

Shandong Zhonglu Oceanic Fisheries Co., Ltd.
Semi-Annual Report for Year of 2021

August 2021

Section I. Important Notice, Contents and Interpretation

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shandong Zhonglu Oceanic Fisheries Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Lu Lianxing, Principal of the Company, Fu Chuanhai, person in charge of accounting works and Lei Lixin, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of Semi-annual of 2021 Report is authentic, accurate and complete.

All directors are attended the Board Meeting for report deliberation.

The forward-looking statement set out in the semi-annual report relating to the future plan of the Company does not constitute the material commitment of the Company for its investors. Therefore, investors and related stakeholders shall hold sufficient awareness of the risks and should understand the difference between plan, expectation and commitment. Certain risks that may exist in the Company's business operation and countermeasures adopted by the Company are disclosed in "X. Risks and countermeasures" in the Section III. "Management Discussion and Analysis", which shall be brought to attention of investors.

This report has been prepared in Chinese and English version respectively. In

the event of difference in interpretation between the two versions, Chinese report shall prevail.

During the reporting period, there were no particularly significant risks that would have a material impact on the production and operation of the Company, investors are advised to read carefully.

The Company plans to pay no cash dividends and bonus shares, or increase the share capital by capital reserve converted.

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Documents Available for Reference

- (1) The financial statement of the Company with signature and seal from the person in charge of the Company, person in charge of the accounting works and person in charge of accounting;
- (2) Original copies of all documents and announcements that have been released publicly during the reporting period;
- (3) The Semi-Annual Report of 2021 with the signature of the legal person

Interpretation

Items	Refers to	Contents
The Company or Company	Refers to	Shandong Zhonglu Oceanic Fisheries Co., Ltd.
Shandong State-owned Assets Investment	Refers to	Shandong State-owned Assets Investment Holding Company Limited
CSRC	Refers to	China Securities Regulatory Commission
The report	Refers to	Semi-Annual Report for 2021 compiled by the Company

Section II. Company Profile and Main Financial Indexes

I. Company profile

Short form of the stock	Zhonglu-B	Stock code	200992
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	山东省中鲁远洋渔业股份有限公司		
Short form of the Company (in Chinese if applicable)	中鲁远洋		
Foreign name of the Company (if applicable)	Shandong Zhonglu Oceanic Fisheries Company Limited		
Short form of foreign name of the Company (if applicable)	ZLYY		
Legal representative	Lu Lianxing		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Liang Shanglei	Li Ying, Tang Yuntao
Contacts add.	No. 65 Haier Rd., Laoshan District, Qingdao, Shandong	No. 65 Haier Rd., Laoshan District, Qingdao, Shandong
Tel.	0532-55717968	0532-55715968
Fax.	0532-55719258	0532-55719258
Email	zl000992@163.com	zl000992@163.com

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no changed in reporting period, found more in Annual Report 2020

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2020.

IV. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y (+,-)
Operating revenue(RMB)	356,353,923.85	375,590,835.67	-5.12%
Net profit attributable to shareholders of the listed company(RMB)	-8,959,371.06	16,135,719.93	-155.53%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-9,753,329.69	5,851,649.35	-266.68%
Net cash flow arising from operating activities(RMB)	-50,910,600.50	-12,171,787.81	-318.27%
Basic earnings per share (RMB/Share)	-0.03	0.06	-150.00%
Diluted earnings per share (RMB/Share)	-0.03	0.06	-150.00%
Weighted average ROE	-1.00%	1.80%	-2.80%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	1,191,085,870.22	1,259,611,234.89	-5.44%
Net assets attributable to shareholder of listed company(RMB)	892,003,770.33	903,248,772.52	-1.24%

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

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

Applicable Not applicable

The Company has no difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period

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

Applicable Not applicable

The Company has no difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period

VI. Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

In RMB

Item	Amount	Note
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	835,918.84	
Gains/losses from entrusting others to invest or manage assets	49,972.60	
Other non-operating income and expenditure except for the aforementioned items	27,063.12	
Less: Impact on income tax	1,090.34	
Impact on minority shareholder' s equity (after-tax)	117,905.59	
Total	793,958.63	--

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

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

Section III Management Discussion and Analysis

I. Main businesses of the company in the reporting period

Development situation of the industry to which the company belongs: China's tuna industry starts relatively late, the technology relatively lags behind, and there is a certain gap between China and developed countries. In recent years, with the implementation of China's maritime power strategy, the state has issued a number of supporting policies for distant water fishery, narrowing the gap between China's distant water fishery production level and developed countries. The global catch of tuna is nearly 7 million tons per year. In 2019, the catch of tuna in China's distant water fishery was 423,800 tons, while the consumption of tuna in China in the same year was just over 10,000 tons, meaning that 97.6% of China's tuna and its products were exported to developed countries. The per capital consumption of tuna in developed countries is more than 5 kg, but the consumption in China is very little. As a big country with a population of 1.4 billion, at present, China has entered the stage of high quality development, people has higher pursuit of food nutrition and health, as one of three nutritious fishes recommended by the world's nutrition society, tuna market is very promising.

In 2021, due to the continuous impact of COVID-19 pandemic, the circulation is limited, the economic recovery in various countries is slow, and the purchasing power is low. The international market price of ultra-low temperature tuna remains low, the price has slightly recovered recently, but it still needs to take some time to return to normal. In response to the industry's downward trend, the company has strengthened scientific and technological innovation, established deep cooperation with colleges and universities to develop tuna deep processing new products, which have been put on the market and achieved good results. In 2021, the company will continue to increase the scope and intensity of scientific and technological innovation, innovate the marketing mode, make the enterprise get out of the unfavorable situation as soon as possible, and speed up the pace of high quality development.

Major changes in main business, main products and their uses and the driving factors of performance: The company is a comprehensive fishery enterprise integrating pelagic fishing, refrigerated transport, refrigerated processing and trade of aquatic products, and our main business involves the main links of the industrial chain.

1. Pelagic fishing

During the reporting period, the Company has owned a total of 23 vessels for ocean-going fishing, including 7 large-scale tuna seiners (units), 14 large ultra-low temperature tuna longliners, and 2 medium-sized trawlers, which have been respectively working in Indian Ocean and the Atlantic area. ①In the long-lining operation, the main operating areas are in the Indian Ocean, the overall production in the first half of the year declined on a y-o-y basis with prices picking up slightly. ②for purse seine fishing, the main areas of operation are in the Atlantic

Ocean, the fish prices in international market are lower than expected due to the lower production as a result of the one-month extension of fishing moratorium in Ghana. ③ the Ghana trawl vessel is unsuitable to continue to operate at sea due to the aging condition, the project has stopped production and is proposed to be updated.

2. Refrigerated transport

During the reporting period, the refrigerated transport ship of the Company is engaged in the international operation and services, and has access to major ports around the world, suitable for ocean transportation of aquatic products, meat, poultry, vegetables and fruits, and for the tuna transport business as well. Multiple measures are taken in order to complete the economic indicators for the whole year: ①Continuously improved the company's SMS system work and strengthened the standardized management of enterprises. ②Kept a foothold on the Asia-Pacific special refrigerated freight market, strive to increase the market share, strictly controlled the cost accounting, strengthened the ship equipment maintenance, ensured the sailing rate, and maximizing the income.③ Paid close attention to exchange rate trends and settled exchanges in a timely manner to reducing the exchange rate risks. ④In the face of various unfavorable situations caused by the impact of the epidemic, the company strengthened epidemic prevention and control measures and work guidance, strengthened ship communication and crew conciliation, ensured the personal safety and health on ships and shores, guaranteed safe production, and promoted high-quality development of enterprises.

3. Refrigerated processing& trade

During the reporting period, there were more than 20 main processed varieties, including bigeye tuna, yellowfin tuna, bluefin tuna, albacore, swordfish, and so on; the product forms included tuna slices, stripping and slicing, milksweet wine and cheese and so on. The products were mainly exported, accounting for 60-70% of the total sales, which were mainly sold to Japan, America, Russia, the European Union, South Korea, Israel and other countries. Among them, Japan accounted for about 40%, Russia about 12%, the European Union about 10%, and America accounted for about 6% . The Company has got HACCP registration, EU certification, BRC certification, MSC certification, and SEDEX certification. It has established a multi-integrated sales network integrating micro-business + e-commerce + supermarkets + sub-warehouses in domestic markets. At present, we have started the pace of 100 cities and 1000 stations, established sub-warehouses in Beijing, Shanghai, Chengdu, Shenzhen, Changsha and other cities, committed to providing deep-sea, ocean-going, healthy and safe tuna delicacies for fellow countrymen. The domestic market is expanding year by year, and the sales in coastal cities have been increasing by more than 10% annually. Affected by the epidemic, domestic and foreign trade markets have shrunk severely, and product circulation has slowed. ① The company adopts the strategy of "purchasing according to sales", resolutely implements the destocking and risk reduction, accelerates the turnover rate of goods and inventory, rationally dispatches funds and matches the financing structure, and improves the turnover rate and utilization rate of inventory and capital. ② The company continues to promote product transformation from single to combination, from large package to small package, and adheres to the development direction of "raw and cooked food". ③ The company continues to build Zhonglu Oceanic "Tuna" APP, establishes the sales system of

the whole network sales and regional direct distribution, make layouts for the industrialization e-commerce platform represented by "Tuna express line", and explores new sales model. ④ The company actively participates in the domestic big cycle, expands the domestic market share of the company's products, innovates sales channels, and timely launches the all staff sales model.

Business model: The company adopts a centralized diversified business model.

Market status: One of the five major ocean-going fishery companies in China, the vice president unit of China Oversea Fisheries Association, the president unit of Qingdao Oversea Fisheries Association.

II. Core competitiveness analysis

The Company is an outgoing comprehensive oceanic fishery enterprise, established in July 1999 with the approval from People's Government of Shandong province. We have completed industry chain and we are the leading enterprise of oceanic fishery for the Shandong Province.

As a comprehensive fishery enterprise, the company's core competitiveness is mainly reflected in the following aspects:① over the 20-year development, the Company is comprehensive fishery enterprise integrating pelagic fishing, refrigerated transport, and refrigeration and processing and trading of aquatic products, its main business involves all key links of industry chain, and the businesses among all operating entities are highly related, possess the conditions for overall collaborative operation, and provides guarantee for strengthening and extending the industrial chain strategy; ② as one of the enterprises engaged in deep-sea fishing business at the earliest in China, the company starts the production and operation early with high starting point, and high-quality talents and assets. After many years of professional management, the company has accumulated a large number of professional talents covering all fields of deep-sea fishing. ③the distant fishery, we mainly operates, is the parts of "going out" strategy and maritime strategy of the country, and also it is the part of Blue Economic Zone Plans in Shandong Province. The distant fishery still has a development opportunity in way of depth adjustment; three are 14 ultra-low temperature tuna vessels in the Indian Ocean engaged in tuna longline production, which is one of the Company's main business that made a greater contribution to the company's completion of the business plan; the Atlantic tuna seine project has been on the right track after four years of exploration and practice, under the strict protection of the WCPFC in the Central and Western Pacific and the ICCAT organization in the Atlantic, the company's tuna seine business can develop steadily; ④ Ocean transportation is an important part of the company's main business, the existing refrigerated transport fleet is in the leading position in the industry in terms of the number of ships, gross tonnage or profitability. ⑤With the country's earliest and largest ultra-low temperature cold storage and raw food processing plant, China's Tuna Trading Center and the newly-built tuna electronic trading platform system have strengthened the company's advantages in tuna processing and trading capabilities, the 30,000-ton ultra-low temperature & variable temperature cold storage in Zhonglu Refrigerated

Logistics Center was partially renovated for ultra-low temperature, and now the renovation has been completed and put into operation, increasing the capacity of ultra-low temperature storage with remarkable effect; ⑥The Company's pelagic fishing production area is in the Atlantic Ocean and the Indian Ocean, our refrigerated transport has reached most of the world's major ports, and the import and export trade spread all over the world. With the implementation of the "One Belt and One Road" strategy, countries along the road strengthen the bilateral mutual trust and have closer cooperation. With a series of development planning issued by the country and governments at all levels, our company faces new development opportunities. The Company will make good use of these strategic resources, creating innovative, keeping forge ahead and moving forward, and participated in the construction of new-aged energy transform actively, accelerate the strategic transformation, and vigorously implement the industrial chain extension projects to upgrade the influence and competitive power in deep-sea fishing market in and out of China.

III. Main business analysis

See “I. Main businesses of the company in the reporting period”.

y-o-y change of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operating revenue	356,353,923.85	375,590,835.67	-5.12%	
Operation cost	338,791,986.63	353,368,335.26	-4.12%	
Sales expenses	1,469,652.94	8,387,357.40	-82.48%	Due to the partial adjustment of accounting items from the new revenue standards
Administrative expenses	26,604,847.70	21,578,117.77	23.30%	
Financial expenses	4,068,647.84	-161,718.60	2,615.88%	Due to the significant increase in foreign exchange loss
Income tax expense	399,605.91	597,651.69	-33.14%	Due to the decline of enterprise income tax
R&D investment		49,775.28	-100.00%	There is no R&D investment in the Period
Net cash flow arising from operating activities	-50,910,600.50	-12,171,787.81	-318.27%	Fuel subsidy and VAT incremental retained tax refund received in the same period of last year
Net cash flow arising from investment activities	-5,189,912.79	9,964,118.43	-152.09%	The ship insurance claims received in the same period of last year
Net cash flow arising from financing activities	-9,840,746.76	-7,503,324.16	-31.15%	Due to the increase in repayment of bank loans during the period
Net increase of cash and cash equivalent	-68,879,972.64	-8,614,656.65	-699.57%	The cash flow from operation, investment and financing activities are declined

Major changes on profit composition or profit resources in reporting period

Applicable Not applicable

There were no significant changes in composition of the profit or profit sources during the reporting period

Constitution of operating revenue

In RMB

	Current Period		Same period last year		Increase/decrease y-o-y (+,-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	356,353,923.85	100%	375,590,835.67	100%	-5.12%
According to industries					
Pelagic fishing	86,828,794.02	24.37%	122,634,986.10	32.65%	-29.20%
Vessel leasing	45,226,246.44	12.69%	52,623,995.34	14.01%	-14.06%
Cold storage processing trade	232,762,468.89	65.32%	226,997,325.56	60.44%	2.54%
Other	2,142,978.50	0.60%	2,911,099.36	0.78%	-26.39%
Internal transaction offset	-10,606,564.00	-2.98%	-29,576,570.69	-7.87%	-64.14%
According to products					
Pelagic fishing	86,828,794.02	24.37%	122,634,986.10	32.65%	-29.20%
Vessel leasing	45,226,246.44	12.69%	52,623,995.34	14.01%	-14.06%
Cold storage processing trade	232,762,468.89	65.32%	226,997,325.56	60.44%	2.54%
Other	2,142,978.50	0.60%	2,911,099.36	0.78%	-26.39%
Internal transaction offset	-10,606,564.00	-2.98%	-29,576,570.69	-7.87%	-64.14%
According to region					
Japan	84,461,487.38	23.70%	92,971,627.30	24.75%	-9.15%
Mainland China	97,075,957.62	27.24%	85,264,324.16	22.70%	13.85%
Taiwan China	46,775,854.44	13.13%	54,746,494.20	14.58%	-14.56%
Ghana	45,875,784.88	12.87%	55,758,193.67	14.85%	-17.72%
Other	92,771,403.53	26.03%	116,426,767.03	31.00%	-20.32%
Internal transaction offset	-10,606,564.00	-2.98%	-29,576,570.69	-7.87%	-64.14%

Industries, products or regions that account for more than 10% of the operating revenue or operating profit

√Applicable □Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating income y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y

According to industries						
Pelagic fishing	86,828,794.02	94,486,120.60	-8.82%	-29.20%	-21.67%	-10.46%
Vessel leasing	45,226,246.44	35,882,653.37	20.66%	-14.06%	-4.97%	-7.59%
Cold storage processing trade	232,762,468.89	218,175,071.96	6.27%	2.54%	-2.41%	4.76%
According to products						
Pelagic fishing	86,828,794.02	94,486,120.60	-8.82%	-29.20%	-21.67%	-10.46%
Vessel leasing	45,226,246.44	35,882,653.37	20.66%	-14.06%	-4.97%	-7.59%
Cold storage processing trade	232,762,468.89	218,175,071.96	6.27%	2.54%	-2.41%	4.76%
According to region						
Japan	84,461,487.38	81,269,063.63	3.78%	-9.15%	-7.77%	-1.44%
Mainland China	97,075,957.62	88,897,481.90	8.42%	13.85%	10.09%	3.13%
Taiwan China	46,775,854.44	37,390,421.95	20.06%	-14.56%	-6.20%	-7.13%
Ghana	45,875,784.88	52,535,045.68	-14.52%	-19.75%	-16.64%	-4.27%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable Not applicable

Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

IV. Analysis of the non-main business

Applicable Not applicable

In RMB

	Amount	Ration in total profit	Cause	Whether has sustainability or not
Investment income	49,972.60	0.33%	Investment income resulted from purchasing the structural deposits	Unsustainable
Assets impairment	430,286.45	2.82%	Accrual of the inventory falling price reserves and bad debt provision for receivable	Unsustainable
Non-operating revenue	34,284.70	0.22%	Payment from insurance company received	Unsustainable
Non-operating expenses	7,221.58	0.05%	Losses on scrapping of fixed assets etc.	Unsustainable

V. Analysis of assets and liability

1. Major changes of assets composition

In RMB

	End of current period		End of last year		Ratio changes (+,-)	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	187,089,439.29	15.71%	255,811,982.21	20.31%	-4.60%	
Account receivable	74,739,003.41	6.27%	66,263,029.81	5.26%	1.01%	
Inventories	341,131,064.35	28.64%	338,885,629.06	26.90%	1.74%	
Investment real estate	30,771,971.09	2.58%	31,435,009.43	2.50%	0.08%	
Fixed assets	498,650,354.92	41.87%	506,290,822.70	40.19%	1.68%	
Construction in progress	4,886,559.70	0.41%	3,705,815.70	0.29%	0.12%	
Short-term loans	32,255,072.36	2.71%	41,268,275.50	3.28%	-0.57%	
Contract liability	9,766,243.11	0.82%	12,453,619.79	0.99%	-0.17%	

2. Main overseas assets

√Applicable □Not applicable

Content of assets	Reason for the formation	Asset size	Location	Operation mode	Control measures to ensure the safety of assets	Earnings status	Ratio of the overseas assets in net assets of the Company	Whether has major impairment risks or not (Y/N)
HABITAT INTERNATIONAL CORPORATION	Offshore establishment	255,059,187.64	Panama	Independent operation	Ship and personnel insurance	3,718,563.36	24.36%	N
ZHONGGHA FOODS COMPANY	Offshore establishment	132,839,874.88	Ghana	Independent operation	A professional management team, ship	-3,097,875.70	12.69%	N

LIMITED					and personnel insurance overseas posting			
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3. Assets and liability measure by fair value

√Applicable □Not applicable

In RMB

Item	Opening amount	Gain/loss of fair value changes in the Period	Cumulative change of fair value recorded into equity	Impairment accrual in the Period	Amount purchased in the Period	Amount sold in the Period	Other changes	Ending amount
Financial assets								
1. trading financial assets (derivative financial assets excluded)	5,000,000.00					5,000,000.00		0.00
Subtotal of financial assets	5,000,000.00					5,000,000.00		0.00
Total of above	5,000,000.00					5,000,000.00		0.00
Financial liability	0.00							0.00

Other changes

Whether there is a significant changes in the measurement attributes of the main assets during the period

□Yes √No

4. Assets right restriction till end of reporting period

Item	Ending book value	Causes of restriction
Monetary fund	233,800.00	Cash deposit for L/C
Fixed assets	28,985,929.33	Loan mortgage
Intangible assets	5,152,095.19	Loan mortgage
Total	34,371,824.52	--

VI. Investment analysis

1. Overall situation

Applicable Not applicable

Amount invested in the period (RMB)	Amount invested at same period last year (RMB)	Changes
4,002,559.05	10,000,000.00	-59.97%

2. The major equity investment obtained in Reporting Period

Applicable Not applicable

3. The major non-equity investment doing in Reporting Period

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The company had no securities investment in the reporting period.

(2) Derivative investment

Applicable Not applicable

The company had no derivative investment in the reporting period.

VII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

2. Sales of major equity

Applicable Not applicable

VIII. Analysis of main holding company and stock-jointly companies

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

In RMB

Company name	Type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	Subsidiary	Pelagic fishing	221,617,349.00	484,630,952.59	378,334,418.40	54,095,017.11	-16,355,711.42	-16,334,906.54
Shandong Zhonglu Fishery Shipping Co., Ltd.	Subsidiary	Refrigeration transport	22,505,600.00	59,924,992.09	16,339,568.54	14,935,988.40	-89,798.09	-113,973.19
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Subsidiary	Food processing	75,593,300.00	332,212,992.74	216,583,956.42	232,762,468.89	9,061,661.60	8,679,009.21
HABITAT INTERNATIONAL CORPORATION	Subsidiary	Refrigeration transport	12,476,145.60	255,059,187.64	179,250,049.81	30,290,258.04	3,718,563.36	3,718,563.36

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

Notes of main holding company and stock-jointly companies

Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd : During the reporting period, the operating profit was -16,355,711.42 yuan, a 1170.90% decrease compared with the same period last year. The main reasons for the decrease were as follows: The company did not received the international performance capacity improvement appropriated by the financial department during the reporting period, while subsidies of 880.48 million yuan was received for the same period last year; The company's ocean-going fishery business had declines in both catch and sales in the first half of this year due to the extension of the fishing off season; Affected by the pandemic, prices remained low, and major tuna markets such as Japan and the United States have been shrinking, resulting in a decline in profits.

Shandong Zhonglu Fishery Shipping Co.,Ltd.: During the reporting period, the operating profit was -89,798.09 yuan, a 104.19% decrease compared with the same period last year. The main reasons for the decrease were as follows: Due to the impact of the pandemic, the number of off-hire days of ships was increased due to the shift

change of crew members, resulting in the decrease of ship charter income, while the shift change of crew members and the increase in ship maintenance costs plus the large exchange loss in the current period resulted in the decline in profits.

Shandong Zhonglu Oceanic (Yantai) Foods Co.,Ltd.: During the reporting period, the operating profit was 9,061,661.60 yuan, a 229.74% increase compared with the same period last year. The main reasons for the increase were as follows: The domestic consumption market was gradually booming, and the domestic sales increased year on year; in addition, the procurement cost of fishery harvesting was effectively controlled, and the production and processing cost was appropriately reduced.

HABITAT INTERNATIONAL CORPORATION: During the reporting period, the operating profit was 3,718,563.36 yuan, a 68.47% decrease compared with the same period last year. The main reasons for the decrease were as follows: Due to the impact of the pandemic, the number of off-hire days of ships was increased due to the shift change of crew members, resulting in the decrease of ship charter income, while the shift change of crew members and the increase in ship maintenance costs plus the large exchange loss in the current period resulted in the decline in profits.

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks and countermeasures

1. Risk of fishery resource fluctuations. Fishery resources usually have fluctuations, and sometimes the fluctuations are large, the greater the decline in resources, the greater the impact on the company's efficiency. Periodic changes in resources, climate and hydrology conditions can all cause fluctuations in fishery resources.

Countermeasures: Explore new fishing grounds and scientifically dispatch, upgrading fishing production equipment, and gradually renew production vessels. Make scientific and reasonable arrangements for ship maintenance, equipment maintenance, materials, fish bait, spare parts, and personnel logistics support to ensure the shipping rate.

2. Market risks. The impact of COVID-19 pandemic on the aquatic products processing industry has been lingering. In the first quarter, the domestic market warmed up and domestic sales recovered to the level before the pandemic, but the outbreak of COVID-19 pandemic in the second quarter caused the market to shrink rapidly.

Countermeasures: Accelerate the construction of a new pattern of domestic major cycle as the main body, and mutual promotion between domestic and international dual cycle. Precisely connect with domestic market, research and develop marketable cooked food, and broaden domestic marketing channels.

3. The risk that the first-line production technicians cannot rotate. Due to the restrictions of the pandemic

prevention and control policies of overseas countries, the crew cannot rotate on time, which brings risks to the safety of the company's ships and the health of the crew. The cost of flight tickets for crew to change shifts abroad is high, and the cost of quarantine for inbound personnel is high.

Countermeasures: Make full use of network tools to make plans and work arrangements in advance, implement remote command, and guide to carry out various internal audits and ship repairs on board so as to solve the problem that shore-based personnel cannot carry out audits and dock repairs on board due to the pandemic and ensure the safety of shore-based personnel and the smooth progress of all work.

4. Risk of exchange rate fluctuations. The exchange rate of RMB against US dollar continues to appreciate. Although the foreign trade situation continues to improve, under the influence of the shortage of raw materials, rise in prices and continuous appreciation of RMB, large orders and thin profits cannot cover the losses caused by the exchange rate changes.

Countermeasures: Pay close attention to the exchange rate trend, timely make settlement of foreign exchange, and reduce the exchange rate risk.

5. Risk of security incident

Countermeasures: Adhere to the safe production system, implement safety production measures, unremittingly pay close attention to safety education, eliminate major safety accidents, and effectively implement safety production as the top priority of production management.

Section IV Corporate Governance

I. In the report period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

1. Annual Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolution
Annual General Meeting of 2020	AGM	48.81%	27 May 2021	28 May 2021	"Annual General Meeting of 2020" (No.: 2021-17) published on <i>China Securities Journal</i> , <i>Hong Kong Commercial Daily</i> and Juchao Website

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Title	Type	Date	Reasons
Liang Shanglei	Secretary of the Board	Appoint	2 Feb. 2021	Appoint
Liang Shanglei	Staff Director	Leave office	24 Jun. 2021	Work reasons

III. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual

IV. Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

During the reporting period, the company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

Section V. Environmental and Social Responsibility

I. Material environmental protection

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

Yes No

Administrative penalties imposed for environmental issues during the reporting period

Company/Subsidiary	Reasons for penalty	Violation situation	Penalty results	Impact on the production & operation of the listed company	Corrective measures
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Other environmental information disclosed with reference to the key emission units

Not applicable

Reasons for not disclosing other environmental information

The Company and its subsidiaries do not belong to the key emission units announced by the environmental protection department, and there is no other environmental information that needs to be disclosed.

II. Social responsibility

The Company did not carry out poverty alleviation and rural revitalization work during the reporting period for the time being.

Section VI Important Events

I. Commitments that the actual controller, shareholders, related party, buyer and the Company have fulfilled during the reporting period and the overdue commitments as of the end of the reporting period

√Applicable □Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform						
Commitments in report of acquisition or equity change	Shandong State-owned Assets Investment Holding Company Limited	Inter-industry Competition Commitment	1. The Company does not directly or indirectly own any shares or equity in other enterprises that may cause horizontal competition with Zhonglu Oceanic (hereinafter collectively referred to as “competitive enterprise”) or own any interest in any competing enterprise, and will not directly or indirectly invest or purchase the competitive enterprises; 2. For any	2018-07-23	Continuous and effective during the time with controlling of the Zhonglu Oceanic	In performance

			<p>business opportunities obtained by the Company and other enterprises controlled by the Company from any third party that constitute or may constitute substantial competition with the business of Zhonglu Oceanic, the Company will immediately notify Zhonglu Oceanic and give these business opportunities to Zhonglu Oceanic so as to avoid the horizontal competition or potential horizontal competition with Zhonglu Oceanic; 3. The Company and other companies controlled by the Company will not provide business</p>			
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			<p>secrets such as technical information, technological process, and sales channels for other companies, enterprises, organizations or individuals that have business constituting competition with the business of Zhonglu Oceanic. 4. The Company promises not to damage the interests of Zhonglu Oceanic and other shareholders of Zhonglu Oceanic by utilizing the position of controlling shareholder;</p> <p>5. The Company is willing to bear the direct and indirect economic losses, liability claims and additional expenses</p>			
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			caused by the violation of above commitments to Zhonglu Oceanic.			
	Shandong State-owned Assets Investment Holding Company Limited	Related party transaction commitment	1. The related transactions between the Company and other companies controlled by the Company and Zhonglu Oceanic are strictly in compliance with the relevant provisions of laws and regulations, and will be conducted on an equal and voluntary basis in accordance with the principles of fairness and equivalence, prices will be determined at a reasonable price recognized by the market. 2. The Company and other enterprises controlled by the Company	2018-07-23	Continuous and effective during the time with controlling of the Zhonglu Oceanic	In performance

		<p>will strictly abide by the provisions on the avoidance of related transactions in the articles of association of Zhonglu Oceanic, and the related transactions involved will be conducted in accordance with the decision-making procedures of related transactions of Zhonglu Oceanic, and will perform legal procedures and information disclosure obligations. 3. The Company and other enterprises controlled by the Company guarantee strict compliance with laws, regulations and regulatory documents and the relevant provisions of</p>			
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		<p>the articles of association of Zhonglu Oceanic, and exercise shareholder rights and perform shareholder obligations on an equal basis with other shareholders in accordance with legal procedures, and don't seek improper interests or harm the legitimate rights and interests of Zhonglu Oceanic and other shareholders by utilizing the position of controlling shareholder. 4. The above commitments continue to be effective during the period that the Company controls Zhonglu Oceanic. If the Company fails to perform the commitments</p>			
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			made in this commitment letter and causes losses and consequences to Zhonglu Oceanic, the Company will bear the corresponding liability for damage.			
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing						
Equity incentive commitment						
Other commitments for medium and small shareholders						
Completed on time (Y/N)	Y					

II. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.

III. External guarantee against the regulation

Applicable Not applicable

No external guarantee against the regulation occurred in the period

IV. Appointment and non-reappointment (dismissal) of CPA

Whether the financial report has been audited or not

Yes No

The financial report has not been audited

V. Explanation on “Qualified Opinion” from CPA by the Board and Supervisory Committee

Applicable Not applicable

VI. Explanation from the Board for “Qualified Opinion” of last year’s

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

VIII. Lawsuits

Material lawsuits and arbitration

Applicable Not applicable

No material lawsuits and arbitration in the reporting

Other lawsuits

Applicable Not applicable

IX. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

X. Integrity of the company and its controlling shareholders and actual controllers

Applicable Not applicable

The company and its controlling shareholders and actual controllers do not have a relatively large amount of due existing debt with court's effective judgments.

XI. Material related transactions

1. Related transaction with daily operation concerned

Applicable Not applicable

No related transaction with daily operation concerned for the Company in reporting period.

2. Related transactions by assets acquisition and sold

Applicable Not applicable

No related transactions by assets acquisition and sold for the Company in reporting period.

3. Main related transactions of mutual investment outside

Applicable Not applicable

No main related transactions of mutual investment outside for the Company in reporting period

4. Contact of related credit and debt

Applicable Not applicable

No contact of related credit and debt for the Company in reporting period

5. Transactions with related finance companies and finance companies controlled by the Company

Applicable Not applicable

No deposits, loans, credit or other financial operations occurred between the Company and related finance companies, the finance companies controlled by the Company and related parties in the period.

6. Other material related transactions

Applicable Not applicable

The “Proposal to Conduct Business as Deposit and Loans in Affiliated Banks” was deliberated and approved by 12th session of 7th BOD and AGM of 2020, the Company plans to conducting the deposit and loan business with a related party- Dezhou Bank Co., Ltd. As of the period-end, the balance of deposit in Dezhou Bank counted as 67,872.83 yuan, interest was 1,329.03 yuan, and had not entered into any loan contract with Dezhou Bank.

Related inquiry of the website for material related transaction disclosure

Name of interim announcement	Disclosure date	Website for disclosure
Notice on Conduct Business as Deposit and Loans in Affiliated Banks	2021-03-19	Juchao Website(http://www.cninfo.com.cn)

XII. Major contract and implantation**1. Trusteeship, contract and leasing****(1) Trusteeship**

Applicable Not applicable

The Company had no trusteeship in the reporting period.

(2) Contract

Applicable Not applicable

The Company had no contract in the reporting period.

(3) Leasing

Applicable Not applicable

The Company had no leasing in the reporting period.

2. Major guarantee

Applicable Not applicable

The Company had no guarantee in the reporting period.

3. Trust financing

Applicable Not applicable

The company had no trust financing in the reporting period.

4. Material contracts for daily operations

Applicable Not applicable

5. Other material contracts

Applicable Not applicable

The Company had no other material contracts in the reporting period.

XIII. Explanation on other significant events

Applicable Not applicable

On 26 April 2021, the Company entered into the “Investment Agreement of ‘Standard Land’ of Zhonglu Oceanic Innovation Industrial Park” with the Management Committee of China-Shanghai Cooperation Organization Local Economic & Trade Cooperation Demonstration Zone, found more on the “Notice on Signing the Investment Agreement”(Notice No.: 2021-12) released on Juchao Website (<http://www.cninfo.com.cn>) dated 27 April 2021.

XVIII. Significant event of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Ratio	New issue	Bonus	Capitalization of public reserve	Other	Subtotal	Amount	Ratio
I. Unlisted shares	128,071,320	48.13%						128,071,320	48.13%
1. Sponsor shares	128,071,320	48.13%						128,071,320	48.13%
Including: State-owned shares	127,811,320	48.04%						127,811,320	48.04%
Domestic corporate shares	260,000	0.09%						260,000	0.09%
Foreign corporate shares									
Other									
2. Raise legal persons shares									
3. Internal employee shares									
4. Preferred stock or other									
II. Listed shares	138,000,000	51.87%						138,000,000	51.87%
1. RMB ordinary shares									
2. Domestically listed foreign shares	138,000,000	51.87%						138,000,000	51.87%
3. Foreign listed foreign shares									
4. Other									

III. Total shares	266,071,320	100.00%						266,071,320	100.00%
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Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

II. Securities issuance and listing

Applicable Not applicable

III. Amount of shareholders of the Company and particulars about shares holding

Unit: share

Total common stock shareholders in reporting period-end		10,659	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see note 8)		0			
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total common shareholders at the end of report period	Changes in report period	Amount of unlisted outstanding common shares	Amount of listed outstanding common shares held	Number of shares pledged/frozen	
							State of share	Amount

					held			
Shandong State-owned Assets Investment Holding Company Limited	State-owned legal person	47.25%	125,731,320		125,731,320			
Chen Tianming	Foreign nature person	2.16%	5,760,427		5,760,427			
Zhu Shuzhen	Domestic nature person	1.88%	5,002,046	135500	5,002,046			
Cai Yujiu	Domestic nature person	1.69%	4,504,711	453200	4,504,711			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.94%	2,506,685	371000	2,506,685			
China National Heavy Duty Truck Group Jinan Truck LLC	State-owned legal person	0.73%	1,950,000		1,950,000			
Shenwan HongYuan (H.K.) Limited	Foreign legal person	0.71%	1,897,854		1,897,854			
Ouyang Guifang	Domestic nature person	0.68%	1,817,600	564600	1,817,600			
Lin Mingyu	Domestic nature person	0.56%	1,500,001	27000	1,500,001			
Haitong International Securities Company Limited-Account Client	Foreign legal person	0.53%	1,401,536	-717200	1,401,536			
Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable) (see note	Not applicable							

3)			
Explanation on associated relationship among the aforesaid shareholders	Shandong State-owned Assets Investment has 20% shares of China National Heavy Duty Truck Group Jinan Truck LLC.(During the reporting period, Shandong SDIC entrusted Shandong Heavy Industry Group Co., Ltd. to exercise other shareholder's rights of its 20% stock equity in Sinotruk Group except for the assets income right.) Rests of the shareholders are the domestically listed foreign shareholders, and the Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by "management method for acquisition of listed company" among the above said shareholders		
Description of the delegate/entrusted voting rights and abstain from voting for the above shareholders	N/A		
Shareholding of top 10 circulated common shareholders			
Shareholders	Amount of listed common shares held at end of the Period	Type of shares	
		Type	Amount
Chen Tianming	5,760,427	Domestically listed foreign shares	5,760,427
Zhu Shuzhen	5,002,046	Domestically listed foreign shares	5,002,046
Cai Yujiu	4,504,711	Domestically listed foreign shares	4,504,711
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,506,685	Domestically listed foreign shares	2,506,685
Shenwan HongYuan (H.K.) Limited	1,897,854	Domestically listed foreign shares	1,897,854
Ouyang Guifang	1,817,600	Domestically listed foreign shares	1,817,600
Lin Mingyu	1,500,001	Domestically listed foreign shares	1,500,001
Haitong International Securities Company Limited-Account Client	1,401,536	Domestically listed foreign shares	1,401,536
Huang Jiayi	1,048,687	Domestically	1,048,687

		listed foreign shares	
Wang Dongsheng	991,403	Domestically listed foreign shares	991,403
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	The Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “ <i>management method for acquisition of listed company</i> ” among the above said shareholders.		
Explanation on top 10 common shareholders involving margin business (if applicable) (see note 4)	Not applicable		

Whether top ten common stock shareholders or top ten common stock shareholders with un-lock up shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common stock shareholders or top ten common stock shareholders with un-lock up shares held of the Company have no buy-back agreement dealing in reporting period.

IV. Changes of shares held by directors, supervisors and senior executives

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2020.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

Applicable Not applicable

The Company had no change of actual controller during the reporting period

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated Balance Sheet

Prepared by: Shandong Zhonglu Oceanic Fisheries Co., Ltd.

In RMB/CNY

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	187,089,439.29	255,811,982.21
Settlement provisions		
Capital lent		
Trading financial assets		5,000,000.00
Derivative financial assets		
Note receivable		
Account receivable	74,739,003.41	66,263,029.81
Receivable financing		
Accounts paid in advance	25,435,870.73	17,764,804.55
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	1,547,348.26	2,293,236.85
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		

Inventories	341,131,064.35	338,885,629.06
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	10,152,862.33	14,567,946.82
Total current assets	640,095,588.37	700,586,629.30
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	30,771,971.09	31,435,009.43
Fixed assets	498,650,354.92	506,290,822.70
Construction in progress	4,886,559.70	3,705,815.70
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	12,440,120.93	12,811,879.55
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	167,759.28	317,044.17
Deferred income tax asset	1,678,658.87	1,744,636.98
Other non-current asset	2,394,857.06	2,719,397.06
Total non-current asset	550,990,281.85	559,024,605.59
Total assets	1,191,085,870.22	1,259,611,234.89
Current liabilities:		
Short-term loans	32,255,072.36	41,268,275.50
Loan from central bank		

Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	49,252,207.16	69,897,839.19
Accounts received in advance		
Contractual liability	9,766,243.11	12,453,619.79
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	21,974,114.11	41,862,349.06
Taxes payable	2,143,870.89	2,825,413.78
Other account payable	12,321,536.66	8,487,724.32
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	40,511.99	108,248.84
Total current liabilities	127,753,556.28	176,903,470.48
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		

Long-term wages payable	1,121,476.07	1,243,452.93
Accrual liability		
Deferred income	13,862,677.85	14,488,797.24
Deferred income tax liabilities	1,412,058.26	1,451,751.23
Other non-current liabilities		
Total non-current liabilities	16,396,212.18	17,184,001.40
Total liabilities	144,149,768.46	194,087,471.88
Owner's equity:		
Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	284,054,997.75	284,054,997.75
Less: Inventory shares		
Other comprehensive income	-15,250,314.75	-12,783,539.13
Reasonable reserve	181,144.49	
Surplus public reserve	21,908,064.19	21,908,064.19
Provision of general risk		
Retained profit	335,038,558.65	343,997,929.71
Total owner's equity attributable to parent company	892,003,770.33	903,248,772.52
Minority interests	154,932,331.43	162,274,990.49
Total owner's equity	1,046,936,101.76	1,065,523,763.01
Total liabilities and owner's equity	1,191,085,870.22	1,259,611,234.89

Legal Representative: Lu Lianxing

Person in Charge of Accounting: Fu Chuanhai

Person in Charge of Accounting Department: Lei Lixin

2. Balance Sheet of Parent Company

In RMB/CNY

Item	June 30, 2021	December 31, 2020
Current assets:		

Monetary funds	22,550,690.06	32,186,883.39
Trading financial assets		5,000,000.00
Derivative financial assets		
Note receivable		
Account receivable	8,551,491.73	7,407,636.45
Receivable financing		
Accounts paid in advance	3,521,421.45	1,873,295.83
Other account receivable	185,004,801.34	204,498,840.72
Including: Interest receivable		
Dividend receivable	76,268,174.94	101,777,374.94
Inventories	67,795,679.13	49,561,762.59
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,314,744.70	2,174,139.54
Total current assets	289,738,828.41	302,702,558.52
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	4,638,972.01	4,411,879.43
Long-term equity investments	232,189,455.23	232,189,455.23
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	30,771,971.09	31,435,009.43
Fixed assets	51,192,899.55	54,478,042.63
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	639,422.22	790,045.68
Research and development costs		
Goodwill		
Long-term deferred expenses		

Deferred income tax assets		
Other non-current assets	394,857.06	394,857.06
Total non-current assets	319,827,577.16	323,699,289.46
Total assets	609,566,405.57	626,401,847.98
Current liabilities:		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	7,953,204.26	7,330,041.56
Accounts received in advance		
Contractual liability	2,218,663.78	2,228,473.01
Wage payable	6,452,666.44	10,254,765.98
Taxes payable	159,832.24	674,445.26
Other accounts payable	76,030,684.87	78,050,679.94
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		71,483.32
Total current liabilities	92,815,051.59	98,609,889.07
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	753,963.79	875,940.65
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		

Other non-current liabilities		
Total non-current liabilities	753,963.79	875,940.65
Total liabilities	93,569,015.38	99,485,829.72
Owners' equity:		
Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	279,115,900.17	279,115,900.17
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	19,184,672.34	19,184,672.34
Retained profit	-48,374,502.32	-37,455,874.25
Total owner's equity	515,997,390.19	526,916,018.26
Total liabilities and owner's equity	609,566,405.57	626,401,847.98

3. Consolidated Profit Statement

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Total operating income	356,353,923.85	375,590,835.67
Including: Operating income	356,353,923.85	375,590,835.67
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	372,043,521.19	384,483,261.23
Including: Operating cost	338,791,986.63	353,368,335.26
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		

Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,108,386.08	1,261,394.12
Sales expense	1,469,652.94	8,387,357.40
Administrative expense	26,604,847.70	21,578,117.77
R&D expense		49,775.28
Financial expense	4,068,647.84	-161,718.60
Including: Interest expenses	908,617.14	1,290,415.47
Interest income	358,030.77	375,178.04
Add: Other income	835,918.84	19,034,020.39
Investment income (Loss is listed with "-")	49,972.60	54,131.01
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")		
Loss of credit impairment (Loss is listed with "-")	-188,375.87	-1,169,489.97
Losses of devaluation of asset (Loss is listed with "-")	-241,910.58	-1,151,903.20
Income from assets disposal (Loss is listed with "-")	-41,980.15	55,893.20
III. Operating profit (Loss is listed with "-")	-15,275,972.50	7,930,225.87
Add: Non-operating income	34,284.70	10,122,538.63
Less: Non-operating expense	7,221.58	693,969.08

IV. Total profit (Loss is listed with “-”)	-15,248,909.38	17,358,795.42
Less: Income tax expense	399,605.91	597,651.69
V. Net profit (Net loss is listed with “-”)	-15,648,515.29	16,761,143.73
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-15,648,515.29	16,761,143.73
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-8,959,371.06	16,135,719.93
2.Minority shareholders’ gains and losses	-6,689,144.23	625,423.80
VI. Net after-tax of other comprehensive income	-3,120,290.45	2,340,778.64
Net after-tax of other comprehensive income attributable to owners of parent company	-2,466,775.62	1,303,508.70
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-2,466,775.62	1,303,508.70
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of		

other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-2,466,775.62	1,303,508.70
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-653,514.83	1,037,269.94
VII. Total comprehensive income	-18,768,805.74	19,101,922.37
Total comprehensive income attributable to owners of parent Company	-11,426,146.68	17,439,228.63
Total comprehensive income attributable to minority shareholders	-7,342,659.06	1,662,693.74
VIII. Earnings per share:		
(i) Basic earnings per share	-0.03	0.06
(ii) Diluted earnings per share	-0.03	0.06

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

Legal Representative: Lu Lianxing

Person in Charge of Accounting: Fu Chuanhai

Person in Charge of Accounting Department: Lei Lixin

4. Profit Statement of Parent Company

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Operating income	35,533,846.86	32,245,432.56
Less: Operating cost	31,789,528.69	29,487,279.57
Taxes and surcharge	305,349.92	373,646.54
Sales expenses	133,261.11	164,061.94

Administration expenses	13,922,396.19	11,215,607.85
R&D expenses		
Financial expenses	293,432.07	-534,611.85
Including: Interest expenses	9,200.53	
Interest income	59,885.45	51,639.77
Add: Other income	36,064.46	8,237,896.28
Investment income (Loss is listed with “-”)	49,972.60	54,131.01
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-108,023.83	29,101.26
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		55,893.20
II. Operating profit (Loss is listed with “-”)	-10,932,107.89	-83,529.74
Add: Non-operating income	13,479.82	30.00
Less: Non-operating expense		290,132.05
III. Total Profit (Loss is listed with “-”)	-10,918,628.07	-373,631.79
Less: Income tax		134,566.66
IV. Net profit (Net loss is listed with “-”)	-10,918,628.07	-508,198.45
(i) continuous operating net profit (net loss listed with “-”)	-10,918,628.07	-508,198.45
(ii) termination of net profit (net loss listed with “-”)		

V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-10,918,628.07	-508,198.45
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	338,552,894.58	345,543,772.43
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	15,024,792.81	27,911,364.58
Other cash received concerning operating activities	5,331,315.56	29,222,982.06
Subtotal of cash inflow arising from operating activities	358,909,002.95	402,678,119.07
Cash paid for purchasing commodities and receiving labor service	310,180,699.31	310,458,279.86
Net increase of customer loans and advances		
Net increase of deposits in central		

bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	68,101,993.18	65,604,976.15
Taxes paid	6,066,756.95	6,133,273.62
Other cash paid concerning operating activities	25,470,154.01	32,653,377.25
Subtotal of cash outflow arising from operating activities	409,819,603.45	414,849,906.88
Net cash flows arising from operating activities	-50,910,600.50	-12,171,787.81
II. Cash flows arising from investing activities:		
Cash received from recovering investment	5,000,000.00	
Cash received from investment income	49,972.60	54,131.01
Net cash received from disposal of fixed, intangible and other long-term assets	13,240.00	22,055,057.42
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	5,063,212.60	22,109,188.43
Cash paid for purchasing fixed, intangible and other long-term assets	10,253,125.39	2,145,070.00
Cash paid for investment		10,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning		

investing activities		
Subtotal of cash outflow from investing activities	10,253,125.39	12,145,070.00
Net cash flows arising from investing activities	-5,189,912.79	9,964,118.43
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	24,834,164.92	16,971,420.99
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	24,834,164.92	16,971,420.99
Cash paid for settling debts	33,670,136.15	23,170,050.24
Cash paid for dividend and profit distributing or interest paying	1,004,775.53	1,304,694.91
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	34,674,911.68	24,474,745.15
Net cash flows arising from financing activities	-9,840,746.76	-7,503,324.16
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-2,938,712.59	1,096,336.89
V. Net increase of cash and cash equivalents	-68,879,972.64	-8,614,656.65
Add: Balance of cash and cash equivalents at the period -begin	255,735,611.93	184,603,638.72
VI. Balance of cash and cash equivalents at the period -end	186,855,639.29	175,988,982.07

6. Cash Flow Statement of Parent Company

In RMB/CNY

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	17,698,634.68	22,978,886.95
Write-back of tax received	1,073.19	2,000.54
Other cash received concerning operating activities	12,443,413.94	11,946,999.88
Subtotal of cash inflow arising from operating activities	30,143,121.81	34,927,887.37
Cash paid for purchasing commodities and receiving labor service	16,826,989.61	16,522,497.80
Cash paid to/for staff and workers	19,957,927.95	17,342,332.23
Taxes paid	519,464.48	768,741.55
Other cash paid concerning operating activities	15,275,625.75	13,337,016.38
Subtotal of cash outflow arising from operating activities	52,580,007.79	47,970,587.96
Net cash flows arising from operating activities	-22,436,885.98	-13,042,700.59
II. Cash flows arising from investing activities:		
Cash received from recovering investment	5,000,000.00	
Cash received from investment income	25,559,172.60	54,131.01
Net cash received from disposal of fixed, intangible and other long-term assets		57,000.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing	30,559,172.60	111,131.01

activities		
Cash paid for purchasing fixed, intangible and other long-term assets	175,032.86	264,360.00
Cash paid for investment		10,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	3,168,000.00	
Subtotal of cash outflow from investing activities	3,343,032.86	10,264,360.00
Net cash flows arising from investing activities	27,216,139.74	-10,153,228.99
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	24,834,164.92	
Other cash received concerning financing activities		11,000,000.00
Subtotal of cash inflow from financing activities	24,834,164.92	11,000,000.00
Cash paid for settling debts	24,834,164.92	
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities	14,575,643.25	21,333,129.97
Subtotal of cash outflow from financing activities	39,409,808.17	21,333,129.97
Net cash flows arising from financing activities	-14,575,643.25	-10,333,129.97
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	160,196.16	33,965.99
V. Net increase of cash and cash equivalents	-9,636,193.33	-33,495,093.56
Add: Balance of cash and cash equivalents at the period -begin	32,186,883.39	56,205,332.78
VI. Balance of cash and cash	22,550,690.06	22,710,239.22

equivalents at the period -end		
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7. Statement of Changes in Owners' Equity (Consolidated)

Current Amount

In RMB/CNY

Item	Semi-annual of 2021														
	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Provision of general risk	Retained profit	Other			Subtotal
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	266,071,320.00				284,054,997.75		-12,783,539.13		21,908,064.19		343,997,929.71		903,248,772.52	162,274,990.49	1,065,523,763.01
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	266,071,320.00				284,054,997.75		-12,783,539.13		21,908,064.19		343,997,929.71		903,248,772.52	162,274,990.49	1,065,523,763.01
III. Increase/Decrease in the period (Decrease is listed with "-")							-2,466,775.62	181,144.49			-8,959,371.06		-11,245,002.19	-7,342,659.06	-18,587,661.25
(i) Total comprehensive income							-2,466,775.62				-8,959,371.06		-11,246,146.68	-7,342,659.06	-18,768,805.74

			ities											
I. The ending balance of the previous year	266,071,320.00			284,054,997.75		707,156.17		21,908,064.19		314,460,431.58		887,201,969.69	157,934,660.45	1,045,136,630.14
Add: Changes of accounting policy														
Error correction of the last period														
Enterprise combine under the same control														
Other														
II. The beginning balance of the current year	266,071,320.00			284,054,997.75		707,156.17		21,908,064.19		314,460,431.58		887,201,969.69	157,934,660.45	1,045,136,630.14
III. Increase/Decrease in the period (Decrease is listed with “-”)						1,303,508.70				16,135,719.93		17,439,228.63	1,662,693.74	19,101,922.37
(i) Total comprehensive income						1,303,508.70				16,135,719.93		17,439,228.63	1,662,693.74	19,101,922.37
(ii) Owners’ devoted and decreased capital														
1.Common shares invested by shareholders														
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into														

owners equity with share-based payment																			
4. Other																			
(iii) Profit distribution																			
1. Withdrawal of surplus reserves																			
2. Withdrawal of general risk provisions																			
3. Distribution for owners (or shareholders)																			
4. Other																			
(iv) Carrying forward internal owners' equity																			
1. Capital reserves converted to capital (share capital)																			
2. Surplus reserves converted to capital (share capital)																			
3. Remedying loss with surplus reserve																			
4. Carry-over retained earnings from the defined benefit plans																			
5. Carry-over retained																			

beginning balance of the current year	1,320.00				900.17				72.34	,874.25		18.26
III. Increase/Decrease in the period (Decrease is listed with “-”)										-10,918,628.07		-10,918,628.07
(i) Total comprehensive income										-10,918,628.07		-10,918,628.07
(ii) Owners’ devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying forward internal owners’ equity												
1. Capital reserves												

converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Carry-over retained earnings from the defined benefit plans													
5. Carry-over retained earnings from other comprehensive income													
6. Other													
(v) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(vi) Others													
VI. Balance at the end of the period	266,071,320.00				279,115,900.17				19,184,672.34	-48,374,502.32		515,997,390.19	

Amount of the previous period

In RMB/CNY

Item	Semi-annual of 2020											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securit ies	Other								

I. The ending balance of the previous year	266,071,320.00				279,115,900.17				19,184,672.34	-40,125,151.87		524,246,740.64
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	266,071,320.00				279,115,900.17				19,184,672.34	-40,125,151.87		524,246,740.64
III. Increase/Decrease in the period (Decrease is listed with "-")										-508,198.45		-508,198.45
(i) Total comprehensive income										-508,198.45		-508,198.45
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												

4. Other													
(iii) Profit distribution													
1. Withdrawal of surplus reserves													
2. Distribution for owners (or shareholders)													
3. Other													
(iv) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Carry-over retained earnings from the defined benefit plans													
5. Carry-over retained earnings from other comprehensive income													
6. Other													
(v) Reasonable reserve													

1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
VI. Balance at the end of the period	266,071,320.00				279,115,900.17				19,184,672.34	-40,633,350.32		523,738,542.19

III. Company profile

1. Enterprise registration place, Organization form and Headquarters address

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

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

2. Business nature and main business activities of Enterprise

Corporate industry: ocean-going fisheries

Corporate major products: tuna and its products

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

Pre-license operation: offshore fishing and pelagic fishing.

3. Person approves the financial report for disclosed and date for report

The financial report has been approved for report by the Board dated 25 August 2021.

4. Scope of consolidate statement for first half of the year

Ended as 30 June 2021, consolidation scope of the Company including 4 secondary enterprises, 4 three-tier enterprises and one operation entity with controlling rights obtained through operating lease.

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

IV. Preparation basis of Financial Statements

1. Preparation basis

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

2. Going concern

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

V. Important accounting policy and estimation

Notes on specific accounting policies and accounting estimation:

According to actual production and operation characteristics and regulation of relevant accounting standards for enterprises, the Company and its subsidiaries, formulated a variety of specific accounting policies and estimations in aspect of the transaction and events such as provision for bad debts of the receivable, valuation method of inventory, depreciation of the fixed assets, amortization of intangible assets, revenue recognition etc.

1. Declaration of obedience to Accounting Standards for Business Enterprise

The Financial Statements of the Company are up to requirements of Accounting Standards for Business Enterprise and also a true and thorough reflection to the relevant information as the Company's financial position dated 30th June 2021 and the operation results as well as cash flow from January to June in 2021.

2. Accounting period

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

3. Business cycle

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

4. Bookkeeping standard currency

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

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

(1) Consolidation of enterprises under the same control

Where the Company for long term equity investment arising from business combination under common control satisfies the combination consideration by payment of cash, transfer of non-cash assets or assumption of debt, the carrying value of the net assets of the acquire in combined financial statement of the ultimate controller shared by the Company as at the combination date shall be deemed as the initial investment cost of such long term equity investment. If the equity instrument issued by combining party are consider as the combination consideration, than the total value of the issuing shares are consider as the share capital. The difference between the initial cost of long-term equity investment and book value of consideration (or total face value of the shares issued) paid, capital surplus adjusted; if the capital surplus not enough to written down, than retained earning adjusted.

(2) Business combination not under common control

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

6. Preparation methods for consolidated financial statements

(1) Consolidation financial statement range

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

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

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

(3) Set-off of consolidated financial statement

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

(4) Accounting for acquisition of subsidiary through combination

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

(5) Accounting treatment of disposal of subsidiaries

In the case of partial disposal of long-term equity investments in subsidiaries without loss of control, in the consolidated financial statements, the difference between the disposal cost and the subsidiary's share of net assets continuously calculated from the date of purchase or consolidation corresponding to the disposal of long-term equity investments adjusts the capital reserve (capital premium or equity premium), if the capital reserve is insufficient to offset, adjust the retained earnings.

If the control of the investee is lost due to the disposal of part of the equity investment, when preparing the consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The balance after subtracting the share of the original subsidiary's net assets calculated continuously from the date of purchase or combination according to the original shareholding ratio from the sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity is included in the current

investment income of loss of control right, and offsets goodwill. Other comprehensive income related to the equity investment of the original subsidiary will be transferred to the current investment income when the control is lost.

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

(1) Classification of joint arrangements

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

(2) Accounting treatment for joint operations

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

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

(3) Accounting treatment for joint ventures

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

8. Determination criteria of cash and cash equivalent

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

known sum cash and has slim risk from value changes.

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

(1) Foreign currency exchange

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

(2) Conversion of foreign currency financial statements

Upon the conversion of the foreign currency financial statements of the controlling subsidiaries, joint enterprises, and the affiliated enterprises on the bookkeeping standard currency different from the Company's, the accounting check and preparation of the consolidated financial statements are made. Assets and liabilities items in the balance sheet, are converted on the current rate on the balance sheet day; owners' equity items besides the "retained profit" item, the other items are converted on the actual rate. Incomes and expenses items in the profit statement are translated using the spot exchange rate approximating the rate at the date of the transaction. The conversion difference of the foreign currency financial statements is listed specifically in the owners' equity in the balance sheet. The foreign currency cash flow should be translated using an exchange rate determined in accordance with a systematic and reasonable method that approximates the spot rate on the date the cash flow occurred. The cash influenced by the rate fluctuation is listed specifically in the cash flow statement. As for the foreign operation, the conversion difference of the foreign currency statement related to the foreign operation is transferred in proportion into the disposal of the current loss/gain.

10. Financial instruments

(1) Category and re-classification of financial instrument

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

① Financial asset

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

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

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

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

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

②Financial liability

At initial recognition, financial liabilities are classified into financial liabilities measured by fair value with changes counted into current gains/losses; and the financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

(2) Measurement of financial instrument

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

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

① Financial assets

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

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

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

② Financial liability

a. Financial liabilities measured at fair value and whose changes are included in current profit and loss: Such financial liabilities include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated to be measured at fair value and whose changes are included in current profit and loss. After the initial recognition, such financial liabilities are subsequently measured at fair value, in addition to relevant to the hedge accounting, the gains or losses (including interest expenses) arising from changes in the fair value of the financial liabilities are included in current profit and loss. If the financial liabilities are designated to be measured at fair value and whose changes are included in current profit and loss, the changes in the fair value of the financial liabilities caused by the changes in the enterprise's own credit risks are included in other comprehensive income, and other changes in fair value are included in current profit and loss. If the effect of the change in the credit risk of the financial liability being included in other comprehensive income shall cause or expand the accounting mismatch in profit or loss, the Company will include the entire gains or losses of the financial liability in the current profit and loss.

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

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

If the financial instrument has an active market, its fair value is determined by the quoted price in the active market; if the financial instrument doesn't have an active market, its fair value is determined by the valuation technique.

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

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

① Financial assets

If the financial asset of the Company meets one of the following conditions, it shall be derecognized: **a.** the contractual right to receive the cash flow of the financial asset is terminated; **b.** the financial asset has been transferred, and the Company has transferred almost all the risks and remuneration of ownership of the financial assets; **c.** the financial asset has been transferred., although the Company has neither transferred nor retained almost all remuneration of the financial assets, it does not retain control over the financial asset.

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

If the financial asset transfer generally meets the conditions for derecognition, the difference between the following two amounts is included in the current profit and loss: **a.** the book value of the transferred financial asset on the date of derecognition; **b.** the sum of the consideration received due to the transfer of financial asset and the amount (the financial asset involving transfer is classified as the financial asset measured at fair value and whose changes are included in other comprehensive income) corresponding to the derecognition portion in cumulative amount of changes in fair value originally and directly included in other comprehensive income.

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

② Financial liabilities

If the current obligation of a financial liability (or part of it) has been discharged, the Company derecognizes the financial liability (or part of the financial liability). If a financial liability (or a part of it) is derecognized, the Company includes the difference between the book value and the consideration paid (including the transferred

non-cash assets or liabilities assumed) in current profit and loss.

11. Note receivable

(1) Methods for determining expected credit losses

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

On each balance sheet date, the Company assesses whether the credit risk of relevant financial instrument has increased significantly since the initial recognition. The process of credit impairment of financial instrument is divided into three stages, and there are different accounting treatment methods for the impairment of financial instrument at different stages: 1) In the first stage, if the credit risk of financial instrument has not increased significantly since the initial recognition, the Company measures the loss provisions according to the expected credit losses of the financial instrument in the next 12 months, and calculate the interest income according to its book balance (i.e., not deducting provision for impairment) and effective interest rate. 2) In the second stage, if the credit risk of financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company measures the loss provisions according to the expected credit losses of the financial instrument for the entire duration, and calculate the interest income according to its book balance and effective interest rate. 3) In the third stage, if the credit risk has credit impairment, the Company measures the loss provisions according to the expected credit losses of the financial instrument for the entire duration, and calculate the interest income according to its book balance (book balance impairment has made provisions for impairment) and effective interest rate.

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

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

If the default risk of financial instruments is low, the debtor has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if there are unfavorable changes in the economic situation and operating environment in a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, and the financial instrument shall be deemed to have low credit risk.

② Method of measuring allowance for losses on account receivable and lease receivable

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

According to the nature of financial instruments, the Company assesses whether the credit risk has increased significantly on the basis of individual financial assets or a combination of financial assets. The Company divides notes receivable and accounts receivable into a number of combinations based on credit risk characteristics, and calculates expected credit losses on the basis of the combination.

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

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

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

③Method for measuring loss provisions of other financial assets

For financial assets other than those mentioned above, such as debt investment, other debt investment, other receivables, long-term receivables other than lease receivables, etc., the Company measures loss provisions according to the general method, namely the “three-stage” model.

(2)Accounting treatment methods of expected credit losses

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

12. Account receivable

Found more in relevant content of “11. Note receivable”

13. Receivable financing

Found more in relevant content of “11. Note receivable”

14. Other account receivable

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

Found more in relevant content of “11. Note receivable”

15. Inventory

(1) Classification of inventory

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

(2) Measurement

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

(3) Provision for impairment of inventory

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

Net realizable value of inventories is determined as follows: ① net realizable value of finished goods is the estimated selling price less relevant tax and selling expenses. The inventories of the Company mainly refer to long-line fishing tuna. The ending net realizable value is determined at the quotation of Qingshui Fishery Ground of Japan on the date which is the most close to the balance sheet date less the relevant expenses that would occur to realize product sales; ② for materials held for production, net realizable value equals the cost if the net realizable value of the finished goods produced from the materials exceeds the cost; when the price of raw materials decreases indicating that the net realizable value of the relevant finished goods would be lower than cost, the net realizable value is the estimated selling price less costs to completion, selling expenses and relevant tax; and ③ net realizable value of materials held for sale is the market price.

(4) Inventory stocking system

The Company adopts perpetual inventory system for stocking.

(5) Amortization of low value consumables and packing materials

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

Note: description of the inventory categories, valuation method of issued inventory, the basis for determining the net realizable value of different categories of inventories, the inventory system for inventory and the amortization method for low-value consumable items and packaging.

16. Contract cost

The Company's contract costs include incremental costs incurred to obtain contracts and contract performance costs. The incremental costs incurred to obtain the contract ("contract acquisition costs") refer to the costs that would not be incurred without obtaining the contract. If the cost is expected to be recovered, the Company will recognize it as an asset as the contract acquisition cost.

The cost incurred by the Company for the performance of the contract that does not fall within the scope of other business accounting standards such as inventory and meets the following conditions at the same time is recognized as an asset as the contract performance cost:

- (1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the user, and other costs incurred solely due to the contract;
- (2) The cost increases the Company's future resources for fulfilling contract performance obligations;
- (3) The cost is expected to be recovered.

The Company amortizes the assets recognized for contract acquisition costs and contract performance costs (hereinafter referred to as "assets related to contract costs") on the same basis as the recognition of commodity revenue related to the assets and includes in the current profits and losses. If the amortization period of the asset formed by the incremental cost of obtaining the contract does not exceed one year, it shall be included in the current profits and losses when it occurs.

When the book value of the asset related to the contract cost is higher than the difference between the following two items, the Company will make provisions for impairment for the excess part and recognize it as an asset impairment loss:

- (1) Remaining consideration expected to be obtained due to the transfer of commodities related to the asset;
- (2) Cost estimated to incur for the transfer of the relevant goods.

17. Long-term equity investments

(1) Recognition of initial investment cost

Initial investment cost of long term equity investment obtained by corporate consolidation: in the case of the consolidation of enterprises under the same control, recognized as the initial cost is the book value of the owners' equity obtained from the consolidated party; in the case of the consolidation of enterprises not under the same control, recognized as the initial cost is the recognized consolidation cost on the purchase day. As for the long term equity investment obtained by cash payment, the initial investment cost is the actual purchase payment. As

for the long term equity investment obtained by the equity securities offering, the initial investment cost is the fair value of the equity securities. As for the long-term equity investment obtained by debt reorganization, initial investment cost of such investment should determine by relevant regulation of the “Accounting Standards for Business Enterprise No.12- Debt Reorganization”; As for the long term equity investment obtained by the exchange of the non-monetary assets and the debts restructuring, the initial investment cost is recognized on the relevant rules of “Accounting Standards for Business Enterprise No.7- Exchange of the Non-monetary Assets”.

(2) Subsequent measurement and profit or loss recognition

Where the investor has a control over the investee, long-term equity investments are measured using cost method. Long-term equity investments in associates and joint ventures are measured using equity method. Where part of the equity investments of an investor in its associates are held indirectly through venture investment institutions, common fund, trust companies or other similar entities including investment linked insurance funds, such part of equity investments indirectly held by the investor shall be measured at fair value through profit or loss according to relevant requirements of Accounting Standards for Business Enterprises No.22—Recognition and measurement of Financial Instruments regardless whether the above entities have significant influence on such part of equity investments, while the remaining part shall be measured using equity method.

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

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

18. Investment real estate

Measurement for investment real estate

Cost method

Depreciation or amortization method

Investment real estate of the Company refers to the leased buildings. The investment real estate of the Company is initially measured by cost and conducting follow-up measures by cost mode.

Accrued on the year averaging is the depreciation of the lease buildings in the Company’s investment property. The detailed check principle is same as that of the fixed assets. The rented land use rights and land use rights held for transfer after appreciation owned by the Company was adopted line amortization method. Detail calculation

policy was similar to intangible assets.

19. Fixed assets

(1) Recognition

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

(2) Depreciation method

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

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

20. Construction in progress

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

21. Borrowing expenses

(1) Recognition principle on capitalization of borrowing expenses

As for the Company's actual borrowing expenses directly attributable to the assets construction or production, it is capitalized and reckoned into the relevant assets cost; as for other borrowing expenses, it is recognized on the actual sum and reckoned into the current loss/gain. The assets up to the capitalization are assets as the capital assets, investment real estate, and inventory reaching the expectant availability or sale ability.

(2) Calculation of the capitalization

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

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

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

22. Intangible assets

(1) Accounting method, service life and impairment test

① Accounting method for intangible assets

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

The follow-up measurements of the Company's intangible assets respectively are: the line amortization method is taken on the intangible assets of finite service life, and at the yea-end, the check is taken on the service life and dilution of the intangible assets, and the corresponding adjustment is made if there is inconsistency with the previous estimate ones. As for the intangible assets of uncertain service life, it is not diluted, however, the service

life is checked at year-end; If there is solid evidence to its finite service life, its service life is estimated and diluted in straight line method.

② Recognition principle of intangible assets with uncertain service life

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

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

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

Expenditures in the research phase of internal research and development projects shall be included in the current profits and losses when incurred; expenditures in the development phase shall be recognized as intangible assets if the following conditions are met at the same time: ① Completing the intangible asset so that it can be used or sold and has technical feasibility; ② With the intention to complete the intangible asset and use or sell it; ③ The method of intangible asset generating economic benefits, including the ability to prove that the product produced by the intangible asset exists in the market or the intangible asset itself exists in the market, if the intangible asset will be used internally, its usefulness can be proved; ④ Sufficient technical, financial resources and other resource support are available to complete the development of the intangible asset and have the ability to use or sell the intangible asset; ⑤ The expenditures vested in the development stage of this intangible asset can be reliably measured.

The specific criteria for dividing the research phase and the development phase of internal research and development projects: the planned investigation phase for acquiring new technology and knowledge should be determined as the research phase, which has the characteristics of planning and exploratory nature; before commercial production or use, the stage of applying research results or other knowledge to a certain plan or design to produce new or substantially improved materials, devices, products, etc. should be determined as the development stage, which has the characteristics of pertinence and greater possibility of forming results.

23. Long-term assets impairment

Long-term equity investments, investment properties measured at cost and long-term assets such as fixed assets,

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

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

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

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

24. Long-term deferred expenditure

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

25. Contract liabilities

The obligations to transfer the goods or provided the services to customers after receiving or receivable consideration from the customers are listed as contractual liabilities.

26. Employees benefits

(1) Accounting for short-term benefits

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

(2) Accounting for post-employment benefits

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

(3) Accounting for termination benefits

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

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

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

27. Revenue

Accounting policies for recognition and measurement of revenue

The Company has fulfilled the performance obligations in the contract, that is, when the customer obtains control

of the relevant goods or services, the revenue is recognized at the transaction price allocated to the performance obligation. Obtaining control rights of related commodities means being able to lead the use of the commodities and obtain almost all economic benefits from them. Performance obligations refer to the Company's commitment to transfer clearly distinguishable products to customers in the contract. The transaction price refers to the amount of consideration that the Company expects to be entitled to receive due to the transfer of goods to the customer, excluding the amount collected on behalf of a third party and the amount that the Company expects to return to the customer.

Whether the performance obligation is performed within a certain period of time or at a certain point in time depends on the terms of the contract and relevant legal provisions. If the performance obligation is performed within a certain period of time, the Company recognizes revenue according to the performance progress. Otherwise, the Company recognizes revenue at a certain point when the customer obtains control of the relevant assets.

(1) Revenue recognized by the Company at a point in time when the Company has control of the related assets:

For the Company's purse seine fish sold at overseas bases, generally, the revenue is recognized upon delivery of fishing goods to customers and obtaining the right to receive payment; in the case of export sales by the local country, the income is recognized when the shipping order and bill of lading are obtained.

Most of the Company's longline fishing goods are shipped back to domestic sales, and based on the sales contract and value statements signed by both parties, the change in the right of goods is recognize on the date of the value statement, and recognized the sales revenue.

Domestic sales of the Company's aquatic products processing: Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd. issues a delivery confirmation according to the fax or mail order from domestic customers, and the Company ships the goods according to the delivery order issued by the sale department and signed by the warehouse management department, recognized the sales revenue after the customer signs for it.

Foreign sales of the Company's aquatic products processing: After the international trade department obtains the purchase orders of foreign customers, it issues an export delivery confirmation form and arranges the storage and transportation department to stock up. The Company recognized the sales revenue based on shipping documents and export documents such as packing slips and customs declarations.

(2) Revenue recognized by the Company in the performance period:

The Company's refrigerating fee income: After the warehousing department obtains the customer's orders, it shall issue the warehouse-in receipt to the customer to confirm the specific name, specifications, number of pieces, weight and warehouse-in date of the goods, both the warehouse supervisor and the customer sign to confirm, and the revenue is recognized monthly based on the actual storage days of the goods.

Different business models of the same kind lead to differences in revenue recognition and accounting policies.

28. Government subsidy

(1) Types of government subsidy and accounting treatment

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

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

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

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

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

(2) Confirmation time-point of government subsidy

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

29. Deferred income tax asset and deferred income tax liability

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

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

(3) The taxable temporary differences related to the investments of subsidiary companies and associated enterprises shall recognized as deferred income tax liability, unless the Company can control the time of the reverse of temporary differences and the temporary differences are unlikely to be reversed in the expected future. As for the deductible temporary difference related to the investment of the subsidiary companies and associated enterprises, deferred income tax assets shall be recognized while the temporary differences are likely to be reversed in the expected future and it is likely to acquire any amount of taxable income tax that may be used for making up the deductible temporary differences.

30. Leasing

(1) Accounting treatment of leased assets

At the commencement date of the lease term, the Company recognizes the right-of-use assets and lease liabilities for leases other than short-term leases and low-value asset leases, and recognizes depreciation expense and interest expense respectively during the lease term.

The Company uses the straight-line method for each period of the lease term to include lease payments for short-term leases and low-value asset leases as expenses of the current period.

① Right-of-use assets

The right-of-use assets refer to the right of the lessee to use the leased assets during the lease term. At the commencement date of the lease term, the right-of-use assets shall be initially measured at cost. The cost includes the initial measurement amount of lease liabilities; the lease payments paid on or before the commencement date of the lease term, where there is a lease incentive, the amount related to the lease incentive shall be deducted; the initial direct costs incurred by lessee; the costs expected to be incurred by the lessee to disassemble and remove the leased asset, or restore the site where the leased assets locate, or restore the leased asset to the state agreed upon in the lease terms.

The Company adopts the straight-line method to classify and accrue the depreciation of the right-of-use asset. Where it can be reasonably determined that ownership of the leased asset will be acquired at the end of the lease term, depreciation shall be accrued during the expected remaining useful life of the leased asset; Where it cannot be reasonably determined that ownership of the leased asset will be acquired at the end of the lease term, depreciation shall be accrued during the shorter one between the lease term and the remaining useful life of the leased asset.

The Company determines whether the right-of-use of assets has been impaired and conducts accounting treatment in accordance with the "Accounting Standards for Business Enterprises No. 8 - Asset Impairment".

② Lease liabilities

The lease liabilities are initially measured at the present value of the outstanding lease payments on the commencement date of the lease term. The lease payments include the fixed payments (including substantially fixed payments), where there is a lease incentive, the amount related to the lease incentive shall be deducted; the variable lease payments depending on index or ratio; the payments expected to be paid based on the residual value of the security provided by the lessee; the executive price of call option, the premise is that the lessee reasonably determines to exercise the call option; the payments required to pay for exercising the termination of lease option, the premise is to reflect that the lessee shall exercise the termination of lease option in the lease term;

The Company uses the interest rate implicit in lease as the discount rate; If the interest rate implicit in lease cannot be reasonably determined, the Company's incremental borrowing rate shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic rate and includes it into the financial expense. The periodic rate refers to the discount rate used by the company or the revised discount rate.

The variable lease payments not included in the measurement of lease liabilities are recorded into the current profits and losses when they actually occur.

In case of any change in the Company's assessment results of the renewal option, the termination of lease option or the call option, the Company shall re-measure the lease liabilities according to the present value calculated by the changed lease payments and the revised discount rate, and adjust the book value of the right-of-use assets

accordingly. In case of any change in the actual lease payment, the estimated payable amount of the guarantee residual value or the variable lease payment depending on the index or ratio, the lease liability shall be remeasured according to the changed lease payment and the present value calculated by the original discount rate, and the book value of the right-of-use asset shall be adjusted accordingly.

(2) Accounting treatment of leased assets

The Company shall classify the lease as finance lease and operating lease on the commencement date of lease.

① Accounting treatment of operating lease

During the lease term, the income of the current period shall be recorded in stages on the same basis of recognition as the rental income. The Company uses the straight line method during each period of the lease term, and the lease payment of the operating lease is recognized as rent income. The Company capitalizes the occurred initial direct costs related to operating leases, and includes in the current yield by stages in accordance with the same recognition basis as the rental income during the lease term.

② Accounting treatment of finance lease

The Company shall, on the commencement date of the lease, recognize the finance lease receivables and terminate the recognition of the finance lease assets, recognize the difference between the sum of finance lease receivables and unguaranteed residual value and its present value as unrealized financing income, and recognize as the rental income in the future periods when the rent is received. The initial direct costs incurred by the Company in connection with the lease transactions shall be included in the initial entry value of the finance lease receivables.

31. Changes of other important accounting policy and estimation

(1) Changes in important accounting policies

√Applicable □Not applicable

Contents and reasons of changes in accounting policies	Approval procedures	Note
The changes in accounting policy is required by Accounting Standards for Business Enterprise No.21- Lease, as amended and issued by the Ministry of Finance in December 2018	Released by announcement	Found more in the "Notice of Changes in Accounting Policies" Notice No. 2021-16 released on Juchao Website (http://www.cninfo.com.cn) dated 29 April 2021

According to the provisions of the convergence of the old and new standards, the Company implemented the new lease standards from 1 Jan. 2021. The Company does not have any lease business that need to be adjusted retroactively, and the changes in accounting policy will not affect the shareholders equity for year of 2020, as well as relevant financial index as net profit.

(2)Change of important accounting estimates

Applicable Not applicable

(3) Adjust relevant items of financial statements at beginning of the year of fist implementation of the new leasing standards since 2021

Applicable

Whether need to adjust the items of balance sheet at the beginning of the year

Yes No

Explanation of reasons for not requiring adjustment of items of balance sheet at beginning of the year

In accordance with the provisions of the convergence of the old and new standards, the Company implemented the new lease standards since 1 Jan. 2021. The Company does not have any leasing business that need to be adjusted retroactively, and the change of accounting policy will not affect the relevant financial index as shareholders' equity and net profit of the Company for year of 2020,

(4) Retrospective adjustment of early comparative data for the first implementation of new lease standards since 2021

Applicable Not applicable

VI. Taxes**1. Major tax and tax rate**

Taxes	Taxation basis	Tax rate
VAT	Output tax minor the deductible input tax	13%, 9%, 6%, 5%
Urban maintenance and construction tax	Turnover taxes payable	7%
Corporate income ax	Taxable amount	Exemption, 25%, 8%

Explain the different taxation entity of the enterprise income tax

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

Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Imposing no tax on aquatic product processing, and 25% for refrigeration service
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2. Preferential tax

(1) VAT tax preference:

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

(2) Income tax preference:

According to relevant regulation of the Enterprise Income Tax Law of the People's Republic of China (PRC Presidential Decree No. [2007] 63), the Enforcement Regulations of Enterprise Income Tax Law of the People's Republic of China (PRC State Council Decree No. 512), Notice About Issuing the Preliminary Processing Scope (Trial) of Agricultural Products that Enjoy the Preferential Policy of Enterprise Income Tax of Ministry of Finance and State Administration of Taxation (CS No. [2008]149), the Supplement Notice About the Preliminary Processing Scope of Agricultural Products that Enjoy the Preferential Policy of Enterprise Income Tax of Ministry of Finance and State Administration of Taxation (CS No. [2011] 26) and the Notice About the Preferential Problems of Corporate Income Tax for Implementation of Agriculture Animal Husbandry and Fishery of Ministry of Finance and State Administration of Taxation (Notice of the State Administration of Taxation 2011 No. 48), as for the initial processing of agricultural products and the commissioned initial processing of an agricultural product, may be handled in accordance with the tax-free items for initial processing of agricultural products. The Company's income obtained from the ocean-going fishing business and the preliminary processing of agricultural products is exempted from corporate income tax.

VII. Notes to main items in consolidated financial statement

1. Monetary fund

In RMB

Item	Closing balance	Opening balance
Cash on hand	1,194,500.48	2,817,043.31
Bank deposit	185,661,138.81	252,918,568.62
Other monetary fund	233,800.00	76,370.28
Total	187,089,439.29	255,811,982.21
Including: Total amount save aboard	29,503,338.21	54,297,720.99

Other explanation

2. Trading financial assets

In RMB

Item	Closing balance	Opening balance
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Financial assets measured by fair value and with variation reckoned into current gains/losses		5,000,000.00
Including:		
Including:		
Total		5,000,000.00

Other explanation:

3. Account receivable

(1) Category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	85,445,094.14	100.00%	10,706,090.73	12.53%	74,739,003.41	76,675,259.70	100.00%	10,412,229.89	13.58%	66,263,029.81
Including:										
Total	85,445,094.14	100.00%	10,706,090.73	12.53%	74,739,003.41	76,675,259.70	100.00%	10,412,229.89	13.58%	66,263,029.81

Bad debt provision accrual on single basis:

In RMB

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

Accrual of bad debt provision on portfolio: 10,706,090.73

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Provision for bad debts by combination:	85,445,094.14	10,706,090.73	12.53%
Total	85,445,094.14	10,706,090.73	--

Explanation on portfolio determines:

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio determines:

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

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	78,093,208.83
1-2 years	626,038.60
2-3 years	386,506.50
Over three years	6,339,340.21
3-4 years	550,322.20
Over five years	5,789,018.01
Total	85,445,094.14

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Charge-off	Other	
Bad debt provision accrual on portfolio	10,412,229.89	1,215,156.59	921,295.75			10,706,090.73
Total	10,412,229.89	1,215,156.59	921,295.75			10,706,090.73

Including major amount bad debt provision that collected or reversal in the period:

In RMB

Enterprise	Amount collected or reversal	Collection way
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(3) Top five account receivables collected by arrears party at ending balance

In RMB

Enterprise	Ending balance of accounts	Proportion in total receivables	Bad debt preparation ending
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	receivable	at ending balance	balance
Fengqun Aquatic Products Co., Ltd.	22,681,775.54	26.55%	1,141,620.20
HAIXINSHEN CO.LTD	13,507,811.84	15.81%	677,734.37
Japan Weike Co., Ltd.	6,577,756.28	7.70%	328,887.81
Lianhua Seafood Co., Ltd.	4,950,947.52	5.79%	247,547.38
Shenzhen SZY Trading Co., Ltd.	3,707,553.73	4.34%	185,377.69
Total	51,425,844.91	60.19%	

4. Accounts paid in advance

(1) By account age

In RMB

Account age	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	24,642,194.52	96.88%	16,917,757.96	95.23%
1-2 years	654,833.51	2.57%	781,797.59	4.40%
2-3 years	138,842.70	0.55%		
Over 3 years			65,249.00	0.37%
Total	25,435,870.73	--	17,764,804.55	--

Explanation on reasons of failure to settle on important account paid in advance with age over one year:

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

Name	Closing balance	Ratio in total account paid in advance at period-end
Zhejiang Fenghui Ocean Fishery Company	3,683,125.66	14.48%
China Fisheries Association	3,015,698.00	11.86%
KIRIBATI GOVERNMENT NO.1	2,558,192.89	10.06%
Rongcheng Ocean Fishery Co., Ltd.	2,399,168.60	9.43%
Dongyi Sea Transportation Personal Company	1,560,253.43	6.13%
Total	13,216,438.58	51.96%

Other explanation:

5. Other account receivable

In RMB

Item	Closing balance	Opening balance
Other account receivable	1,547,348.26	2,293,236.85
Total	1,547,348.26	2,293,236.85

(1) Other account receivable**1) By nature**

In RMB

Nature	Closing book balance	Opening book balance
Margin	357,490.85	709,740.53
Intercourse funds and other	6,067,443.74	6,463,589.06
Less: bad debt provision	-4,877,586.33	-4,880,092.74
Total	1,547,348.26	2,293,236.85

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2021	429,704.55		4,450,388.19	4,880,092.74
Balance of Jan. 1, 2021 in the period	—	—	—	—
Current accrual	27,597.31		115,289.65	142,886.96
Current reversal	145,304.61			145,304.61
Other change	88.76			88.76
Balance on Jun. 30, 2021	311,908.49		4,565,677.84	4,877,586.33

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

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	1,242,720.59

1-2 years	509,716.90
2-3 years	106,819.26
Over three years	4,565,677.84
3-4 years	129,413.88
4-5 years	48,207.97
Over 5 years	4,388,055.99
Total	6,424,934.59

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Written off	Other	
Provision for bad debts based on age	4,880,092.74	142,886.96	145,304.61		88.76	4,877,586.33
Total	4,880,092.74	142,886.96	145,304.61		88.76	4,877,586.33

Including major amount with bad debt provision reverse or collected in the period:

In RMB

Enterprise	Amount reversal or collected	Collection way

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

In RMB

Enterprise	Nature	Closing balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shandong Tianzong Culture Media Co., Ltd.	Margin	299,000.00	1-2 years	4.65%	89,700.00
Japan Daihatsu Co., Ltd.	Intercourse funds	288,896.39	Over 3 years	4.50%	288,896.39
DIVING-SEAGU LL	Intercourse funds	207,072.50	Over 3 years	3.22%	207,072.50
Wang Tingle	Employee loan	200,865.64	Over 3 years	3.13%	200,865.64

Wende Ship Repair Company	Intercourse funds	200,000.00	Over 3 years	3.11%	200,000.00
Total	--	1,195,834.53	--	18.61%	986,534.53

6. Inventories

Whether implemented the new revenue standards

No

(1) Category

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	93,827,792.20	974,526.46	92,853,265.74	98,361,885.77	974,526.46	97,387,359.31
Inventory	247,765,332.09	1,835,708.62	245,929,623.47	238,760,203.86	2,730,462.49	236,029,741.37
Revolving materials	1,512,185.26		1,512,185.26	1,131,389.24		1,131,389.24
Contract performance cost	485,885.77		485,885.77			
Goods in transit				3,655,579.98		3,655,579.98
Low value consumables	350,104.11		350,104.11	681,559.16		681,559.16
Total	343,941,299.43	2,810,235.08	341,131,064.35	342,590,618.01	3,704,988.95	338,885,629.06

(2) Provision for inventory depreciation or contract performance cost impairment provision

In RMB

Item	Opening balance	Current increased		Current decreased		Closing balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	974,526.46					974,526.46

Inventory	2,730,462.49	241,910.58		1,136,664.45		1,835,708.62
Total	3,704,988.95	241,910.58		1,136,664.45		2,810,235.08

7. Other current assets

In RMB

Item	Closing balance	Opening balance
Input VAT ready for deduction	9,938,040.88	14,353,098.17
Income tax prepaid	114,599.86	167,345.60
Prepay other taxes	100,221.59	47,503.05
Total	10,152,862.33	14,567,946.82

Other explanation:

8. Investment real estate

(1) Measured at cost

√Applicable □Not applicable

In RMB

Item	House and building	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	51,308,578.35			51,308,578.35
2. Current increased				
(1) Outsourcing				
(2) Inventory/fixed assets\construction in process transfer-in				
(3) Increased by combination				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	51,308,578.35			51,308,578.35
II. Accumulated depreciation and				

accumulated amortization				
1. Opening balance	18,987,056.86			18,987,056.86
2. Current increased	663,038.34			663,038.34
(1) Accrual or amortization	663,038.34			663,038.34
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	19,650,095.20			19,650,095.20
III. Impairment provision				
1. Opening balance	886,512.06			886,512.06
2. Current increased				
(1) Accrual				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	886,512.06			886,512.06
IV. Book value				
1. Ending book value	30,771,971.09			30,771,971.09
2. Opening book value	31,435,009.43			31,435,009.43

(2) Measure on fair value

□Applicable √Not applicable

(3) Investment real estate without property certificate completed

In RMB

Item	Book value	Reasons
Houses and buildings	30,674,931.16	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Enterprise Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZZDi-1299), Shandong Aquatic Products Enterprise Group Co., Ltd. compensates for the debts of Shandong Zhonglu Oceanic Fisheries Co., Ltd. with its office building located at No. 43, Heping Road, Lixia District, Jinan City and the office supplies, the originally determined book value of the office building is 54,221,197.05 yuan (the self-use part is included in the fixed assets, and the rental part is included in the investment real estate), the property title certificate is on hold.

9. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	498,650,354.92	506,290,822.70
Total	498,650,354.92	506,290,822.70

(1) Fixed assets

In RMB

Item	House and building	Vessel and netting gear	Machine equipment	Transportation equipment	Furniture and office equipment	Total
I. Original book value:						
1. Opening balance	118,596,220.58	672,849,533.87	56,325,734.17	8,610,783.16	10,323,462.65	866,705,734.43
2. Current increased	1,499,403.47	11,235,310.29	2,040,124.10	420,429.67	148,561.64	15,343,829.17
(1) Purchasing		14,410,593.95	2,040,647.01	459,663.47	154,515.92	17,065,420.35
(2) Construction in progress transfer-in	1,509,971.72					1,509,971.72
(3) Increased by combination						
(4) Fluctuations in exchange	-10,568.25	-3,175,283.66	-522.91	-39,233.80	-5,954.28	-3,231,562.90
3. Current decreased		19,966,701.82	14,465.00	332,589.36	196,163.25	20,509,919.43
(1) Disposal or scrapping		19,966,701.82	14,465.00	332,589.36	196,163.25	20,509,919.43

4.Closing balance	120,095,624.05	664,118,142.34	58,351,393.27	8,698,623.47	10,275,861.04	861,539,644.17
II. Accumulative depreciation						
1. Opening balance	35,218,001.62	285,673,593.58	25,567,791.76	5,971,054.03	7,826,897.24	360,257,338.23
2. Current increased	1,637,447.59	18,778,354.61	1,852,220.34	503,742.32	268,812.60	23,040,577.46
(1) Accrual	1,637,447.59	18,778,354.61	1,852,220.34	503,742.32	268,812.60	23,040,577.46
3. Current decreased		20,074,540.27	12,050.20	301,638.05	177,971.42	20,566,199.94
(1) Disposal or scrapping		19,966,701.82	12,050.20	299,330.42	176,435.32	20,454,517.76
(2) Fluctuations in exchange		107,838.45		2,307.63	1,536.10	111,682.18
4. Closing balance	36,855,449.21	284,377,407.92	27,407,961.90	6,173,158.30	7,917,738.42	362,731,715.75
III. Impairment provision						
1. Opening balance		157,573.50				157,573.50
2. Current increased						
(1) Accrual						
3. Current decreased						
(1) Disposal or scrapping						
4. Closing balance		157,573.50				157,573.50
IV. Book value						
1. Ending book value	83,240,174.84	379,583,160.92	30,943,431.37	2,525,465.17	2,358,122.62	498,650,354.92

2. Opening book value	83,378,218.96	387,018,366.79	30,757,942.41	2,639,729.13	2,496,565.41	506,290,822.70
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(2) Fixed assets without property certificate obtained

In RMB

Item	Book value	Causes
Houses and buildings	1,861,256.69	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Enterprise Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZZDi-1299), Shandong Aquatic Products Enterprise Group Co., Ltd. compensates for the debts of Shandong Zhonglu Oceanic Fisheries Co., Ltd. with its office building located at No. 43, Heping Road, Lixia District, Jinan City and the office supplies, the originally determined book value of the office building is 54,221,197.05 yuan (the self-use part is included in the fixed assets, and the rental part is included in the investment real estate), the property title certificate is on hold.

10. Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	4,886,559.70	3,705,815.70
Total	4,886,559.70	3,705,815.70

(1) Construction in progress

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Atlantic Seine Item	4,077,658.55	4,077,658.55		4,077,658.55	4,077,658.55	
Workshop flame retardant renovation project				948,526.58		948,526.58
Ultra-low temperature cold storage renovation	4,886,559.70		4,886,559.70	2,757,289.12		2,757,289.12

project Phase II						
Total	8,964,218.25	4,077,658.55	4,886,559.70	7,783,474.25	4,077,658.55	3,705,815.70

(2) Changes of major Construction in progress

In RMB

Item Name	Budget	Opening balance	Current increased	Transfer to fixed assets	Other decreasing	Closing balance	Proportion of project investment in budget	Work progress	Accumulative amount of interest capitalization	Including: interest capitalization in Period	Capitalizing rate	Capital resources
Workshop flame retardant renovation project	1,200,000.00	948,526.58	561,445.14	1,509,971.72			100.00%	100%				
Ultra-low temperature cold storage renovation project Phase II	8,312,000.00	2,757,289.12	2,129,270.58			4,886,559.70	60.00%	60%				
Total	9,512,000.00	3,705,815.70	2,690,715.72	1,509,971.72		4,886,559.70	--	--				--

11. Intangible assets

(1) Intangible assets

In RMB

Item	Land use rights	Patent right	Non-patented technology	Computer software	Total
I. Original book value					
1. Opening balance	17,154,729.00			2,287,236.24	19,441,965.24
2. Current increased					
(1) Purchasing					
(2) Internal R&D					
(3) Increased by combination					
3. Current decreased					
(1) Disposal					
4. Closing balance	17,154,729.00			2,287,236.24	19,441,965.24
II. Accumulated amortization					
1. Opening balance	5,605,382.81			1,024,702.88	6,630,085.69
2. Current increased	191,935.08			179,823.54	371,758.62
(1) Accrual	191,935.08			179,823.54	371,758.62
3. Current decreased					
(1) Disposal					
4. Closing balance	5,797,317.89			1,204,526.42	7,001,844.31
III. Impairment provision					
1. Opening					

balance					
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal					
4.Closing balance					
IV. Book value					
1.Ending book value	11,357,411.11			1,082,709.82	12,440,120.93
2.Opening book value	11,549,346.19			1,262,533.36	12,811,879.55

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

12. Long-term prepaid expenses

In RMB

Item	Opening balance	Current increased	Amortized in Period	Other decreased	Closing balance
Office building decoration	317,044.17		132,771.13	16,513.76	167,759.28
Total	317,044.17		132,771.13	16,513.76	167,759.28

Other explanation

13. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred income tax assets without offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Asset impairment provision	921,549.53	230,387.38	921,549.53	230,387.38
Deferred income	5,793,085.94	1,448,271.49	6,056,998.38	1,514,249.60

Total	6,714,635.47	1,678,658.87	6,978,547.91	1,744,636.98
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(2) Deferred income tax liability without offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Pre-tax deduction for accelerated depreciation of fixed assets	5,648,233.04	1,412,058.26	5,807,004.90	1,451,751.23
Total	5,648,233.04	1,412,058.26	5,807,004.90	1,451,751.23

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

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		1,678,658.87		1,744,636.98
Deferred income tax liabilities		1,412,058.26		1,451,751.23

(4) Deferred income tax asset without recognized

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences	22,471,570.69	22,153,420.60
Total	22,471,570.69	22,153,420.60

14. Other non-current asset

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Account for lands paid in advance	2,000,000.00		2,000,000.00	2,000,000.00		2,000,000.00

Advance payment for construction in progress and equipment	394,857.06		394,857.06	719,397.06		719,397.06
Total	2,394,857.06		2,394,857.06	2,719,397.06		2,719,397.06

Other explanation:

15. Short-term loans

(1) Category

In RMB

Item	Closing balance	Opening balance
Mortgage loan	28,033,190.50	28,072,326.86
Credit loan	4,221,881.86	13,195,948.64
Total	32,255,072.36	41,268,275.50

Explanation on category of short-term loans:

16. Accounts payable

(1) Accounts payable

In RMB

Item	Closing balance	Opening balance
Within one year (one year included)	44,557,976.65	65,231,961.41
Over one year	4,694,230.51	4,665,877.78
Total	49,252,207.16	69,897,839.19

17. Contract liability

In RMB

Item	Closing balance	Opening balance
Within one year (one year included)	9,359,108.77	11,974,932.26
Over one year	407,134.34	478,687.53
Total	9,766,243.11	12,453,619.79

Amount and reasons for important changes of book value in the period

In RMB

Item	Amount changed	Reasons of changes
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18. Wage payable**(1) Wage payable**

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
I. Short-term compensation	39,012,993.89	59,329,181.71	77,103,389.25	21,238,786.35
II. Post-employment welfare- defined contribution plans	2,806,413.68	4,886,260.91	6,960,437.15	732,237.44
III. Dismissal welfare	33,227.17	360,000.00	393,227.17	0.00
IV. Other welfare due within one year	9,714.32		6,624.00	3,090.32
Total	41,862,349.06	64,575,442.62	84,463,677.57	21,974,114.11

(2) Short-term compensation

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Wages, bonuses, allowances and subsidies	37,455,202.41	50,967,018.92	68,677,023.96	19,745,197.37
2. Welfare for workers and staff		1,493,471.74	1,484,798.89	8,672.85
3. Social insurance		2,498,657.03	2,498,657.03	
Including: Medical insurance		2,371,588.62	2,371,588.62	
Work injury insurance		124,202.34	124,202.34	
Maternity insurance		2,866.07	2,866.07	
4. Housing accumulation fund		2,578,039.91	2,578,039.91	
5. Labor union expenditure and personnel education expense	1,557,791.48	189,002.83	261,878.18	1,484,916.13

Other short-term compensation		1,602,991.28	1,602,991.28	
Total	39,012,993.89	59,329,181.71	77,103,389.25	21,238,786.35

(3) Defined contribution plans

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Basic endowment insurance		4,320,860.69	4,320,860.69	
2. Unemployment insurance		189,036.92	189,036.92	
3. Enterprise annuity	2,806,413.68	126,191.68	2,200,367.92	732,237.44
Social security and subsidies for retired employees		250,171.62	250,171.62	
Total	2,806,413.68	4,886,260.91	6,960,437.15	732,237.44

Other explanation:

19. Taxes payable

In RMB

Item	Closing balance	Opening balance
VAT	90,420.81	150,746.28
Corporate income tax	453,728.16	508,778.23
Individual income tax	36,704.04	633,026.16
Urban maintenance and construction tax	801.38	7,404.84
House property tax	196,238.96	190,068.25
Land use tax	120,775.44	105,674.51
Educational additional	572.13	5,289.17
Other tax	1,244,629.97	1,224,426.34
Total	2,143,870.89	2,825,413.78

Other explanation:

20. Other accounts payable

In RMB

Item	Closing balance	Opening balance
Other accounts payable	12,321,536.66	8,487,724.32
Total	12,321,536.66	8,487,724.32

(1) Other accounts payable**1) By nature**

In RMB

Item	Closing balance	Opening balance
Cash deposit	2,634,221.28	2,620,321.34
Employee cost	2,363,958.96	1,072,824.55
Other	7,323,356.42	4,794,578.43
Total	12,321,536.66	8,487,724.32

21. Other current liabilities

In RMB

Item	Ending balance	Opening balance
Sales tax on advance receipts	40,511.99	108,248.84
Total	40,511.99	108,248.84

Change of short-term bonds payable:

In RMB

Bonds	Face value	Issuance date	Bonds term	Amount issued	Opening balance	Issued in the period	Accrual interest by face value	Premium and discount amortization	Paid in the period	Ending balance

Other explanation:

22. Long-term wages payable**(1) Long-term wages payable**

In RMB

Item	Closing balance	Opening balance
I. Post-employment welfare- net liability of defined contribution plans	521,855.21	414,919.37
III. Other long-term benefits	599,620.86	828,533.56

Total	1,121,476.07	1,243,452.93
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23. Deferred income

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance	Causes
Government subsidy	14,488,797.24		626,119.39	13,862,677.85	
Total	14,488,797.24		626,119.39	13,862,677.85	--

Item with government subsidy concerned:

In RMB

Liability	Opening balance	Subsidy increase during this period	Amount reckoned into non-operation revenue in the Period	Amount reckoned into non-operation revenue in the period	Cost reduction in the period	Other changes	Closing balance	Assets-related/Income-related
Construction special fund	8,967,252.60			526,431.39			8,440,821.21	Assets-related
Financial ship-building subsidy funds	5,521,544.64			99,688.00			5,421,856.64	Assets-related

Other explanation:

24. Share capital

In RMB

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

Other explanation:

25. Capital reserve

In RMB

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

Other explanation, including changes in the current period, reasons for the change:

26. Other comprehensive income

In RMB

Item	Opening balance	Current Period						Closing balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
II. Other comprehensive income items which will be reclassified subsequently to profit or loss	-12,783,539.13	-3,120,290.45				-2,466,775.62	-653,514.83	-15,250,314.75
Differences of conversion of foreign currency financial statements	-12,783,539.13	-3,120,290.45				-2,466,775.62	-653,514.83	-15,250,314.75
Total other comprehensive income	-12,783,539.13	-3,120,290.45				-2,466,775.62	-653,514.83	-15,250,314.75

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

27. Reasonable reserve

In RMB

Item	Opening balance	Increase during the	Decrease during this	Closing balance
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		period	period	
Safety production fee		541,941.58	360,797.09	181,144.49
Total		541,941.58	360,797.09	181,144.49

Other explanation, including changes in the current period, reasons for the change:

28. Surplus reserve

In RMB

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

Description of surplus reserve, including changes in the current period, reasons for the change:

29. Retained profit

In RMB

Item	Current period	Last period
Retained profits at the end of last period before adjustment	343,997,929.71	314,460,431.58
Retained profits at the beginning of the period after adjustment	343,997,929.71	314,460,431.58
Add: net profit attributable to owners of parent company	-8,959,371.06	16,135,719.93
Retained profit at period-end	335,038,558.65	330,596,151.51

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

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

30. Operating income and cost

In RMB

Item	Current Period		Last Period	
	Income	Cost	Income	Cost

Main operating	352,484,940.52	337,994,874.52	371,657,778.07	352,538,006.84
Other operating	3,868,983.33	797,112.11	3,933,057.60	830,328.42
Total	356,353,923.85	338,791,986.63	375,590,835.67	353,368,335.26

Information relating to revenue:

In RMB

Category	Branch 1	Branch 2	Branch 3	Branch 4	Offset between segment	Total
Product Types	86,828,794.02	45,226,246.44	232,762,468.89	2,142,978.50	-10,606,564.00	356,353,923.85
Including:						
Main business income	86,828,794.02	45,226,246.44	230,959,152.46	77,311.60	-10,606,564.00	352,484,940.52
Other operating income			1,803,316.43	2,065,666.90		3,868,983.33
Total	86,828,794.02	45,226,246.44	232,762,468.89	2,142,978.50	-10,606,564.00	356,353,923.85

Information relating to performance obligations:

The company handled the payment, transfer of goods and other business activities related to the performance obligations in accordance with the contract, and the performance obligations related to the current operating income have been completed.

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

The amount of income corresponding to the performance obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, yuan of revenue is expected to be recognized in YEAR, yuan of revenue is expected to be recognized in YEAR, and yuan of revenue is expected to be recognized in YEAR.

Other explanation

31. Tax and surcharges

In RMB

Item	Current Period	Last Period
Urban maintenance and construction tax	69,894.87	162,268.12
Educational surtax	29,954.77	69,543.49
House property tax	602,517.82	657,114.81
Land use tax	300,483.73	209,306.34
Vehicle and vessel tax	25,607.68	25,531.00
Stamp tax	60,258.99	79,677.45
Local education surcharge	19,668.22	46,362.33
Local water conservancy construction fund		11,590.58
Total	1,108,386.08	1,261,394.12

Other explanation:

32. Sales expenses

In RMB

Item	Current Period	Last Period
Port surcharge		2,052,570.48
Payroll payable	844,104.45	902,930.92
Freight and miscellaneous charges		4,303,346.96
Business publicity expenses	261,033.13	6,664.26
Travelling charge	57,769.04	70,294.27
Depreciation	62,116.87	35,797.78
Communication fee	10,997.50	10,899.77
Customs clearance and agency fees		602,583.25
Terminal charges		6,842.93
Other	233,631.95	395,426.78
Total	1,469,652.94	8,387,357.40

Other explanation:

Some items have an amounts at same period last year while there was no such amount occurred in the period, mainly because some parts of the items are adjusted for the new revenue standards.

33. Administrative expenses

In RMB

Item	Current Period	Last Period
Payroll payable	17,768,595.10	14,217,069.57
Accumulated depreciation and amortization	903,685.35	881,433.10
Travelling charge	453,304.98	297,366.94
Business entertainment	302,739.27	187,367.59
Vehicles charge	378,519.79	335,320.60
Intermediary service fee	208,838.15	209,291.81
Office allowance	169,196.61	200,158.31
Property water and electricity	525,692.59	457,671.82
Other	5,894,275.86	4,792,438.03
Total	26,604,847.70	21,578,117.77

Other explanation:

34. R&D expenses

In RMB

Item	Current Period	Last Period
Material		49,775.28
Total		49,775.28

Other explanation:

35. Financial expenses

In RMB

Item	Current Period	Last Period
Interest costs	908,617.14	1,290,415.47
Less: interest income	358,030.77	375,178.04
Exchange loss	3,058,828.97	-1,666,414.96
Handing expense	408,469.21	512,619.81
Other expense	50,763.29	76,839.12
Total	4,068,647.84	-161,718.60

Other explanation:

36. Other income

In RMB

Sources	Current Period	Last Period
Grants for improving international performance capabilities		18,234,412.56
Shipbuilding financial discount	99,688.00	99,688.00
Financial subsidies for special construction funds of the Blue Economic Zone	369,133.74	369,133.74
Special funds for cold chain logistics	157,297.65	169,019.88
Tax rebate on individual	18,799.45	33,747.74
Job stabilization subsidy		128,018.47
Other	191,000.00	
Total	835,918.84	19,034,020.39

37. Investment income

In RMB

Item	Current Period	Last Period
Investment income of trading financial assets during the holding period	49,972.60	54,131.01
Total	49,972.60	54,131.01

Other explanation:

38. Credit impairment loss

In RMB

Item	Current Period	Last Period
Credit impairment losses on accounts receivable	-304,060.94	-1,246,157.87
Credit impairment losses on other receivables	115,685.07	76,667.90
Total	-188,375.87	-1,169,489.97

Other explanation:

39. Assets impairment loss

In RMB

Item	Current Period	Last Period
II. Loss of inventory depreciation and loss of contract performance cost impairment	-241,910.58	-1,151,903.20
Total	-241,910.58	-1,151,903.20

Other explanation:

40. Income from assets disposal

In RMB

Sources	Current Period	Last Period
Gains/losses of fixed assets disposal	-41,980.15	55,893.20

41. Non-operating income

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Gains from disposal of fixed assets		10,111,783.13	

Other	34,284.70	10,755.50	34,284.70
Total	34,284.70	10,122,538.63	34,284.70

Government subsidy reckoned into current gains/losses:

In RMB

Grants	Issuing subject	Issuing cause	Property type	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of this period	Amount of last period	Assets related/Income related

Other explanation:

42. Non-operating expenses

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
External donations		278,200.00	
Loss from scrapped fixed assets	438.61	351,124.43	438.61
Late payment fee	108.69		108.69
Other	6,674.28	64,644.65	6,674.28
Total	7,221.58	693,969.08	7,221.58

Other explanation:

43. Income tax expenses

(1) Statement of income tax expense

In RMB

Item	Current Period	Last Period
Current income tax expense	373,320.77	597,651.69
Deferred income tax expenses	26,285.14	
Total	399,605.91	597,651.69

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period

Total profit	-15,248,909.38
Income tax based on statutory/applicable rate	0.00
Impact on different tax rate applicable for subsidiary	270,067.04
Effect of adjusting income tax in the previous period	13,737.61
Impact on cost, expenses and losses that unable to deducted	137,845.54
Impact of the deductible loss on deferred income tax assets not recognized in the prior period of use	-22,044.28
Income tax expense	399,605.91

Other explanation

44. Other comprehensive income

See Note X (VII) 26.

45. Items of cash flow statement

(1) Other cash received in relation to operation activities

In RMB

Item	Current Period	Last Period
Financial expenses-interest income	171,947.83	375,178.04
Government subsidy and other non-operating income	190,980.31	18,395,368.37
Cash deposit for L/C	76,370.28	
Intercourse funds and other	4,892,017.14	10,452,435.65
Total	5,331,315.56	29,222,982.06

Note of other cash received in relation to operation activities

(2) Other cash paid in relation to operation activities

In RMB

Item	Current Period	Last Period
Sales expenses paid in cash	6,027,526.39	7,718,987.80
Expenses of management cash paid	9,840,133.10	8,673,236.81
Pay cash for R&D expenses		8,195.00
Cash deposit for L/C	233,800.00	
Intercourse funds and other	9,368,694.52	16,252,957.64
Total	25,470,154.01	32,653,377.25

Note of other cash paid in relation to operation activities

46. Supplementary information to statement of cash flow**(1) Supplementary information to statement of cash flow**

In RMB

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	-15,648,515.29	16,761,143.73
Add: Impairment provision for assets	430,286.45	2,321,393.17
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	23,040,577.46	25,950,733.37
Depreciation of right-of-use assets		
Amortization of intangible assets	371,758.62	348,795.45
Amortization of long-term pending expenses	149,284.89	197,904.52
Loss from disposal of fixed assets, intangible assets and other long-term assets (income is listed with “-”)	41,980.15	-55,893.20
Losses on scrapping of fixed assets (income is listed with “-”)	438.61	-9,760,658.70
Loss from change of fair value (income is listed with “-”)		
Financial expenses (income is listed with “-”)	3,967,446.10	-375,999.50
Investment loss (income is listed with “-”)	-49,972.60	-54,131.01
Decrease of deferred income tax assets (increase is listed with “-”)	65,978.11	
Decrease of deferred income tax asset ((increase is listed with “-”)	-39,692.97	
Decrease of inventory (increase is listed with “-”)	-2,245,435.29	-19,741,797.71
Decrease of operating receivable accounts (increase is listed with “-”)	-11,912,557.39	-4,337,407.33
Increase of operating payable accounts (decrease is listed with “-”)	-49,082,177.35	-23,425,870.60
Other		

Net cash flow arising from operating activities	-50,910,600.50	-12,171,787.81
2. Material investment and financing not involved in cash flow	--	--
Conversion of debt into capital		
Switching Company bonds due within one year		
financing lease of fixed assets		
3. Net change of cash and cash equivalents:	--	--
Balance of cash at period end	186,855,639.29	175,988,982.07
Less: Balance of cash at year-begin	255,735,611.93	184,603,638.72
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increasing of cash and cash equivalents	-68,879,972.64	-8,614,656.65

(2) Constitution of cash and cash equivalent

In RMB

Item	Closing balance	Opening balance
I. Cash	186,855,639.29	255,735,611.93
Including: Cash on hand	1,194,500.49	2,817,043.31
Bank deposit available for payment at any time	185,661,138.81	252,918,568.62
III. Balance of cash and cash equivalent at period-end	186,855,639.29	255,735,611.93

Other explanation:

47. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Restriction reasons
Monetary fund	233,800.00	Credit margin
Fixed assets	28,985,929.33	Bank mortgage
Intangible assets	5,152,095.19	Bank mortgage
Total	34,371,824.52	--

Other explanation:

48. Item of foreign currency**(1) Item of foreign currency**

In RMB

Item	Closing balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary fund	--	--	161,142,567.42
Including: USD	23,113,424.08	6.4601	149,315,030.90
EUR	145,263.85	7.6862	1,116,527.00
HKD			
JPY	142,564,278.00	0.0584	8,325,753.84
CEDI	1,908,370.95	1.1222	2,141,573.88
XOF	20,651,000.00	0.0118	243,681.80
Account receivable	--	--	62,043,816.49
Including: USD	7,458,023.42	6.4601	48,179,577.10
EUR			
HKD			
JPY	138,240,148.32	0.0584	8,073,224.66
CEDI	4,259,420.79	1.1222	4,779,922.01
XOF	85,685,824.00	0.0118	1,011,092.72
Long-term loans	--	--	
Including: USD			
EUR			
HKD			

Other explanation:

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

√Applicable □Not applicable

Major foreign operation entity	Foreign main operation place	Book-keeping currency	Basis
HABITAT INTERNATIONAL CORPORATION	Panama	USD	The economic environment in the operation sites
LAIF FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment

			in the operation sites
YAW ADDO FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
ZHONG GHA FOODS COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
AFRICA STAR FISHERIES LIMITED	Ghana	USD	The economic environment in the operation sites

49. Government subsidy

(1) Government subsidy

In RMB

Category	Amount	Item presented	Amount reckoned into current gain/loss
Individual tax procedure refund	18,799.45	Other income	18,799.45
Other	191,000.00	Other income	191,000.00

VIII. Changes of consolidation scope

There was no change in the company's consolidation scope during the reporting period.

IX. Equity in Other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shandong Zhonglu Fishery Shipping Co., Ltd.	Qingdao Shandong	Qingdao Shandong	Refrigerated transport	100.00%		Investment
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Yantai Shandong	Yantai Shandong	Food processing	74.23%	25.77%	Investment
Shandong	Qingdao	Qingdao	Pelagic fishing	59.05%		Investment

Zhonglu Haiyan Deep-sea Fishery Co., Ltd.	Shandong	Shandong				
HABITAT INTERNATIONAL CORPORATION	Panama	Panama	Refrigerated transport	100.00%		Investment
LAIF FISHERIES COMPANY LIMITED	Ghana	Ghana	Pelagic fishing		100.00%	Investment
AFRICA STAR FISHERIES LIMITED	Ghana	Ghana	Pelagic fishing		100.00%	Investment
ZHONG GHA FOODS COMPANY LIMITED	Ghana	Ghana	Pelagic fishing		100.00%	Investment
Shandong Zhonglu Ocean Refrigerated Co., Ltd.	Yantai Shandong	Yantai Shandong	Refrigeration service		100.00%	Investment
YAW ADDO FISHERIES	Ghana	Ghana	Pelagic fishing			Operating lease

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

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

Major structured entity included in consolidates statement:

Basis of termination of agent or consignor:

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shandong Zhonglu	40.95%	-6,689,144.23		154,932,331.43

Haiyan Deep-sea Fishery Co., Ltd.				
-----------------------------------	--	--	--	--

Explanation on holding ratio different from the voting right ratio for minority shareholders:

Other explanation:

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

In RMB

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd.	258,804,173.96	225,826,778.63	484,630,952.59	100,874,677.55	5,421,856.64	106,296,534.19	283,122,223.39	224,970,520.62	508,095,744.01	106,308,989.61	5,521,544.64	111,830,534.25

In RMB

Subsidiary	Current Period				Last Period			
	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd.	54,095,017.11	-16,334,906.54	-17,930,791.36	-29,073,713.65	91,427,317.45	1,527,286.45	4,060,302.18	-18,770,671.72

Other explanation:

X. Risks related to financial instruments

The financial assets of the Company include accounts receivable and other receivables. The financial liabilities of the Company include accounts payable, other account payable and short-term loans. For details of each financial instrument, please refer to the relevant items in Note V. The Company is faced with the risks of various financial instruments in its daily activities, mainly including credit risk,

liquidity risk and market risk. The board of directors is responsible for establishing and supervising the risk management structure of the Company and developing and monitoring the Company's risk management policies.

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

1. Credit risk

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

2. Liquidity risk

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

3. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or the future cash flows fluctuate due to changes in foreign exchange rates. The foreign exchange risk faced by the Company mainly comes from the financial assets valued in US dollars, and the amount of foreign currency financial assets converted into RMB is listed as described in VII. 48 foreign currency monetary items.

(2) Interest rate risk

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

XI. Related party and related transactions

1. Parent company of the enterprise

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Shandong State-owned Assets Investment Holding Company Limited	Jinan Shandong	Investment and management, management and operation of assets, managed operations, investment advisory	4500 million Yuan	47.25%	47.25%

Explanation on parent company of the enterprise

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

Other explanation:

2. Subsidiary of the Enterprise

Found more in Note IX."9. Equity in subsidiary"

3. Other related party

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

Other explanation

4. Related transaction

(1) Remuneration of key manager

In RMB

Item	Current Period	Last Period
Total	845,236.00	701,126.00

(2) Other related transactions

① Deposit monetary funds of related parties

Name	Related party	Closing balance	Opening balance
Bank deposit	Bank of Dezhou Co., Ltd	67,872.83	671,033.41
Total		67,872.83	671,033.41

② Other

Name	Related party	Closing balance	Opening balance
Deposit interest income	Bank of Dezhou Co., Ltd	1329.03	751.00
Total		1329.03	751.00

5. Receivable/payable items of related parties

(1) Receivable item

In RMB

Item Name	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Prepayments	Inspur General Software Co., Ltd.	394,857.06		394,857.06	
Total		394,857.06		394,857.06	

XII. Commitment or contingency

1. Important commitment

Important commitment on balance sheet date

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

2. Contingency

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

The Company has no important contingency that needs to be disclosed

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

The Company has no important contingency that needs to be disclosed.

XIII. Event occurring after balance sheet date

1. Other explanation on events after balance sheet date

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

XIV. Other important event

1. Pension plan

In accordance with relevant laws, regulations and policies, the Company has established an enterprise annuity system, and on the basis of participating in basic pension insurance in accordance with the law, it pays supplementary pension insurance (i.e., enterprise annuity) for employees. Each year, according to the actual operating conditions, the operating efficiency coefficient is set, and the total amount of corporate contributions is calculated according to the operating efficiency coefficient; the expenses to be assumed by the company in the enterprise annuity have been disclosed in the employee compensation payable - defined contribution plans, and the individual payment of employees is withheld and paid from employee wages by the company. During the reporting period, the enterprise annuity was accrued in accordance with the relevant regulations. For relevant disclosures, please refer to "Note X. (7) 18 Wages Payable".

2. Segment information

(1) Determination basis and accounting policy for segment

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

(2) Financial information of the segment

In RMB

Item	Pelagic fishing	Vessel leasing	Cold storage processing trade of aquatic products	Other	Offset between segment	Total
I. Main operating income	86,828,794.02	45,226,246.44	230,959,152.46	77,311.60	-10,606,564.00	352,484,940.52
II. Main operating cost	94,486,120.60	35,882,653.37	218,175,071.96	57,592.59	-10,606,564.00	337,994,874.52
III. Credit impairment loss	828,913.13	-892,291.96	-124,997.04			-188,375.87
IV. Assets impairment loss			-241,910.58			-241,910.58
V. Depreciation and amortization	15,474,687.46	3,974,031.79	3,674,319.37	289,297.46		23,412,336.08
VI. Total profit	-18,031,197.82	3,628,217.97	9,054,987.32	-9,900,916.85		-15,248,909.38
VII. Income tax		23,627.80	375,978.11			399,605.91
VIII. Net profit	-18,031,197.82	3,604,590.17	8,679,009.21	-9,900,916.85		-15,648,515.29
IX. Total assets	674,438,738.94	263,347,146.32	332,212,992.74	176,888,224.90	-255,801,232.68	1,191,085,870.22
X. Total liability	64,875,740.74	86,275,179.35	115,629,036.32	134,437,296.73	-257,067,484.68	144,149,768.46

XVII. Principle notes of financial statements of parent company**1. Account receivable****(1) Category**

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	14,731,090.83	100.00%	6,179,599.10	41.95%	8,551,491.73	13,483,880.01	100.00%	6,076,243.56	45.06%	7,407,636.45

Including:										
Total	14,731,090.83	100.00%	6,179,599.10	41.95%	8,551,491.73	13,483,880.01	100.00%	6,076,243.56	45.06%	7,407,636.45

Bad debt provision accrual on single basis:

In RMB

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

Accrual bad debt provision on portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Accrual of bad debt provision by portfolio	14,731,090.83	6,179,599.10	41.95%
Total	14,731,090.83	6,179,599.10	--

Explanation on portfolio determines:

Bad debt provision accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio determines:

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

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	9,042,072.82
Over three years	5,689,018.01
Over 5 years	5,689,018.01
Total	14,731,090.83

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

Accrual of bad debt provision in the period:

In RMB

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

			reversal			
Provision for bad debts based on age	6,076,243.56	103,355.54				6,179,599.10
Total	6,076,243.56	103,355.54				6,179,599.10

Including major amount bad debt provision that collected or reversal in the period:

In RMB

Enterprise	Amount collected or reversal	Collection way

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

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance (%)	Bad debt preparation ending balance
HAIXINSHEN CO.,LTD	5,639,827.22	38.29%	284,335.14
PANDA	3,600,962.12	24.44%	3,600,962.12
AFKO FISHERIES CO.,LTD	3,525,149.32	23.93%	177,410.28
Qingdao Hengxin Aquatic Products Co., Ltd.	1,220,366.91	8.28%	61,018.35
Haifeng Company	430,625.10	2.92%	430,625.10
Total	14,416,930.67	97.86%	

2. Other account receivable

In RMB

Item	Closing balance	Opening balance
Dividend receivable	76,268,174.94	101,777,374.94
Other account receivable	108,736,626.40	102,721,465.78
Total	185,004,801.34	204,498,840.72

(1) Dividend receivable

1) Category

In RMB

Item (or invested company)	Closing balance	Opening balance
HABITAT INTERNATIONAL CORPORATION	70,637,061.83	96,146,261.83
Shandong Zhonglu Ocean (Yantai) Food Co., Ltd.	5,631,113.11	5,631,113.11

Total	76,268,174.94	101,777,374.94
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2) Major dividend receivable with over one year aged

In RMB

Item (or invested company)	Closing balance	Account age	Causes of failure for collection	Whether has impairment occurred and determination basis
HABITAT INTERNATIONAL CORPORATION	62,756,084.81	1-3 years	In order to meet the capital needs of the subsidiary's production and operation, no payment has been requested temporarily	No
Shandong Zhonglu Ocean (Yantai) Food Co., Ltd.	5,631,113.11	2-3 years	In order to meet the capital needs of the subsidiary's production and operation, no payment has been requested temporarily	No
Total	68,387,197.92	--	--	--

(3) Other account receivable

1) By nature

In RMB

Nature	Closing book balance	Opening book balance
Intercourse funds between internal	108,540,594.26	102,455,780.95
Petty cash and other	3,754,311.98	3,819,296.38
Total	112,294,906.24	106,275,077.33

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2021	55,390.16		3,498,221.39	3,553,611.55

Balance of Jan. 1, 2021 in the period	---	---	---	---
Current accrual	4,668.29			4,668.29
Balance on Jun. 30, 2021	60,058.45		3,498,221.39	3,558,279.84

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

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	34,433,283.07
1-2 years	15,577,147.25
2-3 years	10,442,241.97
Over three years	51,842,233.95
3-4 years	32,355,524.34
4-5 years	171,462.21
Over 5 years	19,315,247.40
Total	112,294,906.24

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

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Written off	Other	
Provision for bad debts based on age	3,553,611.55	4,668.29				3,558,279.84
Total	3,553,611.55	4,668.29				3,558,279.84

Including major amount with bad debt provision reverse or collected in the period:

In RMB

Enterprise	Amount collected or reversal	Collection way

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

In RMB

Enterprise	Nature	Closing balance	Account age	Proportion in total other account	Ending balance of bad debt provision

				receivables at period-end	
LAIF FISHERIES COMPANY LIMITED	Intercourse funds	27,766,262.94	0-3 years	24.73%	
AFRICA STAR FISHERIES LIMITED	Intercourse funds	26,448,566.56	0-3 years	23.55%	
Shandong Zhonglu Ocean Refrigeration Co., Ltd.	Intercourse funds	20,951,160.00	0-2 years	18.66%	
YAW ADDO FISHERIES CO LTD	Intercourse funds	11,176,721.53	0-3 years	9.95%	
ZHONG GHA FOODS COMPANY LIMITED	Intercourse funds	8,206,719.41	0-3 years	7.31%	
Total	--	94,549,430.44	--	84.20%	

3. Long-term equity investments

In RMB

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

(1) Investment for subsidiary

In RMB

The invested entity	Opening balance (Book value)	Changes in the period (+,-)				Closing balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
HABITAT INTERNATI ONAL CORP.	12,476,145.6 0					12,476,145.6 0	

Shandong Zhonglu Fishery Shipping Co., Ltd.	22,869,513.38					22,869,513.38	
Shandong Zhonglu Oceanic (Yantai) Food Co., Ltd.	55,448,185.24					55,448,185.24	
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd.	141,395,611.01					141,395,611.01	
Total	232,189,455.23					232,189,455.23	

4. Operating income and cost

In RMB

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	33,468,179.96	30,992,416.58	29,583,210.44	28,656,951.15
Other operating	2,065,666.90	797,112.11	2,662,222.12	830,328.42
Total	35,533,846.86	31,789,528.69	32,245,432.56	29,487,279.57

Information relating to revenue:

In RMB

Category	Branch 1	Branch 2		Total
Product Types	33,390,868.36	2,142,978.50		35,533,846.86
Including:				
Main business income	33,390,868.36	77,311.60		33,468,179.96
Other operating income		2,065,666.90		2,065,666.90
Total	33,390,868.36	2,142,978.50		35,533,846.86

Information relating to performance obligations:

The company handled the payment, transfer of goods and other business activities related to the performance obligations in accordance with the contract, and the performance obligations related to the current operating income have been completed.

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

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet completed is 0.00 yuan, of which, yuan is expected to be recognized as revenue in , yuan is expected to be recognized as revenue in , and yuan is expected to be recognized as revenue in .

Other explanation:

5. Investment income

In RMB

Item	Current Period	Last Period
Investment income of trading financial assets during the holding period	49,972.60	54,131.01
Total	49,972.60	54,131.01

XVI. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	835,918.84	
Profit and loss of assets delegation on others' investment or management	49,972.60	
Other non-operating income and expenditure except for the aforementioned items	27,063.12	
Less: impact on income tax	1,090.34	
Impact on minority interests	117,905.59	
Total	793,958.63	--

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

Applicable Not applicable

2. REO and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profits attributable to common stock stockholders of the Company	-1.00%	-0.03	-0.03
Net profits attributable to common stock stockholders of the Company after deducting nonrecurring gains and losses	-1.09%	-0.04	-0.04

3. Difference of the accounting data under accounting rules in and out of China**(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)**

Applicable Not applicable

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

Applicable Not applicable