.42	657,751,195.76
Construction materials	-	-
Total	1,591,741,924.42	657,751,195.76

(1) Construction in progress

① Construction in progress

Project	As at 31/12/2020			As at 31/12/2019		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Supporting construction for animal health projects	4,951,128.17	-	4,951,128.17	45,604,630.63	-	45,604,630.63
Supporting construction for feed projects	915,008,905.03	-	915,008,905.03	455,083,690.75	-	455,083,690.75
Supporting construction for farming projects	647,941,235.32	-	647,941,235.32	132,598,897.60	-	132,598,897.60
Supporting construction for other projects	23,840,655.90	-	23,840,655.90	24,463,976.78	-	24,463,976.78
Total	1,591,741,924.42	-	1,591,741,924.42	657,751,195.76	-	657,751,195.76

② Movements of major construction in progress

Project	As at 31/12/2019	Additions	Transfers to fixed assets	Transfers to intangible assets	Transfers to Investment real estate	Transfers to other long-term assets	Other decreases	As at 31/12/2020	Accumulated capitalized interest	Including: interest capitalized in 2020	Interest rate for capitalization in 2020 (%)	Capital source
Supporting construction for animal health projects	45,604,630.63	39,091,770.10	83,713,450.73	768,750.00	-	-	-	214,200.00	-	-	-	自筹
Supporting construction for feed projects	433,111,695.41	1,237,191,622.41	857,065,221.21	921,500.00	-	-	-	812,316,596.61	16,503,627.81	16,503,627.81	4.40	PE. self-raised
Supporting construction for farming projects	113,799,058.01	951,229,990.32	461,797,548.16	-	-	-	-	603,231,500.17	-	-	-	self-raised

Project	As at 31/12/2019	Additions	Transfers to fixed assets	Transfers to intangible assets	Tran sfe rs to Inves tmen t real estat e	Transfers to other long-term assets	Ot her dec rea ses	As at 31/12/2020	Accumulated capitalized interest	Including: interest capitalized in 2020	Interest rate for capitali zation in 2020 (%)	Capital source
Supporting construction for other projects	19,384,268.98	59,420,998.75	27,706,825.06	25,478,405.95	-	9,247,903.64	-	16,372,133.08	-	-	-	self-raised
Total	611,899,653.03	2,286,934,381.58	1,430,283,045.16	27,168,655.95	-	9,247,903.64	-	1,432,134,429.86	16,503,627.81	16,503,627.81	-	-

Note:

There was no provision for impairment of construction in progress in the current period.

19. Productive biological assets

(1) Measured by cost

Item	Animal husbandry	Aquaculture		Total
	boar	seed shrimp	Fingerling	
I. Original book value				
1. As at 31/12/2019	169,667,767.38	7,361,865.13	2,414,057.23	179,443,689.74
2. Additions during the year	357,800,403.38	28,784,005.80	10,574,557.75	397,158,966.93
(1) Purchase	113,333,590.11	10,086,626.47	5,259,590.60	128,679,807.18
(2) Self-cultivated	244,466,813.27	18,662,533.23	5,311,586.66	268,440,933.16
(3) Additions due to business combinations	-	34,846.10	3,380.49	38,226.59
3. Decrease during the year	213,603,963.62	21,992,903.51	5,633,098.30	241,229,965.43
(1) Dispose	207,201,187.17	20,310,931.84	4,967,324.33	232,479,443.34
(2) Other decrease	6,402,776.45	1,681,971.67	665,773.97	8,750,522.09
4. As at 31/12/2020	313,864,207.14	14,152,967.42	7,355,516.68	335,372,691.24
II Accumulated depreciation				
1. As at 31/12/2019	12,052,872.82	1,334,849.05	783,880.59	14,171,602.46
2. Additions during the year	60,686,956.42	21,280,247.23	1,986,596.45	83,953,800.10
(1) Provision	60,686,956.42	21,280,247.23	1,986,596.45	83,953,800.10
3. Decrease during the year	27,302,634.67	19,754,216.60	1,898,072.02	48,954,923.29
(1) Provision	27,271,267.43	19,730,219.29	1,799,320.92	48,800,807.64
(2) Other decrease	31,367.24	23,997.31	98,751.10	154,115.65
4. As at 31/12/2020	45,437,194.57	2,860,879.68	872,405.02	49,170,479.27
III Provision for impairment				
1. As at 31/12/2019	-	-	-	-
2. Additions during the year	-	-	-	-
(1) Provision	-	-	-	-
3. Decrease during the year	-	-	-	-
(1) Disposals	-	-	-	-
4. As at 31/12/2020	-	-	-	-
IV Carrying amount				
As at 31/12/2020	268,427,012.57	11,292,087.74	6,483,111.66	286,202,211.97
As at 31/12/2019	157,614,894.56	6,027,016.08	1,630,176.64	165,272,087.28

(2) There were no productive biological assets measured at fair value in current period.

20. Intangible assets

(1) Intangible assets

Item	Land use rights	Patented technologies	Software use rights and trademark rights	Non-patented technologies	Other including marketing network	Total
I. Original book value						
1. As at 31/12/2019	925,823,197.77	32,845,525.49	231,721,698.93	177,897,459.35	64,071,447.75	1,432,359,329.29
2. Additions during the year	169,346,578.76	67,366.04	30,414,602.79	15,644,649.34	-	215,473,196.93
(1) Purchase	150,846,274.60	60,396.04	2,630,936.84	2,808,415.84	-	156,346,023.32
(2) Additions due to business combinations	18,500,304.16	6,970.00	-	-	-	18,507,274.16
(3) Transfers from Internal R&D	-	-	-	12,836,233.50	-	12,836,233.50
(4) Transfers from constructions in progress	-	-	27,783,665.95	-	-	27,783,665.95
3. Decrease during the year	12,938,972.71	-	243,762.28	3,184,335.06	-	16,367,070.05
(1) Disposals	6,902,062.37	-	197,444.90	3,184,335.06	-	10,283,842.33
(2) Translation of foreign currency financial statements	6,036,910.34	-	46,317.38	-	-	6,083,227.72
4. As at 31/12/2020	1,082,230,803.82	32,912,891.53	261,892,539.44	190,357,773.63	64,071,447.75	1,631,465,456.17
II. Accumulated depreciation						
1. As at 31/12/2019	99,617,109.17	9,923,854.18	74,862,583.42	99,224,384.11	14,541,414.00	298,169,344.88
2. Additions during the year	21,848,825.16	2,143,814.14	25,131,429.13	13,103,222.55	6,604,004.50	68,831,295.48
(1) Provision	20,848,149.82	2,143,814.14	25,131,429.13	13,103,222.55	6,604,004.50	67,830,620.14
(2) Additions due to business combinations	1,000,675.34	-	-	-	-	1,000,675.34
3. Decrease during the year	1,371,169.45	-	180,661.80	1,512,559.41	-	3,064,390.66
(1) Disposals	1,285,955.91	-	168,683.53	1,512,559.41	-	2,967,198.85
(2) Translation of foreign currency financial statements	85,213.54	-	11,978.27	-	-	97,191.81
4. As at 31/12/2020	120,094,764.88	12,067,668.32	99,813,350.75	110,815,047.25	21,145,418.50	363,936,249.70
III. Provision for impairment						

Item	Land use rights	Patented technologies	Software use rights and trademark rights	Non-patented technologies	Other including marketing network	Total
1. As at 31/12/2019	-	-	-	11,979,620.36	-	11,979,620.36
2. Additions during the year	-	-	-	-	-	-
(1)Provision	-	-	-	-	-	-
3. Decrease during the year	-	-	-	1,671,775.65	-	1,671,775.65
(1)Disposals	-	-	-	1,671,775.65	-	1,671,775.65
4. As at 31/12/2020	-	-	-	10,307,844.71	-	10,307,844.71
IV. Carrying amount						
1. As at 31/12/2020	962,136,038.94	20,845,223.21	162,079,188.69	69,234,881.67	42,926,029.25	1,257,221,361.76
2. As at 31/12/2019	826,206,088.60	22,921,671.31	156,859,115.51	66,693,454.88	49,530,033.75	1,122,210,364.05

Note: The carrying amount of intangible assets arising from internal research and development is 10.18% of the total carrying amount of intangible assets at the period end.

(2)Land use rights without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
Land use rights	40,571,364.65	In progress

21. Development costs

Project	As at 31/12/2019	Additions during the year		Decrease during the year		As at 31/12/2020
		Internal development	Others	Recognized as intangible assets	Recognized in profit or loss	
Development of animal healthcare products and healthy cultivation models	10,929,792.40	88,450,471.94	-	12,836,233.50	80,537,925.66	6,006,105.18
Development of domestic animal selected farming technology	3,984,627.16	45,608,456.90	-	-	42,128,927.49	7,464,156.57
Development and application of feed formulation technology	-	190,762,746.17	-	-	190,762,746.17	-
Development and application of feed additives	-	96,243,377.65	-	-	96,243,377.65	-
Development of comprehensive platform	-	69,730,796.06	-	-	69,633,708.68	97,087.38
Total	14,914,419.56	490,795,848.72	-	12,836,233.50	479,306,685.65	13,567,349.13

22. Goodwill

(1) Book value of goodwill

Name of investee	As at 31/12/2019	Additions during the year		Decrease during the year		As at 31/12/2020
		Business combination	Disposals	Effect of translation of foreign currency statement		
Guangzhou Runchuan	50,000.00	-	-	-	-	50,000.00
Taizhou Haid	578,247.88	-	-	-	-	578,247.88
Guangzhou Haihe	76,663.70	-	-	-	-	76,663.70
Dongguan Haid	2,831,241.61	-	-	-	-	2,831,241.61
Sanshuifanling	4,841,934.68	-	-	-	-	4,841,934.68
Dalian Haid	32,178.11	-	-	-	-	32,178.11
Qingyuan Bairong	1,218,130.86	-	-	-	-	1,218,130.86
Zhanjiang Hiseno	4,100,845.79	-	-	-	-	4,100,845.79
Panasia Trading	43,831,392.33	-	-	2,835,513.23	-	40,995,879.10
Hisenor Vietnam	5,651,044.58	-	-	365,573.87	-	5,285,470.71
Kaifeng Haid	8,838,854.56	-	-	-	-	8,838,854.56
Guangzhou Heshengtang Pharmaceutical	127,116.22	-	-	-	-	127,116.22
Haid Livestock Veterinary Research Institute	5,809,578.76	-	-	-	-	5,809,578.76
Hunan Innovation	19,210,769.76	-	-	-	-	19,210,769.76

Name of investee	As at 31/12/2019	Additions during the year		Decrease during the year		As at 31/12/2020
		Business combination	Disposals	Effect of translation of foreign currency statement		
Sichuan Hailinger	76,410,471.64	-	-	-	-	76,410,471.64
Jiaxing Haid	8,312,415.28	-	-	-	-	8,312,415.28
Rongcheng Yandunjiao	33,087.10	-	-	-	-	33,087.10
Shandong Daxin	115,902,036.20	-	-	-	-	115,902,036.20
Hunan Jinhuilong	2,400,475.64	-	-	-	-	2,400,475.64
Feicheng Heruifeng	57,092,523.20	-	-	-	-	57,092,523.20
Weifang Xuheng	30,507,361.78	-	-	-	-	30,507,361.78
Jianong Lianyungang	587,209.55	-	-	-	-	587,209.55
Xinjiang Ruiliheng	1,411,040.63	-	-	-	-	1,411,040.63
Kembang Subur International	348,676.61	-	-	22,556.36	-	326,120.25
Gaotang Huayu	1,455,358.51	-	-	-	-	1,455,358.51
Zhongshan Yugezhi	-	9,620,427.34	-	-	-	9,620,427.34
Gaozhou Haiyuan	-	2,799,980.27	-	-	-	2,799,980.27
Yunnan Zhonggui	-	3,088,765.62	-	-	-	3,088,765.62
Taiwan Shenlong	-	2,894,297.40	-	226,735.98	-	2,667,561.42
Qingdao Runguiyuan	-	220,674.27	-	-	-	220,674.27
Wujia Canal Tai Kun	-	822,363.32	-	-	-	822,363.32
Guam Xingyuan	-	4,981,792.73	-	208,632.37	-	4,773,160.36
Hainan Zhuangmei	-	1,999,796.32	-	-	-	1,999,796.32
Jiangxi Jiabo	-	17,826,753.49	-	-	-	17,826,753.49
Total	391,658,654.98	44,254,850.76	-	3,659,011.81	-	432,254,493.93

Note 1: When acquiring the non-controlling interests of a subsidiary, the Company records goodwill at the amount by which the paid combination cost exceeds the Company's share of the fair value of the acquiree's identifiable net assets obtained in the combination.

The goodwill of RMB 50,000.00 on Guangzhou Runchuan: The Company acquired 10% shares in Guangzhou Runchuan at the cost of RMB 50,000.00 in September 2006, while the Company's share of the fair value of Guangzhou Runchuan's identifiable net assets were RMB -29,095.34. Because the Company had borne all the loss of this subsidiary when it acquired 90% shares in Guangzhou Runchuan under common control in May 2004, the above acquisition cost of RMB 50,000.00 was recognized in goodwill.

The goodwill of RMB 578,247.88 on Taizhou Haid: When acquiring 25% shares in Taizhou Haid in September 2006, the Company recorded goodwill at RMB 578,247.88, the amount by which the acquisition cost exceeded the Company's share of the fair value of Taizhou Haid's identifiable net assets.

The goodwill of RMB 76,663.70 on Guangzhou Haihe: When acquiring 10% non-controlling shares in Guangzhou Haihe on March 31, 2007, the Company recorded goodwill at RMB 76,663.70, the amount by which the acquisition cost exceeded the Company's share of the fair value of Guangzhou Haihe's identifiable net assets.

Note 2: In a business combination involving enterprises not under common control, the Company records goodwill at the amount by which the paid combination cost exceeds the Company's share of the acquiree's owners' equity.

The goodwill of RMB 2,831,241.61 on Dongguan Haid: When acquiring 68% shares in Dongguan Haid from a non-related party on May 20, 2007, the Company recorded goodwill at the amount by which the investment cost of RMB 6,800,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 4,841,934.68 on Sanshuifanling: When acquiring 100% shares in Sanshuifanling from a non-related party in April 2010, the Company recorded goodwill at the amount by which the investment cost of RMB 15,000,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 32,178.11 on Dalian Rongchuan: When acquiring 60% shares in Sanshuifanling from a non-related party in May 2010, the Company recorded goodwill at the amount by which the investment cost of RMB 30,000,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 1,218,130.86 on Qingyuan Bairong: When acquiring 70% shares in Qingyuan Bairong from a non-related party in January 2010, the Company recorded goodwill at the amount by which the investment cost of RMB 1,500,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 4,100,845.79 on Zhanjiang Hisenor: When the Company's subsidiary Guangzhou Haid acquired 70% shares in Zhanjiang Hisenor (49% from the Company and 21% from non-controlling interests) in January 2010, the amount by which Guangzhou Haid's investment cost of RMB 1,370,000.00 exceeded its share of the acquiree's owners' equity was recorded in goodwill.

The goodwill of RMB 40,995,879.10 on Panasia Trading: When the Company's subsidiary Haid International acquired a stake in Panasia Trading in February 2012, the amount by which Haid International's investment cost of USD15.80 million exceeded its share of the acquiree's owners' equity was recorded in goodwill, with the effects of the translation of the investee's foreign-currency-denominated financial statements caused by exchange rate fluctuations after the acquisition.

The goodwill of RMB 5,285,470.71 on Hisenor Vietnam: When the Company's subsidiary Hisenor International acquired shares in Hisenor Vietnam in June 2013, the amount by which Hisenor International's investment cost of USD 1.14 million exceeded its share of the acquiree's owners' equity was recorded in goodwill, with the effects of the translation of the investee's foreign-currency-denominated financial statements caused by exchange rate fluctuations after the acquisition.

The goodwill of RMB 8,838,854.56 on Kaifeng Haid: When acquiring shares in Kaifeng Haid in March 2013, the Company recorded goodwill at the amount by which the investment cost of RMB 12,382,353.63 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 127,116.22 on Guangzhou Heshengtang Pharmaceutical: When acquiring shares in Guangzhou Heshengtang Pharmaceutical in February 2013, the Company recorded goodwill at the amount by which the investment cost of RMB 2,330,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 5,809,578.76 on Haid Livestock Veterinary Research Institute: When acquiring shares in Haid Livestock Veterinary Research Institute in March 2013, the Company recorded goodwill at the amount by which the investment cost of RMB 50,500,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 19,210,769.76 on Hunan Innovation: When acquiring shares in Hunan Innovative in August 2015, the Company recorded goodwill at the amount by which the investment cost of RMB 1,000,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 76,410,471.64 on Sichuan Hailinger: When acquiring shares in Sichuan Hailinger in June 2015, the Company recorded goodwill at the amount by which the investment cost of RMB 107,200,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 8,312,415.28 on Jiaxing Haid: When acquiring shares in Jiaxing Haid in February 2016, the Company recorded goodwill at the amount by which the investment cost of RMB 14,400,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 33,087.10 on Rongcheng Yandunjiao: When acquiring shares in Rongcheng Yandunjiao in September 2016, the Company recorded goodwill at the amount by which the investment cost of RMB

18,308,000.00 exceeded the Company's share of the acquiree's owners' equity obtained in the acquisition.

The goodwill of RMB 115,902,036.20 on Shandong Daxin: When acquiring shares in Shandong Daxin in December 2017, the Company recorded goodwill at the amount by which the investment cost of RMB 286,431,719.46 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 2,400,475.64 on Hunan Jinhuilong: When acquiring shares in Hunan Jinhuilong in December 2017, the Company recorded goodwill at the amount by which the investment cost of RMB 31,620,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 57,092,523.20 on Feicheng Heruifeng: When acquiring shares in Feicheng Heruifeng in June 2018, the Company recorded goodwill at the amount by which the investment cost of RMB 200,370,280.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 30,507,361.78 on Weifang Xuheng: When acquiring shares in Weifang Xuheng in June 2018, the Company recorded goodwill at the amount by which the investment cost of RMB 50,319,300.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 587,209.55 on Jianong Lianyungang: When acquiring shares in Jianong Lianyungang in August 2018, the Company recorded goodwill at the amount by which the investment cost of RMB 2.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 1,411,040.63 on Xinjiang Ruiliheng: When acquiring shares in Xinjiang Ruiliheng in October 2018, the Company recorded goodwill at the amount by which the investment cost of RMB 11,000,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB 343,028.78 on Kembang Subur International: When acquiring shares in Kembang Subur International in November 2018, the Company recorded goodwill at the amount by which the investment cost of USD 112,150.00 exceeded the Company's shares of the acquiree's owners' equity, with the effects of the translation of the investee's foreign-currency-denominated financial statements caused by exchange rate fluctuations after the acquisition.

The goodwill of RMB 1,455,358.51 on Gaotang Huayu: When acquiring shares in Xinjiang Ruiliheng in August 2019, the Company recorded goodwill at the amount by which the investment cost of RMB 1,000,000.00 exceeded the Company's share of the acquiree's owners' equity.

The goodwill of RMB9,620,427.34 on Zhongshan Yugezi : When the company's subsidiary Guangzhou Ronghai acquired the equity of the Company in April 2020, the goodwill was generated by the difference of the investment amount of RMB 8,808,005.00 exceeded the share of Guangzhou Ronghai in the owner's equity of the company

The goodwill of RMB 2,799,980.27 on Gaozhou Haiyuan : When the company's subsidiary Guangzhou Yidu acquired the equity of the company in May 2020 , the goodwill was generated by the difference of the investment amount of RMB 12,800,000.00 exceeded the share of Guangzhou Yidu in the owner's equity of the company.

The goodwill of RMB 3,088,765.62 on Yunnan Zhonggui: When the company's subsidiary Sichuan Haile acquired the equity of the company in September 2020, the goodwill was generated by the difference of the investment amount of RMB 4,000,000.00 exceeded the share of Sichuan Haile in the owner's equity of the company.

The goodwill of RMB 2,667,561.42 on Taiwan Shenglong: When Dingsheng International, a subsidiary of the company, acquired the equity of the company in September 2019, the goodwill was generated by the difference of the investment amount of US \$9,850 exceeded the share of Dingsheng International in the owner's equity of the company, as well as the translation effect of foreign currency statements caused by exchange rate fluctuations after the investment. Dingsheng International was acquired by Pan-Asia Trading, a subsidiary of the Company, in July 2020.

The goodwill of RMB 220,674.27 on Qingdao Runguiyuan: When Shandong Daxin, a subsidiary of the company, acquired the equity of the company in October 2020 , the goodwill was generated by the difference of the investment amount of RMB 10,000,000.00 exceeded Shandong Daxin's share in the owner's equity of the

company.

The goodwill of RMB 822,363.32 on Wujiaqu Taikun: When Guangzhou Haida, a subsidiary of the company, acquired the equity of the company in October 2020, the goodwill was generated by the difference of the investment amount of RMB 40,000,000.00 exceeded the share of Guangzhou Haida in the owner's equity of the company.

The goodwill of RMB 4,773,160.36 on Guam Xingyuan: When the subsidiary of the company, Lankin Company, acquired the equity of the company in October 2020, the goodwill was generated by the difference of the investment amount of US \$2,400,000.00 exceeded the share of Lankin Company in the owner's equity of the company, as well as the translation effect of foreign currency statements caused by exchange rate fluctuations after the investment.

The goodwill of RMB 1,999,796.32 on Hainan Zhuangmei: When the Company acquired the equity of Hainan Zhuangmei in November 2020, the goodwill was generated by the difference of the investment amount of RMB 10,500,000.00 exceeded the share of the company in the owner's equity of Hainan Zhuangmei Company.

The goodwill of RMB 17,826,753.49 on Jiangxi Jiabo: When the Company acquired the equity of Jiangxi Jiabo in December 2020, the goodwill was generated by the difference of the investment amount of RMB 34,800,000.00 exceeded the share of the Company in the owner's equity of Jiangxi Jiabo Company.

Note 3: Performance commitment regarding Shandong Daxin and performance results

④ Performance commitment

According to the Equity Transfer Agreement entered into on September 14, 2017 between the Company as well as Jianbing Liu, Haibo Yu, Yuqin Wang, Fei Xing, Xianlai Duan and Mingjun Yang, the transferors Jianbing Liu, Haibo Yu, Yuqin Wang, Xianlai Duan and Mingjun Yang undertook that the net income of Shandong Daxin shall not be lower than RMB 50 million in 2017; that the aggregated net income of Shandong Daxin shall not be lower than RMB 105 million in 2017 and 2018; that the aggregated net income of Shandong Daxin shall not be lower than RMB 165 million in 2017, 2018 and 2019; and that the aggregated net income of Shandong Daxin shall not be lower than RMB 230 million in 2017, 2018, 2019 and 2020, otherwise they shall compensate the Company for the gap, with the total net compensation amount subject to an upper limit of the total equity transaction price. Net income refers to the consolidated net income attributable to owners of Shandong Daxin during the commitment period (the lower when deducting the non-operating gains and losses).

② Performance results

Abbreviation of company name	Year	Promised net income (RMB 0,000)	Actual net income (RMB 0,000)	Gap (RMB 0,000)	Fulfillment ratio
Shandong Daxin	2017-2020	23,000.00	23,463.36	463.36	102.01%
	2017-2019	16,500.00	15,123.84	-1,376.16	91.66%
	2017-2018	10,500.00	10,724.14	224.14	102.13%
	2017	5,000.00	6,435.63	1,435.63	128.71%

According to the performance commitment of Shandong Daxin as of this year, the original equity transferor of Shandong Daxin should pay performance compensation of RMB 17.88 million to the Group.

(2) Provision for impairment of goodwill

Name of investee or events from which goodwill arose	As at 31/12/2019	Additions during the year		Decreases during the year		As at 31/12/2020
		Provision	Disposal	Disposal	Effect of translation of foreign currency statement	

Name of investee or events from which goodwill arose	As at 31/12/2019	Additions during the year		Decreases during the year		As at 31/12/2020
		Provision	Disposal	Effect of translation of foreign currency statement		
Guangzhou Runchuan	50,000.00	-	-	-	-	50,000.00
Guangzhou Haihe	76,663.70	-	-	-	-	76,663.70
Hisenor Vietnam	5,651,044.58	-	-	365,573.87	-	5,285,470.71
Hunan Innovation	4,038,440.41	-	-	-	-	4,038,440.41
Sichuan Hailinger	29,097,040.15	47,313,431.49	-	-	-	76,410,471.64
Shandong Daxin	3,328,423.01	-	-	-	-	3,328,423.01
Kembang Subur International	348,676.61	-	-	22,556.36	-	326,120.25
Total	42,590,288.46	47,313,431.49	-	388,130.23	-	89,515,589.72

Note: The Group calculates the recoverable amounts by discounting the expected future cash flows, which was prepared by management based on the past performance and expectation for future market development. As of December 31, 2020, according to the impairment test results, the Group recognized provision for impairment of goodwill of RMB89,515,589.72 (RMB 42,590,288.46 as of December 31, 2019).

23. Long-term deferred expenses

Item	As at 31/12/2019	Additions during the year		Decreases during the year		As at 31/12/2020
				Amortization for the year	Other decreases	
Rental expense	151,617,382.56	72,360,206.18	-	35,637,948.55	894,614.30	187,445,025.89
Expense on obtaining operation rights of contracted assets	29,962,931.50	42,311,816.50	-	4,961,818.53	-	67,312,929.47
Improvement and decoration expense	35,986,350.36	47,490,679.93	-	14,166,550.62	287,737.66	69,022,742.01
Forest restoration expense	14,834,690.58	2,482,719.00	-	671,987.48	2,652,940.00	13,992,482.10
Other	8,924,512.74	8,644,738.56	-	3,267,247.57	-	14,302,003.73
Total	241,325,867.74	173,290,160.17	-	58,705,552.75	3,835,291.96	352,075,183.20

24. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities not offsetting

Item	As at 31/12/2020		As at 31/12/2019	
	Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities	Deductible or taxable temporary differences	Deferred tax assets/ deferred tax liabilities
Deferred tax assets::				
Loss of credit impairment	138,921,952.44	32,888,648.51	126,548,284.38	28,227,053.90
Provisions for impairment of assets	23,814,285.24	5,740,330.78	33,207,405.61	6,494,998.79
Organization cost	8,784,920.98	2,034,918.79	17,230,681.38	208,759.57
Depreciation	11,069,066.59	1,415,505.54	10,329,774.13	1,314,044.77
Amortization	731,666.16	182,916.54	1,056,851.12	264,212.78

Deductible losses	2,163,768,530.29	484,696,699.44	1,286,774,412.92	310,060,089.71
Accrued expense	13,407,319.34	3,351,829.84	11,342,976.96	2,835,744.25
Unrealized profits of intra-group transactions	219,517,725.56	44,186,349.12	277,163,923.78	39,778,231.42
Gain/Loss on movements in fair value	127,097,729.19	27,709,235.30	2,633,510.00	658,377.50
Deferred income	89,999,628.29	18,824,041.39	66,891,484.52	14,833,177.56
Payroll payable	169,131,166.48	37,621,819.87	149,723,509.39	31,933,727.69
Equity incentive	676,949,591.63	169,237,397.91	574,227,900.48	143,556,975.12
Deductible advertising expense carryforwards	17,587,415.81	4,396,853.94	10,917,596.70	2,729,399.18
Accrued sales discounts	149,839,403.75	14,799,670.00	90,253,291.04	9,025,329.10
Subtotal	3,810,620,401.75	847,086,216.97	2,658,301,602.41	591,920,121.34
Deferred tax liabilities:				
Gain/Loss on movements in fair value	228,897,739.19	44,682,800.80	19,183,065.85	4,795,766.46
Depreciation	379,382,641.29	80,403,963.51	247,347,574.66	52,176,147.65
Amortization	24,188,668.89	6,047,167.23	30,349,837.94	7,587,459.49
Increase in value upon valuation	188,769,598.56	43,269,769.48	209,312,372.67	48,183,352.95
Subtotal	821,238,647.93	174,403,701.02	506,192,851.12	112,742,726.55

(2) Details of unrecognized deferred tax assets

Item	As at 31/12/2020	As at 31/12/2019
Deductible losses	144,584,036.17	35,976,457.45
Provision for impairment of assets	58,538,725.19	82,840,232.16
Employee compensation	8,353,687.89	-
Total	211,476,449.25	118,816,689.61

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

Year	As at 31/12/2020	As at 31/12/2019	Note
2020	—	3,795.68	
2021	3,132,846.62	1,828,632.52	
2022	11,929,560.83	280,822.15	
2023	20,697,223.41	1,573,881.61	
2024	30,265,049.25	32,289,325.49	
2025	78,559,356.06	—	
Total	144,584,036.17	35,976,457.45	

25. Other non-current assets

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayments for equipment and constructions	280,118,141.28	-	280,118,141.28	166,177,606.84	-	166,177,606.84

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayments for acquisition of other long-term assets	93,509,145.42	-	93,509,145.42	99,498,252.15	-	99,498,252.15
Other	-	-	-	1,049.85	-	1,049.85
Total	373,627,286.70	-	373,627,286.70	265,676,908.84	-	265,676,908.84

26. Short-term loans

(1) Short-term loans by category

Item	As at 31/12/2020	As at 31/12/2019
Unsecured loans	4,676,901,111.98	2,986,128,344.11
Pledged loans	-	34,763,660.07
Guaranteed loan	49,034,130.71	-
Mortgage loan / Guaranteed loan	10,013,342.47	-
Total	4,735,948,585.16	3,020,892,004.18

Note: Unsecured loans included guaranteed loans provided by inter-group members.

(2) There were no overdue short-term loans as of the end of current period.

27. Held-for-trading financial liabilities

Item	As at 31/12/2020	As at 31/12/2019
Held-for-trading financial liabilities	127,446,229.19	2,633,510.00
Including: Derivative financial liabilities	127,446,229.19	2,633,510.00
Total	127,446,229.19	2,633,510.00

28. Accounts payable

Item	As at 31/12/2020	As at 31/12/2019
Accounts payable with aging within one year	1,990,164,665.15	1,883,388,667.22
Accounts payable with aging over one year	70,385,872.39	33,666,673.63
Total	2,060,550,537.54	1,917,055,340.85

Significant accounts payable with aging over one year

Item	Ending balance	Reason for unsettledness or carry-forward
Payables for construction and equipment	16,209,792.44	工程未结算
Payables for land	4,200,820.91	未到结算期
Total	20,410,613.35	—

29. Advances from customers

Item	As at 31/12/2020	As at 31/12/2019
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Item	As at 31/12/2020	As at 31/12/2019
Advances from customers with aging within one year	-	1,502,639,044.74
Advances from customers with aging over one year	-	45,644,410.47
Total	-	1,548,283,455.21

30. Contract liability

Item	As at 31/12/2020	As at 1/1/2020	As at 31/12/2019
Advances from customers	1,889,338,880.88	1,539,648,813.53	—
Less: Contract liabilities included in other non-current liabilities	-	-	—
Total	1,889,338,880.88	1,539,648,813.53	—

31. Employee benefits payable

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Short-term employee benefits	690,568,775.74	3,220,132,224.05	2,985,156,849.62	925,544,150.17
Post-employment benefits - defined contribution plans	553,054.60	21,134,115.55	21,338,005.36	349,164.79
Termination benefits	434,195.39	3,391,129.73	3,825,325.12	-
Other benefits due within one year	-	-	-	-
Total	691,556,025.73	3,244,657,469.33	3,010,320,180.10	925,893,314.96

(1) Short-term employee benefits

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Salaries, bonus, allowances	574,472,464.69	2,823,286,603.78	2,677,991,412.48	719,767,655.99
Staff welfare	6,337,513.39	109,229,539.63	107,702,918.78	7,864,134.24
Social insurances	194,373.97	54,724,181.25	54,689,414.24	229,140.98
Including: 1. Medical insurance	140,926.85	48,594,284.75	48,535,273.28	199,938.32
2. Work-related injury insurance	15,471.53	467,628.36	477,749.09	5,350.80
3. Maternity insurance	8,103.80	3,962,674.26	3,961,811.38	8,966.68
4. Serious disease subsidies	29,871.79	1,699,593.88	1,714,580.49	14,885.18
Housing Fund	164,425.97	25,667,438.88	25,688,153.31	143,711.54
Labor union fees	683,861.17	5,201,684.44	5,246,662.08	638,883.53
staff and workers' education fee	640,902.54	15,565,868.22	15,159,570.46	1,047,200.30
Short-term profit-sharing plan	108,075,234.01	186,456,907.85	98,678,718.27	195,853,423.59
Total	690,568,775.74	3,220,132,224.05	2,985,156,849.62	925,544,150.17

(2) Defined contribution plans

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Post-employment benefits	553,054.60	21,134,115.55	21,338,005.36	349,164.79
Including: 1. Basic pension insurance	531,051.10	20,083,502.22	20,293,635.09	320,918.23

2. Unemployment insurance	22,003.50	1,050,613.33	1,044,370.27	28,246.56
3. Annuity	-	-	-	-
Total	553,054.60	21,134,115.55	21,338,005.36	349,164.79

32. Taxes payable

Item	As at 31/12/2020	As at 31/12/2019
VAT	6,280,230.51	9,247,173.60
City construction tax	337,770.52	765,087.96
Corporate income tax	172,770,882.92	82,666,938.07
Individual income tax	4,304,103.02	5,544,728.31
Property tax	2,709,861.99	2,892,647.29
Stamp tax	3,606,318.33	2,288,272.68
Educational surcharges	232,316.28	568,667.34
Land use tax	2,329,632.97	1,927,824.05
Environmental protection tax	346,869.32	290,612.29
Water resource tax	290,983.10	156,829.20
Tax withheld	423,390.20	41,032.83
Land value increment tax	2,300,739.71	-
Others	274,989.74	166,247.17
Total	196,208,088.61	106,556,060.79

33. Other payables

Item	As at 31/12/2020	As at 31/12/2019
Interests payable	-	-
Dividends payable	2,591,473.50	1,159,042.39
Other payables	453,963,606.42	380,924,072.47
Total	456,555,079.92	382,083,114.86

(1) Dividends payable

Item	As at 31/12/2020	As at 31/12/2019
Dividends payable to non-controlling interests	2,591,473.50	1,159,042.39
Total	2,591,473.50	1,159,042.39

(2) Other payables

Item	As at 31/12/2020	As at 31/12/2019
Security deposits	163,769,853.98	145,908,823.22
Petty cash	4,495,532.45	4,168,645.75
Rents	983,040.00	6,327,233.03
Payables for equity transfer	33,876,735.58	16,544,482.25
Payables to external parties	165,410,639.21	30,726,278.01

Item	As at 31/12/2020	As at 31/12/2019
Restricted stock repurchase commitments	81,320,516.40	172,540,566.20
Other	4,107,288.80	4,708,044.01
Total	453,963,606.42	380,924,072.47

Significant other payables aging over 1 year

Item	As at 31/12/2020	Reason for no repayment
Payables for equity transfer	5,000,000.00	Payment conditions unmet
Security deposits	18,000,000.00	Execution of contract unfinished
Intercourse funds of external company	4,999,373.61	The agreed payment time unmet
Total	27,999,373.61	—

34. Non-current liabilities due within one year

Item	As at 31/12/2020	As at 31/12/2019
Long-term payables due within one year	66,411,370.52	48,838,331.24
Long-term loan due within one year	75,994,320.47	-
Total	142,405,690.99	48,838,331.24

(1) Long-term payables due within one year

Item	As at 31/12/2020	As at 31/12/2019
Obligations under financial leases	1,439,506.75	4,749,031.24
Obligations under equity transfers	64,971,863.77	44,089,300.00
Total	66,411,370.52	48,838,331.24

35. Other current liabilities

Item	As at 31/12/2020	As at 31/12/2019
Utilities	42,990,068.27	34,988,014.06
Steam or other fuel or power charges	20,915,537.18	19,669,806.62
Transportation and warehousing charges	13,212,391.40	15,167,471.95
Office and meeting service charges	17,246,465.16	13,346,945.97
Travel charges	13,405,957.70	14,114,721.54
Rents	1,662,366.94	1,637,155.75
Vehicle charges	13,975,940.98	12,681,404.97
R&D charges	2,276,863.65	1,981,360.04
Business promotion charges	8,746,542.74	8,992,606.94
Maintenance charges	3,961,870.06	3,638,528.04
Entrusted cultivation charges	133,529,321.45	35,389,281.96
Output VAT to be transferred	23,331,128.25	10,575,734.84
Other	19,312,262.57	15,778,854.73
Total	314,566,716.35	187,961,887.41

36. Long-term loans

Item	As at 31/12/2020	As at 31/12/2019
Unsecured loans	1,237,399,020.47	821,661,042.98
Subtotal	1,237,399,020.47	821,661,042.98
Less: long-term loans due within one year	75,994,320.47	-
Total	1,161,404,700.00	821,661,042.98

Note: Unsecured loans included guaranteed loans provided by inter-group members

37. Debentures payable

Item	As at 31/12/2020	As at 31/12/2019
Convertible corporate bonds - Haid convertible bonds	-	-
Total	-	-

(1) Changes in increase or decrease of debentures payable

Bond name	Face value	Issuing date	Bond period	Issuing value of bond
Haid convertible bonds	2,830,000,000.00	3/19/2020	6 years	2,830,000,000.00
Total	—	—	—	2,830,000,000.00

Debentures payable (continued)

Bond name	As at 31/12/2019	Issue in current period	Provision for interest based on face value	Amortization of premiums or discounts	Repayment in current period	Other	As at 31/12/2020
Haid convertible bonds	-	2,811,852,802.08	394,550,397.50	-327,397,902.50	6,181,755.23	2,872,823,541.85	-
Total	-	2,811,852,802.08	394,550,397.50	-327,397,902.50	6,181,755.23	2,872,823,541.85	-

(2) Convertible bonds

According to <Approval on the Public Issuance of Convertible Corporate Bonds of Guangdong Haid Group Co., Limited > issued by China Securities Regulatory Commission (CSRC [2020] No. 205), the Company publicly issued 28.30 million Convertible Corporate Bonds on March 19, 2020, with a face value of RMB100 per share and a total amount of RMB 2.83 billion, with a bond period of six years.

The coupon interest rate of the convertible company bonds issued by the Company is 0.20% in the first year, 0.40% in the second year, 0.80% in the third year, 1.20% in the fourth year, 1.50% in the fifth year and 2.00% in the sixth year. The interest is paid annually. The principal and the interest of the last year will be returned at maturity. The Conversion Period commences on the first trading day (September 25, 2020) since 6 months after issuance date (March 25, 2020) and ends on the trading day prior to the maturity date of the Convertible Company Bonds (March 18, 2026, which may be postponed later in case of holidays) (inclusive March 18, 2026). Holders may apply for a share transfer during the conversion period.

The initial conversion price of the convertible bonds upon issuance is RMB 35.09 per share. After the Company implements the plan of paying a cash dividend of RMB 0.35 per share for 2019 on May 11, 2020, the initial conversion price of the convertible bonds is accordingly adjusted to RMB 34.74 per share.

The Company has fully redeemed the Haida Convertible Bonds registered in Shenzhen Branch of China Securities Registration and Clearing Corporation Limited on December 23, 2020 as of the close of the market on the redemption registration date (December 22, 2020) in accordance with the conditional redemption terms agreed in the <Prospectus for the Public Issuance of Convertible Corporate Bonds of Guangdong Haid Group Co.,

Ltd>. Since December 23, 2020, Haid Convertible Bonds will be stopped trading and share transfer.

38. Long-term payables

Item	As at 31/12/2020	As at 31/12/2019
Long-term payables	36,320,489.48	85,596,111.44
Special payables	-	-
Total	36,320,489.48	85,596,111.44

(1) Long-term payables

Item	As at 31/12/2020	As at 31/12/2019
Guarantee deposit	3,193,032.00	-
Obligations under equity transfers	65,592,900.00	109,682,249.52
Obligations under finance leases	85,230,343.66	73,731,910.96
Less: Unrecognized financing costs	51,284,415.66	48,979,717.80
Subtotal	102,731,860.00	134,434,442.68
Less: long-term payables due within one year	66,411,370.52	48,838,331.24
Total	36,320,489.48	85,596,111.44

39. Long-term employee benefits payable

Item	As at 31/12/2020	As at 31/12/2019
Post-employment benefits-net liabilities of defined benefit plans	-	-
Dismissal benefits	-	-
Long-term profit sharing plans	340,744,368.88	174,154,018.26
Subtotal	340,744,368.88	174,154,018.26
Less: Long-term employee benefits payable due within one year	195,853,423.59	108,075,234.01
Total	144,890,945.29	66,078,784.25

40. Deferred income

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020	Reason for deferral
Government grant	118,923,567.14	141,994,026.41	63,217,540.97	197,700,052.58	Receipt of government grant
Rent income	1,462,947.92	9,357,253.21	6,186,803.27	4,633,397.86	Conditions for revenue recognition unmet
Total	120,386,515.06	151,351,279.62	69,404,344.24	202,333,450.44	—

Note: For the government grant which was recognized as deferred income, refer to Note V. 69. Government grant.

41. Share capital (Unit: share)

Item	As at 31/12/2019	Movements during the year (+, -)	As at 31/12/2020
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		New issuance	Bonus issuance	Shares as dividend converted from public reserves	Other	Subtotal	
Total shares	1,580,357,494.00	81,284,614.00	-	-	-431,357.00	80,853,257.00	1,661,210,751.00

Note: Changes in capital stock during this reporting period are the number of convertible corporate bonds issued by the Company in 2020 for share transfer, and the number of stock options in the equity incentive plan for repurchase of vested but unlocked restricted stock shares due to employee resignation or termination of labor contract relationship in 2020.

42. Other equity instruments

A statement of changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period:

Outstanding financial instrument	As at 31/12/2019		Additions during the year		Reductions during the year		As at 31/12/2020	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Convertible bonds	-	-	28,300,000.00	¥9,250,704.58	¥8,300,000.00	¥9,250,704.58	-	-
Total	-	-	28,300,000.00	¥9,250,704.58	¥8,300,000.00	¥9,250,704.58	-	-

43. Capital reserve

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Share premium(Note 1)	1,746,596,608.73	2,822,376,653.88	12,658,219.47	4,556,315,043.14
Other capital reserves(Note 2)	372,195,497.70	142,448,592.60	29,038,068.64	485,606,021.66
Total	2,118,792,106.43	2,964,825,246.48	41,696,288.11	5,041,921,064.80

Note 1: Reasons for the changes in share premium

- ① The increases in share premium in current period primarily consisted of unlocking of restricted stock since other capital reserves is transferred to share premium, the share of the net assets of the subsidiary shall be enjoyed by the minority shareholders if the sale price is greater than the transfer point or the share of the net assets of the subsidiary shall be enjoyed by the minority shareholders if the purchase price is less than the transfer point, as well as the premium generated by the current conversion of a convertible corporate bond.
- ② The decreases in share premium in current period were primarily incurred by the repurchase of restricted shares granted to employees but still in lockup due to the employees' resignation, and the portion by which the payments for acquisition of equity interests in subsidiaries from non-controlling interests exceeded the Company's shares of the subsidiaries' net assets on the transfer days.

Note 2: Reasons for the changes in other capital reserves

- ① The increases in other capital reserves in current period primarily consisted of the share-based payments with equity instruments attributable to the parent company in the implementation of share option and restricted share incentives (refer to XI), and the deferred income tax assets on the amount by which the deductible amount in the exercise of share options under the equity incentive plan exceeded the recognized costs during the pending period being directly charged to other capital reserves.
- ② The decreases in other capital reserves in current period were primarily incurred by the reclassification into share premium due to the exercise of incentive share options and the unlocking of restricted shares.

44. Treasury stock

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Restricted stock repurchase commitments	172,540,566.20	84,029,816.25	91,220,049.80	165,350,332.65

Note:

- ① The increase in the current period is the Company repurchase the Company's shares in the stock incentive plan or the amount paid by the employee stock ownership plan in the current year.
- ② The decrease in current period was primarily incurred by equity distribution and the repurchase of restricted shares granted to employees but still in lockup due to the distribution of interest or employees' resignation or the termination of the labor contracts with the employees.

45. Other comprehensive income

Item	As at 31/12/2019	Movements during the year					As at 31/12/2020
		Before-tax amount	Less: previously recognized amount transferred to profit or loss	Less: income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
I. Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
II. Items that may be reclassified to profit or loss	5,292,263.90	-111,562,601.99	-	-	-111,778,611.97	216,009.98	-106,486,348.07
Including: Translation differences arising from translation of foreign currency financial statements	5,292,263.90	-111,562,601.99	-	-	-111,778,611.97	216,009.98	-106,486,348.07
Total	5,292,263.90	-111,562,601.99	-	-	-111,778,611.97	216,009.98	-106,486,348.07

Note: Net-of-tax amount of other comprehensive income during the year 2020 is RMB -111,562,601.99, in which net-of-tax amount of other comprehensive income attributable to shareholders of the Company is RMB -111,778,611.97, and net-of-tax amount of other comprehensive income attributable to non-controlling interests is RMB 216,009.98.

46. Surplus reserve

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Statutory surplus	634,407,803.71	4,255,096.69	-	638,662,900.40
Total	634,407,803.71	4,255,096.69	-	638,662,900.40

Note: Per the Company's Articles of Association, 10% of its net income in 2020, i.e. RMB 4,255,096.69, was appropriated to statutory surplus reserves.

47. General Risk Preparation

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
General risk allowance	-	7,814,011.67	-	7,814,011.67

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Total	-	7,814,011.67	-	7,814,011.67

48. Retained earnings

Item	Year ended 31/12/2020	Year ended 31/12/2019	Appropriation or distribution percentage
Retained earnings as at 31/12/2019 (before adjustment)	4,937,480,629.17	3,878,656,406.43	
Total adjustments for opening retained earnings("+" for increase; "-" for decrease)	-	-	
Retained earnings as at 01/01/2020 (after adjustment)	4,937,480,629.17	3,878,656,406.43	
Add: Net profits for the year attributable to shareholders of the Company	2,522,730,419.35	1,648,762,579.59	
Less: Appropriation for statutory surplus reserve	4,255,096.69	115,677,076.65	10%
Appropriation for general risk preparation	7,814,011.67	-	1.5%
Dividends converted to general share capital	553,125,122.90	474,261,280.20	
Retained earnings as at 31/12/2020	6,895,016,817.26	4,937,480,629.17	

49. Operating income and operating cost

(1) Operating income and operating cost

Item	Year ended 31/12/2020		Year ended 31/12/2019	
	Income	Cost	Income	Cost
Principal activities	60,248,134,396.34	53,261,861,655.15	47,500,436,847.20	42,157,645,399.36
Other operating activities	75,728,009.60	29,918,004.28	112,150,617.30	65,766,517.74
Total	60,323,862,405.94	53,291,779,659.43	47,612,587,464.50	42,223,411,917.10

(2) Operating income and operating cost by products

Main product category	Year ended 31/12/2020		Year ended 31/12/2019	
	Income	Cost	Income	Cost
Feed sales	48,765,213,907.42	43,734,476,976.26	38,985,186,067.96	34,759,643,284.59
Animal healthcare products sales	664,662,163.91	328,469,521.22	574,064,192.41	263,811,700.51
Agricultural sales	6,368,085,797.46	4,941,457,315.68	2,741,203,586.44	2,124,251,939.55
Trade business	4,404,959,107.51	4,257,457,841.99	5,199,456,961.28	5,043,647,623.86
Other	120,941,429.64	29,918,004.28	112,676,656.41	32,057,368.59
Total	60,323,862,405.94	53,291,779,659.43	47,612,587,464.50	42,223,411,917.10

(3) Operating break down information

	Year ended 31/12/2020			
	Feed, animal healthcare and raw material	Agricultural products	Other	Total
Operating income from principal activities	53,834,835,178.84	6,368,085,797.46	45,213,420.04	60,248,134,396.34
Including: Satisfied at a point in time	53,834,835,178.84	6,368,085,797.46	-	60,202,920,976.30

	Year ended 31/12/2020			
	Feed, animal healthcare and raw material	Agricultural products	Other	Total
Satisfied over time	-	-	45,213,420.04	45,213,420.04
Operating income from other operating activities	-	-	75,728,009.60	75,728,009.60
Including: lease revenues	-	-	21,996,782.30	21,996,782.30
Total	53,834,835,178.84	6,368,085,797.46	120,941,429.64	60,323,862,405.94

50. Taxes and surcharges

Item	Year ended 31/12/2020	Year ended 31/12/2019
Urban maintenance and construction tax	4,075,835.54	4,107,302.77
Educational surcharge	1,930,702.47	1,902,068.76
Local educational surcharge	1,277,046.94	1,299,302.38
Stamp duty	25,068,969.92	18,975,794.55
Property tax	21,563,712.23	19,473,225.38
Land usage tax	12,166,594.45	12,197,005.15
Environmental protection tax	1,263,877.94	1,271,587.28
Other	1,520,386.47	1,389,806.54
Total	68,867,125.96	60,616,092.81

Note: For the criteria of taxes and surcharges accrued and paid, please refer to Note IV. Taxation

51. Selling and distribution expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019
Employee compensation	1,010,588,509.02	856,430,622.49
Product transportation charges and port charges	-	359,351,749.43
Travel expense	175,899,395.76	186,973,876.54
Business promotion expense	114,351,620.05	113,085,943.18
Equity incentive expense	1,473,501.35	3,868,403.14
Other	40,531,730.23	42,985,904.73
Total	1,342,844,756.41	1,562,696,499.51

52. General and administrative expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019
Employee compensation	987,515,640.42	708,884,901.71
Travel expense	70,095,181.65	64,588,567.02
Office expense	353,712,524.41	275,391,481.30
Training and consulting service charges	74,345,439.88	69,493,506.96
Equity incentive expense	5,159,815.35	10,620,351.90
Other	68,143,857.79	61,767,360.26
Total	1,558,972,459.50	1,190,746,169.15

53. Research and development expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019
Labor	272,940,113.91	212,584,892.45
Materials	103,370,380.46	104,914,562.32
Travel expense	19,817,323.91	20,054,034.21
Office expense	70,735,663.51	60,539,207.70
Training and consulting service charges	1,712,236.41	3,019,861.03
Expense on R&D entrusted to external parties	7,839,627.72	10,243,252.16
Equity incentive expense	1,297,602.27	2,835,008.26
Other	1,593,737.46	1,819,141.59
Total	479,306,685.65	416,009,959.72

54. Financial expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019
Total interest expenses	226,613,261.69	226,706,748.45
Less: Interest income	27,826,287.56	32,415,237.75
Add: Net exchange losses/gains	10,007,855.13	-14,343,205.96
Add: Unrecognized financing costs	9,720,347.85	6,914,507.61
Add: Bank charges	17,724,082.85	25,087,077.18
Total	236,239,259.96	211,949,889.53

55. Other income

Item (Source of other income)	Year ended 31/12/2020	Year ended 31/12/2019	Related to assets/ income
Government grant related to daily operating activities	99,595,317.97	51,358,583.55	Related to assets/ income
Other items arising in the daily operating activities that should be charged directly to other income	2,317,269.08	987,561.31	—
Total	101,912,587.05	52,346,144.86	—

Note: For the details of government grant, refer to Note X. 69. Government grant.

56. Investment income

Item	Year ended 31/12/2020	Year ended 31/12/2019
Income from long-term equity investments accounted for using the equity method	-2,612,715.19	13,127,173.32
Investment income from disposal of long-term equity investments	-	21,411,361.70
Investment income from holding held-for-trading financial assets	36,350,510.06	115,951,864.28
Interest income from debt investments	19,042.58	1,112.64
Investment income from holding other non-current financial assets	1,291,116.49	5,168,056.73
Investment income from disposal of other non-current financial assets	694,685.05	4,382,680.28
Investment income from holding held-for-trading financial assets	-33,667,472.50	-

Item	Year ended 31/12/2020	Year ended 31/12/2019
Including: Investment income from derivative instruments with specified hedging relationship	-14,183,532.86	-
Total	2,075,166.49	160,042,248.95

57. Gains/ (losses) from changes in fair value

Source of the changes in fair value	Year ended 31/12/2020	Year ended 31/12/2019
Held-for-trading financial assets	80,310,028.27	-39,635,272.73
Including: Financial assets at fair value through profit or loss	-	-
Held-for-trading financial liabilities	-88,245,250.58	43,638,280.00
Including: Financial liabilities at fair value through profit or loss	-	-
Hedging instrument-Changes in fair value of derivatives instruments with invalid hedging	-13,547,952.73	-
Other	-4,045,037.00	4,045,037.00
Total	-11,980,259.31	8,048,044.27

58. Credit losses ("-" for losses)

Item	Year ended 31/12/2020	Year ended 31/12/2019
Impairment losses of receivables	-42,374,842.39	-16,680,157.14
Impairment losses of Loans and factoring	205,560.28	-5,975,691.63
Impairment losses of guarantee	-1,245,676.01	-413,332.80
Total	-43,414,958.12	-23,069,181.57

59. Impairment losses ("-" for losses)

Item	Year ended 31/12/2020	Year ended 31/12/2019
Inventories	-9,588,154.30	-12,085,993.23
Assets held-for-sale	-	-4,380,811.42
Goodwill	-47,313,431.49	-33,720,425.64
Total	-56,901,585.79	-50,187,230.29

60. Gains from assets disposal

Item	Year ended 31/12/2020	Year ended 31/12/2019
Gains from disposals of non-current assets held-for-sale (losses as in "-")	113,554.14	-
Gains from disposals of fixed assets (losses as in "-")	6,714,581.54	3,880,771.91
Gains from disposals of intangible assets (losses as in "-")	2,334,750.00	-
Gains from disposals of long-term deferred expense (losses as in "-")	85,385.70	-
Total	9,248,271.38	3,880,771.91

61. Non-operating income

Item	Year ended 31/12/2020	Year ended 31/12/2019	Amount included in non-recurring gains or losses for the year ended 31/12/2020
Gain on disposal of non-current assets resulted from damage or obsolescence	60,155.04	215,203.19	60,155.04
Government grants	-	2,000.00	-
Insurance compensation	8,160,094.05	5,135,237.02	8,160,094.05
Debt repayment income	3,776,372.56	4,919,652.84	3,776,372.56
Negative goodwill	1,749,131.53	3,199,250.94	1,749,131.53
Compensation of performance commitment	-	17,876,735.58	-
Default income	6,682,969.31	-	6,682,969.31
Other	3,891,392.76	3,249,831.07	3,891,392.76
Total	24,320,115.25	34,597,910.64	24,320,115.25

62. Non-operating expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019	Amount included in non-recurring gains or losses for the year ended 31/12/2020
Gain on disposal of non-current assets resulted from damage or obsolescence	18,643,555.48	26,206,721.14	18,643,555.48
Donations	31,550,826.13	2,330,135.98	31,550,826.13
Compensation of performance commitment	17,876,735.58	-	17,876,735.58
Other	18,725,953.86	10,257,072.12	18,725,953.86
Total	86,797,071.05	38,793,929.24	86,797,071.05

63. Income tax expenses

(1) Details of income tax expenses

Item	Year ended 31/12/2020	Year ended 31/12/2019
Current tax expense for the year based on tax law and regulations	493,152,622.73	334,571,473.63
Changes in deferred tax assets/liabilities	-58,649,045.63	-30,056,863.47
Total	434,503,577.10	304,514,610.16

(2) Reconciliation between income tax expenses and accounting profit:

Item	Year ended 31/12/2020	Year ended 31/12/2019
Profits/losses before tax	3,284,314,724.93	2,094,021,716.21
Expected income tax expenses at applicable tax rate	821,078,681.23	523,505,429.05
Effect of different tax rates applied by subsidiaries	-335,646,101.31	-196,971,755.96
Adjustment to income tax of previous years	3,327,292.34	238,890.05
Effect of non-taxable income	-63,860,700.11	-14,544,839.78
Effect of non-deductible costs, expenses and losses	22,178,311.43	20,900,452.99
Effect on opening balance of deferred tax due to changes in tax rate	-1,688,613.08	-129,469.10

Item	Year ended 31/12/2020	Year ended 31/12/2019
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in previous	-8,794,630.89	-388,696.16
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this year	31,055,309.92	3,670,152.02
Effect of research and development expenses over-deduction	-33,145,972.43	-31,765,552.95
Income tax expenses	434,503,577.10	304,514,610.16

64. Cash flow statement

(1) Cash received from other operating activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
Operating receivables and payables	430,071,365.41	585,240,127.90
Fiscal subsidies	199,595,690.02	104,810,902.32
Interest income of deposit	23,913,724.13	32,180,350.15
Other	17,324,948.37	20,803,343.77
Total	670,905,727.93	743,034,724.14

(2) Cash paid for other operating activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
Operating receivables and payables	677,762,677.97	298,141,321.18
Other expense	847,822,279.83	1,134,521,719.06
Total	1,525,584,957.80	1,432,663,040.24

(3) Cash received from other investing activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
Collection of deposit of long-term assets	200,000.00	-
Total	200,000.00	-

(4) Cash paid for other investing activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
Deposit of acquisitions of long-term assets	17,008,201.42	1,023,267.79
Total	17,008,201.42	1,023,267.79

(5) Cash received from other financing activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
Bills, loans, deposit of letter of credit	13,142,656.84	168,624.69
Receive loans from external correspondents	37,223,600.00	-
Other	1,112.78	-
Total	50,367,369.62	168,624.69

(6) Cash paid for other financing activities

Item	Year ended 31/12/2020	Year ended 31/12/2019
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Item	Year ended 31/12/2020	Year ended 31/12/2019
Bills, loans, deposit of letter of credit	24,940,961.50	15,994,918.82
Dividends expense	-	196,265.24
Restricted stock repurchase	3,022,110.16	7,044,613.60
Payment for financial leasing	6,771,396.53	7,438,452.90
Payment for acquisition of non-controlling interest in current and previous year	25,297,344.40	10,694,778.06
Expense of convertible loans	2,331,641.76	5,326,186.94
Payment for loans and interests of external correspondents	27,223,600.00	-
Securities repurchase funds	84,029,816.25	-
Other	53,130.54	-
Total	173,670,001.14	46,695,215.56

65. Supplementary information on cash flow statement

(1) Supplement to cash flow statement

Item	Year ended 31/12/2020	Year ended 31/12/2019
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	2,849,811,147.83	1,789,507,106.05
Add: Provisions for impairment losses	56,901,585.79	50,187,230.29
Provisions for credit losses	43,414,958.12	23,069,181.57
Depreciation of fixed assets, depreciation of right of use assets, depreciation of investment properties, depletion of oil and gas assets, and depreciation of productive biological assets	771,140,631.95	549,894,405.14
Amortization of intangible assets	67,652,048.18	61,022,280.26
Amortization of long-term deferred expenses	58,705,552.75	51,163,824.69
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	-9,248,271.38	-3,880,771.91
Loss from scrapping of fixed assets ("-" for gains)	14,940,135.41	15,471,990.78
Loss from scrapping of productive biological assets ("-" for gains)	3,643,265.03	10,519,527.17
Losses from changes in fair value ("-" for gains)	11,980,259.31	-8,048,044.27
Financial expenses ("-" for income)	236,333,609.54	233,621,256.06
Losses arising from investment ("-" for gains)	-2,075,166.49	-160,042,248.95
Decrease in deferred tax assets ("-" for increase)	-119,089,827.20	-85,015,523.04
Increase in deferred tax liabilities ("-" for decrease)	61,660,974.47	9,990,710.06
Decrease in gross inventories ("-" for increase)	-2,645,107,984.57	275,591,834.58
Decrease in operating receivables ("-" for increase)	-209,234,160.74	5,946,433.30
Increase in operating payables ("-" for decrease)	-794,679,036.78	357,503,096.39
Expense of equity incentive	8,320,604.84	18,216,085.30
Other	80,188,905.97	52,262,331.61
Net cash flows from operating activities	485,259,232.03	3,246,980,705.08
2. Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	-	-

Item	Year ended 31/12/2020	Year ended 31/12/2019
Convertible bonds due within one year	-	-
Acquisition of fixed assets under finance leases	-	-
3. Change in cash and cash equivalents:		
Cash as at 31/12/2020	2,010,888,021.43	1,824,265,608.78
Less: cash as at 31/12/2019	1,824,265,608.78	1,728,167,759.86
Add: cash equivalents as at 31/12/2020	-	-
Less: cash equivalents as at 31/12/2019	-	430,000,000.00
Net increase/decrease in cash and cash equivalents	186,622,412.65	-333,902,151.08

(2) Net cash flows from acquisition of subsidiaries during the year

Item	Year ended 31/12/2020
Cash or cash equivalents paid in current period for business combinations incurred during the year	126,259,319.50
Including: Zhongshan Yugezi	8,808,000.00
Gaozhou Haiyuan	12,800,000.00
Ding Sheng International	7,079.50
Yunan Zhonggui	4,000,000.00
Guam Xingyuan	16,344,240.00
Qingdao Runguiyuan	10,000,000.00
Tycoon Wujiaqu	40,000,000.00
Hainan Zhuangmei	9,500,000.00
Jiangxi Jiabo	24,800,000.00
Less: Cash and cash equivalents held by the subsidiaries on acquisition dates	33,237,366.47
Including: Zhongshan Yugezi	271,344.70
Ding Sheng International	2,249,187.87
Yunan Zhonggui	1,384,952.35
Guam Xingyuan	275,429.66
Qingdao Runguiyuan	2,701,491.48
Tycoon Wujiaqu	21,702,674.22
Hainan Zhuangmei	20,562.26
Jiangxi Jiabo	4,631,723.93
Add: Cash or cash equivalents paid in Current Period for business combinations incurred in prior periods	37,964,364.42
Including: Shandong Daxin	26,212,564.42
Alaer Ruitai Biological Protein Co., Ltd.	11,751,800.00
Add: Cash or cash equivalents paid in Current Period for business combinations not occurred	2,000,000.00
Including: Ganzhou Lianduoli Feed Technology Co., Ltd	2,000,000.00
Net cash flows for acquisition of subsidiaries	132,986,317.45

(3) Details of cash and cash equivalents

Item	Year ended 31/12/2020	Year ended 31/12/2019
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Item	Year ended 31/12/2020	Year ended 31/12/2019
1. Cash	2,010,888,021.43	1,824,265,608.78
Including: Cash on hand	575,655.36	1,127,806.04
Bank deposits available on demand	1,764,778,953.29	1,786,779,910.34
Other monetary funds available on demand	245,533,412.78	36,357,892.40
Cash at central bank available on demand	-	-
Amounts due from banks	-	-
Loans to banks	-	-
2. Cash equivalents	-	-
Including: Bond investments with a maturity of 3 months or less	-	-
3. Cash and cash equivalents as at 31/12/2020	2,010,888,021.43	1,824,265,608.78
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-

66. Assets with restricted ownership or use right

Item	As at 31/12/2020	Reason for restriction
Cash at bank and on hand	41,670,856.73	Deposits of land remediation, letter of credit, customs duty, loan
Fixed assets	24,620,273.77	Loan collateral
Total	66,291,130.50	

67. Monetary items in foreign currencies

(1) Monetary Items in foreign currencies

Item	Balance in foreign currency as at 31/12/2020	Exchange rate	Balance translated to RMB as at 31/12/2020
Cash at bank and on hand	—	—	377,252,566.53
Including: USD	26,554,039.51	6.524900	173,262,452.41
VND	562,308,387,309.00	0.000283	158,907,098.48
EGP	6,514,314.50	0.414806	2,702,177.43
IDR	19,337,894,340.67	0.000464	8,980,628.27
MYR	1,806,535.58	1.617259	2,921,636.64
INR	331,090,831.13	0.089144	29,514,783.31
TWD	4,150,195.00	0.232228	963,789.99
Bills receivable	—	—	5,120,370.58
Including: VND	57,439,275.00	0.089144	5,120,370.58
Accounts receivable	—	—	417,036,658.89
Including: USD	810,762.99	6.524900	5,290,147.51
VND	1,090,168,490,019.00	0.000283	308,079,188.38
IDR	100,078,518,082.25	0.000464	46,477,033.63
MYR	2,061,758.48	1.617259	3,334,398.27
INR	560,056,920.82	0.089144	49,925,751.80
TWD	16,923,650.00	0.232228	3,930,139.30
Other receivables	—	—	24,606,813.64

Item	Balance in foreign currency as at 31/12/2020	Exchange rate	Balance translated to RMB as at 31/12/2020
Including: USD	3,420,026.67	6.524900	22,315,332.02
VND	4,014,884,977.00	0.000283	1,134,597.56
EGP	401,667.57	0.414806	166,614.16
IDR	1,207,259,665.00	0.000464	560,658.27
MYR	77,772.35	1.617259	125,778.06
INR	3,408,343.09	0.089144	303,833.57
Long-term receivables	—	—	5,007,998.47
Including: VND	9,671,500,000.00	0.000283	2,733,144.37
IDR	1,276,838,000.00	0.000464	592,970.84
INR	18,867,024.00	0.089144	1,681,883.26
Shor-term loans	—	—	174,014,238.10
Including: VND	439,072,765,164.00	0.000283	124,080,985.99
IDR	6,545,435,303.13	0.000464	3,039,737.42
INR	526,041,902.20	0.089144	46,893,514.69
Accounts payable	—	—	211,014,040.96
Including: USD	7,807,145.42	6.524900	50,940,843.16
VND	489,208,366,530.00	0.000283	138,249,195.32
IDR	36,387,975,465.60	0.000464	16,898,772.97
MYR	37,483.66	1.617259	60,620.80
INR	54,570,190.33	0.089144	4,864,608.71
Other payables	—	—	7,060,042.85
Including: USD	9,813.53	6.524900	64,032.30
VND	18,472,747,896.00	0.000283	5,220,357.43
IDR	39,080,000.00	0.000464	18,148.98
MYR	150,920.39	1.617259	244,077.41
INR	14,522,642.84	0.089144	1,294,607.45
TWD	942,262.00	0.232228	218,819.28
Employee benefits payable	—	—	57,290,693.01
Including: USD	234,535.47	6.524900	1,530,320.48
VND	178,412,634,191.96	0.000283	50,419,013.23
EGP	115,627.00	0.414806	47,962.79
IDR	2,368,472,968.00	0.000464	1,099,932.33
MYR	848,867.86	1.617259	1,372,839.52
INR	29,567,998.35	0.089144	2,635,811.63
TWD	795,827.00	0.232228	184,813.03
Taxes payable	—	—	28,833,862.99
Including: USD	46,334.79	6.524900	302,329.87
VND	81,101,388,270.00	0.000283	22,919,071.79
EGP	6,656.98	0.414807	2,761.36

Item	Balance in foreign currency as at 31/12/2020	Exchange rate	Balance translated to RMB as at 31/12/2020
IDR	11,319,203,132.83	0.000464	5,256,702.39
MYR	27,670.42	1.617260	44,750.25
INR	1,692,018.94	0.089144	150,833.45
TWD	677,843.00	0.232228	157,413.88
Long-term loans	—	—	254,471,100.00
Including: USD	39,000,000.00	6.524900	254,471,100.00

(2) Overseas business entities

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
Kinghill Holdings	USD	Singapore	Major local currency
Kinghill Pte.	USD	Singapore	Major local currency
Haid Egypt	EGP	Egypt	Major local currency
Kinghill Resources	USD	Singapore	Major local currency
Vietnam Haibei	VND	Vietnam	Major local currency
Kinghill Agri	USD	Singapore	Major local currency
Haida Indonesia	IDR	Indonesia	Major local currency
Haida Surabaya	IDR	Indonesia	Major local currency
Hisenor Indonesia	IDR	Indonesia	Major local currency
Haid International	USD	Hong Kong	Major local currency
Haida HK	USD	Hong Kong	Major local currency
Rickworth	USD	Hong Kong	Major local currency
Hong Kong Longreat	USD	Hong Kong	Major local currency
Dong Nai Haid	VND	Vietnam	Major local currency
Dong Nai Haid Breeding	VND	Vietnam	Major local currency
Danci	USD	Hong Kong	Major local currency
Panasia Trading	USD	Hong Kong	Major local currency
Sheng Long International	USD	Hong Kong	Major local currency
Sheng Long Bio-Tech	VND	Vietnam	Major local currency
Long Sheng International	VND	Vietnam	Major local currency
Hisenor International	USD	Hong Kong	Major local currency
Hisenor Viet Nam	VND	Vietnam	Major local currency
Kembang Subur International	MYR	Malaysia	Major local currency
Namduong Vietnam	VND	Vietnam	Major local currency
Sheng Long Malaysia	MYR	Malaysia	Major local currency
Ding sheng International	USD	Malaysia	Major local currency
Sheng Long Taiwan	TWD	Taiwan	Major local currency
Sheng Long Aquatic Malaysia	MYR	Malaysia	Major local currency
Nano	USD	Hong Kong	Major local currency
Oceanic	USD	Hong Kong	Major local currency

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
Power Spring	USD	Hong Kong	Major local currency
Link	USD	Hong Kong	Major local currency
Lanking	USD	Singapore	Major local currency
Lanking America	USD	U.S.	Major local currency
Lanking Nemo	USD	Singapore	Major local currency
Sheng Long India	INR	India	Major local currency
Lanking Rickworth	USD	Singapore	Major local currency
Lanking Nano	USD	Singapore	Major local currency
Hai Duong Haid	VND	Vietnam	Major local currency
Hai Dai	VND	Vietnam	Major local currency
Vinh Long Hai Dai	VND	Vietnam	Major local currency
Haid Ecuador	USD	Ecuador	Major local currency
Haid Marino Cia	USD	Ecuador	Major local currency

68. Hedging

The qualitative and quantitative information of hedged items, related hedging instruments and hedged risks which were disclosed according to the hedging categories:

(1) Foreign currency forwards

As at December 31, 2020, the Group held the following foreign exchange forwards, which were designated as highly effective hedging instruments in 2020 to manage the foreign exchange exposure related to the expected foreign currency sales.

The Group evaluated the effectiveness of hedging by the comparison method of main terms. For the foreign currency forwards signed, whose terms were consistent with the terms of the expected transactions, and the group considered them highly effective. The main contents are as follow:

Nominal amount	Due date	Exchange rate
Buying of USD 9.8280 million in RMB	30/6/2021	6.6700
Buying of USD 15.7059 million in RMB	15/9/2021	6.6620
Buying of USD 5.9625 million in RMB	3/3/2021	6.5766
Buying of USD 15.1200 million in RMB	30/4/2021	6.5901

The Group reduced the exchange rate fluctuation risk of foreign currency borrowings and import purchase settlement through foreign exchange forward (for details, refer to Note VIII. 1. (3) Market risk).

(2) Commodity futures hedging

The Group mainly engages in the production and processing of feed products, and the main raw materials used in production are subject to the risk of price fluctuations. The Group uses derivative financial instruments (mainly commodity future contracts) to hedge part of the inventory and the unrecognized definite commitments related to the purchase of inventory, so as to avoid the risk that the Group assumes that the fair value of the inventory and the unrecognized definite commitments will fluctuate with the fluctuation of the market price of inventory. The main hedging arrangement is as followed:

Hedged Item	Hedging Instrument	Hedging Method
Inventory purchased or definite purchase	Commodity future contracts	Price fluctuation of inventory sold in commodity future contracts

commitments

69. Government grants

(1) Government grants recognized in deferred income, and subsequently measured using the gross presentation method

Item	2019.12.31	Additions during the year	Recognition in profit and loss	Other changes	2020.12.31	Presentation item recognized in profit and loss	Related to asset/income
Development Support Fund	4,466.12	16,177,711.15	16,182,177.27	-	-	Other income	Related to income
Development Support Fund	947,161.88	8,983,285.85	315,327.13	-	9,615,120.60	Other income	Related to asset
Research grants	6,895,431.47	5,539,715.12	8,175,142.81	-	4,260,003.78	Other income	Related to income
Research grants	2,323,331.12	-	510,417.36	-	1,812,913.76	Other income	Related to asset
Grants for production activities	5,151,063.41	6,572,314.29	5,872,812.00	-	5,850,565.70	Other income	Related to income
Grants for production activities	101,093,459.86	80,920,500.00	12,261,007.80	-	169,752,952.06	Other income	Related to asset
Government incentive grants	2,006,808.66	-	54,360.48	-	1,952,448.18	Other income	Related to asset
Others	501,844.62	-	12,546.12	-	489,298.50	Other income	Related to asset
Total	118,923,567.14	118,193,526.41	43,383,790.97	-	193,733,302.58		

(2) Government grants recognized in deferred income, and subsequently measured using the net amount method

Item	2019.12.31	Additions during the year	Recognition in profit and loss	Other changes	2020.12.31	Presentation item recognized in profit and loss	Related to asset/income
Financial discount	-	23,800,500.00	19,833,750.00	-	3,966,750.00	Financial expenses	Related to income
Total	-	23,800,500.00	19,833,750.00	-	3,966,750.00		

(3) Government grants recognized in profit and loss, and subsequently measured using the gross presentation method

Item	Recognized in profit and loss for the year ended 31/12/2019	Recognized in profit and loss for the year ended 31/12/2020	Presentation item recognized in profit and loss	Related to asset/income
Development Support Fund	4,593,363.67	19,046,264.65	Other income	Related to income
Development Support Fund	110,412.34	315,327.13	Other income	Related to asset
Research grants	12,247,127.48	10,918,392.24	Other income	Related to income
Research grants	545,928.57	510,417.36	Other income	Related to asset
Other grants	10,013,367.51	19,485,823.33	Other income	Related to income
Other grants	736,588.00	12,546.12	Other income	Related to asset
Grants for production activities	10,340,902.17	25,116,538.50	Other income	Related to income
Grants for production activities	7,295,769.49	12,261,007.80	Other income	Related to asset
Government incentive grants	5,420,763.84	11,874,640.36	Other income	Related to income

Item		Recognized in profit and loss for the year ended 31/12/2019	Recognized in profit and loss for the year ended 31/12/2020	Presentation item recognized in profit and loss	Related to asset/income
Government grants	incentive	54,360.48	54,360.48	Other income	Related to asset
Government grants	incentive	2,000.00	-	Non-operating income	Related to income
Total		51,360,583.55	99,595,317.97		

(4) Government grants used net amount method to write-down related costs

Item		Related cost write-down for the year ended 31/12/2019	Related cost write-down for the year ended 31/12/2020	Presentation item recognized in related costs	Related to asset/income
Financial discount		1,856,627.00	24,032,740.56	Financial expenses	Related to income
Total		1,856,627.00	24,032,740.56		

VI. Change in Consolidation Scope

1. Business Combinations Involving Entities Not under Common Control

(1) Business Combinations Involving Entities Not under Common Control Incurred in Current Period

Acquiree	Investment date	Investment cost	Investment %	Investment method	Acquisition date	Basis for determination of acquisition date	Acquiree's revenue from acquisition date to period-end	Acquiree's net profit from acquisition date to period-end
Zhongshan Yugezi	2020-4-17	8,808,005.00	60	Acquisition	2020-4-17	When control over acquiree was obtained	17,753,001.33	162,935.10
Gaozhou Haiyuan	2020-5-15	12,800,000.00	100	Acquisition	2020-5-15	When control over acquiree was obtained	-	-922,565.25
Ding Sheng International	2020-7-3	7,079.50	100	Acquisition	2020-7-3	When control over acquiree was obtained	12,784,523.71	1,901,840.21
Yunnan Zhonggui	2020-9-28	4,000,000.00	80	Acquisition	2020-9-28	When control over acquiree was obtained	40,334,204.27	166,936.22
Guam Xingyuan	2020-10-10	16,344,240.00	69.697	Acquisition	2020-10-10	When control over acquiree was obtained	204,903.14	153,945.20
Qingdao Runguiyuan	2020-10-15	10,000,000.00	100	Acquisition	2020-10-15	When control over acquiree was obtained	-	-12,675.97
Tycoon Wujiagu	2020-10-19	40,000,000.00	50	Acquisition	2020-10-19	When control over acquiree was obtained	321,209.73	-2,567,571.33
Hainan Zhuangmei	2020-11-13	10,500,000.00	100	Acquisition	2020-11-13	When control over acquiree was obtained	-	-774,648.10
Jiangxi Jiabo	2020-12-31	34,800,000.00	60	Acquisition	2020-12-4	When control over acquiree was obtained	-	-

(2) Combination Costs and Goodwill

Item	Zhongshan Yugezi	Gaozhou Haiyuan	Ding Sheng International	Yunnan Zhonggui	Guam Xingyuan	Qingdao Runguiyuan	Tycoon Wujiagu	Hainan Zhuangmei	Jiangxi Jiabo
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Item	Zhongshan Yugezi	Gaozhou Haiyuan	Ding Sheng International	Yunnan Zhonggui	Guam Xingyuan	Qingdao Runguiyuan	Tycoon Wujiagu	Hainan Zhuangmei	Jiangxi Jiabo
Combination costs									
Cash	8,808,000.00	12,800,000.00	7,079.50	4,000,000.00	16,344,240.00	10,000,000.00	40,000,000.00	9,500,000.00	24,800,000.00
Fair value of non-cash assets	-	-	-	-	-	-	-	-	-
Fair value of debt issued or undertaken	5.00	-	-	-	-	-	-	1,000,000.00	10,000,000.00
Fair value of equity securities issued	-	-	-	-	-	-	-	-	-
Fair value of contingent consideration	-	-	-	-	-	-	-	-	-
Fair value of previously-held equity investment at acquisition date	-	-	-	-	-	-	-	-	-
Total combination cost	8,808,005.00	12,800,000.00	7,079.50	4,000,000.00	16,344,240.00	10,000,000.00	40,000,000.00	10,500,000.00	34,800,000.00
Less: Share of fair value of identifiable net assets obtained	-812,422.34	10,000,019.73	1,801,615.66	911,234.38	11,362,447.27	9,779,325.73	39,177,636.68	8,500,203.68	16,973,246.51
Goodwill/combination cost less than the fair value of the identifiable net assets	9,620,427.34	2,799,980.27	-1,794,536.16	3,088,765.62	4,981,792.73	220,674.27	822,363.32	1,999,796.32	17,826,753.49

Note: The fair value of the combination costs was determined by audited or appraised value which approved by both the acquirer and the acquiree.

(3) Identifiable Assets and Liabilities of Acquirees at Acquisition Date

Fair value and carrying amount of identifiable assets and liabilities of acquirees at acquisition date are as follows:

Item	Zhongshan Yugezi		Gaozhou Haiyuan		Ding Sheng International		Yunnan Zhonggui		Guam Xingyuan	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:										

Item	Zhongshan Yugezi		Gaozhou Haiyuan		Ding Sheng International		Yunnan Zhonggui		Guam Xingyuan	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Current assets	2,606,051.34	2,606,051.34	486,000.00	486,000.00	7,389,627.06	7,389,627.06	13,550,681.40	13,550,681.40	16,669,485.13	16,669,485.13
Non-current assets	5,087,135.50	5,087,135.50	20,346,650.00	20,346,650.00	2,894,297.40	2,894,297.40	5,295,400.03	5,295,400.03	1,012,315.85	1,012,315.85
Liabilities:										
Current liabilities	8,262,408.95	8,262,408.95	10,832,630.27	10,832,630.27	8,482,308.80	8,482,308.80	17,707,038.46	17,707,038.46	1,379,166.33	1,379,166.33
Non-current liabilities	784,815.12	784,815.12	-	-	-	-	-	-	-	-
Net assets	-1,354,037.23	-1,354,037.23	10,000,019.73	10,000,019.73	1,801,615.66	1,801,615.66	1,139,042.97	1,139,042.97	16,302,634.65	16,302,634.65
Less: Non-controlling interests	-541,614.89	-541,614.89	-	-	-	-	227,808.59	227,808.59	4,940,187.38	4,940,187.38
Net assets acquired	-812,422.34	-812,422.34	10,000,019.73	10,000,019.73	1,801,615.66	1,801,615.66	911,234.38	911,234.38	11,362,447.27	11,362,447.27

Continued:

Item	Qingdao Runguiyuan		Tycoon Wujiagu		Hainan Zhuangmei		Jiangxi Jiabo	
	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date
Assets:								
Current assets	2,701,491.48	2,701,491.48	143,931,423.55	143,931,423.55	248,562.26	248,562.26	22,926,248.20	22,926,248.20
Non-current assets	7,247,209.25	7,247,209.25	55,022,344.99	55,022,344.99	36,479,165.03	36,479,165.03	61,440,809.24	61,440,809.24
Liabilities:								
Current liabilities	169,375.00	169,375.00	120,598,495.19	120,598,495.19	28,227,523.61	28,227,523.61	55,105,098.97	55,105,098.97
Non-current liabilities	-	-	-	-	-	-	973,214.29	973,214.29
Net assets	9,779,325.73	9,779,325.73	78,355,273.35	78,355,273.35	8,500,203.68	8,500,203.68	28,288,744.18	28,288,744.18
Less: Non-controlling interests	-	-	39,177,636.67	39,177,636.67	-	-	11,315,497.67	11,315,497.67

Item	Qingdao Runguiyuan		Tycoon Wujiagu		Hainan Zhuangmei		Jiangxi Jiabo	
	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date	Fair value at acquisition date	Carrying value at acquisition date
Net assets acquired	9,779,325.73	9,779,325.73	39,177,636.68	39,177,636.68	8,500,203.68	8,500,203.68	16,973,246.51	16,973,246.51

Note: The fair value of identifiable assets and liabilities was determined by audited or appraised value which approved by both the acquirer and the acquiree.

2. Business Combinations Involving Entities under Common Control

No business combinations involving entities under common control occurred in current year.

3. Disposal of Subsidiaries

No disposal of subsidiaries occurred in current year.

4. Changes in the Scope of Consolidation Due to Other Reasons

(1) New Subsidiaries established in the Current Period

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Luoding Yitun	February 2020	RMB10,000,000.00	Yunfu, Guangdong	Yunfu, Guangdong
Lianzhou Yitun	February 2020	RMB10,000,000.00	Qingyuan, Guangdong	Qingyuan, Guangdong
Longan Yitun	March 2020	RMB10,000,000.00	Nanning, Guangxi	Nanning, Guangxi
Youxian Yitun	March 2020	RMB10,000,000.00	Zhuzhou, Hunan	Zhuzhou, Hunan
Wengyuan Yitun	April 2020	RMB10,000,000.00	Shaoguan, Guangdong	Shaoguan, Guangdong
Fufeng Yitun	April 2020	RMB10,000,000.00	Baoji, Shanxi	Baoji, Shanxi
Linyou Yitun	April 2020	RMB10,000,000.00	Baoji, Shanxi	Baoji, Shanxi
Laibin Yitun	April 2020	RMB10,000,000.00	Laibin, Guangxi	Laibin, Guangxi
Yantai Yitun	June 2020	RMB50,000,000.00	Yantai, Shandong	Yantai, Shandong
Guiyang Yitun	October 2020	RMB10,000,000.00	Chenzhou, Hunan	Chenzhou, Hunan
Yongji Haijingzhou Yuncheng Haishengyuan	December 2020	RMB2,000,000.00	Yuncheng, Shanxi	Yuncheng, Shanxi
Changyi Haijingzhou	July 2020	RMB50,000,000.00	Weifang, Shandong	Weifang, Shandong
Nantong Haijingzhou	July 2020	RMB10,000,000.00	Nantong, Jiangsu	Nantong, Jiangsu
Shanwei Haijingzhou	July 2020	RMB10,000,000.00	Shanwei, Guangdong	Shanwei, Guangdong
Guangzhou Haijingzhou	August 2020	RMB 1,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Sanya Fengmu	December 2020	RMB30,000,000.00	Sanya, Hainan	Sanya, Hainan
Dong Nai Haid Breeding	December 2020	VND10,000,000.00	Vietnam	Vietnam
Linyi Haiding Technical Service Company	December 2020	RMB100,000.00	Linyi, Shandong	Linyi, Shandong
Hainan Haiding	March 2020	RMB5,000,000.00	Kaifeng, Henan	Kaifeng, Henan
Qingzhou Haiding	March 2020	RMB8,000,000.00	Weifang, Shandong	Weifang, Shandong
Linyi Haiding Lusheng	March 2020	RMB4,000,000.00	Linyi, Shandong	Linyi, Shandong
Qinggang Fengcheng Bozun	July 2020	RMB3,000,000.00	Suihua, Heilongjiang	Suihua, Heilongjiang
Suihua Fengcheng Bozun	July 2020	RMB2,000,000.00	Suihua, Heilongjiang	Suihua, Heilongjiang
Chengwu Fengcheng	July 2020	RMB3,000,000.00	Heze, Shandong	Heze, Shandong
Binhai Haiding	August 2020	RMB3,000,000.00	Weifang, Shandong	Weifang, Shandong
Linyi Dinghao	September 2020	RMB10,000,000.00	Linyi, Shandong	Linyi, Shandong
Hainan Hairong	March 2020	RMB5,000,000.00	Dingan, Hainan	Dingan, Hainan
Zhaoqing Baishengyuan	June 2020	RMB5,000,000.00	Zhaoqing, Guangdong	Zhaoqing, Guangdong

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Chengdu Hailin	May 2020	RMB10,000,000.00	Chengdu, Sichuan	Chengdu, Sichuan
Binzhou Haiying	June 2020	RMB6,000,000.00	Binzhou, Shandong	Binzhou, Shandong
Linyi Zhizhuxia	December 2020	RMB500,000.00	Linyi, Shandong	Linyi, Shandong
Laiyang Haihe	March 2020	RMB10,000,000.00	Yantai, Shandong	Yantai, Shandong
Guangxi Ronghai	September 2020	RMB10,000,000.00	Fangchenggang, Guangxi	Fangchenggang, Guangxi
Mianyang Zhonggui	July 2020	RMB5,000,000.00	Mianyang, Sichuan	Mianyang, Sichuan
Chongqing Haizhi	September 2020	RMB3,000,000.00	Chongqing	Chongqing
Wengyuan Haifeng	June 2020	RMB1,000,000.00	Shaoguan, Guangdong	Shaoguan, Guangdong
Yingde Haifeng	September 2020	RMB5,000,000.00	Qingyuan, Guangdong	Qingyuan, Guangdong
Qingyuan Haichuan	July 2020	RMB10,000,000.00	Qingyuan, Guangdong	Qingyuan, Guangdong
Ezhou Haifeng	September 2020	RMB5,000,000.00	Ezhou, Hubei	Ezhou, Hubei
Yingde Haifeng	November 2020	RMB5,000,000.00	Qingyuan, Guangdong	Qingyuan, Guangdong
Qingyuan Guanghong	November 2020	RMB5,000,000.00	Qingyuan, Guangdong	Qingyuan, Guangdong
Guangzhou Hailin	January 2020	RMB1,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Guangdong Haid International Trading	March 2020	RMB100,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Nansha Haid	March 2020	RMB5,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Yancheng Haiwei	April 2020	RMB10,000,000.00	Yancheng, Jiangsu	Yancheng, Jiangsu
Hainan Haid Seed	April 2020	RMB10,000,000.00	Wenchang, Hainan	Wenchang, Hainan
Wuzhou Haid	May 2020	RMB10,000,000.00	Wuzhou, Guangxi	Wuzhou, Guangxi
Dongguan Hailin	May 2020	RMB5,000,000.00	Dongguan, Guangdong	Dongguan, Guangdong
Zhangzhou Haiheng	June 2020	RMB5,000,000.00	Zhangzhou, Fujian	Zhangzhou, Fujian
Dengyang Dachuan	June 2020	RMB5,000,000.00	Deyang, Sichuan	Deyang, Sichuan
Mianyang Hailong	July 2020	RMB5,000,000.00	Mianyang, Sichuan	Mianyang, Sichuan
Meishan Haid	July 2020	RMB5,000,000.00	Meishan, Sichuan	Meishan, Sichuan
Guangzhou Nongzhidao	July 2020	RMB10,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Yingkou Dachuan	August 2020	RMB5,000,000.00	Yingkou, Liaoning	Yingkou, Liaoning
Jieshou Haid	August 2020	RMB1,000,000.00	Fuyang, Anhui	Fuyang, Anhui
Anlu Haid	September 2020	RMB5,000,000.00	Xiaogan, Hubei	Xiaogan, Hubei
Jingzhou Haihe	October 2020	RMB5,000,000.00	Jingzhou, Hubei	Jingzhou, Hubei
Guangzhou Chengzhao	November 2020	RMB30,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Yancheng Runchuang	November 2020	RMB1,000,000.00	Yancheng, Jiangsu	Yancheng, Jiangsu
Zigong Hailong	November 2020	RMB10,000,000.00	Zigong, Sichuan	Zigong, Sichuan
Guangxi Rongchuan	December 2020	RMB5,000,000.00	Nanning, Guangxi	Nanning, Guangxi
Dali Haid	December 2020	RMB5,000,000.00	Dali, Yunan	Dali, Yunan
Guangzhou Haid Technology	December 2020	RMB13,100,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Heshan Haiwei	December 2020	RMB5,000,000.00	Jiangmen, Guangdong	Jiangmen, Guangdong
Junan Dinghao Breeding Co., Ltd	July 2020	RMB1,000,000.00	Linyi, Shandong	Linyi, Shandong

(2) Subsidiaries Deregistered in Current Period

Company	Method of equity disposal	Timing of equity disposal	Net assets at disposal date	Net profit from 2020/1/1 to the date of disposal
Shaoyang Yitun Ecological Agriculture Co. Ltd	Dissolved	2020-8-28	-	-
Alaer Ruitai Biological Protein Co., Ltd.	Dissolved	2020-9-24	-	-118,946.13
Qufu Haiding Trading Co., Ltd.	Dissolved	2020-7-17	-	-46,741.56
Hubei Haililiang Feed Co., Ltd.	Dissolved	2020-6-12	-	510.00
Yancheng Dachuan Feed Co., Ltd.	Dissolved	2020-9-2	-	3,161.71
Junan Dinghao Breeding Co., Ltd.	Dissolved	2020-12-29	-	-270,230.93

VII. Interests in Other Entities

(I) Interests in Subsidiaries

1. Structure of the Group

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Runchuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Business combination involving entities under common control
Guangzhou Yitun	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment and Trading		100	Establishment
Enping Fengwo	Enping, Guangdong	Enping, Guangdong	Production and Sales		92	Establishment
Yangxi Fengwo	Yangxi, Guangdong	Yangxi, Guangdong	Production and Sales		98	Establishment
Yangdong Fengwo	Yangdong, Guangdong	Yangdong, Guangdong	Production and Sales		90	Establishment
Enping Yitun	Enping, Guangdong	Enping, Guangdong	Production and Sales		98	Establishment
Gaozhou Sanhe	Gaozhou, Guangdong	Gaozhou, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Yingde Yitun	Yingde, Guangdong	Yingde, Guangdong	Production and Sales		90	Establishment
Hunan Yitun	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		86	Establishment
Hengyang Jisheng	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Business combination involving entities not under common control
Yueyang Yitun	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		92	Establishment
Qintang Yitun	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Pingnan Yitun	Pingnan, Guangxi	Pingnan, Guangxi	Production and Sales		100	Establishment
Pingguo Yitun	Pingguo, Guangxi	Pingguo, Guangxi	Production and Sales		100	Establishment
Guiping Yitun	Guiping, Guangxi	Guiping, Guangxi	Production and Sales		100	Establishment
Hengyang Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Hengshan Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Gangbei Yitun	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Duyun Yitun	Duyun, Guizhou	Duyun, Guizhou	Production and Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Rongjiang Yitun	Rongjiang, Guizhou	Rongjiang, Guizhou	Production and Sales		100	Establishment
Binyang Yitun	Binyang, Guangxi	Binyang, Guangxi	Production and Sales		100	Establishment
Yicheng Yitun	Yicheng, Hubei	Yicheng, Hubei	Production and Sales		100	Establishment
Zixing Yitun	Chenzhou, Hunan	Chenzhou, Hunan	Production and Sales		100	Establishment
Changning Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Guigang Donghuang	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Business combination involving entities not under common control
Zhenjiang Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Shandong Yitun	Yantai, Shandong	Yantai, Shandong	Investment		60	Establishment
Yantai Zhizhuren	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Laizhou Zhizhuren	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qinzhou Yitun	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales		100	Establishment
Feicheng Heruifeng	Tai'an, Shandong	Tai'an, Shandong	Production and Sales		80	Business combination involving entities not under common control
Weifang Xuheng	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control
Linyi Yitun	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Business combination involving entities not under common control
Gaotang Huayu	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Jianong Lianyungang	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		82	Business combination involving entities not under common control
Guizhou Aikexin	Qiannan, Guizhou	Qiannan, Guizhou	Production and Sales		100	Establishment
Binyang Heji Yitun	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment
Qinzhou Qinan Yitun	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales		100	Establishment
Huayuan Yitun	Xiangxi, Hunan	Xiangxi, Hunan	Production and Sales		100	Establishment
Baojing Yitun	Baojing, Hunan	Baojing, Hunan	Production and Sales		100	Establishment
Yingde Yitun	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Ruyuan Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Hengnan Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Luoding Yitun	Yunfu, Guangdong	Yunfu, Guangdong	Production and Sales		100	Establishment
Lianzhou Yitun	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Longan Yitun	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Youxian Yitun	Zhuzhou, Hunan	Zhuzhou, Hunan	Production and Sales		100	Establishment
Wengyuan Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Fufeng Yitun	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Linyou Yitun	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Laibin Yitun	Laibin, Guangxi	Laibin, Guangxi	Production and Sales		100	Establishment
Gaozhou Haiyuan	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Yantai Yitun	Yantai, Shandong	Yantai, Shandong	Production and Sales		80	Establishment
Guiyang Yitun	Chenzhou, Huinan	Chenzhou, Huinan	Production and Sales		100	Establishment
Guangzhou Haiwei	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities under common control
Guangzhou Rongchuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Business combination involving entities under common control
Foshan Haihang	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	87.5		Business combination involving entities not under common control
Maiming Haihang	Maiming, Guangdong	Maiming, Guangdong	Production and Sales		100	Establishment
Guangzhou Dachuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities under common control
Hubei Haid	Wuhan, Hubei	Wuhan, Hubei	Production and Sales	100		Business combination involving entities under common control
Guangdong Hinter	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	97	3	Establishment
Guangzhou Haishengyuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Mutai	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		100	Establishment
Guangzhou Haiyiyuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Shanxi Haid	Yangling, Shanxi	Yangling, Shanxi	Production and Sales	67		Establishment
Yangling Haid	Yangling, Shaanxi	Yangling, Shaanxi	Production and Sales		100	Establishment
Gansu Haid	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Weinan Haid	Weinan, Shaanxi	Weinan, Shaanxi	Production and Sales		100	Establishment
Hunan Haid	Changde, Hunan	Changde, Hunan	Production and Sales	100		Establishment
Guangzhou Haihe	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Liaocheng Haixin	Liaocheng, Shandong	Liaocheng, Shandong	Management consulting		100	Establishment
Anyang Haiyue	Tangyin, Henan	Tangyin, Henan	Management consulting		100	Establishment
Zoucheng Haiyue	Zoucheng, Shandong	Zoucheng, Shandong	Management consulting		100	Establishment
Yinan Haiyue	Yinan, Shandong	Yinan, Shandong	Management consulting		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lanzhou Haid	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Yichang Zhihai	Yichang, Hubei	Yichang, Hubei	Sales		100	Establishment
Foshan Haipu	Foshan, Guangdong	Foshan, Guangdong	Sales	87.5		Establishment
Qingyuan Haibei	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Zhanjiang Haid	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales	100		Establishment
Jiangmen Haid	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chengdu Haid	Xinjin, Sichuan	Xinjin, Sichuan	Production and Sales	100		Establishment
Taizhou Haid	Xinghua, Jiangsu	Xinghua, Jiangsu	Production and Sales	100		Establishment
Jingzhou Haid	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales	100		Establishment
Ezhou Haid	Ezhou, Hubei Province	Ezhou, Hubei	Production and Sales		100	Establishment
Dongguan Haid	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Fujian Haid	Changtai, Fujian	Changtai, Fujian	Production and Sales	100		Establishment
Zhejiang Haid	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Production and Sales	100		Establishment
Shaoxing Haid	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Production and Sales		100	Establishment
Guangxi Haid	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Kinghill Holdings	Singapore	Singapore	Investment	100		Establishment
Kinghill Pte.	Singapore	Singapore	Investment		100	Establishment
Haid Egypt Co.,Ltd	Egypt	Egypt	Production and Sales		100	Establishment
Kinghill Resources	Singapore	Singapore	Investment		100	Establishment
Vietnam Haibei Biotechnology Co., Ltd	Vietnam	Vietnam	Production and Sales		100	Establishment
Kinghill Agri	Singapore	Singapore	Investment		100	Establishment
Haida Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Haida Surabaya	Indonesia	Indonesia	Trading		100	Establishment
PT Hisenor Technology Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Jiangxi Haid	Nanchang, Jiangxi	Nanchang, Jiangxi	Production and Sales	100		Establishment
Guangzhou Haid	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Business combination involving entities not under common control
Guangdong Hisenor	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		70	Establishment
Zhanjiang Hisenor	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhanjiang Haijingzhou	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Hainan Hisenor	Wenchang, Hainan	Wenchang, Hainan	Production and Sales		100	Establishment
Jingtai Haijingzhou Yongji	Baiying, Gansu	Baiying, Gansu	Production and Sales		55	Establishment
Haijingzhou Yuncheng Haishengyuan	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Zhangzhou Haijingzhou Changyi	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Haijingzhou Nantong Haijingzhou Shanwei	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales		100	Establishment
Haijingzhou Guangzhou Haijingzhou Rongcheng Rongchuan	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Establishment
Haijingzhou Nantong Haijingzhou Shanwei	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales		70	Establishment
Haijingzhou Guangzhou Haijingzhou Rongcheng Rongchuan	Shanwei, Guangdong	Shanwei, Guangdong	Production and Sales		100	Establishment
Rongcheng Yandunjiao	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		70	Establishment
Rongcheng Yandunjiao	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Rongcheng Yandunjiao	Weihai, Shandong	Weihai, Shandong	Production and Sales		51	Business combination involving entities not under common control
Fujian Haidun Pucheng Haidun	Nanping, Fujian	Nanping, Fujian	Production and Sales		50	Establishment
Xiyu Haihua Jinzhou Zhengyuan	Pucheng, Fujian	Pucheng, Fujian	Production and Sales		50	Establishment
Yingkou Fengmu Guangzhou Haiyou	Urumqi, Xinjiang	Urumqi, Xinjiang	Trading		51	Establishment
Xinjiang Ruiliheng	Jinzhou, Liaoning	Jinzhou, Liaoning	Trading		100	Establishment
Ningbo Fengmu Tycoon Wujiaqu	Yingkou, Liaoning	Yingkou, Liaoning	Trading		100	Establishment
Sanya Fengmu Maoming Hailong	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Nanchang Haid Zhuhai Rongchuan Jieyang Haid	Alaer, Xinjiang	Alaer, Xinjiang, China	Production and Sales		50	Business combination involving entities not under common control
Sanshuifanling Dalian Haid	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading		100	Establishment
Haid International Haida HK	Wujiaqu, Xinjiang	Wujiaqu, Xinjiang, China	Trading		50	Business combination involving entities not under common control
Sanya Fengmu Maoming Hailong	Sanya, Hainan	Sanya, Hainan	Trading		100	Establishment
Nanchang Haid Zhuhai Rongchuan Jieyang Haid	Maoming, Guangdong	Maoming, Guangdong	Production and Sales	100		Establishment
Sanshuifanling Dalian Haid	Nanchang, Jiangxi	Nanchang, Jiangxi	Production and Sales	100		Establishment
Haid International Haida HK	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Sanshuifanling Dalian Haid	Jieyang, Guangdong	Jieyang, Guangdong	Production and Sales		100	Establishment
Sanshuifanling Dalian Haid	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Haid International Haida HK	Dalian, Liaoning	Dalian, Liaoning	Trading	100		Business combination involving entities not under common control
Haid International Haida HK	Hong Kong	British Virgin Islands	Trading	100		Establishment
Haid International Haida HK	Hong Kong	Hong Kong	Trading		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Rickworth	Hong Kong	British Virgin Islands	Investment		100	Establishment
Hong Kong Longreat	Hong Kong	Hong Kong	Trading		100	Establishment
Dong Nai Haid	Dong Nai, Vietnam	Vietnam	Production and Sales		100	Establishment
Dong Nai Haid Breeding	Vietnam	Vietnam	Production and Sales		100	Establishment
Danci	Hong Kong	Hong Kong	Trading		100	Establishment
Panasia Trading	Hong Kong	British Virgin Islands	Investment		80	Business combination involving entities not under common control
Sheng Long International	Hong Kong	British Virgin Islands	Investment		100	Business combination involving entities not under common control
Sheng Long Bio-Tech	Long An, Vietnam	Long An, Vietnam	Production and Sales		100	Business combination involving entities not under common control
Long Sheng International	Khanh Hoa, Vietnam	Khanh Hoa, Vietnam	Production and Sales		100	Business combination involving entities not under common control
Hisenor International	Hong Kong	British Virgin Islands	Investment		100	Establishment
Hisenor Vietnam	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Kembang Subur International	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Namduong Vietnam	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Sheng Long Malaysia	Malaysia	Malaysia	Production and Sales		100	Establishment
Ding Sheng International	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Taiwan Sheng Long	Shangqiu, Henan	Shangqiu, Henan	Production and Sales		100	Business combination involving entities not under common control
Sheng Long Aquatic Malaysia	Malaysia	Malaysia	Production and Sales		100	Establishment
Nano	Hong Kong	British Virgin Islands	Investment		100	Establishment
Oceanic	Hong Kong	British Virgin Islands	Investment		100	Establishment
Power Spring	Hong Kong	British Virgin Islands	Investment		100	Establishment
Link	Hong Kong	British Virgin Islands	Investment		100	Establishment
Changzhou Haid	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	100		Establishment
Tianjin Haid	Tianjin	Tianjin, China	Production and Sales	97	3	Establishment
A&T Xinhui	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	80		Business combination involving entities not under common control
Tianmen Haid	Tianmen, Hubei	Tianmen, Hubei	Production and Sales	100		Establishment
Zhuhai Hailong	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Yangjiang Haid	Yangjiang, Guangdong	Yangjiang, Guangdong	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guigang Haid	Guigang, Guangxi	Guigang, Guangxi	Production and Sales	100		Establishment
Yiyang Haid	Yiyang, Hunan	Yiyang, Hunan	Production and Sales	99	1	Establishment
Nantong Haid	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales	100		Establishment
Yunnan Haid	Kunming, Yunnan	Kunming, Yunnan	Production and Sales	100		Establishment
Guangzhou Hailong	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Zhaoqing Haid	Gaoyao, Guangdong	Gaoyao, Guangdong	Production and Sales	100		Establishment
Wuhan Aquaera	Ezhou, Hubei	Ezhou, Hubei	Production and Sales	100		Establishment
Shenzhen Longreat	Shenzhen, Guangdong	Shenzhen, Guangdong	Trading	70		Establishment
Lanking	Singapore	Singapore	Trading	100		Establishment
Lanking America	U.S.	U.S.	Trading		100	Establishment
Lanking Nemo	Singapore	Singapore	Investment		80	Establishment
Sheng Long India	India	India	Production and Sales		100	Establishment
Lanking Rickworth	Singapore	Singapore	Investment		100	Establishment
Lanking Nano	Singapore	Singapore	Investment		100	Establishment
Hai Duong Haid	Hai Duong, Vietnam	Vietnam	Production and Sales		100	Establishment
Hai Dai Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Vinh Long Hai Dai	Vietnam	Vietnam	Production and Sales		100	Establishment
Guam Xingyuan	U.S.	U.S.	Production and Sales		69.697	Business combination involving entities not under common control
Dongting Haid	Dongting, Hunan	Dongting, Hunan	Production and Sales	100		Establishment
Zhangzhou Haid	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	60		Establishment
Anhui Haid	Chizhou, Anhui	Chizhou, Anhui	Production and Sales	100		Establishment
Xiangtan Haid	Xiangtan, Hunan	Xiangtan, Hunan	Production and Sales	100		Establishment
Changsheng Logistics	Guangzhou, Guangdong	Guangzhou, Guangdong	Transportation Service	100		Establishment
Guangzhou Cangyouliang	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Zhongcangsheng	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		66	Establishment
Guangzhou Danong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Dingtao Hairong	Dingtao, Shandong	Dingtao, Shandong	Management consulting		90.01	Establishment
Chengnan Hairong	Jingzhou, Hubei	Jingzhou, Hubei	Management consulting		90	Establishment
Guigang Hairong	Guigang, Guangxi	Guigang, Guangxi	Management consulting		90	Establishment
Zhangzhou Hairong	Zhangzhou, Fujian	Zhangzhou, Fujian	Management consulting		90	Establishment
Guangzhou Haifengchang	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Wuhan Zeyi	Wuhan, Hubei	Wuhan, Hubei	Investment	100		Establishment
Shandong Haiding	Heze, Shandong	Heze, Shandong	Sales	55		Establishment
Suixian Haiding	Shangqiu, Henan	Shangqiu, Henan	Production and Sales		50	Establishment
Yuncheng Haiding	Heze, Shandong	Heze, Shandong	Production and Sales		50	Establishment
Heze Haiding Commercial & Trading	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Dingtao Haiding	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Liaocheng Haiding	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		92	Establishment
Shanxian Haiding	Shanxian, Shandong	Shanxian, Shandong	Production and Sales		92	Establishment
Xinxiang Haiding	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment
Xinxiang Hairuida	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment
Heze Haiding	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Jining Haiding	Zoucheng, Shandong	Zoucheng, Shandong	Production and Sales		90	Establishment
Feixian Hairuida	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Yinan Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Jinan Fengcheng	Dong'e, Shandong	Dong'e, Shandong	Trading		100	Establishment
Tengzhou Fengcheng	Zaozhuang, Shandong	Zaozhuang, Shandong	Production and Sales		100	Establishment
Binzhou Haiding	Binzhou, Shandong	Binzhou, Shandong	Production and Sales		100	Establishment
Jining Fengcheng	Jining, Shandong	Jining, Shandong	Production and Sales		100	Establishment
Dong'e Dingxin	Dong'e, Shandong	Dong'e, Shandong	Production and Sales		51	Establishment
Heze Haiding Breeding	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Linyi Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Linyi Hedong Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Binzhou Dinxin	Binzhou, Shandong	Binzhou, Shandong	Production and Sales		80	Establishment
Junan Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		90	Establishment
Sihong Haiding	Sihong, Jiangsu	Sihong, Jiangsu	Production and Sales		100	Establishment
Linyi Dingxin	Linyi, Shandong	Linyi, Shandong	Production and Sales		90	Establishment
Linyi Haiding Technical Service Co., Ltd	Linyi, Shandong	Linyi, Shandong	Research and Trading		100	Establishment
Henan haiding	Kaifeng, Henan	Kaifeng, Henan	Production and Sales		100	Establishment
Qingzhou Haiding	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Haiding Lusheng	Linyi, Shandong	Linyi, Shandong	Production and Sales		55	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Qinggang Fengcheng Bozun	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment
Suihua Fengcheng Bozun	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment
Chengwu Fengcheng	Hezu, Shandong	Hezu, Shandong	Trading		100	Establishment
Binhai Haiding	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Dinghao	Linyi, Shandong	Linyi, Shandong	Production and Sales		52	Establishment
Xishui Haid	Huanggang, Hubei	Huanggang, Hubei	Production and Sales	100		Establishment
Yancheng Haid	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Honghu Haid	Honghu, Hubei	Honghu, Hubei	Production and Sales	100		Establishment
Kaifeng Haid	Kaifeng, Henan	Kaifeng, Henan	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Biotechnology	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Pharmaceutical	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Haid Livestock Veterinary Research Institute	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Business combination involving entities not under common control
Henai Haihe	Luoyang, Henan	Luoyang, Henan	Production and Sales	67		Establishment
Xuchang Haihe	Yuzhou, Henan	Yuzhou, Henan	Production and Sales		100	Establishment
Anyang Haihe	Tangyin, Henan	Tangyin, Henan	Production and Sales		100	Establishment
Jiyuan Haihe	Jiyuan, Henan	Jiyuan, Henan	Production and Sales		80	Establishment
Suqian Haid	Siyang, Jiangsu	Siyang, Jiangsu	Production and Sales	100		Establishment
Huaihua Haid	Huaihua, Hunan	Huaihua, Hunan	Production and Sales	100		Establishment
Guangzhou Meinong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Haid Ecuador	Ecuador	Ecuador	Production and Sales		100	Establishment
Haidmarino Cia.Ltda	Ecuador	Ecuador	Production and Sales		51	Establishment
Guangdong Hairuite	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales	100		Establishment
Guangzhou Haijian	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Nanhai Bairong	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhaoqing Bairong	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Yangxin Bairong	Yangxin, Hubei	Yangxin, Hubei	Production and Sales		100	Establishment
Jingzhou Bairong	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shandong Bairong	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Hainan Bairong	Dingan, Hainan	Dingan, Hainan	Production and Sales		100	Establishment
Zhaoqing Baishengyuan	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Hunan Innovation	Hengyang, Hunan	Hengyang, Hunan	Production and Sales	65		Business combination involving entities not under common control
Guangzhou Haishengke	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Sichuan Hailinger	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales		67	Business combination involving entities not under common control
Chengdu Hailin	Chengdu, Sichuan	Chengdu, Sichuan	Sales		100	Establishment
Sanming Haid	Sanming, Fujian	Sanming, Fujian	Production and Sales	100		Establishment
Qingyuan Haid	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Qingyuan Hainong	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Xuancheng Haid	Xuancheng, Anhui	Xuancheng, Anhui	Production and Sales	100		Establishment
Shunde Haid	Shunde, Guangdong	Shunde, Guangdong	Sales	100		Establishment
Jiaxing Haid	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and Sales	80		Business combination involving entities not under common control
Shijiazhuang Weike	Jinzhou, Hebei	Jinzhou, Hebei	Production and Sales	70		Business combination involving entities not under common control
Chongqing Haid	Chongqing, China	Chongqing, China	Production and Sales	100		Establishment
Shenyang Haid	Shenyang, Liaoning	Shenyang, Liaoning	Production and Sales	85		Establishment
Jiangsu Haihe	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Sales	67		Establishment
Xuzhou Haihe	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		70	Establishment
Lianyungang Haihe	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		100	Establishment
Xuzhou Haid	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Anshan Dachuan	Anshan, Liaoning	Anshan, Liaoning	Sales	100		Establishment
Guangzhou Haiyuan Factoring	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial factoring	100		Establishment
Heze Hairong	Heze, Shandong	Heze, Shandong	Management consulting		20	Establishment
Haid Pet	Weihai, Shandong	Weihai, Shandong	Sales	100		Establishment
Weihai Pet	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Qujing Zhihai	Qujing, Yunnan	Qujing, Yunnan	Production and Sales	100		Establishment
Yibin Zhihai	Yibin, Sichuan	Yibin, Sichuan	Production and Sales	100		Establishment
Guiyang Zhihai	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales		70	Establishment
Meishan Zhihai	Meishan, Sichuan	Meishan, Sichuan	Sales		83	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Ganzhou Haid	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Foshan Haid	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	60		Establishment
Guangzhou Zecan	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangzhou Punong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Shandong Fengying	Qufu, Shandong	Qufu, Shandong	Investment		66	Establishment
Jiaxiang Haiying	Jining, Shandong	Jining, Shandong	Slaughtering service		90	Establishment
Linxi Haiying	Xingtai, Hebei	Xingtai, Hebei	Slaughtering service		90	Establishment
Yiyuan Haiying	Zibo, Shandong	Zibo, Shandong	Slaughtering service		62	Establishment
Zouping Haiying	Zouping, Shandong	Zouping, Shandong	Slaughtering service		75	Establishment
Binzhou Haiying	Binzhou, Shandong	Binzhou, Shandong	Slaughtering service		70	Establishment
Guangzhou Yuannong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangdong Haid Poverty Alleviation	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service	100		Establishment
Liyang Jiuhe	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	80		Business combination involving entities not under common control
Shaoguan Haid	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales	100		Establishment
Shandong Daxin	Qingdao, Shandong	Qingdao, Shandong	Investment and trading	60		Business combination involving entities not under common control
Qingdao Daxin	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qingdao Huaxin	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Weifang Daxin	Qingzhou, Shandong	Qingzhou, Shandong	Production and Sales		100	Business combination involving entities not under common control
Yantai Daxin	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Linyi Yihe	Tancheng, Shandong	Tancheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Jiangsu Daxin	Huaiyin, Jiangsu	Huaiyin, Jiangsu	Production and Sales		100	Business combination involving entities not under common control
Shandong Daxin Agriculture and Animal Husbandry	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qingdao Zhizhuxia	Qingdao, Shandong	Qingdao, Shandong	Sales		100	Business combination involving entities not under common control
Linyi Zhizhuxia	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Liaocheng Daxin	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Laiyang Haihe	Yantai, Shandong	Yantai, Shandong	Production and Sales		85	Establishment
Qingdao Runguiyuan	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Huai'an Hailong	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Establishment
Hunan Jinhuilong	Yueyang, Hunan	Yueyang, Hunan	Investment	51		Business combination involving entities not under common control
Yueyang Jinhuilong	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		100	Business combination involving entities not under common control
Jiaozuo Jinhuilong	Jiaozuo, Henan	Jiaozuo, Henan	Production and Sales		100	Business combination involving entities not under common control
Shijiazhuang Huילong	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production and Sales		65	Business combination involving entities not under common control
Handan Huילong	Handan, Hebei	Handan, Hebei	Production and Sales		65	Business combination involving entities not under common control
Huai'an Huילong	Huai'an, Jiangsu	Huai'an, Jiangsu	Sales		100	Establishment
Fuzhou Haid	Fuzhou, Fujian	Fuzhou, Fujian	Production and Sales	100		Establishment
Gaoyao Haid	Gaoyao, Zhaoqing, Guangdong	Gaoyao, Zhaoqing, Guangdong	Production and Sales	100		Establishment
Nanning Haid	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	100		Establishment
Ganzhou Hailong	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Guangzhou Haiyuan Micro-Credit	Guangzhou, Guangdong	Guangzhou, Guangdong	Micro-credit service	100		Establishment
Guangdong Haid Biological Technology	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Establishment
Jiangmen Rongchuan	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chongqing Zhihai	Chongqing Municipality, China	Chongqing Municipality, China	Sales	100		Establishment
Meizhou Haid	Meizhou, Guangdong	Meizhou, Guangdong	Production and Sales	100		Establishment
Yicheng Haid	Xiangyang, Hubei	Xiangyang, Hubei	Production and Sales	100		Establishment
Heshan Ronghai	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Hexian Haid	Ma'anshan, Anhui	Ma'anshan, Anhui	Research and Trading	100		Establishment
Pingnan Haid	Pingnan, Guangxi	Pingnan, Guangxi	Sales	100		Establishment
Guangzhou Shunkang	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Tianjin Rongchuan	Tianjin	Tianjin	Production and Sales	70		Establishment
Zhanjiang Rongda	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Sales	100		Establishment
Huainan Haid	Huainan, Anhui	Huainan, Anhui	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Maoming Haid	Maoming, Guangdong	Maoming, Guangdong	Sales	75	25	Establishment
Guangzhou Ronghai	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Zhongshan Ronghai	Zhongshan, Guangdong	Zhongshan, Guangdong	Production and Sales		80	Establishment
Guangzhou Rongda	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		70	Establishment
Jiangmen Ronghai	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales		100	Establishment
Zhongshan Yugezi	Zhongshan, Guangdong	Zhongshan, Guangdong	Slaughtering service		60	Business combination involving entities not under common control
Guangxi Ronghai	Fangchenggan g, Guangxi, China	Fangchenggan g, Guangxi, China	Production and Sales		70	Establishment
Sichuan Rongchuan	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Yulin Haid	Yulin, Guangxi	Yulin, Guangxi	Production and Sales	100		Establishment
Sichuan Haile	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales	55		Establishment
Yichang Agriculture and Animal Husbandry	Yichang, Hubei	Yichang, Hubei	Production and Sales		72	Establishment
Mianyang Zhonggui	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales		72	Establishment
Dali Haiwang	Dali, Yunan	Dali, Yunan	Production and Sales		70	Establishment
Yunnan Zhonggui	Kunming, Yunnan	Kunming, Yunnan	Production and Sales		80	Business combination involving entities not under common control
Chongqing Zhihai	Chongqing, China	Chongqing, China	Production and Sales		90	Establishment
Guangzhou Xingnong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Xinxing Haifeng	Yunfu, Guangdong	Yunfu, Guangdong	Production and Sales		100	Establishment
Sihui Haifeng	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Wengyuan Haifeng	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Yingde Haifeng Agriculture and Animal Husbandry	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Qingyuan Haichuan	Qingyuan, Guangdong	Qingyuan, Guangdong	Slaughtering Service		100	Establishment
Ezhou Haifeng	Ezhou, Hubei	Ezhou, Hubei	Production and Sales		80	Establishment
Yingde Haifeng	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Qingyuan Ronghai	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	96.67	3.33	Business combination involving entities not under common control
Guangzhou Haiyin	Guangzhou, Guangdong	Guangzhou, Guangdong	Financing guarantee	100		Establishment
Qinzhou Hailong	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Deyang Dachuan	Deyang, Sichuan	Deyang, Sichuan	Production and Sales	100		Establishment
Hainan Haid	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Liuzhou Haid	Liuzhou, Guangxi	Liuzhou, Guangxi	Production and Sales	100		Establishment
Jiangsu Dachuan	Huai'an Jiangsu	Huai'an Jiangsu	Production and Sales	100		Business combination involving entities not under common control
Zhaoqing Ronghai	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales	100		Establishment
Gaoan Haid	Yichun, Jiangxi	Yichun, Jiangxi	Production and Sales	100		Establishment
Shanggao Haid	Shanggao, Jiangxi	Shanggao, Jiangxi	Production and Sales	100		Establishment
Qingyuan Hailong	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Qingyuan Guanghong	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales		60	Establishment
Guangzhou Hailin	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Guangdong Haid International Trading	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Establishment
Nansha Haid	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Yancheng Haiwe	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Hainan Haid Seed	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment
Wuzhou Haid	Wuzhou, Guangxi, China	Wuzhou, Guangxi, China	Production and Sales	100		Establishment
Dongguan Hailin	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Establishment
Zhangzhou Haiheng	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	100		Establishment
Deyang Dachuan	Deyang, Sichuan	Deyang, Sichuan	Production and Sales	100		Establishment
Mianyang Hailong	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales	70		Establishment
Meishan Haid	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Guangzhou Nongzhidao	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	60		Establishment
Yingkou Dachuan	Yingkou, Liaoning	Yingkou, Liaoning	Production and Sales	100		Establishment
Jieshou Haid	Fuyang, Anhui	Fuyang, Anhui	Production and Sales	100		Establishment
Anlu Haid	Xiaogan, Hubei	Xiaogan, Hubei	Production and Sales	100		Establishment
Jinzhou Haihe	Jinzhou, Hubei	Jinzhou, Hubei	Production and Sales	100		Establishment
Guangzhou Chenzhao	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Hainan Zhuangmei	Danzhou, Hainan	Danzhou, Hainan	Production and Sales	100		Business combination involving entities not under common control
Yancheng Runchuan	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Zigong Hailong	Zigong, Sichuan	Zigong, Sichuan	Production and Sales	100		Establishment
Jiangxi Jiabo	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales	60		Business combination involving entities not under common control

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jiangxi Gunanbencao	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Jiangxi Renxintang	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Guangxi Rongchuan	Nanning, Guangxi, China	Nanning, Guangxi	Production and Sales	100		Establishment
Dali Haid	Dali, Yunan	Dali, Yunan	Production and Sales	100		Establishment
Guangzhou Haid Technology	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Heshan Haiwei	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment

2. Significant Non-Wholly-Owned Subsidiaries

Subsidiary (abbreviation)	Non-controlling interests (%)	Profit/Loss of Current Period attributable to non-controlling interests	Dividends declared for non-controlling interests for Current Period	Closing balance of non-controlling interests
Shandong Daxin	40.00	29,980,469.23	9,200,000.00	157,656,615.78
Panasia Trading	20.00	42,950,815.30	17,333,855.04	112,056,904.77
Shandong Haiding	45.00	63,576,319.69	12,281,430.33	117,279,779.10
Foshan Haihang	12.50	2,090,507.05	1,091,472.48	4,327,254.64

3. Key Financial Information of Significant Non-Wholly-Owned Subsidiaries

Subsidiary (abbreviation)	2020.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shandong Daxin	262,023,504.91	244,566,729.68	506,590,234.59	91,870,552.21	22,289,597.59	114,160,149.80
Panasia Trading	895,595,883.35	384,293,007.54	1,279,888,890.89	719,601,333.63	-	719,601,333.63
Shandong Haiding	1,056,332,448.97	315,653,265.83	1,371,985,714.80	1,147,881,387.20	7,925,607.48	1,155,806,994.68
Foshan Haihang	103,556,076.25	59,783,628.50	163,339,704.75	106,059,198.08	22,662,469.57	128,721,667.65

Continued (1):

Subsidiary (abbreviation)	2019.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shandong Daxin	223,890,377.03	199,500,003.10	423,390,380.13	60,935,959.13	24,380,979.74	85,316,938.87
Panasia Trading	872,440,237.94	384,382,824.03	1,256,823,061.97	789,371,969.37	-	789,371,969.37
Shandong Haiding	446,855,847.12	247,633,397.77	694,489,244.89	576,396,179.69	6,319,393.92	582,715,573.61
Foshan Haihang	61,774,834.82	64,775,155.57	126,549,990.39	77,145,154.62	22,861,195.06	100,006,349.68

Continued (2):

Subsidiary (abbreviation)	Year ended 31/12/2020				Year ended 31/12/2019			
	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities
Shandong Daxin	1,651,311,390.70	75,848,748.66	75,848,748.66	79,861,486.95	887,640,777.40	38,878,495.05	38,878,495.05	5,056,287.81
Panasia Trading	2,693,183,656.98	203,067,186.33	203,067,186.33	150,274,887.83	2,251,501,553.48	163,886,316.77	163,360,472.45	229,459,971.30
Shandong Haiding	7,435,060,796.53	114,750,776.83	114,750,776.83	173,109,398.96	5,001,892,237.13	68,207,742.73	68,207,742.73	98,473,796.12
Foshan Haihang	1,283,252,006.40	16,724,056.38	16,724,056.38	14,833,785.76	1,063,484,595.15	8,731,779.82	8,731,779.82	75,891,133.51

4. Transactions caused the change in Share of Owner's Equity of Subsidiaries but control the Subsidiaries

(1) Changes in Share of Owner's Equity of Subsidiaries

Subsidiary (abbreviation)	Timing of equity Changed	Shareholding percentage before changes (%)		Shareholding percentage after changes (%)	
		Direct	Indirect	Direct	Indirect
Guangzhou Hailong	May 2020	60		100	
Zhaoqing Haid	September 2020	60		100	
Guangzhou Zhongcangsheng	April 2020		51		66
Suixian Haid	March 2020		41		50
Haid Ecuador	September 2020		95		100
Yichang Zhihai	January 2020		72		100
Ganzhou Haid	April 2020	60		100	
Yueyang Jinhuilong	February 2020		65		100
Jiaozuo Jinhuilong	January 2020		65		100
Chongqing Zhihai	November 2020	80		100	

(2) Impact of Transactions on Non-Controlling Interests and Owner's equity Attributable to the parent company

Item	Guangzhou Hai Long	Zhaoqin Haid	Guangzhou Zhongcangsheng	Suixian Haiding	Haid Ecuador
Acquisition cost / consideration of disposal					
--Cash	2,000,000.00	2,200,000.00	1,590,003.44	1,500,000.00	34,085.50
--Fair value of non-cash assets	-	-	-	-	-
Total acquisition cost / consideration of disposal	2,000,000.00	2,200,000.00	1,590,003.44	1,500,000.00	34,085.50
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	30,311.40	978,927.21	1,831,959.66	890,937.33	-372,840.64
Difference	1,969,688.60	1,221,072.79	-241,956.22	609,062.67	406,926.14
Including: Adjustment to capital reserve	1,969,688.60	1,221,072.79	-241,956.22	609,062.67	406,926.14

Continued:

Item	Yichang Zhihai	Ganzhou Haid	Yueyang Jinhuilong	Jiaozuo Jinhuilong	Chongqing Zhihai
Acquisition cost / consideration of disposal					
--Cash	3,023,255.46	3,170,000.00	8,750,000.00	2,340,000.00	370,000.00
--Fair value of non-cash assets	-	-	-	-	-
Total acquisition cost / consideration of disposal	3,023,255.46	3,170,000.00	8,750,000.00	2,340,000.00	370,000.00
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	2,982,181.80	-2,600,684.22	8,720,854.97	2,527,221.96	-14,926.68
Difference	41,073.66	5,770,684.22	29,145.03	-187,221.96	384,926.68
Including: Adjustment to capital reserve	41,073.66	5,770,684.22	29,145.03	-187,221.96	384,926.68

(II) Interests in Associates

1. Summary of Financial Information of Insignificant Associates

Item	2020.12.31 Year ended 31/12/2020	2019.12.31 Year ended 31/12/2019
Associates:		
Total carrying amount of investments	59,465,879.68	62,614,691.35
Totals calculated as shareholding percentage		
--Net profit	-2,923,984.35	13,126,533.86
--Other comprehensive income	-	-
--Total comprehensive income	-2,923,984.35	13,126,533.86

VIII. Risks Management of Financial Instruments

The main financial instruments of the Group include cash at bank and on hand, , notes receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, entrusted loan issued and advances to customer, held-for-trading financial assets, debt investments, other non-current financial assets, long-term receivables, accounts payable, other receivables, short-term loans, held-for-trading liabilities and non-current liabilities due within one year, long-term loans, and long-term payables. Details of various financial instruments have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Group to reduce these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are controlled within a limited range.

1. Objectives and Policies of Risk Management

The Group's goal in risk management is to achieve a proper balance between risk and return, and strive to reduce the adverse impact of any financial instrument risk on the company's operations. Based on this risk management objective, the Group has established relevant risk management policies to identify and analyze the company's risks, appropriately set corresponding acceptable risk levels and established the internal control procedures to monitor the Group's risk level. In addition, the Group will regularly review these risk management policies and related internal control system to adapt to changes in market conditions or the company's operating activities, and the Group's internal audit department will regularly or randomly check whether the implementation of the internal control system complies with relevant risk management policies.

The Group's purpose in risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risk on the Group's operating performance. Based on the purpose of risk management, the basic strategy of the Group's risk management is to identify and analyze various kind of risks faced by the Group, set up an appropriate risk tolerance bottom line and design the internal control process to monitor the risk level. The Group reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Group's internal audit department also reviews regularly or randomly whether the performance of internal control system is complied with the risk management policy.

The major risks caused by the Group's financial instruments are credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks and cover many aspects such as management of market risk, credit risk and liquidity risk. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. The internal audit department of the Group conducts regular verifications on risk management controls and procedures, and reports results to the audit committee of the Group.

The Group diversifies the risks of financial instruments through appropriate diversified investments and business portfolios, and reduces the risk of concentration in a single industry, specific region, or specific counterparty by formulating appropriate risk management policies.

1. Credit Risk

Credit risk refers to the risk that the counterparty fails to fulfill its contractual obligations, resulting in financial losses to the Group.

The Group manages credit risk on the basis of portfolio. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable, other receivables, etc.

The Group's bank deposits are mainly deposited in financial institutions with reputation and high credit ratings. The Group expects that the credit risk of bank deposits is low.

With regard to notes receivable, accounts receivable, other receivables, loans and advances to customers, the Group establishes relevant policies to control credit risk exposure. The Group assesses the credit qualification of customers based on their financial status, credit records and other factors, such as current market conditions, and sets corresponding credit periods. The Group monitors the credit records of customers on a regular basis. For customers with poor credit records, the Group will issue reminders in writing, shorten the credit period or cancel the credit period, so as to ensure that the overall credit risk of the Group is within the controllable range.

The debtors of the Group are spread in different industry and geographic region. The Group continuously performs credit assessment on the debtors and purchase credit guarantee insurance when necessary.

The Group's maximum tolerated credit risk exposure is the book value of every financial asset on the balance sheet. The Group also faces credit risk for providing financial guarantee. Please refer to Note XII. 2.

Accounts receivable due from the top five customers of the Group account for 11.69% of total accounts receivable (2019: 9.37%); other receivables due from the top five customers of the Group account for 75.86% of total other receivables (2019: 39.95%).

2. Liquidity Risk

Liquidity risk is the risk that the Group is short of funds to deliver cash or other financial assets or meet other settlement obligations.

Each subsidiary of the Group is responsible for cash flow forecast. The treasury department of the Group monitors the long-term and short-term capital requirements at the group level based on the cash flow forecasts of each subsidiary.

The Group coordinates the surplus funds within the group through the funding pool plan setup in the large financial institutions, and ensure that each member has sufficient cash reserves to meet the payment obligations due for settlement. In addition, the Group entered into financing credit agreements with main business banks to meet short-term and long-term funding requirements.

The Group raises working capital through funds generated from operating business, bank and other borrowings. As of December 31, 2020, the Group's unused bank loan amount was RMB 14,425.54 million (December 31, 2019: RMB 15,608.30 million).

3. Market Risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other price risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can arise from confirmed interest-bearing financial instruments and unrecognized financial instruments.

The Group's interest rate risk mainly arises from long-term and short term interest-bearing bank loans. Financial liabilities with floating interest rates causes interest rate risks in cash flow to the Group and Financial liabilities

with fixed interest rates causes interest rate risks in fair value to the Group. The Group determines the proportion of fixed and floating interest rate contracts according to current market situation and maintain the appropriate mixture of the instruments with fixed and floating interest rate by regular review and monitoring.

For financial instrument held at balance sheet date with interest rate risk in fair value, the effect of net profit and shareholders' equity in the above sensitivity analysis is assumed that interest rate changes at balance sheet date and the above financial instrument is remeasured at the new interest rate. For non-derivative financial instrument held at balance sheet date with floating interest rate and interest rate risk of cash flow, the effect of net profit and shareholders' equity in the above sensitivity analysis is based on the calculation of estimated annual interest expenses or income by the changes in above interest rate. The analysis in last year is based on the same assumption and method.

Foreign Exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of fair value or future cash flow of financial instrument due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instrument measured at foreign currency instead of reporting currency.

The Group's principal business is operated in China and settled in RMB. However, there's still foreign exchange rate risk of the recognized financial instruments recorded in foreign currency. The raw materials purchased and imported by the Group have achieved a certain scale, and there is an increase in the transactions amount of overseas subsidiaries of the Group overseas uses with other currencies other than RMB as their functional currency. Therefore, fluctuations in RMB exchange rate have exerted certain impact on the Group's business operations.

As of December 31, 2020, the Group's major monetary items in foreign currencies are financial assets and financial liabilities denominated in US dollar, Vietnamese dong, rupee, and ringgit (refer to Note V. 67 (1) Monetary items in foreign currencies for more details). Since other currencies are not use infrequently and the amount is relatively small, changes in their exchange rates has no significant impact on the business activities of the Group.

The Group closely monitors the scale of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize its foreign exchange risks. Therefore, the Group enters into forward foreign exchange contracts or currency swap contracts to avoid foreign exchange risks when appropriate.

Other price risk

Other price risk is the fluctuation risk due to the changes of market prices besides foreign exchange risk and interest rate risk due to whether individual financial instrument or its issuer or all similar financial instruments traded in the market. It may be affected by the changes of the price of goods or equity instrument.

The Company upholds the basic principle of serving spot goods -- the spot procurement program, and regards risk control as the core principle. Meanwhile, it will adopt one or more than one arbitrage tool for hedging to avoid the commodity price risk and credit risk etc., and changes in the fair value or cash flow of the arbitrage tool are expected to offset all or part of the changes in the fair value or cash flow of the hedged item, in which way, the impact of price fluctuations in raw materials and commodities on production and operations can thus be mitigated.

IX. Disclosures of Fair Value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs: inputs that are unobservable for assets or liabilities.(unobservable input)

1. Items and Amount Measured at Fair Value

As at December 31, 2020, assets and liabilities measured at fair value based on the three levels above are shown as follows:

Item	Level 1	Level 2	Level 3	Total
I. Recurring fair value measurement				
I. Held-for-trading financial assets	86,719,309.28	-	504,417,562.64	591,136,871.92
1. Financial assets measured at fair value through profit or loss	86,719,309.28	-	504,417,562.64	591,136,871.92
(1) Debt instruments	-	-	-	-
(2) Equity instruments	-	-	254,417,562.64	254,417,562.64
(3) Derivative financial assets	86,719,309.28	-	-	86,719,309.28
(4) Others	-	-	250,000,000.00	250,000,000.00
2. Financial assets designated as fair value through profit or loss	-	-	-	-
Total assets measured at fair value on a recurring basis	86,719,309.28	-	504,417,562.64	591,136,871.92
3. Held-for-trading financial liabilities	126,399,980.00	1,046,249.19	-	127,446,229.19
Including: Derivative financial liabilities	126,399,980.00	1,046,249.19	-	127,446,229.19
Others	-	-	-	-
Total liabilities measured at fair value on a recurring basis	126,399,980.00	1,046,249.19	-	127,446,229.19

The Group recognizes transfers between different levels at the end of the current reporting period during which such transfers are made. During 2020, there were no transfers between different levels of the Group's assets and liabilities.

The occurring of an event of transfers between different levels is determined as when transfers between levels. The Group's financial assets and financial liabilities measured at fair value do not transfer between the first level and second level, or into or out of the third level during the current period.

2. Information on Level 2 of Fair Value Measurement

Item	Fair value As at 31/12/2020	Valuation techniques	Inputs
Derivatives:			
Foreign exchange forward contract	1,046,249.19	Market approach	Expected interest rate Contractual interest rate Exchange rate Discount rate reflecting the credit risk of issuers

3. Quantitative information on the unobservable inputs used in the fair value measurement that are significant and are reasonably available.

Item	Fair value As at 31/12/2020	Valuation techniques	Unobservable inputs	Range (weighted average)
Unlisted equity investments	254,417,562.64	Net assets	N/A	N/A
Bank financial products	250,000,000.00	Income approach (cash flow discount approach)	Volatility of the central parity rate	1.65%-4.75%

4. Fair values of assets and liabilities not measured at fair value

Financial assets and financial liabilities measured at amortized cost of the Group include: cash at bank and on hand, notes receivable, accounts receivable, other receivables, other current assets (including factoring receivables due within one year, and loans and advances to the customers due within one year), loans and advances to the customers, short-term loans, notes payable, accounts payable, other payables, long-term loans due within one year, long-term payables, long-term loans and debentures payable, etc.

There is no significant difference between the carrying amount of the financial instruments not measured at fair value and their fair value.

AX Related Parties and Related-Party Transactions

1. Parent company

Name	Place of registration	Business nature	Registered capital (RMB ten thousand)	Shareholding ratio in the Company (%)	Percentage of voting rights in the Company (%)
Guangzhou Haihao Investment Co., Ltd. (hereinafter referred to as "Guangzhou Haihao")	Guangzhou, Guangdong	Investment, trading, import and export of commodities and technologies	3,000.00	53.91	53.91

Guangzhou Haihao is the ultimate controlling party of the Company and established on September 27, 2006. Mr. Hua Xue holds a 39.75% of equity in Guangzhou Haihao, is the ultimate controller of the Company..

In the reporting period, change of the registered capital of the parent company is as follows:

(RMB ten thousand)			
As at 31/12/2019	Addition	Reduction	As at 31/12/2020
3,000.00	-	-	3,000.00

2. Information on the subsidiaries of the Company

For information on the subsidiaries of the Company, refer to Note VII.1.

3. Information on joint ventures and associates of the Company

Joint ventures and associates that have related party transactions with the Group during this year or previous year are as follows:

Name of joint ventures or associates	Relationship with the Group
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Associates, the Group holds 49% of equity
Guizhou Fuhai Chemicals Co, Ltd.	Associates, the Group holds 45% of equity
Bangpu Seed Technology Co., Ltd	Associates, the Group holds 20% of equity

4. Information on other related parties

Name	Relationship with the Group
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Subsidiary of Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.
Yingzhuo Xu	Director

5. Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	Year ended 31/12/2020	Year ended 31/12/2019
Guizhou Fuhai Chemicals Co., Ltd.	Raw material	110,787,343.5	116,534,661.29
Bangpu Seed Technology Co., Ltd	Consumptive biological assets	1,600,000.00	-

② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 31/12/2020	Year ended 31/12/2019
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	69,594,406.02	56,298,817.94
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	11,067,386.71	9,930,274.59

(2) Trust/contracting arrangement

No such transaction during the reporting period.

(3) Lease

① As the lessor

Lessee	Type of assets leased	Lease income recognized in 2020	Lease income recognized in 2019
Guangdong Haid Group Co., Limited	Office	51,428.52	51,428.52

Note: The price in the above lease with the related party was determined based on market prices upon mutual approval.

② As the lessee

No such transaction during the reporting period.

(4) Guarantee

No such transaction during the reporting period.

(5) Funding from related party

No such transaction during the reporting period.

(6) Transfer of assets and debt restructuring

No such transaction during the reporting period.

(7) Remuneration of key management personnel

The Group has 20 key management personnel in 2020 and 22 key management personnel in 2019. Information about remuneration is as follows:

(RMB ten thousand)

Item	Year ended 31/12/2020	Year ended 31/12/2019
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Item	Year ended 31/12/2020	Year ended 31/12/2019
Remuneration of key management personnel	2,781.32	2,025.66

(8) Other related party transactions

No such transaction during the reporting period. 6. Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	2020.12.31		2019.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	27,312.00	557.16	107,348.00	2,404.60
Accounts receivable	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	17,640.00	359.86	-	-
Prepayment	Bangpu Seed Technology Co., Ltd	660,000.00	-	-	-
Prepayment	Guizhou Fuhai Chemicals Co., Ltd.	150,000.00	-	-	-
Other receivables	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	517.91	15.38	-	-

(2) Payables to related parties

Item	Related party	2020.12.31	2019.12.31
Accounts payable	Guizhou Fuhai Chemicals Co., Ltd.	10,794,908.23	4,105,427.37
Advances from customers	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	-	3,388,563.26
Contract Liabilities	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	2,608.53	—
Contract Liabilities	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	484,628.00	—
Other payables	Guizhou Fuhai Chemicals Co., Ltd.	150,000.00	-
Other payables	Yingzhuo Xu	-	19,999.00

XI. Share-based Payments

1. Information on share-based payments

Total equity instruments granted by the Company during the year	-
Total equity instruments exercised during the year	12,080,693.00
Total equity instruments forfeited in the current Period	376,037.00
Exercise price of outstanding share options at the end of the year and residual life of the share options contracts	N/A
The price of other outstanding equity instruments at the end of the year and residual life of relevant contracts	(1) The repurchase price for the first phase of the Restricted Share Incentive Plan in 2016 is RMB6.63/share, with a residual life of 14 months. (2) The repurchase price for the Reserved Restricted Share Incentive Plan in 2016 is RMB9.89/share, with a residual life of 11 months.

2. Information on equity-settled share-based payments

Method to determine the fair value of equity instruments at grant dates	Using Black-Scholes option pricing model to calculate fair value of the Company's share options
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Basis of the number of equity expected to vest	When the required performance conditions are met for the corresponding periods of the equity instrument incentive plans
Reasons for significant differences of estimation between 31/12/2020 and 31/12/2019	N/A
Accumulated amount in capital reserve for equity-settled	189,205,116.18
Total expenses recognized for equity-settled share-based	8,320,604.84

3. Information on cash-settled share-based payments

No such event during the reporting period.

4. Information on modification and termination of share-based payments

Modification of share-based payment	Repurchase price of the restricted shares have been adjusted due to the annual equity distribution in 2019
Termination of share-based payment	N/A

XII. Commitments and Contingencies

1. Significant Commitments

As at December 31, 2020, there is no significant commitment to be disclosed.

2. Contingencies

Contingent liabilities arising from guarantee provided to other entities and related financial impacts.

(1) As at December 31, 2020, the Group provided guarantees for the following loans:

Company Name	Guarantee	Amount (RMB ten thousand)	Period	Note
1. Subsidiaries				
Wholly-owned subsidiaries and holding subsidiaries within the scope of consolidation	Bank loan financing and payable for raw material purchased	245,209.45	1-10 years	
Alaer Ruiliheng	Equity acquisition	1,291.63	Two years after the expiration of the payment obligation	Provided guarantee for the payable of the equity purchase
2. Other companies				
Farmers and distributors of holding subsidiaries	Guarantees for financings to purchase the Group's products	15,565.41	1-3 years	
Total		262,066.49		

As at December 31, 2020, there is no other contingency to be disclosed.

XIII. Post balance sheet events

1. Significant post balance sheet events

As at April 17, 2020, there is no such event to be disclosed.

2. Profit appropriations after balance sheet date

Profit distributions or dividends proposed	According to the profit distribution plan approved by the Board of Directors on April 17, 2021, it is planned to issue a cash dividend of RMB 3.20 (including tax) for every 10 shares base on the total share capital on the share registration date when the distribution plan is implemented. The distribution plan will be implemented after approval is granted in the general meeting of shareholders
Profit distributions or dividends approved and declared	N/A

3. Significant sales returns

As at April 17, 2021, there is no such event to be disclosed.

4. Other events after the balance sheet date

As at April 17, 2021, there is no such event to be disclosed.

XIV. Other Significant Events

1. Correction of Accounting Errors in Prior Periods

There was no significant correction of accounting errors in prior periods during the reporting period.

2. Significant Debt Restructuring

There was no significant debt restructuring during the reporting period.

3. Significant Asset Swap

There was no significant asset swap during the reporting period.

4. Transfer and Sales of significant assets

There was no such event during the reporting period.

5. Others

There was no other significant events to be disclosed during the reporting period.

XV. Notes to the Company's financial statements

1. Other Receivables

Item	2020.12.31	2019.12.31
Interest receivables	-	-
Dividend receivables	-	-
Other receivables	10,705,830,242.22	6,904,805,047.57
Total	10,705,830,242.22	6,904,805,047.57

(1) Interest Receivables

There was no such item to be disclosed during the reporting period.

(2) Dividends Receivable

There was no such item to be disclosed during the reporting period.

(3) Other receivables

① Other receivables by aging

Aging	2020.12.31	2019.12.31
Within 1 year	10,705,987,050.65	6,897,063,603.96
1 to 2 years	323,826.40	1,603,000.00
2 to 3 years	1,086,000.00	7,699,000.00
3 to 4 years	1,066,300.00	10,800.00
4 to 5 years	10,700.00	10,000.00
Over 5 years	10,000.00	-
Sub-total	10,708,483,877.05	6,906,386,403.96
Less: Provision for bad and doubtful debts	2,653,634.83	1,581,356.39
Total	10,705,830,242.22	6,904,805,047.57

② Other receivables disclosed by nature

Item	2020.12.31	2019.12.31
Petty cash	1,896,906.45	1,674,647.25
Guarantee deposit	415,293,261.71	727,275.00
Receivable due from related parties with the scope of consolidation	10,273,592,868.03	6,845,648,020.61
Futures margin	11,282,040.00	22,457,875.50
Others	6,418,800.86	35,878,585.60
Total	10,708,483,877.05	6,906,386,403.96

③ Provision for bad and doubtful debts

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (credit impairment has not yet occur)	Stage 3 Lifetime expected credit losses (credit impairment has occurred)	Total
Provision for bad and doubtful debts				
Balance at 31/12/2019	1,581,356.39	-	-	1,581,356.39
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 3	-	-	-	-
Accrual in current period	1,072,278.44	-	-	1,072,278.44
Reversal in current period	-	-	-	-
Recovery in current period	-	-	-	-
Write-off in current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2020	2,653,634.83	-	-	2,653,634.83

Provision for bad and doubtful debts as of 31/12/2019:

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
Balance at 31/12/2018	1,343,039.99	-	-	1,343,039.99
Adjustment for implementation of new financial instruments standard	-	-	-	-
Balance at 1/1/2019	1,343,039.99	-	-	1,343,039.99
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 3	-	-	-	-
Accrual in current period	238,316.40	-	-	238,316.40
Reversal in current period	-	-	-	-
Recovery in current period	-	-	-	-
Written-off in current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2019	1,581,356.39	-	-	1,581,356.39

④ Recoveries or reversals of provision for bad and doubtful debts in current period

Category	2019.12.31	Movement				As at 2020.12.31
		Accrual	Recoveries or reversals	Written-off	Others	
Other receivables	1,581,356.39	1,072,278.44	-	-	-	2,653,634.83
Total	1,581,356.39	1,072,278.44	-	-	-	2,653,634.83

There was no recoveries or reversals of provision for bad and doubtful debts in current period.

⑤ There were no written-off in other receivables during current period.

⑥ Other receivables with top five debtors

Debtor	Payment nature	Book balance	Aging	Proportion in total other receivables (%)	Provision for bad and doubtful debts
First place	Receivable due from related parties with the scope of consolidation	828,807,030.66	Within one year	7.74	-
Second place	Receivable due from related parties with the scope of consolidation	748,410,145.39	Within one year	6.99	-
Third place	Receivable due from related parties with the scope of consolidation	562,512,546.01	Within one year	5.25	-

Debtor	Payment nature	Book balance	Aging	Proportion in total other receivables (%)	Provision for bad and doubtful debts
Fourth place	Consolidated related party payments	514,225,500.10	Within one year	4.80	-
Fifth place	Receivable due from related parties with the scope of consolidation	392,600,000.00	Within one year	3.67	1,177,800.00
Total	--	3,046,555,222.16	--	28.45	1,177,800.00

⑦ There were no other receivables associated with government subsidies as at December 31, 2020.

⑧ No other receivables were derecognized due to transfer of financial assets during the current period.

⑨ There were no such cases during current period where the Group had transferred an other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

2. Long-Term Equity Investments

Item	2020.12.31			2019.12.31		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investment in Subsidiary	4,424,816,139.28	-	4,424,816,139.28	4,023,000,264.83	-	4,023,000,264.83
Investment in Associate	27,618,800.65	-	27,618,800.65	30,853,774.79	-	30,853,774.79
Total	4,452,434,939.93	-	4,452,434,939.93	4,053,854,039.62	-	4,053,854,039.62

(1) Investment in Subsidiary

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Hai Dai Company Limited	23,187.68	-	-	23,187.68	-	-
Hai Duong Haid Company Limited	352,164.47	24,030.10	-	376,194.57	-	-
Haid (Ecuador) Feed Cia.Ltda.	78,584.73	15,504.67	-	94,089.40	-	-
Haid Egypt Co.,Ltd	-	860.36	-	860.36	-	-
Haid Feed Company Limited	438,898.77	39,317.58	-	478,216.35	-	-
Haid International Group Limited	220,269,187.95	24,332,760.00	-	244,601,947.95	-	-
Lanking America	-	728.93	-	728.93	-	-
Hisenor Viet Namaquatic Breeding Co.,Ltd	46,600.14	-	-	46,600.14	-	-
Kinghill Holdings Pte. Ltd	88,108,230.00	63,888,122.00	-	151,996,352.00	-	-
Lanking Pte.Ltd.	379,675,052.14	37,742,880.00	-	417,417,932.14	-	-
PT Hisenor Technology Indonesia	8,873.58	-	-	8,873.58	-	-
PT. Haida Agriculture Indonesia	243,472.24	47,174.29	-	290,646.53	-	-
Sheng Long Bio-Tech	605,169.80	58,740.09	-	663,909.89	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
International Co.,Ltd						
Sheng Long International Ltd.	262,308.02	-	-	262,308.02	-	-
Sheng Long Bio-Tech(India)Private Limited	201,005.42	12,746.54	-	213,751.96	-	-
Vietnam HaiBei Biotechnology Co.,Ltd	8,383.38	-	-	8,383.38	-	-
Vink Long Hai Dai Co.,Ltd	21,724.94	7,401.05	-	29,125.99	-	-
Anhui Haid	11,247,954.46	66,478.19	-	11,314,432.65	-	-
Anyang Haihe	42,754.34	2,732.59	-	45,486.93	-	-
Anshan Dachuan	613,130.03	-	-	613,130.03	-	-
Binyang Heji Yitun	-	2,403.43	-	2,403.43	-	-
Binyang Yitun	68,121.11	5,614.78	-	73,735.89	-	-
Changzhou Haid	24,775,696.16	370,206.86	-	25,145,903.02	-	-
Chengdu Haid	16,665,689.66	102,108.99	-	16,767,798.65	-	-
Chengnan Hairong	76,811.52	-	-	76,811.52	-	-
Dali Haiwang	10,951.06	2,942.50	-	13,893.56	-	-
Dalian Haid	50,386,845.66	-	-	50,386,845.66	-	-
Shanxian Haiding	177,779.67	27,372.12	-	205,151.79	-	-
Dingtao Haiding	171,719.39	5,164.10	-	176,883.49	-	-
Dingtao Hairong	274,203.58	-	-	274,203.58	-	-
Dongguan Haid	21,316,137.52	76,661.22	-	21,392,798.74	-	-
Dongguan Hailin	-	277.17	-	277.17	-	-
Duyun Yitun	82,565.35	12,856.04	-	95,421.39	-	-
Ezhou Haid	3,318,166.12	84,352.74	-	3,402,518.86	-	-
Enping Fengwo	287,417.52	44,012.00	-	331,429.52	-	-
Enping Yitun	190,947.74	16,801.17	-	207,748.91	-	-
Feixian Hairuida	337,282.55	20,117.38	-	357,399.93	-	-
Foshan Haid	3,782,165.99	61,913.82	-	3,844,079.81	-	-
Foshan Haihang	23,111,860.89	82,119.82	-	23,193,980.71	-	-
Foshan Haipu	7,394,484.43	2,736.86	-	7,397,221.29	-	-
Foshan Nanhai Bairong	1,183,949.12	31,856.49	-	1,215,805.61	-	-
Foshan Sanshuifanling	15,810,312.28	38,350.19	-	15,848,662.47	-	-
Fujian Haid	101,763,735.37	71,587.79	-	101,835,323.16	-	-
Fuzhou Haid	-	17,549.23	-	17,549.23	-	-
Gansu Haid	8,665.27	3,074.16	-	11,739.43	-	-
Ganzhou Haid	2,724,702.09	3,193,227.66	-	5,917,929.75	-	-
Ganzhou Hailong	5,084,617.12	22,159.38	-	5,106,776.50	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Gaozhou Sanhe	177,905.24	9,901.38	-	187,806.62	-	-
Guangdong Livestock	51,636,916.26	57,761.86	-	51,694,678.12	-	-
Guangdong International Trading	-	30,000,000.00	-	30,000,000.00	-	-
Guangdong Hairuite	10,098,483.69	3,624.98	-	10,102,108.67	-	-
Guangdong Hisenor	2,112,845.03	73,492.03	-	2,186,337.06	-	-
Guangdong Hinter	84,398,465.82	170,997.52	-	84,569,463.34	-	-
Guangdong Shunde Haid	5,222,434.43	19,906.08	-	5,242,340.51	-	-
Guangxi Haid	109,738,838.87	37,893.42	-	109,776,732.29	-	-
Guangxi Ronghai	-	943.97	-	943.97	-	-
Guangzhou Haijian	1,000,000.00	-	-	1,000,000.00	-	-
Guangzhou Hailong	3,121,479.05	2,000,000.00	-	5,121,479.05	-	-
Guangzhou Hailin	-	10,004,120.99	-	10,004,120.99	-	-
Guangzhou Haishengyuan	11,642.38	-	-	11,642.38	-	-
Guangzhou Haishengke	1,000,000.00	-	-	1,000,000.00	-	-
Guangzhou Haiyiyuan	18,714.67	-	-	18,714.67	-	-
Guangzhou Haiyin Financing Guarantee	250,000,000.00	-	-	250,000,000.00	-	-
Guangzhou Haiyuan Factoring	50,112,231.26	-	-	50,112,231.26	-	-
Guangzhou Haiyuan Micro-Credit	500,121,689.92	73,196.37	-	500,194,886.29	-	-
Guangzhou Mutai	563,406.74	7,483.56	-	570,890.30	-	-
Nansha Haid	-	6,178.01	-	6,178.01	-	-
Guangzhou Nongzhidao	-	6,000,000.00	-	6,000,000.00	-	-
Guangzhou Rongda	186.29	4,776.60	-	4,962.89	-	-
Guangzhou Chenzhao	-	30,000,000.00	-	30,000,000.00	-	-
Guangzhou Dachuan	14,566,282.03	259,201.14	-	14,825,483.17	-	-
Guangzhou Danong	500,000.00	-	-	500,000.00	-	-
Guangzhou Haid	13,922,127.71	-	-	13,922,127.71	-	-
Guangzhou Haifengchang	500,000.00	-	-	500,000.00	-	-
Guangzhou Haihe	550,000.00	-	-	550,000.00	-	-
Guangzhou Haiwei	15,957,158.81	50,982.57	-	16,008,141.38	-	-
Guangzhou Heshengtang Veterinary Pharmaceutical	19,614,225.95	71,138.14	-	19,685,364.09	-	-
Guangzhou Heshengtang Biotechnology	3,330,000.00	-	-	3,330,000.00	-	-
Guangzhou Me inong	125,500,000.00	59,357,515.00	-	184,857,515.00	-	-
Guangzhou Rongchuan	15,090,126.91	19,225.97	-	15,109,352.88	-	-
Guangzhou Runchuan	9,812,949.78	-	-	9,812,949.78	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Guangzhou Yitun	2,074,749.65	215,717.78	-	2,290,467.43	-	-
Guangzhou Shunkang	45,452.68	-	-	45,452.68	-	-
Guangzhou Xingnong	4,061.77	4,662.80	-	8,724.57	-	-
Guangzhou Changsheng Logistics	10,306,179.50	15,997.20	-	10,322,176.70	-	-
Guigang Donghuang	26,711.58	3,043.43	-	29,755.01	-	-
Guigang Gangbei Yitun	176,103.87	9,247.63	-	185,351.50	-	-
Guigang Haid	6,143,560.11	85,486.97	-	6,229,047.08	-	-
Guigang Hairong	80,966.98	-	-	80,966.98	-	-
Guigang Qintang Yitun	12,282.92	-	-	12,282.92	-	-
Guiyang Haid Zhihai	43,986.25	13,835.57	-	57,821.82	-	-
Guizhou Aikexin	-	1,566.60	-	1,566.60	-	-
Haid Pet Care (Weihai)	45,301.79	4,303.82	-	49,605.61	-	-
Haid Pet	10,107,041.02	3,073.35	-	10,110,114.37	-	-
Hainan Bairong	-	9,298.86	-	9,298.86	-	-
Hainan Hisenor	1,135,622.21	36,683.22	-	1,172,305.43	-	-
Hainan Zhuangmei	-	10,500,000.00	-	10,500,000.00	-	-
Hexian Haid	1,349.85	8,346.15	-	9,696.00	-	-
Henan Haiding	-	3,221.56	-	3,221.56	-	-
Henan Haihe	6,736,768.35	-	-	6,736,768.35	-	-
Heze Haiding	653,287.69	37,323.80	-	690,611.49	-	-
Heshan Ronghai	52,491.73	24,908.91	-	77,400.64	-	-
Hengshan Yitun	295,612.98	32,009.32	-	327,622.30	-	-
Hengyang Jisheng	99,981.43	-	-	99,981.43	-	-
Hengyang Yitun	14,442.12	-	-	14,442.12	-	-
Honghu Haid	2,319,090.73	40,272.43	-	2,359,363.16	-	-
Hubei Haid	28,476,775.44	298,213.99	-	28,774,989.43	-	-
Hunan Innovation	1,551,470.08	30,910.85	-	1,582,380.93	-	-
Hunan Dongting Haid	5,555,218.83	38,208.34	-	5,593,427.17	-	-
Hunan Haid	18,958,034.66	86,421.27	-	19,044,455.93	-	-
Hunan Jinhuilong	51,000,000.00	-	-	51,000,000.00	-	-
Hunan Yitun	424,023.88	58,976.74	-	483,000.62	-	-
Huaihua Haid	5,425,131.26	39,993.01	-	5,465,124.27	-	-
Huaian Hailong	59,310.82	5,025,962.57	-	5,085,273.39	-	-
Jining Haiding	105,104.71	7,880.39	-	112,985.10	-	-
Jiyuan Haihe	13,150.52	1,707.87	-	14,858.39	-	-
Jiaxing Haid	14,544,054.08	16,724.26	-	14,560,778.34	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Jiangmen Haid	83,228,949.71	80,415.84	-	83,309,365.55	-	-
Jiangmen Ronghai	-	12,995.05	-	12,995.05	-	-
Jiangmen A&T Xinhui	25,193,223.47	11,471.16	-	25,204,694.63	-	-
Jiangsu Dachuan	24,574,189.12	-	-	24,574,189.12	-	-
Jiangsu Daxin	-	2,615.01	-	2,615.01	-	-
Jiangsu Haihe	6,876,175.41	9,577.64	-	6,885,753.05	-	-
Jiangxi Haid	74,461,417.28	44,359.01	-	74,505,776.29	-	-
Jiangxi Jiabo	-	34,800,000.00	-	34,800,000.00	-	-
Jiaozuo Jinhuilong	5,028.07	-	-	5,028.07	-	-
Jieyang Haid	1,123,307.30	87,042.84	-	1,210,350.14	-	-
Jieshou Haid	-	1,001,391.19	-	1,001,391.19	-	-
Jingzhou Bairong	18,968.14	3,744.24	-	22,712.38	-	-
Jingzhou Haid	101,632,300.74	145,831.88	-	101,778,132.62	-	-
Jingzhou Haihe	-	2,959.41	-	2,959.41	-	-
Kaifeng Haid	13,255,553.27	52,429.63	-	13,307,982.90	-	-
Lanzhou Haid	25,785.02	-	-	25,785.02	-	-
Kaifeng Haid	64,553,210.21	42,812.72	-	64,596,022.93	-	-
Liyang Jiuhe	165,171.28	22,944.47	-	188,115.75	-	-
Lianyungang Haihe	144,492.28	18,962.57	-	163,454.85	-	-
Liaocheng Haiding	19,846.72	9,870.19	-	29,716.91	-	-
Linyi Hedong Haiding	93,963,874.93	60,915.72	-	94,024,790.65	-	-
Mianyang Hailong	-	6,611.84	-	6,611.84	-	-
Nanchang Haid	5,176,983.08	65,263.79	-	5,242,246.87	-	-
Nanning Haid	214,647.52	42,213.99	-	256,861.51	-	-
Nantong Haid	101,299,086.45	57,665.19	-	101,356,751.64	-	-
Pingguo Yitun	91,610.18	-	-	91,610.18	-	-
Pingnan Haid	5,604.11	-	-	5,604.11	-	-
Pingnan Yitun	184,009.46	21,061.56	-	205,071.02	-	-
Qinzhou Yitun	5,578.99	1,707.87	-	7,286.86	-	-
Qingyuan Haibei	4,014,060.01	163,182.13	-	4,177,242.14	-	-
Qingyuan Haid	10,450,665.86	55,453.15	-	10,506,119.01	-	-
Qingyuan Hailong	17,994.90	5,032,144.89	-	5,050,139.79	-	-
Qingyuan Hainong	25,458.94	1,127.19	-	26,586.13	-	-
Qingyuan Ronghai	800,879.03	46,885.18	-	847,764.21	-	-
Qujing Zhihai	2,025,016.25	-	-	2,025,016.25	-	-
Rongcheng Rongchuan	36,565.26	-	-	36,565.26	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Rongjiang Yitun	15,795.43	-	-	15,795.43	-	-
Sanming Haid	5,388,676.75	21,263.35	-	5,409,940.10	-	-
Shandong Bairong	-	20,028.08	-	20,028.08	-	-
Shandong Daxin	286,448,272.66	5,279.86	-	286,453,552.52	-	-
Shandong Haiding	5,647,372.39	20,706.17	-	5,668,078.56	-	-
Shaanxi Haid	13,465,799.50	-	-	13,465,799.50	-	-
Shanggao Haid	-	6,542.47	-	6,542.47	-	-
Shaoguan Haid	46,554.57	5,017,926.69	-	5,064,481.26	-	-
Shaoguan Zhenjiang Yitun	13,804.02	670.73	-	14,474.75	-	-
Shenzhen Longgreat	1,409,821.33	-	-	1,409,821.33	-	-
Shenyang Haid	2,804,437.51	25,630.57	-	2,830,068.08	-	-
Shijiazhuang Huilong	1,631.89	-	-	1,631.89	-	-
Shijiazhuang Weike	49,386,692.80	36,092.18	-	49,422,784.98	-	-
Sichuan Haile	7,940,000.00	8,562,976.53	-	16,502,976.53	-	-
Sichuan Hailinger	522,063.74	34,146.19	-	556,209.93	-	-
Sihui Haifeng	47,771.89	-	-	47,771.89	-	-
Suixian Yuliang Haiding	141,412.20	7,344.80	-	148,757.00	-	-
Taizhou Haid	20,329,142.50	136,316.14	-	20,465,458.64	-	-
Tengzhou Fengcheng	49,344.46	7,900.10	-	57,244.56	-	-
Tianjin Haid	149,314,100.59	61,241.47	-	149,375,342.06	-	-
Tianjin Rongchuan	83,491,161.48	56,518,872.53	-	140,010,034.01	-	-
Tianmen Haid	6,647,535.58	92,723.88	-	6,740,259.46	-	-
Weinan Haid	16,533.56	7,856.19	-	24,389.75	-	-
Wuzhou Haid	-	2,421.95	-	2,421.95	-	-
Wuhan Aquaera	5,334,171.49	26,989.34	-	5,361,160.83	-	-
Wuhan Zeyi	10,000,000.00	-	-	10,000,000.00	-	-
Xishui Haid	3,665,221.32	42,821.21	-	3,708,042.53	-	-
Xiangtan Haid	10,411,564.85	35,094.84	-	10,446,659.69	-	-
Xinxiang Hairuida	4,898.55	4,678.53	-	9,577.08	-	-
Suqian Haid	20,562,286.74	51,634.40	-	20,613,921.14	-	-
Xuzhou Haid	88,267.36	9,627.93	-	97,895.29	-	-
Xuzhou Haihe	71,839.59	9,422.99	-	81,262.58	-	-
Xuchang Haihe	19,608.75	1,366.29	-	20,975.04	-	-
Xuancheng Haid	5,358,505.00	7,125.65	-	5,365,630.65	-	-
Yancheng Haid	30,464,608.39	23,397.39	-	30,488,005.78	-	-
Yangjiang Haid	5,703,116.53	48,554.33	-	5,751,670.86	-	-

Investee (abbreviation)	2019.12.31	Increase in Current Period	Decrease in Current Period	2020.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Yangjiang Yangdong Fengwo	156,487.91	5,673.26	-	162,161.17	-	-
Yangxi Fengwo	464,873.79	30,920.23	-	495,794.02	-	-
Yangxin Bairong	452,149.50	5,899.87	-	458,049.37	-	-
Yangling Haid	66,629.14	10,335.38	-	76,964.52	-	-
Yinan Haiding	206,652.30	1,816.67	-	208,468.97	-	-
Yibin Zhihai	131,841.61	11,377.63	-	143,219.24	-	-
Yichang Zhihai	12,915.96	-	-	12,915.96	-	-
Yicheng Haid	1,942.32	2,006.99	-	3,949.31	-	-
Yicheng Yitun	40,662.05	-	-	40,662.05	-	-
Yiyang Haid	50,958,011.95	52,141.66	-	51,010,153.61	-	-
Yingde Yitun	32,213.27	9,348.58	-	41,561.85	-	-
Qiaotou Yitun Feed	-	2,423.22	-	2,423.22	-	-
Yingkou Dachuan	-	5,326.19	-	5,326.19	-	-
Yulin Haid	-	3,668.78	-	3,668.78	-	-
Yueyang Yitun	194,653.13	6,064.07	-	200,717.20	-	-
Yunnan Haid	6,690,208.31	71,790.39	-	6,761,998.70	-	-
Yuncheng Haiding	101,607.29	3,640.80	-	105,248.09	-	-
Zhanjiang Haid	17,688,003.81	141,446.25	-	17,829,450.06	-	-
Zhanjiang Hisenor	645,541.90	47,209.79	-	692,751.69	-	-
Zhanjiang Rongda	13,364.14	17,809.45	-	31,173.59	-	-
Zhangzhou Haid	12,771,086.34	49,770.26	-	12,820,856.60	-	-
Zhangzhou Haijingzhou	11,479.84	84,222.35	-	95,702.19	-	-
Zhangzhou Longwen Hairong	62,874.29	-	-	62,874.29	-	-
Zhangzhou Haiheng	-	1,332.28	-	1,332.28	-	-
Zhaoqing Bairong	31,362.07	3,487.07	-	34,849.14	-	-
Zhaoqing Gaoyao Haid	7,500.58	6,295.40	-	13,795.98	-	-
Zhaoqing Haid	3,602,847.75	2,210,951.73	-	5,813,799.48	-	-
Zhejiang Haid	99,323,994.43	41,173.63	-	99,365,168.06	-	-
Zhongshan Ronghai	12,826.63	15,910.14	-	28,736.77	-	-
Chongqing Haid	5,314,098.45	26,414.67	-	5,340,513.12	-	-
Chongqing Zhihai	-	370,000.00	-	370,000.00	-	-
Zhuhai Hailong	13,061,860.26	127,808.64	-	13,189,668.90	-	-
Zhuhai Rongchuan	36,121,001.94	282,020.37	-	36,403,022.31	-	-
Zixing Yitun	2,967.87	-	-	2,967.87	-	-
Total	4,023,000,264.83	401,815,874.45	-	4,424,816,139.28	-	-

(2) Investment in Associate and joint ventures

Investee	2019.12.31	Movements during the year							2020.12.31	Closing Balance of Provision for Impairment	
		Increase in Current Period	Decrease in Current Period	Investment gains or losses Recognized under the Equity Method	Adjustment in Other Comprehensive income	Changes in Other Equity	Cash Dividends or Profits declared	Provision for Impairment			Others
① Associates											
Guizhou Fuhai Chemicals Co., Ltd.	24,729,171.02	-	-	2,221,341.77	-	-	-4,500,000.00	-	-	22,450,512.79	-
Bangpu Seed Technology Co., Ltd	6,124,603.77	-	-	-956,315.91	-	-	-	-	-	5,168,287.86	-
Total	30,853,774.79	-	-	1,265,025.86	-	-	-4,500,000.00	-	-	27,618,800.65	-

3. Operating income and operating cost

Item	Year ended 31/12/2020		Year ended 31/12/2019	
	Income	Cost	Income	Cost
Principal activities	1,229,790,123.97	582,057,564.77	788,089,239.19	327,336,630.50
Other operating activities	29,263,473.69	23,587,686.35	13,402,300.58	5,846,739.13
Total	1,259,053,597.66	605,645,251.12	801,491,539.77	333,183,369.63

4. Investment income

Item	Year ended 31/12/2020	Year ended 31/12/2019
Income from long-term equity investments by using the cost method	40,826,780.35	1,089,318,401.15
Income from long-term equity investments by using the equity method	1,265,025.86	8,990,725.43
Investment income from disposal of long-term equity investments	-	14,638,476.78
Investment income from other non-current financial assets	1,291,116.49	5,168,056.73
Investment income from held-for-trading financial assets	-	111,291,775.81
Investment income from disposal of held-for-trading financial assets	23,040,285.69	-
Investment income from disposal of non-current financial assets	694,685.05	4,382,680.28
Total	67,117,893.44	1,233,790,116.18

XVI Supplementary Information

1. Details of non-recurring gain or loss during the current period

Item	Year ended 31/12/2020	Note
Gain or loss on disposal of non-current assets	-8,506,037.63	
Government grants charged to current profit or loss (excluding government grant given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	123,628,058.53	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	1,749,131.53	
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and other debt investments	292.58	
Reversal of provision for bad and doubtful debt where accounts receivable are individually tested for impairment	3,118,886.26	
Profits or losses from external entrusted loans	18,750.00	
Other non-operating incomes and expenses, except for the above	-43,325,417.81	
Other gain or loss satisfied the definition of non-recurring gain or loss	-	
Total non-recurring gain or loss	76,683,663.46	
Less: impact of Income tax	9,094,660.10	
Net amount of non-recurring gain or loss	67,589,003.36	
Less: impact of non-controlling interests (net of tax)	4,446,548.12	
Non-recurring gain or loss attributable to the ordinary shareholders	63,142,455.24	

2. Return on Equity (ROE) and Earnings per Share (EPS)

Net profit of Reporting Period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	23.87	1.60	1.60
Net profit attributable to ordinary shareholders of the Company after deducting the non-recurring gain or loss	23.27	1.56	1.55

Section XIII. Documents Available for Reference

- I. The 2020 Annual Report signed by the legal representative.
- II. The financial statements signed and sealed by the legal representative, the Vice General Manager and the Chief Financial Officer.
- III. The original copy of the Independent Auditor's Report signed and sealed by the CPAs, as well as sealed by the CPA firm.
- IV. The originals of all the Company's announcements and documents which were disclosed during the Reporting Period on the Company's designated newspapers for information disclosure, namely, China Securities Journal, Securities Times, Securities Daily and Shanghai Securities News.
- V. All the said documents are available at the Securities Department of the Company.

Guangdong Haid Group Co., Limited

Legal representative: Hua Xue

17 April 2021