

SHENZHEN CEREALS HOLDINGS CO.,LTD.

SEMI-ANNUAL REPORT 2024



【August 2024】

Section I. Important Notice, Contents and Interpretation

Board of Directors, the board of supervisors, all directors, supervisors and senior executives of SHENZHEN CEREALS HOLDINGS CO.,LTD. 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.

Principal of the Company Wang Zhikai, Head of Accounting Lu Yuhe and Head of Accounting Institution (Accounting Supervisor) Lu Chengjun hereby confirm that the Financial Report of Semi-Annual Report 2024 is authentic, accurate and complete.

All Directors have attended the board meeting for deliberation of this Report.

Concerning the forward-looking statements with future planning involved in the annual report, they do not constitute a substantial commitment for investors. *Securities Times, China Securities Journal, Shanghai Securities Journal* and the CNINFO website (www.cninfo.com.cn) are the media appointed by the Company for information disclosure. All information of the Company disclosed in the above mentioned media should prevail. Investors are advised to exercise caution of investment risks.

The Company has analyzed the risk factors that the Company may exist and its countermeasures in the report. Investors are advised to pay attention to read “Risks faced by the company and corresponding measures” in the report of Section III “Management Discussion and Analysis of the Operation”.

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.

The Company has no plan of cash dividend distributed, no cash bonus and capitalizing of common reserves either carried out.

Content

Section I. Important Notice, Contents and Interpretation.....	2
Section II Company Profile and Main Financial Indexes.....	6
Section III Management Discussion and Analysis of the Operation.....	9
Section IV Corporate Governance.....	22
Section V. Environmental and Social Responsibility.....	23
Section VI. Important Events.....	25
Section VII. Changes in Shares and Particulars about Shareholders.....	29
Section VIII. Preferred Stock.....	34
Section IX. Corporate Bonds.....	35
Section X. Financial Report.....	36

Documents Available for Reference

1. Text of financial statement with signature and seals of legal person, person in charge of accounting works and person in charge of accounting institution;
2. Original and official copies of all documents which have been disclosed in the reporting period;
3. Original copies of semi-annual report 2024 with signature of the company's principal.

Interpretation

Items	Refers to	Contents
SZCH/Listed Company /the Company/	Refers to	Shenzhen Cereals Holdings Co., Ltd.
SZCG	Refers to	Shenzhen Cereals Group Co., Ltd
Doximi	Refers to	Shenzhen Shenliang Doximi Business Co., Ltd.
Shenzhen Flour, Flour Company	Refers to	Shenzhen Flour Co., Ltd
Shenliang Quality Inspection	Refers to	Shenliang Quality Inspection Co., Ltd.
Dongguan Logistics	Refers to	Dongguan Shenliang Logistics Co., Ltd.
Shenbao Huacheng	Refers to	Shenzhen Shenbao Huacheng Technology Co., Ltd.
Hualian Company	Refers to	Shenzhen Hualian Grain and Oil Trading Co., Ltd.
Shenliang Cold Chain	Refers to	Shenzhen Shenliang Cold Chain Logistics Co., Ltd.
Shenliang Property	Refers to	Shenzhen Shenliang Property Development Co., Ltd.
SZCH Big, Big Kitchen	Refers to	Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd
Grain and Oil Purchase and Sales Branch	Refers to	Grain and Oil Purchase and Sales Branch of Shenzhen Cereals Group Co., Ltd
Dongguan Oil & Food	Refers to	Dongguan Shenliang Oil & Food Trade Co., Ltd.
Shenliang Cold Transport	Refers to	Shenzhen Shenliang Cold Transport Co., Ltd.
Shenshenbao Investment	Refers to	Shenzhen Shenshenbao Investment Co., Ltd
Shenzhen Shenliang Food	Refers to	Shenzhen Shenliang Food Co., Ltd.
Zhenpin	Refers to	Zhenpin Market Operation Technology Co., Ltd.
Wuhan Jiacheng	Refers to	Wuhan Jiacheng Biotechnology Co., Ltd
Shenzhen Agricultural Power Group/Food Material Group/Food Group/Fude Capital	Refers to	Shenzhen Agricultural Power Group Co., Ltd. ,originally named Shenzhen Food Materials Group Co., Ltd, Shenzhen Food Group Co., Ltd, and Shenzhen Fude State Capital Operation Co., Ltd., is the controlling shareholder of the company
Agricultural Products	Refers to	Shenzhen Agricultural Products Group Co., Ltd
SIHC	Refers to	Shenzhen Investment Holdings Co., Ltd.
Shenzhen SASAC	Refers to	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission
CSRC	Refers to	China Securities Regulation Commission
SSE	Refers to	Shenzhen Stock Exchange
Grant Thornton CPAs	Refers to	Grant Thornton Certified Public Accountant LLP(Special General Partnership)
Article of Association	Refers to	Article of Association of Shenzhen Cereals Holdings Co., Ltd.
RMB/10 thousand Yuan	Refers to	CNY/ten thousand Yuan

Section II Company Profile and Main Financial Indexes

I. Company information

Short form for share	SZCH, Shenliang B	Stock code	000019, 200019
Short form of share before change(if applicable)	Shenshenbao, Shenbao B		
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市深粮控股股份有限公司		
Abbr. of Chinese name of the Company	深粮控股		
English name of the Company(if applicable)	SHENZHEN CEREALS HOLDINGS CO.,LTD		
Legal Representative	Wang Zhikai		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Chen Xiaohua	Chen Kaiyue, Liu Muya
Contact add.	13/F, Tower A, World Trade Plaza, No.9 Fuhong Rd., Futian District, Shenzhen	13/F, Tower A, World Trade Plaza, No.9 Fuhong Rd., Futian District, Shenzhen
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E-mail	000019@slkg1949.com	chenky@slkg1949.com, liumy@slkg1949.com

III. Other information

1. Company contact information

Has the registered address, office address, postal code, website, email address, etc. of the company changed during the reporting period?

Applicable Not applicable

The registered address, office address, postal code, website, and email address of the company remained unchanged during the reporting period. Please refer to the 2023 annual report for details.

2. Information disclosure and location

Has the information disclosure and location changed during the reporting period?

Applicable Not applicable

The website and media name and website of the stock exchange where the company disclosed its semi-annual report, and the place of placement of the company's semi-annual report remains unchanged during the reporting period, as detailed in the 2023 annual report.

3. Other relevant information

Is there any change in other relevant information during the reporting period?

Applicable Not applicable

IV. Main accounting data and financial indexes

Is the Company required to retrospectively adjust or restate prior year's accounting data?

Yes No

	Amount in current period	Amount in last period	Year-on-year increase(+)/decrease(-)
Operating income (RMB)	2,416,452,919.61	2,831,996,801.82	-14.67%
Net profit attributable to shareholders of the listed Company (RMB)	129,030,850.78	168,149,768.31	-23.26%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains/losses (RMB)	116,892,371.77	159,103,953.25	-26.53%
Net cash flow arising from operating activities (RMB)	-158,531,444.41	83,503,352.21	-289.85%
Basic earnings per share (RMB/Share)	0.1120	0.1459	-23.24%
Diluted earnings per share (RMB/Share)	0.1120	0.1459	-23.24%
Weighted average ROE	2.64%	3.47%	-0.83%
	Ending balance of current period	Ending balance of last period	Year-on-year increase(+)/decrease(-)
Total assets(RMB)	7,390,257,559.37	7,398,528,190.94	-0.11%
Net assets attributable to shareholder of listed company(RMB)	4,723,330,417.23	4,824,452,103.84	-2.10%

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

Unit: RMB/CNY

	Net profit attributable to shareholders of the listed Company		Net assets attributable to shareholder of listed Company	
	Current period	Last period	Ending amount	Opening amount
Chinese GAAP	168,149,768.31	237,527,782.93	4,643,162,339.43	4,762,973,461.81
Items and amount adjusted by IAS				
Adjustment for other payable fund of stock market regulation			1,067,000.00	1,067,000.00
IAS	168,149,768.31	237,527,782.93	4,644,229,339.43	4,764,040,461.81

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 above mentioned condition occurred in the period

VI. Items and amounts of non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	6,786,562.53	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	5,536,754.37	
Gains/losses of assets delegation on others' investment or management	3,933,789.27	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	435.73	
Other non-operating income and expenditure except for the aforementioned items	-158,397.83	
Less: impact on income tax	3,552,532.61	
Impact on minority shareholders' equity (after-tax)	-2,148.29	
Total	12,548,759.75	

Other gains/losses items that conform to the definition of non-recurring gains/losses:

Applicable Not applicable

The Company does not have other gains/losses items that conform to the definition of non-recurring gains/losses.

Information on the definition of non-recurring gains/losses listed in the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Non-recurring Gains/Losses as the Recurring Gains/Losses

Applicable Not applicable

The Company does not have any non-recurring gains/losses listed in the Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Non-recurring Gains/Losses as the Recurring Gains/Losses.

Section III Management Discussion and Analysis of the Operation

I. Main businesses of the Company during the reporting period

Main business of the Company includes the wholesale and retail business, food processing and manufacturing business, leasing and commerce service business.

The wholesale and retail business are mainly rice, wheat, rice in the husk, corn, sorghum, cooking oil and other varieties of grain and oil as well as the sales of fine tea, beverage and condiment. During the reporting period, the company overcame many adverse factors such as decline in market demand and fluctuation of grain price, took multiple measures to ensure supply and stable supply, and continued to optimize the products, strengthen the brand and expand the market. Mainly supplied wheat, rice, corn, barley, sorghum and other raw grain to customers such as the industry's large traders, feed processing and flour processing enterprises; mainly sold rice, flour, cooking oil, high-quality tea, beverages and other products to demand units and community residents.

Food processing and manufacturing business are mainly the processing and the technology research in aspect of flour, rice, cooking oil, tea and natural plant extracts, beverage and condiments etc. The company's flour brands and products include "Jinchangman", "Yingshanhong" and "Hongli" series bread flour; "Clivia" and "Canna" series tailored flour for cakes and steamed bun; "Sunflower" wheat flour for noodles and cookie flour; "Tianlvxiang" wheat flour for bread, refined flour and dumpling flour etc.; Rice products include "Shenliang Doximi", "Guzhixiang", "Gufengxianman", "Runxiangliangpin", "Hexiang" and "Taitai Fukou". Cooking oil products include brands such as "Shenliang Fuxi", "Shenliang Jinxi" and "Youtian". Tea brands mainly include "Ju Fang Yong" tea; "Yichong" fresh extract, "Jindiao" instant tea powder and other tea deep-processed products, as well as "Shenbao" chrysanthemum tea, lemon tea, and "Cha Mi Xiang Qi" and other series of tea drinks. Condiments are mainly "Sanjing" oyster sauce and sauces. Several brands have formed product series, including "SZCH Yushuiqing" rice, noodles, oil, and coarse cereals series, "Jiaxi" rice & noodles series, "Jinchangman" noodles & oil series, Black-faced Spoonbill tea, rice, oil, drinking water, non-staple food and condiment series, etc., and the launch of Yueqiu tea wine continues to enrich the product structure. "Grain Duoxi" rice, oil, miscellaneous grains, mushroom, nut series, etc; The launch of "Jin Yue" tea wine continued to enrich the product structure.

The leasing and business service refers to providing the professional import & export trade, warehousing & storage, logistic & distribution, quality inspection & information technology services, property leasing and management, business operation management services for all kinds of clients in the upstream and downstream of the industrial chain, by using the advantage of brand reputation, operation service capacity and facility technology that accumulated in field of grain and oil market. Dongguan smart gain logistics complex is a comprehensive grain distribution service body integrating five major functions: grain & oil terminal, transit reserve, testing & distribution, processing & production and market trading; Shenliang Quality Inspection was awarded as "Guangdong Shenzhen National Grain Quality Monitoring Station". The subsidiary Shenliang Cold Chain provides cold chain of food storage and distribution services to the customers, and Shenliang Property is a professional assets management platform enterprise.

II. Core competitiveness analysis

The company enhances the endogenous power by deepening reform, strengthens the "extensive" development by innovation cooperation, and continuously upgrades and transforms the governance pattern, development quality, and guarantee ability, and has embarked on a path of sustainable and high-quality development through self-innovation, and become a highly competitive, innovative and influential backbone grain enterprise in the domestic grain industry.

(1) Operation mechanism

The core management team of the company has rich experience, and has a strong strategic vision and pragmatic spirit. Combined with the actual development of the Company, formulated a set of effective mechanisms to promote the quality and efficiency of business development. The company vigorously promotes the innovation and transformation of business models, and actively promotes the transition from “trade-oriented enterprises” to “service-oriented enterprises”, and from “operational management and control” to “strategic management and control”. In business control, through the own information management system, realizes a seamless link between the “operation” and “planning, capital, quality inspection, inventory, risk control and discipline”, effectively reduces the operational risks while fully participating in the market competition, and achieving a deep integration of “ensuring grain security” and “promoting development”. Through deeply promotes the strategy of “talent strengthening the enterprises”, continuously innovative talent training mechanism to creates a high-quality talent supply chain, the company has established an open talent team to meet the long-term development of enterprises and reserve intelligence for the enterprise upgrading and development. The company has innovated and implemented the EVA performance appraisal mechanism and established a result-oriented incentive and restraint assessment mechanism which effectively built the performance culture and stimulated the viability within the enterprise. The company insists on cultivating and advocating the corporate culture with “people-oriented, performance first, excellent quality, and harmony” as the core values, combines the personal development goals of employees with the corporate vision, and enhances the cohesiveness and centripetal force of the enterprise.

(2) Business model

The company deeply engages in segmenting the target market, provides diversified product supply services for customers in different areas of the industry chain, establishes a multi-level product supply network covering online and offline, and realizes the transformation of product supply to “remoteness, intelligentization, and self-service”. In terms of grain and oil trading services, the bulk commodity trading platform www.zglsjy.com.cn created by its subsidiary Hualian Company efficiently integrates business flow, logistics, and information flow, improves circulation efficiency, and provides spot listings, one-way bidding, basis price, financing, logistics, quality inspection, information and other services for internal business units, suppliers and customers. In terms of e-commerce, SZCH Doximi actively promotes the development of new grain retail formats such as “Internet + Grain” and “Community Automatic Grain Sales Stations”, and has opened channels on e-commerce platforms such as Tmall and Jingdong Mall so as to promote the deep integration of online and offline e-commerce platforms. In terms of group meal supply, its subsidiary SZCH Beige has established a one-stop distribution service platform serving large end customers, providing high-quality and safe smart group meal food services for group users such as enterprises, schools, and government institutions. In terms of comprehensive tea drinking services, its subsidiary Shenbao Investment has launched a micro-complex “Cha Mi Xiang Qi” with a combination of “light drinks”, “light food” and “light retail” functions.

(3) Information technology

The company attaches great importance to the transformation and upgrading of traditional industries with modern technological means, and actively introduces new-generation information technologies such as the Internet of Things, cloud computing, big data, and mobile Internet into grain management, forming an information system that can cover the entire industrial chain of the grain industry, and promoting the “Internet + Grain” industry development. The company’s informatization construction capability is at the leading level in the grain reserves industry, taking the lead in building the warehouse management of “standardization, mechanization, informatization, and harmlessness” in the industry, the self-developed “Grain Logistics Information System (SZCG GLS)” has built a framework for the construction of grain informatization work, innovated the grain management model, led the development direction of the grain industry, and became a benchmark for the national grain industry. The project was awarded the “National IoT Major Application Demonstration Project” by the National Development and Reform Commission and the Ministry of Finance. The company has undertaken a number of national-level research projects, the results of a number of informatization projects have won national, provincial and municipal awards, and dozens of information systems have been developed and are operating normally.

(4) R&D capabilities

The company has strong research and development capabilities in the field of food and beverage, and gathers leading technological advantages and equipment systems. The subsidiary Shenbao Huacheng owns the Guangdong engineering technology research center, Jiangxi provincial enterprise technology center, Shenzhen municipal research and development center (technology center) and Shenzhen plant deep processing technology engineering laboratory and have obtained national high-tech enterprise certification. And also owns a number of patented technologies for tea powder, tea concentrated juice and plant extraction independently researched and developed, published dozens of scientific papers, and won a number of awards such as Science and Technology Progress Award of the Ministry of Agriculture, Shennong Chinese Agricultural Science & Technology Award of the Chinese Society of Agriculture, Science & Technology Achievement Award of Chinese Academy of Agricultural Sciences, Science and Technology Award of China National Light Industry Council, Zhejiang Science and Technology Award, Jiangxi Science and Technology Progress Award and Shenzhen Science & Technology Progress Award, etc., presided over or participated in the preparation of several national standards and industrial standards.

(5) Quality control

The company implements grain and oil quality standards that are higher than national standards. The subordinate Shenliang Quality Inspection has the leading grain and oil quality inspection technology and equipment in the domestic grain industry, and is included in the national grain quality supervision and inspection system. It was awarded the “Guangdong Shenzhen National Grain Quality Monitoring Station” by the State Administration of Grain and obtained the assessment certificate of agricultural product quality and safety inspection agency (CATL) and the qualification certificate of inspection agency (CMA) etc, and passed the certification of nearly one thousand testing capability items. Shenliang Quality Inspection lists pesticide residues, heavy metal pollutants, fungal toxins and other hygiene indicators as well as food taste indicators in the daily inspection indicators. It has the ability to detect four types of indicators of generic quality, storage quality, food security & quality and other four types of indicators of testing capacity. The detection capability can meet the relevant quality detection requirements of grain and oil products, and can accurately analyze the nutritional composition and hygienic indicators of the grain and determine its storage and edible quality. It has created the “digital laboratory” in the grain industry, real-time monitoring of the entire process of cuttings, testing, distribution, etc., relying on collaborative platforms to save, retrieve, integrate, analyze and share grain and oil testing data to achieve 100% coverage of grain & oil product inspection. Has the internationally recognized quality control system. Its subsidiary Shenbao Huacheng Company has established a quality control system recognized by large international food and beverage companies, and has successfully passed the quality certification of global suppliers of Coca-Cola, Lipton, Kraft, Suntory, and Nestlé.

(6) Brand effect

The company was awarded the “Top 500 Service Enterprises in China”, “China’s Most Influential Grain & Oil Group”, “China Top Ten Grain and Oil Groups”, “China Top 100 Grain and Oil Enterprises”, “National Leading Enterprise Supporting Grain and Oil Industrialization”, “National Quality Benchmark” and “Top 10 Food Digital Technology Applications”. It has been selected as one of the “First Batch of National Emergency Food Security Enterprises”, “Top 100 Agricultural Industrialized Head Enterprises in China”, “Top 10 Head Enterprise in the Grain Industry” and “The National Demonstration Enterprise of Assured Grain & Oil Demonstration Project”, etc.. It is the “Rice Bag” trusted by the public. Strengthen brand leadership, actively explore and cultivate excellent public brands, rely on quality to win recognition, reputation and market share, and form a series of high-quality grain and oil products centered on China Good Grain and Oil, Shenzhen Well-known Brands, and Shenzhen Products. The company owns well-known brands and platforms, such as “Shenzhen Flour”, “SZCH Duoxi”, “SZCH Yushuiqing”, “Big Kitchen”, “Shenbao Teabank”, “Ju Fang Yong”, “Cha Mi Xiang Qi”, “Sanjing”, “www.zglsjy.com.com”, and “doximi.com”, and gradually build an industrial system with complete “rice” + “tea” elements.

III. Main business analysis

Overview

The year 2024 is a crucial phase in the "14th Five-Year Plan," marking a pivotal period for building on past achievements and setting the stage for future success. The company has thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China, adhering to the principle of pursuing progress while maintaining stability, with a strong focus on its core responsibilities of stabilizing grain production and ensuring supply security. Despite significant macroeconomic challenges and a volatile market environment, the company has maintained its strategic focus, promoting integration and collaboration to optimize resources and maximize efficiency. Innovation remains a top priority, with efforts to revitalize existing resources and pursue new growth opportunities. In the first half of 2024, the company reported operating income of 2.416 billion yuan, a year-on-year decrease of 416 million yuan; total profit was 165 million yuan, down 49 million yuan year-on-year, and net profit attributable to shareholders was 129 million yuan, a decrease of 39 million yuan compared to the same period last year.

(1) Main business development

In the first half of 2024, the grain and oil sector faced challenges due to a global downturn in grain markets, leading to weak consumer demand. Slow trade resulted in lower sales, revenue, and gross profit, with some products experiencing price inversions. Inventory write-downs further impacted performance, falling short of expectations. In response, the company focused on ensuring food security by enforcing strict controls, enhancing storage facilities, and utilizing digital tools. These efforts ensured high-quality reserve services, stabilizing regional grain security. The company also sought market opportunities, partnering with leading firms across regions, and advancing incremental projects. Business units pursued value creation across the supply chain, with the oil company growing packaged oil sales, the flour company's "Feiyu" brand filling a market gap, and Shenbao Huacheng achieving R&D breakthroughs. The smart grain and oil supply chain saw continuous improvement, with the Cold Chain Company launching the "Big Cold Storage" project in partnership with Higrain(Guangming), and Doximi advancing coordination with the Shanghai Agricultural Products Wholesale Market.

(2) Key project progress

The company continued to enhance the functionality of the Cereals Holdings Grain Trading Platform. The rice processing plant at the Northeast Grain Base completed its upgrade, ensuring smooth production and operations. The development of the grain logistics hub in Dongguan advanced alongside business growth. The No. 3 berth received several special approvals, and the expansion project for the No. 4 berth was successfully approved and evaluated. Additionally, the company launched container services, leading to significant breakthroughs in logistics and transshipment operations.

(3) Other key initiatives

The company has driven high-quality development through innovation, focusing on market demand to expand from "ingredients" to "food products," thereby boosting market competitiveness. In 2024, the company launched innovation and technical improvement projects, advanced the revision of Shenzhen local standards, and issued the "Shenzhen Rice Emergency Reserve Quality Assurance Technical Regulations." Standards and guidelines for the cadmium limit in finished rice were also established. In the first half of the year, the company added three products to its "Zhenpin" certification, totaling 68 certified products. The company was recognized as a "Top 100 Shenzhen Brand" and a "Well-known Shenzhen Brand" at the third Shenzhen Brand Awards, and its "Cereals Quality Archive Digital Management Platform" was named an "Outstanding Digital Transformation Achievement in Shenzhen 2023." Shenbao Huacheng was appointed as the first Vice President of the Tea and Plant Beverages Branch of the China Beverage Industry Association, contributing to the development of industry standards for tea concentrates and instant tea.

Strengthening Foundations and Stimulating Internal Drive. The company continues to advance the construction of a modern governance system for state-owned enterprises, focusing on establishing a mechanism where rights and responsibilities are clearly defined, transparent, coordinated, and effectively balanced. Governance efficiency has been enhanced by strengthening the control chain involving the shareholders' meeting, board of directors, supervisory board, and party committee, while implementing independent director system reforms. Organizational efficiency has improved through the optimization of the headquarters' structure and the continuous establishment and renewal of grassroots organizations. Key initiatives include advancing the selection and appointment of cadres, developing talent, building key position pipelines, and optimizing the cadre team structure. Management efficiency has been strengthened by establishing a business analysis linkage mechanism, improving weekly meetings and supervision,

and deepening the "comprehensive risk management" system with full risk management coverage. Projects like the data middle platform and digital cockpit have been launched to enhance data governance and supervision. The company remains focused on safety production, reinforcing the primary responsibility of production and operation units, and improving the quality management system.

Year-on-year changes in major financial data

In RMB

	Current period	Last period	y-o-y increase(+)/ decrease(-)	Reason for change
Operating income	2,416,452,919.61	2,831,996,801.82	-14.67%	Mainly affected by the grain and oil market and demand, the pace of the company's bulk grain and oil trade has slowed down, resulting in a year-on-year decrease in sales and revenue.
Operating cost	1,985,425,763.32	2,357,438,707.57	-15.78%	Mainly due to the reduction in bulk trading of grain and oil, operating costs decreased year-on-year.
Sales expense	73,460,826.96	81,081,244.08	-9.40%	Mainly because the costs of port terminals, warehousing, loading and unloading decreased year-on-year.
Administration expense	94,726,723.75	104,657,015.04	-9.49%	Mainly due to the decline in company performance and a year-on-year decrease in salary expenses; In addition, the company has implemented the "tight living" requirements, reduced costs and increased efficiency, resulting in year-on-year savings in related expenses.
Financial expense	16,769,853.52	20,808,115.34	-19.41%	The main reason is that the company optimized its financing channels, effectively reduced financing costs, and reduced interest expenses year-on-year.
Income tax expense	34,204,824.86	46,217,947.45	-25.99%	Mainly due to a decrease in profits, the provision for income tax expenses decreased year-on-year.
R&D expense	9,813,271.21	9,432,745.24	4.03%	The main reason is that the company continued to increase its technological investment in the deep processing of food and tea extract, and continuously improved its self-developed capabilities.
Cash flows arising from operating activities	-158,531,444.41	83,503,352.21	-289.85%	Operating cash flow is mainly used to purchase grain and oil inventory, with a higher proportion of inventory growth at the end of the period compared to the same period last year.
Cash flows arising from investing activities	7,279,212.52	-255,045,437.38	102.85%	Mainly due to a year-on-year decrease in the idle funds applied to purchase wealth management (large denomination certificates of deposit) this year.
Cash flows arising from financing activities	-7,288,740.77	215,116,463.60	-103.39%	Mainly due to a decrease in short-term borrowings compared to last year, resulting in a decrease in cash inflows from borrowing.
Net increase of cash and cash equivalents	-158,523,960.13	47,016,660.48	-437.17%	Mainly due to the year-on-year decrease in operating net cash flow.

There have been significant changes in the component or sources of profits during the reporting period of the company

Applicable Not applicable

There have been no significant changes in the composition or sources of profits during the reporting period of the company.

Component of operating income

In RMB

	Current period		Last period		y-o-y increase(+)/decrease(-)
	Amount	Ratio in operating income	Amount	Ratio in operating income	
Total operating income	2,416,452,919.61	100%	2,831,996,801.82	100%	-14.67%
By industries					
Wholesale and retail	1,516,982,535.46	62.78%	1,970,880,248.72	69.59%	-23.03%
Leasing and business services	490,757,531.22	20.31%	487,158,541.41	17.20%	0.74%
Manufacturing	408,712,852.93	16.91%	373,958,011.69	13.21%	9.29%
By products					
Grain & oil trading and processing	1,739,184,083.86	71.97%	2,217,815,907.14	78.31%	-21.58%
Grain & oil storage logistics and services	427,474,421.05	17.69%	428,675,200.44	15.14%	-0.28%
Food, beverage and tea processing	186,511,304.53	7.72%	125,895,974.09	4.45%	48.15%
Leasing and others	63,283,110.17	2.62%	59,609,720.15	2.10%	6.16%
By region					
Domestic market	2,399,676,960.09	99.31%	2,814,438,937.19	99.38%	-14.74%
Oversea market	16,775,959.52	0.69%	17,557,864.63	0.62%	-4.45%

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

Applicable Not applicable

In RMB

	Operating income	Operating cost	Gross profit ratio	y-o-y increase(+)/decrease(-)of operating revenue	y-o-y increase(+)/decrease(-)of operating cost	y-o-y increase(+)/decrease(-)of gross profit ratio
By industry						
Wholesale and retail	1,516,982,535.46	1,470,984,780.74	3.03%	-23.03%	-21.37%	-2.05%
By product						
Grain & oil trading and processing	1,739,184,083.86	1,692,648,450.30	2.68%	-21.58%	-20.11%	-1.79%
By region						
Domestic market	2,399,676,960.09	1,972,096,485.94	17.82%	-14.74%	-15.87%	1.11%

In the event that the statistical caliber of the company's main business data is adjusted during the reporting period, the main business data of the company has been adjusted according to the caliber at the end of the reporting period in the past year.

Applicable Not applicable

IV. Analysis of non-main business

☐Applicable ☐Not applicable

In RMB

	Amount	Ratio in total profit	Description of formation	Sustainable or not(Y/N)?
Investment income	3,368,123.85	2.05%		N
Gains/losses of fair value variation	0.00	0.00%		N
Asset impairment	-79,774,391.84	-48.47%	Mainly due to the downward trend in prices of some grain and oil varieties, provisions for inventory depreciation are made on the basis of market prices. When goods for which provisions for inventory depreciation have been made, the provision for inventory depreciation withdrawn will be carried forward to offset current costs.	N
Non-operating income	72,146.65	0.04%		N
Non-operating expense	230,544.48	0.14%		N

V. Analysis of assets and liabilities

1. Major changes of assets component

In RMB

	End of current period		End of last financial period		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	81,588,655.29	1.10%	236,384,606.60	3.20%	-2.10%	Mainly due to the distribution of cash dividends of 231 million yuan to shareholders in June, which reduced working capital.
Account receivable	249,497,706.82	3.38%	179,828,493.98	2.43%	0.95%	Mainly due to the increase in revenue from government reserve grain and oil services.
Contract assets		0.00%	0.00	0.00%	0.00%	
Inventory	3,719,257,500.78	50.33%	3,458,443,989.04	46.75%	3.58%	Mainly because the company increased its inventory of grain and oil according to business needs.
Investment real estate	255,521,705.63	3.46%	263,597,031.89	3.56%	-0.10%	
Long-term equity investment	72,286,411.60	0.98%	74,008,926.48	1.00%	-0.02%	
Fix assets	2,127,018,321.47	28.78%	2,171,969,725.22	29.36%	-0.58%	
Construction in progress	63,236,301.49	0.86%	51,288,301.16	0.69%	0.17%	
Right-of-use assets	46,685,705.34	0.63%	56,933,148.16	0.77%	-0.14%	

Short-term loans	1,471,993,682.19	19.92%	1,223,462,519.16	16.54%	3.38%	Mainly due to the need to increase short-term bank loans for dividends distribution in June and operating funds
Contract liability	93,304,109.71	1.26%	86,566,253.73	1.17%	0.09%	
Long-term loans		0.00%	0.00	0.00%	0.00%	
Lease liability	29,266,103.49	0.40%	37,744,951.74	0.51%	-0.11%	

2. Major overseas assets

Applicable Not applicable

3. Assets and liabilities measured by fair value

Applicable Not applicable

In RMB

Item	Beginning amount	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Amount of sale in the period	Other changes	Ending amount
Financial assets								
1. Tradable financial assets (excluding derivative financial assets)	1,122,347.85					1,122,347.85		
5. Other non-current financial assets	57,500.00							57,500.00
6. Large fixed deposit	30,226,849.32					30,226,849.32		
Aforementioned total	31,406,697.17					31,349,197.17		57,500.00
Financial liabilities	0.00							0.00

Other change

Are there major changes on measurement attributes for main assets of the Company in reporting period?

Yes No

4. The assets rights restricted till end of the period

The details of monetary funds that are restricted in use due to mortgage, pledge, or freezing, restricted in centralized management and withdrawal of funds, and restricted in repatriation of funds placed overseas are as follows:

Item	Ending balance	Ending balance of last period
Guarantee deposit	-	1,800,000.00
Letter of credit deposit	4,750,000.00	691,708.31
Litigation related freezing	2,973,129.00	2,973,129.00
Total	7,723,129.00	5,464,837.31

VI. Investment analysis

1. Overall situation

Applicable Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Changes (+/-)
1,449,600.00	51,638,617.14	-97.19%

2. The major equity investment obtained in the reporting period

Applicable Not applicable

3. The major non-equity investment performed in the reporting period

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit and loss	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the reporting period	Book value at the end of the period	Accounting subject	Capital source
Domestic and overseas stock	000017	Zhonghua-A	0.00	Fair value measurements	1,122,347.85				3,246,197.15	2,123,849.30	0.00	Tradable financial assets	Debt rescheduled shares
Total			0.00	--	1,122,347.85	0.00	0.00	0.00	3,246,197.15	2,123,849.30	0.00	--	--

			5				5	0		
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(2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period

5. Application of raised proceeds

Applicable Not applicable

There was no use of raised funds during the reporting period of the company.

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 companies 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	Register capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shenzhen Cereals Group Co., Ltd	Subsidiary	Grain & oil trading processing, grain and oil reserve service	1,530,000,000.00	7,491,721,058.13	4,087,210,276.26	2,147,828,716.65	84,552,049.08	50,662,245.80
Shenzhen Hualian Grain and Oil Trading Co., Ltd.	Subsidiary	Grain & oil trading	100,000,000.00	1,133,010,229.72	208,235,098.66	605,218,995.26	46,882,104.22	40,384,788.27
Dongguan Shenliang Logistics Co., Ltd.	Subsidiary	Grain & oil trading processing, warehouse, and logistics	298,000,000.00	2,887,305,661.00	392,620,426.48	371,100,465.96	22,255,674.71	21,467,824.54

Particular about subsidiaries obtained or disposed in reporting period

Applicable Not applicable

Name of enterprise	Ways of acquiring and disposing of subsidiaries during the reporting period	Impact on overall production, operation, and performance
Wuhan Jiacheng Biological Products Co., Ltd.	Publicly listed for transfer	It is expected that it will not have a significant impact on the company's production, operation, and performance

Explanation on main holding companies and stock-jointly companies:

Shenzhen Cereals Group Co., Ltd: Business scope: general business items: grain and oil purchase and sales, grain and oil storage; grain and oil and products management and processing (operated by branches); operation and processing of feed (operated by outsourcing); investment in grain and oil, feed logistics projects; establishing grain and oil and feed trading market (including e-commerce market) (market license is also available); storage (operated by branches); development, operation and management of free property; providing management services for hotels; investing and setting up industries (specific projects are separately declared); domestic trade; engaging in import and export business; E-commerce and information construction; and grain circulation service. Licensed business items: the following projects shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: information services (internet information service only); general freight, professional transport (refrigerated preservation). Register capital is 1,530,000,000.00 yuan. As of the end of current period, total assets reached 7,491,721,058.13 yuan, and net assets amounted to 4,087,210,276.26 yuan; in the reporting period, the operating income, net profit and net profit attributable to shareholder of parent company were 2,147,828,716.65 yuan, 50,662,245.80 yuan and 40,479,097.74 yuan respectively.

Shenzhen Hualian Grain and Oil Trading Co., Ltd.: Business scope: general business items: domestic trade (except for projects that laws, administrative regulations, and decisions of the State Council require approval before registration); engaging in import and export business (except for projects prohibited by laws, administrative regulations, and decision of the State Council, restricted projects can be operated only after obtaining permission); online feed sales; information consultation, self-owned housing leasing (excluding talent agency services and other restricted items); international freight forwarding, domestic freight forwarding (can only be operated after being approved by the transport department if laws, administrative regulations, State Council decision require the approval of transport department); Licensed business items: following items shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: purchase and sale of grain and oil, online sales of grain and oil; information service business (internet information service business only). Register capital is 100,000,000.00 yuan. As of the end of current period, total assets reached 1,133,010,229.72 yuan, and net assets amounted to 208,235,098.66 yuan; in the reporting period, the operating income, net profit and net profit attributable to shareholder of parent company were 605,218,995.26 yuan, -40,384,788.27 yuan and -40,466,600.85 yuan respectively.

Dongguan Shenliang Logistics Co., Ltd. Business scope: General business items: Container and bulk cargo storage and other supporting services; Container and bulk cargo transportation; Production: food (grain and oil), feed and feed additives; Grain procurement; Wholesale and retail: prepackaged food (grain and oil), bulk food (grain and oil), feed and feed additives; Port operations, loading and unloading of steel and general cargo at ports; Road freight transportation; Water transportation, water transportation services; Grain and oil storage; Internet Information Services; Technical services for grain, oil, and feed quality inspection; hotel management; Industrial investment; Market operation management; Supply chain management services; International freight forwarding, domestic freight forwarding; Customs declaration agency and inspection agency; Property management and leasing; Import and export of goods and technology. Projects that require approval according to law can only be operated with the approval of relevant departments. Its registered capital is 2,980,000.00 yuan. As of the end of current period, total assets reached 2,887,305,661 yuan, and net assets amounted to 392,620,426.48 yuan; in the reporting period, the operating income,

net profit and net profit attributable to shareholder of parent company were 371,100,465.96 yuan, 21,467,824.54 yuan and 21,467,824.54 yuan respectively.

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks faced by the company and corresponding measures

1. Risks of price fluctuations in the purchase and sale of grain and oil

The Russia-Ukraine conflict, the Middle East war, extreme weather and other uncertain external factors have led to significant fluctuations in the purchase and sale prices of grain and oil at home and abroad, and showed a large structural difference. Besides, some countries have implemented controls on the export of agricultural products, which directly affected the supply of bulk agricultural and sideline products and exacerbates fluctuations in grain and oil prices. The aforementioned risks may affect the company's profitability and may also lead to fluctuations in inventory value.

The company will actively respond to the risks of adverse effects of grain and oil price fluctuations on its operations by strengthening market forecasting, establishing strategic cooperation, optimizing supply management, refining management, enhancing internal collaboration, and optimizing product structure in a targeted manner.

2. Food safety risks

“Quality safety” is the lifeline for the sustainable development of enterprises, and food safety is an inviolable red line. Regulatory authorities have promulgated a series of regulations and systems from top to bottom targeting food safety hazards, corporate responsibilities, production management compliance, quality safety inspections, and risk monitoring and control, aiming to implement the requirements of “the four strictest supervision of food safety”.

Based on the diversified development of current product categories and business formats, the company has issued the “SZCH Food Quality Safety Management Measures”, covering grain and non-grain food categories and their key business processes, to align with the existing company’s business model and diversified product quality management. This system, serving as the superior system for the company’s food safety management, fills the gaps in previous system levels, clarifies key position responsibilities, strengthens supervision over key processes, and refines and standardizes daily food quality safety management work from five aspects: on-site inspection checklists, enterprise self-inspection reporting, training drill records, product information ledger, ensuring that food products meet quality standards, hygiene standards, and relevant regulatory requirements.

3. Risk of intensified market competition

As a representative enterprise of regional grain, oil and food business, compared with central enterprises and large multinational grain, oil and food enterprises, the company still has a certain gap in scale and brand awareness. In the future, the competition in the grain, oil and food industry will become more intense, if the company cannot effectively promote its own brand and broaden its marketing channels, it may face greater risks when market competition intensifies.

In response to possible market and business risks, on the one hand, the company makes overall plans for annual procurement, carefully optimizes procurement channels, and ensures sufficient grain supply and orderly supply. On the other hand, the company continues to strengthen communication with upstream and downstream customers in the industry chain, vigorously expands sales channels, focuses on customer needs, deepens brand and service, and enhances the company's brand value and competitiveness. The third is to promote brand building, strengthen brand communication and cooperation within the industry, explore high-quality brand element resources, create unified brand application standards, and gradually establish brand advantages.

XI. Implementation of the Action Plan for “Double Improvement of Quality and Return”

Does the company disclose Action Plan for “Double Improvement of Quality and Return”

Yes No

Section IV Corporate Governance

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

1. Annual shareholders' general meeting during the reporting period

Ordinal number of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolutions
The first extraordinary general meeting of shareholders of 2024	Extraordinary general meeting	72.13%	2024-01-09	2024-01-10	Resolutions of the First Extraordinary General Meeting of Shareholders of 2024 (Notice No. 2024-02) disclosed on CNINFO website(www.cninfo.com.cn) on January 10, 2024
Annual General Meeting of 2023	AGM	72.14%	2024-05-07	2023-05-08	Resolutions of the Annual General Meeting of 2023 (Notice No. 2024-15) disclosed on CNINFO website(www.cninfo.com.cn) on May 8, 2024

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

Applicable Not applicable

II. Changes in directors, supervisors and senior officers of the company

Applicable Not applicable

There were no changes in the directors, supervisors, and senior management of the company during the reporting period, as detailed in the 2023 annual report.

III. Profit distribution plan and transfer of capital reserve into share capital

Applicable Not applicable

There are no cash dividend, bonus and capitalizing of common reserves carried out in the semi-annual.

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

Applicable Not applicable

There are no equity incentive plans, employee stock ownership plans, or other employee incentive measures and their implementation during the reporting period of the company.

Section V. Environmental and Social Responsibility

I. Major environmental issues

Are the listed company and its subsidiaries a key pollutant discharge unit announced by the environmental protection authorities?

Yes No

Administrative punishment for environmental problems during the reporting period

Company name or subsidiary name	Reason for punishment	Violation	Punishment result	Impact on the production and operation of listed company	The company's rectification measures
NA	NA	NA	NA	NA	NA

Other environmental information disclosed by reference to key pollutant discharge entities

Not applicable

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

Applicable Not applicable

Reasons for not disclosing other environmental information

Not applicable

The company attaches great importance to environmental protection, Each subsidiary has built corresponding facilities to protect environment according to the actual situation of production and operation. The waste gas, dust, wastewater, and solid waste generated during the production process are treated to meet the relevant national and local standards for emissions.

II. Social responsibility

In the first half of 2024, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Cereals Holdings thoroughly studied and implemented the spirit of the 20th Party Congress, and closely followed General Secretary Xi Jinping's directives on agriculture and rural revitalization. The company focused on the provincial "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages" and the municipal rural revitalization initiatives. Actively fulfilling its social responsibilities, Cereals Holdings leveraged its resources to deepen rural revitalization efforts, driving strong development momentum in the supported regions.

1. Strengthening support accountability and deepening rural revitalization

The company's Party Committee placed significant emphasis on rural revitalization, making it a key priority. Early in the year, a special meeting was held to plan and implement the 2024 targeted assistance initiatives. Comprehensive research and visits were conducted to stay informed about the work conditions and mindset of the village-based cadres. Proactive measures, including health check-ups, insurance, and living allowances, were implemented to ensure their well-being and effectively motivate them. In the first half of 2024, company leaders visited the dispatched cadres once and reviewed six work reports from them.

2. Intensifying support to fully drive rural revitalization in targeted areas

First, we drive development through Party building, creating strong synergy. To thoroughly implement the provincial "1310" strategy, the company's Party Committee organized a themed Party Day and joint Party-building activity, "Green and Beautiful Guangdong Cereals in Action," in Shengli Village, Tuocheng Town, Longchuan, which involved voluntary tree planting for rural greening. Additionally, we actively explored empowering the industrial chain through Party building. In collaboration with local peanut oil processing enterprises in Tuocheng, we promoted the establishment of "SZCG Oil Division Support and Co-construction Base", using a "Party Building Plus" model to support rural revitalization.

Second, Promoting "Zhenpin" Certification to Access the Greater Bay Area Market. Zhenpin Operations Company, a subsidiary of SZCH actively engaged in the targeted assistance regions, helping local enterprises align their agricultural processing with

"Zhenpin" certification standards and requirements. This effort accelerates the standardization, branding, and scaling of local agricultural products, enabling them to enter the Shenzhen market and beyond. In the first half of 2024, the company assisted five local enterprises in completing multiple "Zhenpin" certification applications for their agricultural products.

Third, Integrating Resources to Strengthen and Expand the Industrial Chain. Flour Company, a subsidiary of SZCH, supported village-based cadres in forming an agricultural industry consortium by supplying high-quality feed raw materials, thereby enhancing and expanding the industrial chain in targeted assistance areas. In the first half of 2024, the company supplied nearly 80,000 pounds of feed to the planting and breeding alliance, including approximately 18,000 pounds provided free of charge to members from previously impoverished households, reducing costs in the local specialty farming and breeding industry by nearly 60,000 yuan. Additionally, with the recent signing of a 100-ton feed supply contract between Dongguan Logistics and a local cooperative, the feed purchasing costs for the alliance are expected to decrease by approximately 350,000 yuan.

Fourth, Mobilizing Broad Social Support to Foster Collective Assistance. The village-based cadres of SZCH, in collaboration with the Haiyezi Tuocheng Rural Revitalization Public Fund, implemented targeted assistance efforts. Together with charitable enterprises and the fund, they donated 40 sets of new desks and chairs, along with educational and sports supplies, to Shengli Primary School, and renovated the school's electrical safety system. They provided long-term scholarships for two orphaned sisters, covered major medical expenses for a veteran couple, and actively promoted the creation of public welfare jobs in Tuocheng. By securing 66,000 yuan in public welfare funds through county task force quotas, they significantly increased the income of five low-income and vulnerable families, helping disadvantaged individuals build better lives.

Fifth, Deeply Exploring "Rural Industry + Cultural Creativity" for Integrated Development. To enhance Tuocheng's brand image, the village-based cadres of SZCH explored local culture and helped the team design and create a distinctive "Tuocheng" IP. A series of cultural and creative products, including T-shirts and gift bags, have been launched and widely adopted locally, establishing a unique regional cultural brand.

3. Strengthening Support Measures to Consolidate and Expand Poverty Alleviation Gains

First, Promoting Local Employment and Entrepreneurship for Women Through the Tea Industry. SZCH's subsidiary, Shenbao Huacheng, established Yunnan Black Tea Production Bases in Fengqing County, Yongde County, and Mangshi City, Yunnan Province. The company's R&D team has consistently provided technical support and guidance in the tea-producing regions of Yunnan, Fujian, and Guizhou, enhancing the professional skills of tea farmers. This initiative has effectively addressed local women's employment needs in these areas, significantly boosting the income and prosperity of tea farmers.

Second, Strengthening Production and Marketing Linkages to Boost Farmers' Income and Agricultural Efficiency. In the first half of 2024, SZCH's subsidiary, Doximi, purchased agricultural products from regions like Bama in Guangxi and Luochuan in Shaanxi, covering over ten categories, including fruits, nuts and grains. The company also launched the "Doximi Assistance Mall" online platform, integrating online and offline channels to deliver farm products directly to urban consumers, thus supporting continuous income growth in areas previously lifted out of poverty.

Third, Expanding Consumption Assistance to Boost Rural Revitalization. In line with directives from higher authorities, SZCH has continued its consumption assistance efforts by actively mobilizing subsidiaries and grassroots unions to purchase agricultural products from regions lifted out of poverty. This initiative effectively supports rural revitalization. In the first half of 2024, the company purchased 4.278 million yuan worth of products through these efforts.

Section VI. Important Events

I. Undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

No undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of the period

II. Occupation of the non-operational funds of the listed company by controlling shareholders and its related party

Applicable Not applicable

No non-operational funds of the listed company have been occupied by the controlling shareholders and its related party in period.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

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

Has the semi-annual financial statements been audited?

Applicable Not applicable

The semi-annual report of the company hasn't been audited.

V. Statement on the latest “modified audit report” by BOD

Applicable Not applicable

VI. Explanation from Board of Directors for “Qualified Opinion” that issued by CPA for last period

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

VIII. Litigation and arbitration

Major litigation and arbitration

Applicable Not applicable

There were no major litigation and arbitration in the reporting period.

Other litigation and arbitration

Applicable Not applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand yuan)	Resulting in an accrual liability (Y/N)?	Progress	Trial result and influence	Execution of judgment	Disclosure date	Disclosure index
As of June 30, 2024, other lawsuits that did not meet the disclosure standards for significant lawsuits mainly included the following: disputes over purchase and sales contract, disputes over wharf construction contracts, disputes over construction contracts, housing lease contracts, etc.	7,563.99	N	The Company actively makes use of the advantageous resources of internal legal affairs and external laws firm to follow up and deal with the lawsuit-related cases. At present, the Company is responding to and dealing with the cases effectively in accordance with relevant laws and regulations	After comprehensive analysis, the result of the cases involved in the lawsuits will not have a significant impact on the Company	It is actively advancing	Not applicable	Not applicable

IX. Penalty and rectification

Applicable Not applicable

There were no penalty and rectification for the company during reporting period.

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

Applicable Not applicable

XI. Major related party transaction

1. Related party transaction involved with daily operation

Applicable Not applicable

There were no related party transactions involved with daily operation.

2. Related party transactions of assets or acquisition and sold

Applicable Not applicable

No related party transactions of assets or equity acquisition and sold occurred during the reporting period

3. Related party transactions of mutual investment outside

Applicable Not applicable

No related party transactions of mutual investment outside occurred during the reporting period.

4. Contact of related party credit and debt

Applicable Not applicable

There were no contact of related party credit and debt in the reporting period.

5. Contact with the related finance companies

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies with associated relationship and related parties

6. Transactions between the finance company controlled by the Company and related parties

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies controlled by the Company and related parties

7. Other material related party transactions

Applicable Not applicable

There were no other material related party transactions in the reporting period.

XII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship occurred during the reporting period

(2) Contracting

Applicable Not applicable

No contract occurred during the reporting period

(3) Leasing

Applicable Not applicable

No leasing occurred during the reporting period

2. Material guarantees

Applicable Not applicable

The company had no material guarantees in the reporting period.

3. Trusted cash asset management

Applicable Not applicable

In ten thousand yuan

Type	Capital sources	Amount occurred	Outstanding balance	Overdue amount	Amount with impairment accrual for the overdue financial products which has not been recovered
Financing products of banks	Own funds	28,500	0	0	0
Total		28,500	0	0	0

Details of the single major amount, or high-risk trust investment with low security, or poor liquidity

Applicable Not applicable

It is expected that the principal of entrusted financial management fails to recover or there are other situations leading to impairment in entrusted financial management

Applicable Not applicable

4. Other significant contract

Applicable Not applicable

The company had no other significant contract in the reporting period.

XIII. Explanation on other material matters

Applicable Not applicable

The company has no explanation on other material matters.

XIV. Material matters of subsidiary of the Company

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Shares

1. Changes in shares

Unit: Share

	Before the Change		Increase(+)/Decrease(-) in the Change					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Sub total	Amount	Proportion
I. Restricted shares	684,569,567	59.40%	0	0	0	0	0	684,569,567	59.40%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned corporate shares	684,569,567	59.40%	0	0	0	0	0	684,569,567	59.40%
3. Other domestic shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Domestic legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Domestic nature person's shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Foreign corporate shares	0	0.00%	0	0	0	0	0	0	0.00%
Overseas nature person's share	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	467,965,687	40.60%	0	0	0	0	0	467,965,687	40.60%
1. RMB common shares	416,216,407	36.11%	0	0	0	0	0	416,216,407	36.11%
2. Domestically listed foreign shares	51,749,280	4.49%	0	0	0	0	0	51,749,280	4.49%
3. Foreign listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	1,152,535,254	100.00%	0	0	0	0	0	1,152,535,254	100.00%

Reasons for changes in share

Applicable Not applicable

Approval of changes in share

Applicable Not applicable

Ownership transfer of changes in share

Applicable Not applicable

Progress of the implementation of repurchase share

Applicable Not applicable

Progress of the implementation of reducing buyback shares by means of 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 last 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 in restricted shares

Applicable Not applicable

II. Securities issuance and listing

Applicable Not applicable

III. Particulars about shareholders and actual controller of the Company

Unit: Share

Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total of common shares held at the end of reporting period	Changes in reporting period	Number of restricted shares held	Amount of unrestricted shares held	Information of shares pledged, tagged or frozen	
							State of share	Amount
Particulars about shares held above 5% by shareholders or top ten shareholders (Excluding shares lent through refinancing)								
Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	State-owned legal person	63.79%	735,237,253	0	669,184,735	66,052,518	Not applicable	0
Shenzhen Agricultural Products Group Co., Ltd	State-owned legal person	8.23%	94,832,294	0	15,384,832	79,447,462	Not applicable	0
Bank of Communications Co., Ltd. - Invesco Great Wall CSI Dividend Low Volatility 100 Exchange Traded Open Index Securities Investment Fund	Other	0.82%	9,446,710	9,446,710	0	9,446,710	Not applicable	0
Dongguan Fruit,	Dom	0.75%	8,698,216	0	0	8,698,216	Not	0

Vegetable, and Non- staple Food Trading Market Co., Ltd	estic non-state-owned legal persons						aplicable	
Guotai Junan Securities Co., Ltd. - Tianhong CSI Dividend Low Volatility 100 Exchange Traded Open Index Securities Investment Fund	Other	0.38%	4,329,900	4,329,900	0	4,329,900	Not applicable	0
Sun Huiming	Domestic natural person	0.32%	3,666,652	60,000	0	3,666,652	Not applicable	0
Lin Junbo	Domestic natural person	0.32%	3,647,300	-1,852,700	0	3,647,300	Not applicable	0
Zhong Zhenxin	Domestic natural person	0.29%	3,295,500	0	0	3,295,500	Not applicable	0
Chen Jiuyang	Domestic natural person	0.26%	2,991,070	80,000	0	2,991,070	Not applicable	0
Hong Kong Securities Clearing Company	Foreign legal person	0.26%	2,946,479	-2,506,714	0	2,946,479	Not applicable	0
Strategy investor or general legal person becoming the top 10 shareholders by placing new shares (if applicable) (refer to Note 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Agriculture and Food Investment Holding Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.; The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	N/A							
Special note on the	N/A							

repurchase account among the top 10 shareholders (if applicable) (refer to note 11)			
Particular about top ten shareholders with unrestricted shares held (Excluding shares lent through refinancing and shares locked by senior executives)			
Shareholders' name	Amount of unrestricted shares held at Period-end	Shares held	
		Type	Amount
Shenzhen Agricultural Products Group Co., Ltd	79,447,462	RMB common shares	79,447,462
Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	66,052,518	RMB common shares	66,052,518
Bank of Communications Co., Ltd. - Invesco Great Wall CSI Dividend Low Volatility 100 Exchange Traded Open Index Securities Investment Fund	9,446,710	RMB common shares	9,446,710
Dongguan Fruit, Vegetable, and Non- staple Food Trading Market Co., Ltd	8,698,216	RMB common shares	8,698,216
Guotai Junan Securities Co., Ltd. - Tianhong CSI Dividend Low Volatility 100 Exchange Traded Open Index Securities Investment Fund	4,329,900	RMB common shares	4,329,900
Sun Huiming	3,666,652	Domestically listed foreign shares	3,666,652
Lin Junbo	3,647,300	RMB common shares	3,647,300
Zhong Zhenxin	3,295,500	RMB common shares	3,295,500
Chen Jiuyang	2,991,070	RMB common shares	2,991,070
Hong Kong Securities Clearing Company	2,946,479	RMB common shares	2,946,479
Explanation of the association or concerted action between the top 10 shareholders of non-restricted and tradable shares, as well as between the top 10 shareholders of non-restricted and tradable shares and the top 10 shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Agriculture and Food Investment Holding Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.; The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.		
Explanation on the participation of the top 10 ordinary shareholders in margin trading and securities lending business (if any) (see Note 4)	At the end of reporting period, Lin Junbo, a shareholder of the company, held 3,647,300 shares of the Company under customer credit trading secured securities account through China Merchants Securities Co., Ltd., and held 0 shares of the company under common account, totally holding 3,647,300 shares of the Company. During the reporting period, shares held by Lin Junbo under the credit trading secured securities account reduced by 1,852,700 shares, shares held by him under common account remained unchanged, and shares held by Lin Junbo reduced by 1,852,700 shares.		

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participate in the lending of shares in the refinancing business

Applicable Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to the refinancing, lending/repayment

Applicable Not applicable

Whether the top 10 ordinary shareholders and the top 10 shareholders of unrestricted ordinary shares of the Company conducted agreed repurchase transactions during the reporting period

Yes No

The Company's top 10 ordinary shareholders and the top 10 shareholders of unrestricted ordinary shares did not carry out agreed repurchase transactions during the reporting period.

IV.Changes in shareholding of directors, supervisors, and senior management

Applicable Not applicable

There are no changes in shareholding of directors, supervisors, and senior management in the reporting period. Refer to 2023 annual report for details.

V. Changes of controlling shareholders or actual controller in reporting period

Changes of controlling shareholders in reporting period

Applicable Not applicable

There was no change in the company's controlling shareholder during the reporting period.Changes of actual controller in the reporting period

Applicable Not applicable

The Company had no changes of actual controller in 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 SHENZHEN CEREALS HOLDINGS CO., LTD.

June 30, 2024

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	81,588,655.29	236,384,606.60
Settlement provisions		
Capital lent		
Tradable financial assets		1,122,347.85
Derivative financial assets		
Note receivable		113,932.00
Account receivable	249,497,706.82	179,828,493.98
Receivable financing		
Accounts paid in advance	68,149,054.62	17,234,701.92
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	23,652,977.28	29,127,689.89
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	3,719,257,500.78	3,458,443,989.04
Including: data source		
Contract assets		
Assets held for sale		121,126,137.62
Non-current asset due within one year		
Other current assets	59,770,157.64	105,857,923.48
Total current assets	4,201,916,052.43	4,149,239,822.38
Non-current assets:		
Loans and payments on behalf		
Debt investment		

Other debt investment		
Long-term account receivable		
Long-term equity investment	72,286,411.60	74,008,926.48
Investment in other equity instrument		
Other non-current financial assets	57,500.00	57,500.00
Investment real estate	255,521,705.63	263,597,031.89
Fixed assets	2,127,018,321.47	2,171,969,725.22
Construction in progress	63,236,301.49	51,288,301.16
Productive biological asset	353,770.80	358,617.00
Oil and gas asset		
Right-of-use assets	46,685,705.34	56,933,148.16
Intangible assets	532,723,888.41	546,325,555.22
Including: Data resources		
Expense on research and development		
Including: Data resources		
Goodwill		
Long-term expenses to be apportioned	21,705,333.36	24,694,318.05
Deferred income tax asset	61,106,492.88	52,757,295.38
Other non-current asset	7,646,075.96	7,297,950.00
Total non-current asset	3,188,341,506.94	3,249,288,368.56
Total assets	7,390,257,559.37	7,398,528,190.94
Current liabilities:		
Short-term loans	1,471,993,682.19	1,223,462,519.16
Loan from central bank		
Capital borrowed		
Tradable financial liability		
Derivative financial liability		
Note payable		
Account payable	353,377,813.98	336,165,196.80
Accounts received in advance	1,503,397.55	1,084,701.60
Contract liability	93,304,109.71	86,566,253.73
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	214,147,515.65	266,214,663.20
Taxes payable	61,651,513.65	86,906,785.70
Other account payable	269,557,469.58	277,687,590.83
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
handle fee and commission payable		
Reinsurance payable		
Liability held for sale		66,579,828.59
Non-current liabilities due within one year	20,693,439.58	22,805,473.76
Other current liabilities	4,029,143.68	3,896,140.56
Total current liabilities	2,490,258,085.57	2,371,369,153.93
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		

Lease liability	29,266,103.49	37,744,951.74
Long-term account payable	18,183,091.89	17,994,633.05
Long-term wages payable		
Accrual liability		
Deferred income	82,894,625.34	82,819,873.24
Deferred income tax liabilities	10,757,664.29	10,937,920.46
Other non-current liabilities		
Total non-current liabilities	141,101,485.01	149,497,378.49
Total liabilities	2,631,359,570.58	2,520,866,532.42
Owner's equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	1,260,757,114.42	1,260,757,114.42
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve	1,096,481.60	741,968.19
Surplus public reserve	483,103,366.38	483,103,366.38
Provision of general risk		
Retained profit	1,825,838,200.83	1,927,314,400.85
Total owner's equity attributable to parent company	4,723,330,417.23	4,824,452,103.84
Minority interests	35,567,571.56	53,209,554.68
Total owner's equity	4,758,897,988.79	4,877,661,658.52
Total liabilities and owner's equity	7,390,257,559.37	7,398,528,190.94

Legal Representative: Wang Zhikai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Lu Chengjun

2. Balance sheet of parent company

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	4,817,219.08	149,617,836.08
Tradable financial assets		1,122,347.85
Derivative financial assets		
Note receivable		
Account receivable	109,789,966.50	65,714,555.94
Receivable financing		
Accounts paid in advance	5,476.00	336,007.79
Other account receivable	1,631,458,762.44	1,624,337,855.63
Including: Interest receivable		
Dividend receivable		
Inventories		
Including: Data resources		
Contract assets		
Assets held for sale		21,675,000.00
Non-current assets maturing within one year		

Other current assets	14,424.19	55,135,837.73
Total current assets	1,746,085,848.21	1,917,939,441.02
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	4,026,844,425.09	4,026,844,425.09
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	15,335,938.06	15,571,733.20
Fixed assets	31,713,701.81	32,858,541.01
Construction in progress		
Productive biological assets	353,770.80	358,617.00
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	20,504,847.78	23,006,791.89
Including: Data resources		
Research and development costs		
Including: Data resources		
Goodwill		
Long-term deferred expenses	1,864,664.41	2,291,236.03
Deferred income tax assets	10,260,054.61	10,260,054.61
Other non-current assets	4,092,783.72	3,744,657.76
Total non-current assets	4,110,970,186.28	4,114,936,056.59
Total assets	5,857,056,034.49	6,032,875,497.61
Current liabilities:		
Short-term borrowings	318,114,877.20	
Tradable financial liability		
Derivative financial liability		
Notes payable		
Account payable		
Accounts received in advance		
Contract liability		
Wage payable	35,977,962.24	31,524,389.29
Taxes payable	3,512,229.69	2,801,152.52
Other accounts payable	852,824,853.86	1,200,576,358.07
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,210,429,922.99	1,234,901,899.88
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		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		

Other non-current liabilities		
Total non-current liabilities		
Total liabilities	1,210,429,922.99	1,234,901,899.88
Owners' equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	3,018,106,568.27	3,018,106,568.27
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	210,698,938.24	210,698,938.24
Retained profit	265,285,350.99	416,632,837.22
Total owner's equity	4,646,626,111.50	4,797,973,597.73
Total liabilities and owner's equity	5,857,056,034.49	6,032,875,497.61

3. Consolidated profit statement

In RMB

Item	2024 semi-annual	2023 semi-annual
I. Total operating income	2,416,452,919.61	2,831,996,801.82
Including: Operating income	2,416,452,919.61	2,831,996,801.82
Interest income		
Insurance gained		
handle fee and commission income		
II. Total operating cost	2,188,865,873.82	2,582,248,916.32
Including: Operating cost	1,985,425,763.32	2,357,438,707.57
Interest expense		
Handle fee 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		
Taxes and surcharge	8,669,435.06	8,831,089.05
Sales expense	73,460,826.96	81,081,244.08
Administrative expense	94,726,723.75	104,657,015.04
R&D expense	9,813,271.21	9,432,745.24
Financial expense	16,769,853.52	20,808,115.34
Including: Interest expenses	17,092,597.32	20,495,411.83
Interest income	952,349.13	315,939.31
Add: Other income	8,396,165.78	5,788,072.14
Investment income (Loss is listed with "-")	3,368,123.85	2,402,184.67
Including: Investment income on affiliated company and joint venture	-2,195,664.82	-705,464.09
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 “-”)		174,961.34
Loss of credit impairment (Loss is listed with “-”)	-69,733.49	670,247.23
Losses of devaluation of asset (Loss is listed with “-”)	-79,774,391.84	-46,633,952.80
Income from assets disposal (Loss is listed with “-”)	5,219,432.33	1,587,775.37
III. Operating profit (Loss is listed with “-”)	164,726,642.42	213,737,173.45
Add: Non-operating income	72,146.65	338,644.53
Less: Non-operating expense	230,544.48	195,216.49
IV. Total profit (Loss is listed with “-”)	164,568,244.59	213,880,601.49
Less: Income tax expense	34,204,824.86	46,217,947.45
V. Net profit (Net loss is listed with “-”)	130,363,419.73	167,662,654.04
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	130,363,419.73	167,662,654.04
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	129,030,850.78	168,149,768.31
2.Minority shareholders’ gains/losses	1,332,568.95	-487,114.27
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(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		
Net after-tax of other comprehensive		

income attributable to minority shareholders		
VII. Total comprehensive income	130,363,419.73	167,662,654.04
Total comprehensive income attributable to owners of parent Company	129,030,850.78	168,149,768.31
Total comprehensive income attributable to minority shareholders	1,332,568.95	-487,114.27
VIII. Earnings per share:		
(i) Basic earnings per share	0.1120	0.1459
(ii) Diluted earnings per share	0.1120	0.1459

As for the enterprise combined under the same control, the net profit achieved by the merged party before combination is 0.00 yuan and the net profit achieved by the merged party in last period is 0.00 yuan.

Legal Representative: Wang Zhikai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Lu Chengjun

4. Profit statement of parent company

In RMB

Item	2024 semi-annual	2023 semi-annual
I. Operating income	81,710,414.30	80,465,663.56
Less: Operating cost	235,795.14	235,795.14
Taxes and surcharge	279,398.08	226,880.22
Sales expenses		
Administration expenses	36,208,920.45	31,183,573.58
R&D expenses		
Financial expenses	-19,356,764.73	-14,476,713.20
Including: Interest expenses	1,953,504.26	1,153,273.64
Interest income	21,577,083.48	15,881,657.87
Add: Other income	154,328.97	382,620.07
Investment income (Loss is listed with "-")	14,677,769.24	975,629.57
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 "-")		-113,524.84
Loss of credit impairment (Loss is listed with "-")	435.73	
Losses of devaluation of asset (Loss is listed with "-")		
Income on disposal of assets (Loss is listed with "-")		
II. Operating profit (Loss is listed with "-")	79,175,599.30	64,540,852.62
Add: Non-operating income		5,000.02
Less: Non-operating expense	16,034.73	

III. Total Profit (Loss is listed with “-”)	79,159,564.57	64,545,852.64
Less: Income tax		24,615,419.98
IV. Net profit (Net loss is listed with “-”)	79,159,564.57	39,930,432.66
(i) continuous operating net profit (net loss listed with “-”)	79,159,564.57	39,930,432.66
(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	79,159,564.57	39,930,432.66
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated cash flow statement

In RMB

Item	2024 semi-annual	2023 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,416,339,686.68	2,908,830,118.57
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, handle fee 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	1,931,425.08	924,811.35
Other cash received concerning operating activities	1,288,201,410.88	335,627,204.39
Subtotal of cash inflow arising from operating activities	3,706,472,522.64	3,245,382,134.31
Cash paid for purchasing commodities and receiving labor service	2,473,823,154.14	2,346,304,152.82
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, handle fee and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	182,640,622.80	238,939,457.87
Taxes paid	91,893,885.41	133,546,738.58
Other cash paid concerning operating activities	1,116,646,304.70	443,088,432.83
Subtotal of cash outflow arising from operating activities	3,865,003,967.05	3,161,878,782.10
Net cash flows arising from operating activities	-158,531,444.41	83,503,352.21
II. Cash flows arising from investing activities:		
Cash received from recovering investment	315,621,806.51	719,000,000.00
Cash received from investment income	5,305,517.33	2,840,292.60
Net cash received from disposal of fixed, intangible and other long-term assets	17,286,128.50	2,048,910.70
Net cash received from disposal of subsidiaries and other units	13,241,942.62	
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	351,455,394.96	723,889,203.30
Cash paid for purchasing fixed, intangible and other long-term assets	59,176,182.44	76,150,532.92
Cash paid for investment	285,000,000.00	899,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		3,784,107.76
Subtotal of cash outflow from investing activities	344,176,182.44	978,934,640.68
Net cash flows arising from investing activities	7,279,212.52	-255,045,437.38
III. Cash flows arising from financing		

activities:		
Cash received from absorbing investment		490,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		490,000.00
Cash received from loans	2,045,107,250.15	1,418,006,020.58
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	2,045,107,250.15	1,418,496,020.58
Cash paid for settling debts	1,794,353,974.79	887,417,617.78
Cash paid for dividend and profit distributing or interest paying	245,803,739.44	306,311,864.63
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	12,238,276.69	9,650,074.57
Subtotal of cash outflow from financing activities	2,052,395,990.92	1,203,379,556.98
Net cash flows arising from financing activities	-7,288,740.77	215,116,463.60
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	17,012.53	3,442,282.05
V. Net increase of cash and cash equivalents	-158,523,960.13	47,016,660.48
Add: Balance of cash and cash equivalents at the period -begin	232,389,486.42	53,095,469.26
VI. Balance of cash and cash equivalents at the period-end	73,865,526.29	100,112,129.74

6. Cash flow statement of parent company

In RMB

Item	2024 semi-annual	2023 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	326,750,573.00	408,104,768.00
Write-back of tax received		193,577.27
Other cash received concerning operating activities	2,046,639,594.59	1,220,117,754.90
Subtotal of cash inflow arising from operating activities	2,373,390,167.59	1,628,416,100.17
Cash paid for purchasing commodities and receiving labor service		
Cash paid to/for staff and workers	26,547,520.98	30,688,663.89
Taxes paid	416,585.00	27,682,272.82
Other cash paid concerning operating activities	2,634,761,716.00	1,162,985,810.35
Subtotal of cash outflow arising from operating activities	2,661,725,821.98	1,221,356,747.06
Net cash flows arising from operating activities	-288,335,654.39	407,059,353.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	265,621,806.51	279,000,000.00
Cash received from investment income	13,838,029.70	1,245,793.96
Net cash received from disposal of		

fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units	16,360,810.20	
Other cash received concerning investing activities		382,533.35
Subtotal of cash inflow from investing activities	295,820,646.41	280,628,327.31
Cash paid for purchasing fixed, intangible and other long-term assets	2,600,123.18	5,580,933.36
Cash paid for investment	235,000,000.00	274,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		47,100,000.00
Subtotal of cash outflow from investing activities	237,600,123.18	326,680,933.36
Net cash flows arising from investing activities	58,220,523.23	-46,052,606.05
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	1,029,128,411.85	
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,029,128,411.85	
Cash paid for settling debts	711,351,213.44	70,000,000.00
Cash paid for dividend and profit distributing or interest paying	232,463,872.40	289,587,041.21
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	943,815,085.84	359,587,041.21
Net cash flows arising from financing activities	85,313,326.01	-359,587,041.21
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	1,188.15	
V. Net increase of cash and cash equivalents	-144,800,617.00	1,419,705.85
Add: Beginning balance of cash and cash equivalents	149,617,836.08	961,310.17
VI. Ending balance of cash and cash equivalents	4,817,219.08	2,381,016.02

7. Consolidated statement of changes in owners' equity

Current period

Item	2024 semi-annual													Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company											Subtotal			
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit		Other		
		Preferrred stock	Perpetual capital secu	Other											

			ritie s												
I. Balance at the end of the last year	1,15 2,53 5,25 4.00				1,26 0,75 7,11 4.42			741, 968. 19	483, 103, 366. 38		1,92 7,31 4,40 0.85		4,82 4,45 2,10 3.84	53,2 09,5 54.6 8	4,87 7,66 1,65 8.52
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,15 2,53 5,25 4.00				1,26 0,75 7,11 4.42			741, 968. 19	483, 103, 366. 38		1,92 7,31 4,40 0.85		4,82 4,45 2,10 3.84	53,2 09,5 54.6 8	4,87 7,66 1,65 8.52
III. Increase/ Decrease in reporting period (Decrease is listed with “-”)							354, 513. 41				- 101, 476, 200. 02		- 101, 121, 686. 61	- 17,6 41,9 83.1 2	- 118, 763, 669. 73
(i) Total comprehensive income											129, 030, 850. 78		129, 030, 850. 78	1,33 2,56 8.95	130, 363, 419. 73
(ii) Owners’ devoted and decreased capital														- 18,9 74,5 52.0 7	- 18,9 74,5 52.0 7
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														- 18,9 74,5 52.0 7	- 18,9 74,5 52.0 7
(III) Profit distribution											- 230, 507, 050. 80		- 230, 507, 050. 80		- 230, 507, 050. 80
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or											-		-		-

shareholders)												230,507,050.80			230,507,050.80			230,507,050.80	
4. Other																			
(IV) Carrying forward internal owners' equity																			
1. Capital reserves converted to capital (share capital)																			
2. Surplus reserves converted to capital (share capital)																			
3. Remedying loss with surplus reserve																			
4. Carry-over retained earnings from the defined benefit plans																			
5. Carry-over retained earnings from other comprehensive income																			
6. Other																			
(V) Reasonable reserve								354,513.41								354,513.41			354,513.41
1. Withdrawal in the reporting period								836,287.66								836,287.66			836,287.66
2. Usage in the reporting period								-481,774.25								-481,774.25			-481,774.25
(VI)Others																			
IV. Balance at the end of the reporting period	1,152,525,400				1,260,757,114.42			1,096,481,603.38	483,103,366.38		1,825,838,200.83			4,723,333,041.723	35,567,571.56		4,758,897,988.79		

In RMB

Last period

In RMB

Item	2023 semi-annual														Minority interests	Total owners' equity
	Owners' equity attributable to the parent Company															
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal			
	Prefere d stock	Perpetua l capital securitie	Oth er													

			s											
I. Balance at the end of the last year	1,15 2,53 5,25 4.00			1,25 9,63 9,65 6.65			220, 301. 70	439, 624, 164. 67		1,91 0,95 4,08 4.79		4,76 2,97 3,46 1.81	69,5 11,7 22.4 0	4,83 2,48 5,18 4.21
Add: Changes of accounting policy														
Error correction of the last period														
Other														
II. Balance at the beginning of this year	1,15 2,53 5,25 4.00			1,25 9,63 9,65 6.65			220, 301. 70	439, 624, 164. 67		1,91 0,95 4,08 4.79		4,76 2,97 3,46 1.81	69,5 11,7 22.4 0	4,83 2,48 5,18 4.21
III. Increase/Decrease in reporting period (Decrease is listed with “-”)							172, 922. 81			- 119, 984, 045. 19		- 119, 811, 122. 38	- 28,1 42,4 6	- 119, 839, 264. 84
(i) Total comprehensive income										168, 149, 768. 31		168, 149, 768. 31	- 487, 114. 27	167, 662, 654. 04
(ii) Owners’ devoted and decreased capital													490, 000. 00	490, 000. 00
1. Common shares invested by shareholders													490, 000. 00	490, 000. 00
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other														
(III) Profit distribution										- 288, 133, 813. 50		- 288, 133, 813. 50	- 31,0 28,1 9	- 288, 164, 841. 69
1. Withdrawal of surplus reserves												0.00		
2. Withdrawal of general risk provisions										- 288, 133, 813. 50		- 288, 133, 813. 50	- 31,0 28,1 9	- 288, 164, 841. 69
3. Distribution for owners (or shareholders)														
4. Other														
(IV) Carrying forward internal owners’ equity														

II. Balance at the beginning of this year	1,152,535,254.00				3,018,106,568.27				210,698,938.24	416,632,837.22		4,797,973,597.73
III. Increase/Decrease in reporting period (Decrease is listed with “-”)										-151,347,486.23		-151,347,486.23
(i) Total comprehensive income										79,159,564.57		79,159,564.57
(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										-230,507,050.80		-230,507,050.80
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-230,507,050.80		-230,507,050.80
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 reporting period												
2. Usage in the reporting period												
(VI)Others												
IV. Balance at the end of the reporting period	1,152,535,254.00				3,018,106,568.27				210,698,938.24	265,285,350.99		4,646,626,111.50

Last period

In RMB

Item	2023 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securiti es	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,106,568.27				167,219,736.53	313,453,835.38		4,651,315,394.18
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,152,535,254.00				3,018,106,568.27				167,219,736.53	313,453,835.38		4,651,315,394.18
III. Increase/Decrease in reporting period (Decrease is listed with "-")										-248,203,380.84		-248,203,380.84
(i) Total comprehensive income										39,930,432.66		39,930,432.66
(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										-288,13		-288,13

										3,813.50		3,813.50
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-288,133,813.50		-288,133,813.50
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 reporting period												
2. Usage in the reporting period												
(VI)Others												
IV. Balance at the end of the reporting period	1,152,535,254.00				3,018,106,568.27					167,219,736.53	65,250,454.54	4,403,112,013.34

III. Basic information of Company

1. Company profile

Shenzhen Cereals Holdings Co., Ltd. (formerly the Shenzhen Shenbao Industrial Co., Ltd., hereinafter referred to as “SZCH”, “Company” or “the Company”), formerly named Shenzhen Shenbao Canned Food Company, obtained approval (Document (1991) No.978) from Shenzhen Municipal People’s Government to change to the name as Shenzhen Shenbao Industrial Co., Ltd. on August 1991. Approved by the People’s Bank of China(Document (1991)No.126), the Company was listed on Shenzhen Stock Exchange. The Company belongs to the grain, oil, food and beverage industry.

The cumulative amount of shares issued by the Company was 1,152,535,254 shares with registered capital of 1,152,535,254.00 yuan.

Registered address: Shenzhen, Guangdong Province; HQ of the Company: 8/F, Tower B, No.4 Building, Software Industry Base, South District, Science & Technology Park, Xuefu Rd., Yuehai Street, Nanshan District, Shenzhen.

Main business of the Company: wholesale and retail business, food processing and manufacturing business, leasing and business service business. The wholesale and retail business mainly involves the sales of grain and oil products such as rice, wheat, rice, corn, barley, sorghum, edible oil, etc., as well as fine tea, beverages and condiments. The food processing and manufacturing business mainly includes the processing of flour, rice, edible oil, tea and natural plant extracts, beverages, condiments, etc. The leasing and business service business provides grain, oil and food and beverage import and export trade, warehousing and storage, logistics and distribution, quality testing, information technology services, property leasing and management, commercial operation management and other services for all kinds of customers upstream and downstream of the industrial chain.

The parent enterprise of the Company is Shenzhen Food Materials Group Co., Ltd and the actual controller of the Company is Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission.

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statement are prepared in line with the Accounting Standards for Business Enterprise -Basic Standard issued by Ministry of Finance and specific accounting principle as well as the application guidance for the accounting principles for enterprise, interpretation to the accounting principles for enterprise and other related requirements (hereinafter referred to as Accounting Standards for Business Enterprise).

2. Going concern

The financial statement has been prepared on a going concern basis.

V. Major accounting policy and accounting estimate

Specific accounting policies and accounting estimate tips:

Our company has determined fixed asset depreciation, intangible asset amortization, and revenue recognition policies based on its own production and operation characteristics. Specific accounting policies can be found in Note V.24, Note V. 29 and Note V 5. 37.

1. Statement for observation of Accounting Standard for Business Enterprise

The financial statements prepared by the Company are in accordance to requirements of Accounting Standard for Business Enterprise issued by Ministry of Finance, which truly and completely reflect the financial status of the Company and parent company on June 30, 2024, as well as the consolidated and parent company's operational results and cash flow for the period from January to June 2024.

2. Accounting period

Calendar year is the accounting period for the Company, that is falls to the range starting from 1 January to 31 December.

3. Operating cycle

Operating cycle of the Company is 12 months

4. Standard currency

The Company and its subsidiaries take RMB as the standard currency for bookkeeping.

5. Method for determining importance criteria and selection criteria

Applicable Not applicable

Item	Importance criteria
Important accounts receivable with single provision for bad debt provision	Amount \geq 10000000
Other accounts receivable with significant single provision for bad debt provision	Amount \geq 5000000

6. Accounting treatment methods for business combinations under the same control and those not under the same control

(1) Merger of enterprises under the same control

For merge of business under the same control, the assets and liabilities of the merged party acquired by the merging party in the merger shall be measured at the carrying amount of the merged party in the final controlling party's consolidated financial statements on the merger date. The difference between the book value of the merger consideration (or the total face value of the issued shares) and the book value of the net assets obtained in the merger shall be adjusted to the capital reserve (share premium). If the capital reserve (share premium) is insufficient to offset, the retained earnings shall be adjusted.

Implementing enterprise mergers under the same control through multiple transactions and step-by-step implementation

The assets and liabilities of the merged party acquired by the merging party in the merger shall be measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party on the merger date; The difference between the book value of the investments held before the merger and the book value of the newly paid consideration on the merger date, and the book value of the net assets obtained during the merger, is adjusted to the capital reserve (share premium). If the capital reserve is insufficient to offset, the retained earnings are adjusted. The long-term equity investment held by the merging party before obtaining control of the merged party shall be offset against the beginning retained earnings or current period gains/losses of the comparative financial period, respectively, in case the relevant gains/losses, other comprehensive income and other changes in shareholders' equity have been recognized within the period from the latter between the date of acquiring the original equity and the date when the merging party and the merged party are under the same ultimate control as the merging party to the merging date.

(2) Merger of enterprises not under the same control

For merge of enterprises not under the same control, the merger cost is the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued on the acquisition date to obtain control over the acquired party. On the purchase date, the assets, liabilities, and contingent liabilities of the acquired party are recognized at fair value.

The difference between the merger cost and the fair value share of identifiable net assets obtained from the acquired party in the merger shall be recognized as goodwill and subsequently measured at cost minus accumulated impairment provisions; In case the merge cost is lower than the fair value of identifiable net assets obtained from the acquired party in the merge, the difference shall be recognized in the gains/losses of current period after review.

Implementing business mergers under different control through multiple transactions in stages

The merger cost is the sum of the consideration paid on the purchase date and the fair value of the equity of the acquired party held prior to the purchase date. For the equity of the purchased party already held before the purchase date, it shall be remeasured at its fair value on the purchase date, and the difference between the fair value and its book value shall be recognized in the current investment income; The changes in other comprehensive income and other shareholders' equity involved with the equity of the purchased party before purchase date shall be carried forward to the current income of the purchase date, not including other comprehensive income arising from changes in net liabilities or net assets if the invested entity remeasures the defined benefit plan, as well as other comprehensive income related to non trading equity instrument investments that were originally designated to be measured at fair value with changes recognized in other comprehensive income.

(3) Treatment of transaction costs in enterprise merger

The intermediary fees for auditing, legal services, evaluation and consulting, as well as other related management expenses incurred for business mergers, are recognized in the current period's gains/losses when incurred. The transaction costs of equity or debt securities issued as consideration for the merger shall be included in the initial recognition amount of equity or debt securities.

7. Criteria for judging control and preparation methods for consolidated financial statements

(1) Criteria for judging control

The consolidation scope of the consolidated financial statements is determined based on control. Control refers to the company having the power over the invested entity, enjoying variable returns through participating in related activities of the invested entity, and having the ability to use the power over the invested entity to influence its return amount. When changes in relevant facts and circumstances result in changes in the relevant elements involved in the definition of control, the company will conduct reassessment.

When determining whether to include a structured entity in the scope of consolidation, the company takes into account all facts and circumstances, including evaluating the purpose and design of the establishment of the structured entity, identifying the types of variable returns, and evaluating whether to control the structured entity by participating in its related activities and assuming some or all of the variability of returns.

(2) Method of preparing consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the Company based on other relevant information. When preparing consolidated financial statements, the accounting policies and period requirements of the Company and its subsidiaries are consistent, and significant transactions and balances between companies are offset.

During the reporting period, subsidiaries and businesses added due to merge of enterprises under the same control shall be deemed to be included in the scope of the company's consolidation from the date of being under the same ultimate control. The operating results and cash flows from the date of being under the same ultimate control shall be separately included in the consolidated income statement and consolidated cash flow statement.

During the reporting period, the income, expenses, and profits of subsidiaries and businesses added due to merge of enterprises not under the same control from the purchase date to the end of the reporting period shall be included in the consolidated income statement, and their cash flows shall be included in the consolidated cash flow statement.

The portion of the shareholder's equity of the subsidiary that does not belong to the company shall be separately listed as minority shareholder's equity in the consolidated balance sheet under the shareholder's equity item; The shares belonging to minority interests in the current net gains and losses of subsidiaries are presented as minority interests under the net profit in the consolidated income

statement. In case the losses assumed by the minority shareholders in the subsidiary exceed their share in the initial owner's equity of the subsidiary, the balance shall still offset against the decrease in the minority shareholder's equity.

(3) Purchase of minority shareholder equity in subsidiary companies

The difference between the cost of newly acquired long-term equity investments due to the purchase of minority equity and the net asset that should be continuously calculated from the date of purchase or merger based on the new shareholding ratio, as well as the difference between the disposal price obtained from partial disposal of equity investments in subsidiaries without losing control and the net asset that should be continuously calculated from the date of purchase or merger corresponding to the disposal of long-term equity investments, shall be adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the capital reserve is insufficient to offset, retained earnings shall be adjusted.

(4) Treatment of loss of control over subsidiaries

If control over the original subsidiary is lost due to the disposal of partial equity investments or other reasons, the remaining equity shall be remeasured at fair value on the date of loss of control; The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the sum of the book value of net asset book of the original subsidiary that should have been continuously calculated from the purchase date based on the original shareholding ratio and the goodwill, is recognized in the investment income for the period when control is lost.

Other comprehensive income related to equity investments in the original subsidiary should be accounted for on the same basis as the direct disposal of related assets or liabilities by the original subsidiary when control is lost. Other changes in owner's equity related to the original subsidiary and measured at equity method should be transferred to the current period's gains and losses when control is lost.

(5) Step by step disposal of equity until loss of control

If the terms, conditions, and economic impact of various transactions that involve the step-by-step disposal of equity through multiple transactions until the loss of control meet one or more of the following conditions, the Company will treat the multiple transactions as a package transaction for accounting treatment:

- ① These transactions were entered into simultaneously or considering mutual influence;
- ② These transactions as a whole can achieve a complete commercial outcome;
- ③ The occurrence of a transaction depends on the occurrence of at least one other transaction;
- ④ A single transaction may not be economical when viewed separately, but it is economical when considered together with other transactions.

In the consolidated financial statements, in case of step-by-step disposal of equity until loss of control, the remaining equity and the accounting of gains and losses related to the disposal of equity shall be measured by reference to the accounting treatment for the loss of control of a subsidiary as described above. Before losing control, the difference between the disposal price and the book value of net asset of the subsidiary corresponding to the disposal investment that has been continuously calculated since the purchase date shall be treated as follows:

- ① If it is package deal, it is recognized as other comprehensive income and transferred to the gains and losses of the period when losing control.
- ② If it is not package deal, it shall be booked into capital reserve (share premium) as equity transaction and shall not be transferred to the gains and losses of the period when losing control.

8. Classification of joint venture arrangements and accounting treatment methods for joint operations

Joint venture arrangement refers to an arrangement jointly controlled by two or more participating parties. The joint venture arrangements of the company are divided into joint operations and joint ventures.

(1) Joint operation

In joint operation, the company enjoys the assets related to the arrangement and assumes the liabilities related to the arrangement.

The company confirms the following items related to the share of interests in joint operations and conducts accounting treatment in accordance with the relevant accounting standards for enterprises:

- A. Recognize individually held assets and jointly held assets based on their respective shares;
- B. Recognize individual liabilities and jointly assume liabilities based on their respective shares;
- C. Recognize the income generated from the sale of its share of joint operating output;
- D. Recognize the revenue generated from the sale of output in joint operations based on their share;
- E. Recognize the expenses incurred separately, and the expenses incurred in joint operations based on their respective shares.

(2) Joint venture

In a joint venture, the company only has the right to the net assets arranged by it.

The company accounts for investments in joint ventures in accordance with the provisions of equity method accounting for long-term equity investments.

9. Recognition standards for cash and cash equivalents

Cash refers to the cash on hand and cash equivalents of deposits that can be used for payment at any time. Cash equivalent refers to the investment held by the Company with short maturity and strong liquidity that are easy to be converted into known amounts with little risk of change in cash value.

10. Foreign currency transactions and foreign currency statement translation

Our company conducts foreign currency transactions and converts them into the accounting base currency amount at the spot exchange rate on the transaction date.

On the balance sheet date, foreign currency monetary items are converted with the spot exchange rate on the balance sheet date. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the exchange rate for initial recognition or on the previous balance sheet date shall be recognized in the current period's gains and losses; For foreign currency non-monetary items measured at historical cost, the spot exchange rate on the transaction date shall still be used for translation; For foreign currency non-monetary items measured at fair value, the spot exchange rate on the date of fair value determination is adopted. The difference between the converted amount in the accounting currency and the original amount in the accounting currency is recognized in the gains and losses of current period or other comprehensive income based on the nature of the non-monetary item.

11. Financial instrument

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

(1) Recognition and de-recognition of financial instruments

The company recognizes the financial asset or liability when it becomes a party to a financial instrument contract.

Financial assets that meet one of the following conditions shall be derecognized:

- ① The contractual right to receive cash flows from the financial asset is terminated;
- ② The financial asset has been transferred and meets the conditions for derecognizing the transfer of financial assets as follows.

In case the current obligations of a financial liability have been fully or partially relieved, the financial liability or a portion thereof shall be derecognized. In case the company (debtor) signs an agreement with creditors to replace existing financial liabilities by assuming new financial liabilities, and the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized simultaneously.

The financial assets bought or sold in conventional manners shall be recognized or derecognized on the trading day.

(2) Classification and initial measurement of financial assets

At the initial recognition, according to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies the financial assets into the financial assets measured at amortized cost, the financial assets measured at fair value and whose changes are included in other comprehensive income, and the financial assets measured at fair value and whose changes are included in current profit or loss.

Financial assets are measured at fair value for initial recognition. For financial assets measured at fair value with changes recognized in the gains and losses of current period, the relevant transaction costs are directly recognized in the gains and losses of current period; For other categories of financial assets, relevant transaction costs are included in the initial recognition amount. The accounts receivable arising from the sale of products or provision of services, which do not include or consider significant financing components, shall be recognized at the expected amount of consideration that the company is entitled to receive for initial recognition.

Financial assets measured at amortized cost

The Company classifies the financial assets that meet the following conditions and are not designated as financial assets measured at fair value and whose changes are included in current profit or loss as financial assets measured at amortized cost:

- The group's business model for managing the financial assets is to collect contractual cash flows; and
- The contractual terms of the financial assets stipulate that cash flow generated on a specific date will be only used to pay for the principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost with 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 terminated for recognition, amortized by effective interest method, or impaired.

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

The Company classifies the financial assets that meet the following conditions and are not designated as financial assets measured at fair value and whose changes are included in current profit or loss as financial assets measured at fair value and whose changes are included in other comprehensive income:

- The Group's business model for managing the financial assets is targeted at both the collection of contractual cash flows and the sale of financial assets; and
- The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only used to pay for the principal and the interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interests, impairment losses or gains and exchange gains and losses calculated with the effective interest method are included in profit or loss for the period, and other gains or losses are included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income shall be carried forward from other comprehensive income to current profit or loss.

Financial assets measured at fair value and whose changes are included in current profit or loss

Except for the above financial assets measured at amortized cost and measured at fair value and whose changes are included in other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value and whose changes are included in current profit or loss. In the initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company irreversibly designates part of the financial assets that should be measured at amortized cost or measured at fair value and whose changes are included in the other comprehensive income as the financial assets measured at fair value and whose changes are included in current profit or loss.

After the initial recognition, such financial assets are subsequently measured at fair value, and the gains or losses (including interests and dividend income) are included in the current profit and loss, unless the financial assets are part of the hedging relationship.

The business model of managing financial assets refers to how the company manages financial assets to generate cash flow. The business model determines whether the source of cash flow for the financial assets managed by the company is to receive contract cash flow, sell financial assets, or a combination of both. the company determines the business model for managing financial assets based on objective facts and specific business objectives determined by key management personnel.

The company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on a specific date is only for the payment of principal and interest based on the outstanding principal amount. Principal refers to the fair value of financial assets at initial recognition; Interest includes consideration for the time value of money, credit risk associated with outstanding principal amounts for a specific period, and other basic lending risks, costs, and profits. In addition, the company evaluates contract terms that may cause changes in the time distribution or amount of cash flows in financial asset contracts to determine whether they meet the requirements of the aforementioned contract cash flow characteristics.

Only when the company changes its business model for managing financial assets, all affected related financial assets shall be reclassified on the first day of the first reporting period after the change in business model. Otherwise, financial assets shall not be reclassified after initial recognition.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value with changes recognized in the gains and losses of current period, the relevant transaction costs are directly recognized in the gains and losses of current period; For other categories of financial assets, relevant transaction costs are included in the initial recognition amount. The accounts receivable arising from the sale of products or provision of services, which do not include or consider significant financing components, shall be recognized by the company as expected amount of consideration for the initial recognition amount.

(3) Classification and measurement of financial liabilities

The financial liabilities of the company are classified at initial recognition as financial liabilities measured at fair value through gains and losses of current period, financial liabilities measured at amortized cost. For financial liabilities that are not classified as

measured at fair value and whose changes are recognized in the gains and losses of current period, the relevant transaction costs are included in their initial recognition amount.

Financial liabilities measured at fair value through gains and losses

Financial liabilities measured at fair value through gains and losses include trading financial liabilities and financial liabilities designated at initial recognition as measured at fair value through profit or loss. For such financial liabilities, subsequent measurements are made at fair value, and gains or losses resulting from changes in fair value, as well as dividends and interest expenses related to such financial liabilities, are recognized in the gains and losses of current period.

Financial liabilities measured at amortized cost

Other financial liabilities are measured with effective interest rate method at amortized cost, and any gains or losses arising from derecognition or amortization are recognized in the gains and losses of current period.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

- ① The contractual obligation to deliver cash or other financial assets to other parties.
- ② Contractual obligations to exchange financial assets or liabilities with other parties under potential adverse conditions.
- ③ Non-derivative instrument contracts that require or can be settled with the company's own equity instruments in the future, and the company will deliver a variable number of its own equity instruments according to this contract.
- ④ Derivative instrument contracts that require or can be settled with the company's own equity instruments in the future, except for derivative instrument contracts where a fixed amount of self equity instruments are exchanged for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that prove ownership of the remaining equity in assets of a certain enterprise after deducting all liabilities.

If the company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of financial liability.

If a financial instrument needs to be settled or can be settled with the company's own equity instruments, it is necessary to consider whether the company's own equity instruments used to settle the instrument are used as substitutes for cash or other financial assets, or to enable the holder of the instrument to enjoy the remaining equity in the assets after deducting all liabilities from the issuer. If it is the former, the instrument is the financial liability of the company; If it is the latter, the instrument is the equity instrument of the company .

(4) Derivative financial instruments and embedded derivative instruments

The derivative financial instruments of the company are initially measured at fair value on the date of signing the derivative transaction contract, and are subsequently measured at their fair value. The derivative financial instruments with a positive fair value are recognized as an asset, while those with a negative fair value are recognized as a liability. Any gains or losses arising from changes in fair value that do not comply with hedge accounting regulations are directly recognized in the gains and losses of current period.

For mixed instruments containing embedded derivative instruments, in case the main contract is a financial asset, the relevant

provisions for financial asset classification shall apply to the mixed instruments as a whole. If the main contract is not a financial asset, and the mixed instrument is not measured at fair value through gains and losses, the embedded derivative instrument is not closely related to the main contract in terms of economic characteristics and risks, and has the same conditions as the embedded derivative instrument, and the separate instrument meets the definition of a derivative instrument, the embedded derivative instrument is separated from the mixed instrument and treated as a separate derivative financial instrument. If it is not possible to separately measure embedded derivative instruments at the time of acquisition or subsequent balance sheet dates, the mixed instrument as a whole shall be designated as a financial asset or liability measured at fair value with its changes recognized in the gains and losses of current period.

(5) Fair value of financial instruments

The method for determining the fair value of financial assets and financial liabilities can be found in Notes III. 12 of the audit report.

(6) Impairment of financial assets

Based on expected credit losses, the company conducts impairment accounting treatment and recognizes loss provisions for the following items:

- Financial assets measured at amortized cost;
- Accounts receivable and debt instrument investments measured at fair value with changes recognized in other comprehensive income;
- Contract assets defined in Enterprise Accounting Standard No. 14- Revenue;
- Lease receivables;
- Financial guarantee contracts (excluding those measured at fair value through profit or loss, transfer of financial assets that do not meet the termination recognition conditions, or continued involvement in the transferred financial assets).

Measurement of expected credit losses

Expected credit loss refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the present value of all cash shortages, which is the difference between all contractual cash flows receivable discounted at the original effective interest rate and expected cash flows received by the company.

Considering reasonable and evidence-based information regarding past events, current conditions, and predictions of future economic conditions, with the risk of default as the weight, the company calculates the probability weighted amount of the present value of the difference between the cash flows receivable under the contract and the expected cash flows to be received, and recognize the expected credit loss.

The company measures the expected credit losses of financial instruments at different stages separately. If the credit risk of financial instruments has not significantly increased since initial recognition, they are in the first stage, and the company measures the loss provision based on the expected credit losses within the next 12 months; If the credit risk of a financial instrument has significantly increased since initial recognition but has not yet experienced credit impairment, it is in the second stage and the company measures the provision for losses based on the expected credit losses of the instrument over its entire duration; If a financial instrument has experienced credit impairment since its initial recognition, it is in the third stage, and the company measures the provision for losses

based on the expected credit losses of the instrument over its entire duration.

For financial instruments with lower credit risk on the balance sheet date, the company assumes that their credit risk has not significantly increased since initial recognition and measures loss provisions based on expected credit losses over the next 12 months.

The expected credit loss for the entire expected duration of a financial instrument refers to the expected credit loss caused by all possible default events that may occur throughout the expected duration of the financial instrument. The expected credit loss within the next 12 months implies the expected credit loss that may occur due to a default event of a financial instrument within the next 12 months after the balance sheet date (within the expected duration in case the expected maturity of the financial instrument is less than 12 months), which is a part of the expected credit loss for the entire duration).

When measuring expected credit losses, the longest term that the company needs to consider is the longest contract term that the enterprise faces credit risk (including considering renewal options).

For financial instruments in the first and second stages, as well as those with lower credit risk, the company calculates interest income based on their book balance without deducting impairment provisions and actual interest rate. For financial instruments in the third stage, interest income is calculated based on their book balance minus the amortized cost of impairment provisions and the actual interest rate.

For receivables such as notes receivable, accounts receivable, and other receivables, if the credit risk characteristics of a certain customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of that customer, the company will make individual separate bad debt provision for that receivables. Except for accounts receivable with individual bad debt provision, the company classifies accounts receivable into portfolios based on credit risk characteristics and calculates bad debt provision on the basis of portfolio.

Notes receivable and accounts receivable

For notes receivable and accounts receivable, regardless of whether there are significant financing components, the company always measures its loss provision at an amount equivalent to the expected credit loss for the entire duration.

When it is unable to assess the expected credit losses of a single financial asset at a reasonable cost, the company categories accounts receivable and notes receivable into portfolios based on credit risk characteristics, calculates expected credit losses on the basis of portfolio, and determines the basis for portfolio and the method for measuring expected credit losses as follows:

A. Notes receivable

Accounts receivable portfolio	Basis for determining portfolio	Methods for measuring expected credit losses
Bank acceptance bill	Bill type	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, calculate the expected credit loss by default risk exposure and the expected credit loss rate for the entire duration
Commercial acceptance bill	Bill type	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, the expected credit loss is calculated by default risk exposure and the expected credit loss rate for the entire duration

B. Accounts receivable

Accounts receivable portfolio	Basis for determining portfolio	Methods for measuring expected credit losses
Sales receivables portfolio	Aging analysis	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, prepare a comparison table between the aging of accounts receivable and the expected credit loss rate for the entire duration, and calculate the expected credit loss

Specific object portfolio	Accounts receivable between related parties within the scope of consolidation, and accounts receivable from government departments	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, calculate the expected credit loss by default risk exposure and the expected credit loss rate for the entire duration. The expected credit loss rate for the portfolio is 0
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Other receivables

The company categories other receivables into several combinations based on credit risk characteristics, calculates expected credit losses on the basis of portfolio, and determines the basis for portfolio and the method for measuring expected credit losses as follows:

Other accounts receivable portfolio	Basis for determining portfolio	Methods for measuring expected credit losses
Expected portfolio of credit risk characteristics	Aging analysis	Based on historical credit loss experience, calculate the expected credit loss by default risk exposure and the expected credit loss rate over the next 12 months or the entire duration
Specific object portfolio	Accounts receivable, margin, deposit, and accounts receivable from government departments between related parties within the scope of consolidation	Based on historical credit loss experience, calculate the expected credit loss by default risk exposure and the expected credit loss rate for the next 12 months or the entire duration. The expected credit loss rate for this combination is 0

Debt investment and other debt investments

For debt investments and other debt investments, the company calculates expected credit losses based on the nature of the investment, various types of counterparty and risk exposure, default risk exposure, and expected credit loss rate for the next 12 months or the entire duration.

Aging of the aging portfolio and the expected credit loss rate for the entire duration

Aging	Accrual ratio %
Within 1 year (including 1 year)	1.00
1-2 years (including 2 years)	10.00
2-3 years (including 3 years)	30.00
3-5 years (including 5 years)	50.00
Over 5 years	80.00

Assessment of significant increase in credit risk

The company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date to determine the relative change in default risk during the expected duration of financial instruments, in order to evaluate whether the credit risk of financial instruments has significantly increased since initial recognition.

When determining whether credit risk has significantly increased since initial recognition, the company considers reasonable and evidence-based information, including forward-looking information, that can be obtained without unnecessary additional costs or efforts. The information considered by the company includes:

- The debtor fails to pay the principal and interest on the due date of the contract;
- Serious deterioration of external or internal credit ratings (if any) of financial instruments that have occurred or are expected to occur;
- Serious deterioration of the debtor's operating results that has occurred or is expected to occur;

- Existing or anticipated changes in technology, market, economy, or legal environment that will have a significant adverse impact on the debtor's ability to repay the company .

Based on the nature of financial instruments, the company evaluates whether credit risk significantly increases based on individual financial instruments or combinations of financial instruments. When performing assessment based on financial instruments portfolio, the company can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

If the overdue period exceeds 30 days, the company determines that the credit risk of the financial instrument has significantly increased.

Financial assets that have experienced credit impairment

The company assesses on the balance sheet date whether financial assets measured at amortized cost and debt investments measured at fair value with changes recognized in other comprehensive income have experienced credit impairment. When one or more events that have an adverse impact on the expected future cash flows of a financial asset occur, the financial asset becomes a financial asset that has experienced credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- The issuer or debtor encounters significant financial difficulties;
- The debtor violates the contract, such as paying interest or principal in default or overdue;
- Due to economic or contractual considerations related to the financial difficulties of the debtor, the company will not make any concessions to the debtor under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor have led to the disappearance of the active market for the financial asset.

Reporting of provisions for expected credit losses

To reflect the changes in credit risk of financial instruments since initial recognition, the company remeasures expected credit losses on each balance sheet date. The consequent increase or reversal of loss provisions should be recognized as impairment losses or gains in the gains and losses of current period. For financial assets measured at amortized cost, the provision for losses shall offset the booking amount of the financial asset as stated in the balance sheet; For debt investments measured at fair value with changes recognized in other comprehensive income, the loss provision shall be recognized in other comprehensive income and does not offset the booking amount of the financial asset.

Write-off

If the company no longer reasonably expects the cash flow of the financial asset contract to be fully or partially recovered, the book amount of the financial asset shall be directly written down. This write down constitutes the derecognition of related financial assets. This situation usually occurs when the company determines that the debtor does not have assets or sources of income to generate sufficient cash flow to repay the amount to be written down. However, according to our company's procedures for recovering due payments, the financial assets that have been written down may still be affected by execution activities.

In case financial assets that have been written down are subsequently recovered, the reversed impairment losses shall be booked into the gains and losses of current period.

(7) Financial asset transfer

Financial asset transfer refers to the transfer or delivery of financial assets to another party (transferee) other than the issuer of the financial asset.

If the company has transferred almost all the risks and rewards of ownership of financial assets to the transferee, the financial asset shall be derecognized; If almost all risks and rewards related to ownership of financial assets are retained, the financial asset will not be derecognized.

In case the company neither transfers nor retains almost all the risks and rewards related to the ownership of financial assets, the following situations shall be handled separately: if the control over the financial asset is abandoned, the financial asset shall be derecognized and the resulting assets and liabilities shall be recognized; if the control over the financial asset is not abandoned, the relevant financial asset shall be recognized based on the continued involvement of the company in the transferred financial asset, and corresponding liabilities shall be recognized.

(8) Balance-out between the financial assets and liabilities

As the company has the legal right to balance out the financial liabilities by the net or liquidation of the financial assets, the balance-out sum between the financial assets and liabilities is listed in the balance sheet. In addition, the financial assets and liabilities are listed in the balance sheet without being balanced out.

12. Note receivable**13. Account receivable****14. Receivable financing****15. Other account receivable****16. Contract asset****17. Inventory****(1) Classification of inventory**

Inventory includes raw materials, revolving material, goods in process, goods in transit and work in process-outsourced and so on.

(2) Valuation methods for delivery of inventory

The inventory of the company is valued at actual cost upon acquisition. The raw materials, and inventory goods are priced using the weighted average method or individual valuation method at the time of shipping.

(3) Determination basis and provision method for inventory depreciation reserves

On the balance sheet date, inventory is measured at the lower between cost and net realizable value. When its net realizable value is lower than cost, the inventory impairment provision is made.

The net realizable value is the amount obtained by subtracting the estimated cost to be incurred until completion, estimated sales expenses, and related taxes from the estimated selling price of inventory. When determining the net realizable value of inventory, it is

based on conclusive evidence obtained, while considering the purpose of holding inventory and the impact of events after the balance sheet date.

The company usually makes inventory impairment provision based on individual inventory items.

On the balance sheet date, if the factors affecting the previous write-down of inventory value have disappeared, the inventory impairment provision shall be reversed within the originally provisioned amount.

(4) Inventory system

Inventory system is the perpetual inventory system.

(5) Amortization of low-value consumables and packaging materials

Low-value consumables and packaging materials adopt the method of primary resale;

18.Asset held for sale

19.Debt investment

20.Other equity investment

21.Long-term accounts receivable

22.Long-term equity investment

Long term equity investments include equity investments in subsidiaries, joint ventures, and associated enterprises. In the joint venture, the company is capable of exerting significant influence on the invested entity.

(1) Determination of initial investment cost

Long term equity investments formed from enterprise merge: For long-term equity investments obtained through merge of enterprise under the same control, the investment cost shall be determined based on the share of the book value of the the shareholders' equity of the merged party in the consolidated financial statements of the final controller on the merger date; The long-term equity investment obtained through the merger of enterprises not under the same control shall be recognized as the investment cost of the long-term equity investment based on the merger cost.

Long-term equity investments obtained through other means: For the long-term equity investments obtained by paying cash, the actual purchase price paid shall be the initial investment cost; For long-term equity investments obtained through the issuance of equity securities, the fair value of the issued equity securities shall be the initial investment cost.

(2) Subsequent measurement and recognition methods of gains and losses

Investments in subsidiaries are measured with the cost method, unless the investment meets the conditions for holding for sale; Investments in associated enterprises and joint ventures are measured with equity method.

For the long term equity investments measured with cost method, except for cash dividends or profits declared but not yet distributed in the actual payment or consideration received at the time of investment, the cash dividends or profits declared by the investee shall be recognized as investment income and booked into gains and losses in current period.

For long-term equity investments measured with the equity method, if the initial investment cost is greater than the fair value of identifiable net assets of the invested entity held at the time of investment, the investment cost of the long-term equity investment

shall not be adjusted; If the initial investment cost is less than the fair value of the identifiable net assets of the invested entity held at the time of investment, the book value of the long-term equity investment shall be adjusted, and the difference shall be recognized in the gains and losses of the investment period.

When measured with equity method, investment income and other comprehensive income shall be recognized separately based on the share of net gains and losses and other comprehensive income that should be enjoyed or shared by the invested entity, and the book value of long-term equity investments shall be adjusted; The book value of long-term equity investments shall be reduced correspondingly in terms of the portion that should be enjoyed based on the profits or cash dividends declared by the invested entity; Other changes in shareholders' equity of the invested entity, except for net gains and losses, other comprehensive income, and profit distribution, shall adjust the book value of long-term equity investments and be booked into capital reserves (other capital reserves).

Based on the fair value of identifiable assets of the invested entity at the time of acquisition of the investment, the share of net gains and losses that should be enjoyed in the invested entity shall be adjusted according to the accounting policies and accounting periods of the company before recognition.

If significant influence or joint control can be exerted on the invested entity due to additional investment or other reasons, but does not constitute control, on the conversion date, the initial investment cost measured again with equity method shall be the sum of the fair value of the original equity and the additional investment cost. If the original equity is classified as a non trading equity instrument investment measured at fair value with changes recognized in other comprehensive income, the cumulative fair value changes related that were originally recognized in other comprehensive income shall be transferred to retained income when the equity method is used for accounting.

If the joint control or significant impact on the invested entity is lost due to the disposal of some equity investments or other reasons, the remaining equity after disposal shall be subject to accounting treatment in accordance with Accounting Standards for Enterprises No. 22- Recognition and Measurement of Financial Instruments on the date of loss of joint control or significant impact, and the difference between fair value and book value shall be recognized in gains and losses in current period. Other comprehensive income recognized for equity investments with equity method shall be measured on the same basis as the direct disposal of relevant assets or liabilities by the invested entity when the equity method is terminated; Other changes in shareholders' equity related to the original equity investment are transferred to gains and losses in current period.

If control over the investee is lost due to the disposal of a portion of equity investment or other reasons, and the remaining equity after disposal can exercise joint control or significant influence over the investee, it shall be measured with equity method, and the remaining equity shall be deemed to be adjusted with the equity method from the time of acquisition; If the remaining equity after disposal cannot exercise joint control or have a significant impact on the invested entity, it shall be measured in accordance with the relevant provisions of Enterprise Accounting Standard No. 22- Recognition and Measurement of Financial Instruments. The difference between the fair value and the book value on the date of loss of control shall be recognized in gains and losses in current period.

If the shareholding ratio of the Company decreases due to capital increase by other investors, and the company loses control over the invested entity but is able to exercise joint control or exert significant influence on the invested entity, the Company shall recognize the rising net assets of the invested entity held by the company due to capital increase and share expansion according to the new shareholding ratio, and the difference between the original book value of the long-term equity investment corresponding to the decrease in shareholding ratio that should be carried forward shall be included in the current gains and losses, and then it shall be adjusted in terms of the new shareholding ratio just as it is measured with equity method when the investment is obtained.

The unrealized internal transaction gains and losses between the Company and its associated enterprises and joint ventures shall be calculated in terms of the proportion of shareholding and recognized as investment gains and losses on the basis of offsetting. However, the unrealized internal transaction losses incurred by the Company and the invested entity, which is the impairment losses

of the transferred assets, shall not be offset.

(3) Criteria of joint control and significant influence

Joint control is the Company's contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. When determining whether there is joint control, firstly judge whether all the participants or participant group have controlling over such arrangement as a group or not, and then judge whether the decision-making for such arrangement are agreed unanimity by the participants or not. If all participants or a group of participants must act together to determine the relevant activities of a certain arrangement, it is considered that all participants or a group of participants collectively control the arrangement; If there are two or more portfolios of participants to collectively control a certain arrangement, it does not constitute joint control. When determining whether there is joint control, the protective rights enjoyed are not considered.

Significant influence is the power of the Company to participate in the financial and operating policy decisions of an invested party, but to fail to control or joint control the formulation of such policies together with other parties. When determining whether significant influence can be exerted on the invested entity, the potential factors of voting power as current convertible bonds and current executable warrant of the invested party held by investors and other parties shall be considered.

When the company directly or indirectly owns more than 20% (inclusive) but less than 50% of the voting shares of the invested entity through its subsidiaries, it is generally considered to have a significant impact on the invested entity, unless there is clear evidence that it cannot participate in the production and operation decisions of the invested entity and does not form a significant impact; When the company owns less than 20% (exclusive) of the voting shares of the invested entity, it is generally not considered to have a significant impact on the invested entity, unless there is clear evidence that it can participate in the production and operation decisions of the invested unit and form a significant impact.

23. Investment real estate

Measurement model for investment real estate

Measured with cost method

Depreciation or amortization methods

Investment real estate refers to real estate held for the purpose of earning rent or capital appreciation, or both. The company's investment real estate includes leased land use rights, land use rights held and prepared for transfer after appreciation, and leased buildings.

The company's investment real estate is initially measured at cost at the time of acquisition and depreciated or amortized on a regular basis in accordance with relevant regulations for fixed or intangible assets.

For investment properties that are subsequently measured with cost model, the method for impairment of assets is shown in Note III. 23.

The difference between the disposal income from sale, transfer, scrapping, or damage of investment real estate after deducting its book value and related taxes and fees is recognized in gains and losses in current period.

24. Fixed assets

(1) Recognition conditions

The company's fixed assets refer to tangible assets held for the production of goods, provision of services, rental or business management, with a useful life exceeding one accounting year.

Fixed assets can only be recognized when the economic benefits related to the fixed asset are likely to flow into the enterprise and the cost of the fixed asset can be reliably measured.

The company's fixed assets are initially measured at their actual cost at the time of acquisition.

Subsequent expenses related to fixed assets are recognized as fixed asset costs when the economic benefits related to them are likely to flow into the company and their costs can be reliably measured; The daily repair expenses of fixed assets that do not meet the subsequent expenditure conditions for capitalization of fixed assets shall be recognized in gains and losses in current period or in the cost of related assets according to the beneficiaries at the time of occurrence. For the replaced part, its book value shall be terminated.

(2) Depreciation method

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
House and buildings				
Production buildings	Straight-line depreciation	20-35	5	2.71-4.75
Non-production buildings	Straight-line depreciation	20-40	5	2.38-4.75
Temporary dormitory and simple room etc.	Straight-line depreciation	5-15	5	6.33-19.00
Gas storage bin	Straight-line depreciation	20	5	4.75
Silo	Straight-line depreciation	50	5	1.9
Wharf and supporting facilities	Straight-line depreciation	50	5	1.9
Machinery equipment	Straight-line depreciation			
Other machinery equipment	Straight-line depreciation	10-20	5	4.75-9.50
Warehouse transmission equipment	Straight-line depreciation	20	5	4.75
Transport equipment	Straight-line depreciation	3-10	5	9.50-31.67
Electronic equipment and others	Straight-line depreciation	2-10	5	9.50-47.50

25. Construction in progress

The cost of construction in progress of the company is determined based on actual project expenses, including necessary project expenses incurred during the construction period, borrowing costs that should be capitalized before the project reaches its intended usable state, and other related expenses.

Construction in progress is transferred to fixed assets when it reaches its intended usable state, and depreciation is accrued starting from the following month.

The method for impairment of assets for construction in progress can be found in Note III.23 of the auditor's report.

26. Borrowing expenses

(1) Recognition of the borrowing expenses capitalization

The borrowing costs incurred by the company, which can be directly attributed to the acquisition, construction or production of assets that meet the capitalization conditions, shall be capitalized and included in the relevant asset costs; Other borrowing costs are recognized as expenses based on their amount at the time of occurrence and included in the current profit and loss.

The borrowing costs meeting the following conditions simultaneously shall be capitalized:

- ① Asset expenses have already occurred, including expenses incurred in the form of cash payments, transfer of non-cash assets, or assuming interest bearing debts for the purchase, construction, or production of assets that meet capitalization conditions;
- ② The borrowing costs have already been incurred;
- ③ The necessary purchase, construction or production activities to bring the assets to their intended usable or saleable state have already begun.

(2) During the capitalization period of borrowing costs

When assets purchased or produced by the company that meet capitalization conditions reach the intended usable or saleable state, the capitalization of borrowing costs shall be ceased. The borrowing costs incurred after the assets that meet the capitalization conditions reach their intended usable or saleable status are recognized as expenses based on their amount at the time of occurrence and recognized in gains and losses in current period.

If assets that meet the capitalization criteria experience abnormal interruptions during the purchase, construction, or production process, and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs shall be suspended; The borrowing costs during the normal interruption period continue to be capitalized.

(3) The capitalization rate of borrowing costs and the calculation method of capitalization amount

The actual interest expenses incurred in the current period of specialized borrowing, minus the interest income obtained from depositing unused borrowing funds into banks or the investment income obtained from temporary investments, shall be capitalized; The capitalization amount of general borrowing is determined by multiplying the weighted average of the accumulated asset expenditures that exceed the portion of specialized borrowing by the capitalization rate of the general borrowing used. The capitalization rate is determined based on the weighted average interest rate of general borrowing.

During the capitalization period, all exchange differences on foreign currency borrowings shall be capitalized; The exchange difference of foreign currency general borrowings is recognized in gains and losses in current period.

27. Biological assets

(1) Criteria for determining biological assets

Biological assets refer to assets composed of living animals and plants. Biological assets that simultaneously meet the following conditions shall be recognized:

- ① Asset expenses have already occurred, including expenses incurred in the form of cash payments, transfer of non-cash assets, or assuming interest bearing debts for the purchase, construction, or production of assets that meet capitalization conditions;
- ② The borrowing costs have already been incurred;

③The necessary purchase, construction or production activities to bring the assets to their intended usable or saleable state have already begun.

(2) Classification of biological assets

Biological assets include consumable biological assets, productive biological assets, and public welfare biological assets. The biological assets of the company are productive biological assets.

① Consumable biological assets

Consumable biological assets refer to biological assets held for sale or harvested in the future as agricultural products. Consumable biological assets are initially measured at cost. The cost of self cultivation, cultivation, reproduction, or breeding of consumable biological assets refers to the necessary expenses that can be directly attributed to the asset before canopy closure, including borrowing costs that meet capitalization conditions. The subsequent expenses incurred by consumptive biological assets after closure are recognized in gains and losses in current period.

② Productive biological assets

Productive biological assets refer to biological assets held for the purpose of producing agricultural products, providing services, or renting. Productive biological assets are initially measured at cost. Subsequent expenses incurred on productive biological assets after achieving the intended production and operation objectives are recognized in gains and losses in current period.

The main productive biological assets of the company are tea trees. For productive biological assets that achieve the predetermined production and operation objectives, depreciation is made with the straight-line method. The useful life is determined as the remaining life of land use after deducting the immature period of tea trees (5 years), with a residual value rate of 5.00%. After deducting residual value from the estimated useful life of biological assets, the depreciation rate is determined as follows:

Category of productive biological assets	Useful life (years)	Residual value rate %	Annual depreciation rate %
Tea	45	0.00	2.22

Our company shall review the useful life, estimated net residual value, and depreciation method of productive biological assets at least at the end of the year. Any changes shall be treated as changes in accounting estimates.

The difference between the disposal income from the sale, inventory loss, death or damage of productive biological assets, after deducting their book value and related taxes and fees, is recognized in gains and losses in current period.

③ Public welfare biological assets

Public welfare biological assets refer to biological assets primarily aimed at protection and environmental protection. Public welfare biological assets are initially measured at cost. The cost of self created public welfare biological assets refers to the necessary expenses that can be directly attributed to the asset before closing, including borrowing costs that meet capitalization conditions. The subsequent expenses incurred by public welfare biological assets after closing are recognized in gains and losses in current period.

Public welfare biological assets are subsequently measured at cost. Public welfare biological assets are not subject to provision for asset impairment.

The difference between the disposal income from the sale, inventory loss, death or damage of public welfare biological assets, after deducting their book value and relevant taxes and fees, is recognized in gains and losses in current period.

(3) Treatment of impairment of biological assets

If the net realizable value of consumable biological assets is lower than their book value, a provision for impairment of biological

assets shall be made in terms of the difference between the net realizable value and the book value, and shall be booked into gains and losses in current period. If the factors affecting the impairment of consumable biological assets have disappeared, the write-down amount should be restored and reversed within the original provision for impairment, and the reversed amount should be recognized in gains and losses in current period.

No provision for impairment is made for public welfare biological assets.

28. Oil and gas assets

29. Intangible assets

(1) Service life and its determination basis, estimated situation, amortization method or review procedure

The intangible assets of the company include land use rights, forest use rights, trademark use rights, store operation rights, software use rights, patents, and others.

Intangible assets are initially measured at cost and analyzed for their useful life upon acquisition. For intangible assets with a limited useful life, the amortization method that reflects the expected realization of economic benefits related to the asset shall be adopted from the time when the intangible asset is available for use, and shall be amortized within the expected useful life; If the expected implementation method cannot be reliably determined, the straight-line method shall be used for amortization; Intangible assets with uncertain useful lives are not amortized.

The amortization method for intangible assets with limited service life is as follows:

Item	Useful life	Basis	Amortization method	Note
Land use right	Amortized the actual rest of life after certificate of land use right obtained	Certificate of land use right	Straight-line method	
Forest tree use right	Service life arranged	Protocol agreement	Straight-line method	
Trademark use right	10 years	Actual situation of the Company	Straight-line method	
Shop management right	Service life arranged	Protocol agreement	Straight-line method	
Software use right	5-8 years	Protocol agreement	Straight-line method	
Patents and others	20 years	Actual situation of the Company	Straight-line method	

At the end of each fiscal year, the company reviews the useful life and amortization method of intangible assets with limited useful lives. If there are differences from previous estimates, the original estimates will be adjusted and treated as changes in accounting estimates.

If it is expected that a certain intangible asset will no longer bring future economic benefits to the enterprise on the balance sheet date, the book value of the intangible asset shall be fully transferred to the gains and profits of current period.

(2) The collection scope and related accounting treatment methods of R&D expenditure

1. General principles

The R&D expenses of the company are directly related to our R&D activities, including employee salaries, direct investment expenses, depreciation expenses and long-term deferred expenses, design expenses, equipment debugging expenses, intangible asset amortization expenses, and other expenses. The salaries of R&D personnel are allocated to R&D expenses based on project working

hours. The sharing of equipment, production lines, and venues between R&D activities and other production and operation activities is allocated as R&D expenses based on the proportion of working hours and area.

The company distinguishes the expenses for internal R&D projects into research stage expenses and development stage expenses. Research stage: The stage of creative and planned investigation and research activities aimed at acquiring and understanding new scientific or technological knowledge. Development stage: The stage in which research results or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, and other activities before commercial production or use.

The expenses incurred during the research phase are recognized in the gains and profits of current period when incurred.

Expenditures during the development phase can only be capitalized if they meet the following conditions: completing the intangible asset to make it technically feasible for use or sale; Has the intention to complete the intangible asset and use or sell it; The ways in which intangible assets generate economic benefits, including the ability to prove that the products produced with the intangible asset or the intangible asset are marketable, and the ability to prove its usefulness if the intangible asset will be used internally; Have sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset; The expenses attributable to the development stage of the intangible asset can be reliably measured. Development expenses that do not meet the above conditions are recognized in the gains and profits of current period.

After meeting the above conditions and conducting technical and economic feasibility studies, the company's R&D project enters the development stage after being approved.

The capitalized expenses during the development stage are listed as development expenses on the balance sheet and are converted into intangible assets from the date the project reaches its intended use.

2. Capitalization conditions for specific R&D projects

After the R&D progress meets the following three conditions, the project begins to be capitalized: ①Technically feasible, theoretically relatively mature, preliminary process complete, and can be transferred to the actual production stage to further optimize and improve the process; ②The technical achievements of project research and development are feasible and can be applied to the production or improvement of similar products; ③ The project technology has the value and possibility of applying for invention patents, and can also be used as proprietary technology of the company.

30. Impairment of long-term assets

The impairment of assets such as long-term equity investments in subsidiaries, associated enterprises, and joint ventures, investment real estate, fixed assets, construction in progress, productive biological assets measured with cost models, right-of-use assets, intangible assets, and goodwill (excluding inventory, deferred income tax assets, and financial assets) shall be determined with the following method:

On the balance sheet date, it is determined whether there are any signs of possible impairment of assets. If there are signs of impairment, the company will estimate its recoverable amount and conduct impairment testing. Impairment tests are conducted annually for goodwill, intangible assets with uncertain useful lives, and intangible assets that have not yet reached a usable state, regardless of whether there are signs of impairment, resulting from business mergers.

The recoverable amount is determined based on the higher of the net amount after deducting disposal expenses from the fair value of the asset and the present value of the expected future cash flows of the asset. The company estimates its recoverable amount based on individual assets; If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. The recognition of an asset group is based on whether the main

cash inflows generated by the asset group are independent of the cash inflows of other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the company will write down its book value to the recoverable amount, and the written down amount will be recognized in the gains and profits of current period, while making corresponding provisions for asset impairment.

As for the impairment test of goodwill, the book value of goodwill formed by enterprise merger shall be allocated to the relevant asset group in a reasonable manner from the date of purchase; If it is difficult to allocate to the relevant asset groups, allocate it to the relevant asset group portfolio. The relevant asset groups or asset group portfolio refer to asset groups or asset group portfolio that can benefit from the synergistic effects of enterprise mergers, and are not larger than the reporting branches determined by the company.

When conducting impairment testing, if there are signs of impairment in asset groups or asset group portfolios related to goodwill, the first step is to conduct impairment testing on asset groups or asset group portfolio that do not include goodwill, calculate the recoverable amount, and recognize the corresponding impairment losses. Then conduct impairment tests on asset groups or asset group combinations containing goodwill, and compare their book value with their recoverable amount. If the recoverable amount is lower than the book value, recognize impairment losses on goodwill.

Once asset impairment losses are recognized, they will not be reversed in future accounting periods.

31. Long term deferred expenses

The long-term deferred expenses incurred by the company are valued at actual cost and amortized on an average over the expected benefit period. For long-term deferred expenses that cannot benefit future accounting periods, their amortized value is fully recognized in the gains and profits of current period.

32. Contract liabilities

33. Employee compensation

(1) Accounting treatment methods for short-term compensation

During the accounting period when the employees provide service to the company, the actual employee wages, bonuses, medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums, and housing provident fund paid to employees according to prescribed standards and proportions are recognized as liabilities and included in the gains and profits of current period or related asset costs.

(2) Accounting treatment methods for post employment benefits

The post employment welfare plan includes a defined contribution plan and a defined benefit plan. In the defined contribution plan, the company no longer bears further payment obligations after paying fixed fees to an independent fund; A defined benefit plan refers to a post employment welfare plan other than a defined contribution plan.

Defined contribution plans

Include basic pension insurance, unemployment insurance, and enterprise annuity plans.

During the accounting period when employees provide services, the amount of contributions calculated based on the defined contribution plan is recognized as liability and included in the gains or losses of current period or related asset costs.

Defined benefit plans

For defined benefit plans, the actuarial valuation is conducted by an independent actuary on the annual balance sheet date, and the cost of providing benefits is determined with the expected cumulative benefit unit method. The employee compensation cost resulting from the defined benefit plan set by the company includes the following components:

- ① Service costs, including current service costs, past service costs, and settlement gains or losses. Among them, the current service cost refers to the increase in the present value of obligations of the defined benefit plan caused by the provision of services by employees in the current period; The past service cost refers to the increase or decrease in the present value of the defined benefit plan obligations related to employee services in the previous period caused by the modification of the defined benefit plan.
- ② The net interest on net liabilities or net assets of a defined benefit plan, including interest income on assets of defined benefit plan, interest expenses on obligations of defined benefit plan, and interest affected by asset cap.
- ③ The changes resulting from remeasuring the net liabilities or net assets of the defined benefit plan.

Unless other accounting standards require or allow employee welfare costs to be included in asset costs, the company will include items ① and ② in the gains and profits of current period; The ③ is included in other comprehensive income and will not be reversed to profit or loss in subsequent accounting periods. When the original defined benefit plan is terminated, all the portion originally included in other comprehensive income will be carried over to undistributed profits within the scope of equity.

(3) Accounting treatment methods for termination benefits

If the company provides termination benefits to employees, the employee compensation liability arising from termination benefits shall be recognized and included in the gains and profits of current period as soon as possible, when the company cannot unilaterally withdraw the termination benefits provided due to the termination of labor relations plan or layoff proposal; When the company confirms the costs or expenses related to restructuring involving payment of termination benefits.

For those who implement an internal retirement plan for employees, economic compensation before the official retirement date is considered as termination benefits. During the period from the date the employee stops providing services to the normal retirement date, the salary and social insurance premiums to be paid to the retired employee shall be included in the current profit and loss in a lump sum. Economic compensation after the official retirement date (such as normal pension) shall be treated as post employment benefits.

(4) Accounting treatment method for other long-term employee benefits

Other long-term employee benefits provided by the company to employees that meet the conditions for defined contribution plan shall be handled in accordance with the relevant provisions on setting up a defined contribution plan mentioned above. Those which meet conditions for defined benefit plan shall be treated in accordance with the relevant provisions on the set benefit plan mentioned above. However, “changes arising from remeasuring the net liabilities or net assets of the set benefit plan” in the relevant employee compensation shall be included in the current profit and loss or related asset cost.

34. Accrual liability

The Company will recognize the obligations related to contingencies as expected liabilities when they meet the following conditions:

- (1) The responsibility is a current responsibility undertaken by the Company;
- (2) Fulfilling of the responsibility may lead to financial benefit outflow;
- (3) The responsibility can be measured reliably for its value.

Accrual liabilities are initially measured based on the best estimate of the expenses required to fulfill current obligations, taking into

account factors such as risk, uncertainty and time value of money related to contingencies. If the time value of currency has a significant impact, the best estimate is determined by discounting the relevant future cash outflows. The company reviews the book value of estimated liabilities on the balance sheet date and adjusts the book value to reflect the current best estimate.

If all or part of the expenses required to settle the confirmed accrual liabilities are expected to be compensated by a third party or other parties, the compensation amount can only be separately recognized as an asset when it is basically certain that it will be received. The confirmed compensation amount does not exceed the book value of the recognized liability.

35.Share-based payment

36. Other financial instrument of preferred stocks and perpetual bond

37. Revenue

Disclosure of accounting policies adopted for revenue recognition and measurement by business type

(1) General principles

The company recognizes revenue when the customer acquires control of the relevant goods or services in accordance with the contractual obligations.

If the contract contains two or more performance obligations, the company shall, on the commencement date of the contract, allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and measure revenue based on the transaction price allocated to each individual performance obligation.

If one of the following conditions is met, it is to fulfill the performance obligation within a certain period of time; Otherwise, it is to fulfil the performance obligation at a certain point of time:

- ①The customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company fulfills its obligations.
- ②Customers are able to control the goods under construction during the fulfillment process of the company.
- ③ The goods produced by the company during the performance process have irreplaceable uses, and the company has the right to collect payments for the cumulative completed performance portion throughout the entire contract period.

For performance obligations performed during a certain period of time, the company recognizes revenue based on the progress of performance during that period. In case the progress of performance cannot be reasonably determined, when the costs already incurred by the company are expected to be compensated, revenue shall be recognized in terms of the amount of costs already incurred until the progress of performance can be reasonably determined.

For performance obligations performed at a certain point of time, the company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether a customer has acquired control over goods or services, our company will consider the following signs:

- ① The company has the current payment right for the goods or services, which means that the customer has a current payment obligation for the goods.
- ② The company has transferred the legal ownership of the product to the customer, that is, the customer already has legal ownership

of the product.

- ③ The company has transferred the physical ownership of the product to the customer, which means the customer has already taken possession of the product.
- ④ The company has transferred the main risks and rewards of ownership of the product to the customer, that is, the customer has acquired the main risks and rewards of ownership of the product.
- ⑤ The customer has accepted the product or service.
- ⑥ Other signs indicating that the customer has obtained control over the product.

(2) Specific methods

- ① Revenue from sales of goods: The revenue is recognized after the goods sold domestically have been delivered and meet the relevant terms and conditions stipulated in the contract; The revenue of export sales is recognized after the goods have been shipped and declared, and meet the relevant terms and conditions stipulated in the contract.
- ② Income from providing labor services: The company provides dynamic grain and oil reserves and rotation services to the Shenzhen Municipal Government, and recognizes income when relevant labor activities occur. Specifically, the income from grain and oil reserves is calculated and recognized monthly based on the actual amount of grain and oil reserves and the reserve prices specified in the Shenzhen Municipal Government Grain Reserve Cost Contract Operating Regulations and the Shenzhen Municipal Edible Vegetable Oil Government Reserve Cost Contract Operating Regulations.
- ③ Other income: The amount of usage fee income shall be calculated and determined in accordance with the charging time and method stipulated in the relevant contract or agreement; For income from leasing of real estate, dock warehouses, and other properties, as well as the revenue from dock docking business, the property rent revenue and warehousing and logistics revenue shall be calculated and recognized according to the charging time and method stipulated in the contract or agreement. In case similar businesses adopt different business models, different revenue recognition methods and measurement methods will be involved.

38. Contract cost

The contract cost includes the incremental cost incurred to obtain the contract and the contract performance cost.

The incremental cost incurred to obtain the contract refers to the cost that the company would not have incurred without obtaining the contract (such as sales commission). The cost which is expected to be recovered will be recognized by the company as a contract acquisition cost and as an asset. Except for the expected incremental costs that can be recovered, other expenses incurred by the company to obtain the contract shall be booked in the gains and profits of current period.

If the cost incurred in fulfilling a contract does not fall within the scope of accounting standards for other enterprises such as inventory and meets the following conditions simultaneously, the company recognizes it as a contract performance cost as an asset:

- 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 customer, and other costs incurred solely due to the contract;
- ② This cost increases the resources that the company will use in the future to fulfill its contractual obligations;
- ③ The cost is expected to be recovered.

The assets recognized for contract acquisition costs and the assets recognized for contract performance costs (hereinafter referred to as “assets related to contract costs”) are amortized on the same basis as the recognition of goods or services revenue related to the

assets, and are booked in the gains and profits of current period. If the amortization period does not exceed one year, it shall be recognized in the current profit and loss when it occurs.

In case the book value of assets related to contract costs exceeds the difference between the following two items, the company makes impairment provisions for the excess and recognizes it as an asset impairment loss:

- ① The expected remaining consideration that our company can obtain for the transfer of goods or services related to the asset;
- ② The estimated cost to be incurred for the transfer of the relevant goods or services.

39. Government grant

Government grant is recognized when they meet the conditions attached to government grants and can be received. Based on the essence of economic transactions, the company determines whether a certain type of government grant business should be measured with the total amount method or the net amount method. Normally, the company only uses one method for the same or similar government subsidy businesses, and consistently applies this method for that business.

Item	Accounting content
Government grant measured with total amount method	All government grant businesses

Government grant as monetary assets shall be measured at the amount received or receivable. The government grants as non-monetary assets shall be measured at fair value; If the fair value cannot be reliably obtained, it shall be measured at a nominal amount of 1 yuan.

Asset-related government subsidies refer to government grants obtained by the company for the purchase, construction, or other formation of long-term assets; Others are income-related government grants.

For those whose targets are not clearly specified in government documents and form long-term assets, the government grant corresponding to the asset value shall be regarded as asset-related government grants, and the remaining part shall be regarded as income-related government grants; In case it is difficult to make distinguishing, the government grants as a whole shall be regarded as income-related government grants.

Asset-related government grants are recognized as deferred income and booked in gains and losses in a reasonable and systematic manner over the useful life of the relevant assets. Income-related government subsidies which are used to compensate related costs or losses that have already occurred, shall be included in the gains and profits of current period; The income-related government subsidies which are used to compensate related costs or losses in future periods shall be recognized in deferred income and recognized in gains and losses of current period during the recognition period of related costs or losses. Government grants measured at nominal amounts are directly recognized in the gains and profits of current period. The company adopts a consistent approach for handling the same or similar government subsidy businesses.

Government grants related to daily activities are recognized in other income based on the essence of economic transactions. Government subsidies unrelated to daily activities are included in non- operating income.

When recognized government subsidies need to be returned, in case the book value of the relevant assets is offset at the initial recognition, the book value of the assets shall be adjusted; If there is a balance of related deferred income, it shall offset the book balance of related deferred income, and the excess shall be recognized in the gains and profits of current period; In other situations, it shall be directly included in the gains and profits of current period.

The policy preferential loans and interest subsidies obtained by the company will be disposed separately based on the following two situations:

① The finance department allocates interest subsidy to the lending bank and the lending bank provides loans to the company at a policy preferential interest rate: the company will use the actual received loan amount as the book value of the loan, and calculate the relevant loan costs based on the loan principal and the policy preferential interest rate.

② The finance department directly allocates interest subsidy to the company, the company will offset the relevant borrowing costs with the corresponding interest subsidy.

40. Deferred income tax assets/deferred income tax liabilities

Income tax includes current income tax and deferred income tax. Except for adjustments to goodwill arising from enterprise merge or deferred income tax related to transactions or events directly recognized in shareholders' equity, they are all recognized as income tax expenses in gains and losses of current period.

The deferred income tax is recognized with the balance sheet liability method and in terms of the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax basis.

All taxable temporary differences are recognized as related deferred income tax liabilities, unless the taxable temporary differences arise in the following transactions:

(1) The initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not a business merger and does not affect accounting profits or taxable income at the time of the transaction (except for individual transactions where the initially recognized assets and liabilities result in equal taxable temporary differences and deductible temporary differences);

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures, and associated enterprises, the timing of the reversal of such temporary differences can be controlled and it is likely that they will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses that can be carried forward to future years, and tax deductions, the company recognizes deferred tax assets arising from them to the extent of future taxable income that is likely to be obtained for offsetting deductible temporary differences, deductible losses, and tax deductions, unless the deductible temporary differences arise in the following transactions:

(1) This transaction is not a enterprise merger, and it does not affect accounting profits or taxable income at the time of transaction (except for individual transactions where initially recognized assets and liabilities result in equal taxable temporary differences and deductible temporary differences);

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures, and associated enterprises, if the following conditions are met simultaneously, the corresponding deferred income tax assets shall be recognized: temporary differences are likely to be reversed in the foreseeable future, and taxable income that can be used to offset deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, the company measures deferred income tax assets and liabilities at the applicable tax rate during the expected period of asset recovery or liability settlement, and reflects the income tax impact of the expected method of asset recovery or liability settlement on the balance sheet date.

On the balance sheet date, the company reviews the book value of deferred income tax assets. If it is likely that sufficient taxable income will not be obtained in the future period to offset the benefits of deferred income tax assets, the book value of deferred income tax assets shall be written down. When it is highly possible to obtain sufficient taxable income, the written down amount shall be reversed.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are presented at the net amount after offsetting when they simultaneously meet the following conditions:

- (1) The taxpayer within the company has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- (2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer within the company.

41. Leasing

(1) The company as lessee

On the commencement date of the lease term, the Company recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term lease and low value asset lease.

The initial measurement of lease liabilities is based on the present value of lease payments that have not been paid on the start date of the lease term, calculated using the implicit interest rate of the lease. If the implicit interest rate of the lease cannot be determined, the incremental borrowing rate is used as the discount rate. The lease payment amount includes fixed payment amount and substantial fixed payment amount. If there is a lease incentive, the relevant amount of the lease incentive shall be deducted; Variable lease payments depending on index or ratio; The exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised; The amount to be paid for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; And the expected amount to be paid based on the residual value of the guarantee provided by the lessee. Subsequently, the interest expense of the lease liability for each period of the lease term shall be calculated at a fixed periodic interest rate and included in the current profit and loss. Variable lease payments that are not included in the measurement of lease liabilities are recognized in the gains and profits of current period when they are actually incurred.

Short term leasing

Short term lease refers to a lease with a lease term not exceeding 12 months from the start date of the lease term, excluding leases with purchase options.

The company will recognize the lease payments for short-term leases in the relevant asset costs or current profit and loss with the straight-line method during each period of the lease term.

For short-term leasing, the company adopts the simplified treatment method mentioned above for the items that meet the short-term leasing conditions in the following asset types according to the category of leased assets.

Low value asset leasing

The low value asset leasing refers to leasing with lower value when a single leased asset is a brand new asset.

The company will record the lease payments for low value asset leases in the relevant asset costs or current profit and loss with the straight-line method during each period of the lease term.

For low value asset leasing, our company chooses to adopt the simplified treatment method mentioned above based on the specific situation of each lease.

Lease change

If there is a change in lease and the following conditions are met simultaneously, the company will treat the lease change as a

separate lease for accounting treatment: ①The lease change expands the lease scope by adding the right to use one or more leased assets; ②The increased consideration is equivalent to the individual price for the expansion of the lease scope, adjusted according to the situation of the contract.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company shall reallocate the consideration of the contract after the change, redetermine the lease term, and remeasure the lease liability based on the present value of the lease payment amount after the change and the revised discount rate.

If the lease change results in a reduction in the lease scope or lease term, the company shall adjust the book value of the right-of-use assets accordingly, and record the relevant gains or losses from partial or complete termination of the lease in the gains and profits of current period.

If other lease changes result in the remeasurement of lease liabilities, the Company shall adjust the book value of the right of use assets accordingly.

(2) The company as a lessor

When the company acts as the lessor, leases that have substantially transferred all risks and rewards related to asset ownership are recognized as financing leases, while leases other than financing leases are recognized as operating leases.

Finance lease

In financial leasing, at the beginning of the lease term, the company uses the net lease investment as the book value of the receivable financing lease payments. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payments that have not yet been received on the start date of the lease term discounted at the implicit interest rate of the lease. Our company, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by our company as the lessor, which are not included in the net lease investment measurement, are recognized in the gains and profits of current period when actually incurred.

The derecognition and impairment of receivable financing lease payments shall be accounted for in accordance with the provisions of Accounting Standards for Enterprises No. 22- Recognition and Measurement of Financial Instruments and Accounting Standards for Enterprises No. 23- Transfer of Financial Assets.

Operating lease

The rent of operating leases is recognized in the gains and profits of current period using the straight-line method for each period during the lease term. The initial direct expenses related to operating leases shall be capitalized, amortized over the lease term on the same basis as rental income recognition, and recognized in the gains and profits of current period in installments. The variable lease payments related to operating leases that are not included in the lease income are recognized in the gains and profits of current period when actually incurred.

Lease change

If there is a change in the operating lease, the company will treat it as a new lease for accounting treatment from the effective date of the change. The prepaid or receivable lease payments related to the lease before the change are considered as the new lease payments.

If there is a change in financing lease and the following conditions are met simultaneously, the company will treat the change as a separate lease for accounting treatment: ①The change expands the lease scope by adding the right to use one or more leased assets;

②The increased consideration is equivalent to the individual price for the expansion of the lease scope, adjusted according to the situation of the contract.

If there is a change in financing lease that has not been accounted for as a separate lease, the Company will treat the changed lease as follows: ① If the change takes effect on the lease commencement date, the lease will be classified as an operating lease. The Company will treat it as a new lease from the effective date of the lease change and use the net lease investment before the effective date of the lease change as the book value of the leased asset; ②If the change takes effect on the commencement date of the lease, the lease will be classified as a financing lease, and the company will conduct accounting treatment in accordance with the provisions of the Accounting Standards for Enterprises No. 22- Recognition and Measurement of Financial Instruments regarding the modification or renegotiation of contracts.

42. Other important accounting policy and estimation

43.Changes of important accounting policy and estimation

(1)Changes of important accounting policies

Applicable Not applicable

(2)Changes of important accounting estimation

Applicable Not applicable

(3)Implementation of new accounting standards adjustment for the first time starting from 2024, and implementation of relevant financial statement items at the beginning of the year for the first time

Applicable Not applicable

44.Others

Nil

VI.Tax

1. Type of tax and rate for main applicable tax

Taxes	Basis	Rate
VAT	Taxable value-added amount(the tax payable is calculated by multiplying the taxable sales amount by the applicable tax rate and deducting the input tax that can be deducted in the current period)	13.00%, 9.00%, 6.00%, 5.00%, 3.00%
Urban maintenance and construction tax	Actually paid turnover tax	7.00%, 5.00%
Enterprise income tax	Taxable income	25.00%, 20.00%, 15.00%
Property tax	Price-based resource tax, 1.2 percent of the remaining value after deducting 20% of the original value of the property; 12 percent of the rental income if levy by rents.	1.20%, 12.00%
Deed tax	When the property right of the real	3.00%-5.00%

	property is transferred, the contract price shall be paid to the owner of the property right in one lump sum	
Education surcharge	Actually paid turnover tax	3.00%
Local education surcharge	Actually paid turnover tax	2.00%

Rate of income tax for different taxpaying body:

Taxpaying body	Rate of income tax
Shenzhen Cereals Holdings Co., Ltd.	25.00%
Shenzhen Cereals Group Co., Ltd.(hereinafter referred to as "SZCG")	25.00% , some businesses are tax-free
Shenzhen Hualian Grain and Oil Trading Co., Ltd.(hereinafter referred to as "Hualian Cereals and Oil")	25.00%
Dongguan Shenliang Hualian Cereals and Oil Trading Co., Ltd.(hereinafter referred to as "Dongguan Hualian")	25.00%
Shenzhen Shenliang Hongjun Catering Management Co., Ltd.(hereinafter referred to as "Shenliang Hongjun")	25.00%
Shenzhen Flour Co., Ltd.(hereinafter referred to as "Shenzhen Flour")	25.00% , some businesses are tax-free
Shenliang Quality Inspection Co., Ltd. (hereinafter referred to as "Shenliang Quality Inspection")	20.00%
Hainan Shenliang Oil & Food Co., Ltd. (hereinafter referred to as "Hainan Oil & Food")	20.00%
Shenzhen Shenliang Doximi Business Co., Ltd. (hereinafter referred to as "Doximi")	25.00%
Zhenpin Market Operation Technology Co., Ltd. (hereinafter referred to "Zhenpin Market")	25.00%
Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd.(hereinafter referred to as "Big Kitchen")	25.00%
Shenzhen Shenliang Storage (Yingkou) Co., Ltd.(hereinafter referred to as "Yingkou Storage")	25.00%
Shenzhen Shenliang Cold Chain Logistics Co., Ltd.(hereinafter referred to as "Cold Chain Logistics")	15.00%
Shenzhen Shenliang Property Development Co., Ltd.(hereinafter referred to as "Shenliang Property Development")	25.00%
Shenzhen Shenliang Property Management Co., Ltd. (hereinafter referred to as "Shenliang Property Management")	20.00%
Dongguan Shenliang Logistics Co., Ltd.(hereinafter referred to as "Dongguan Logistics")	25.00%
Dongguan International Food Industrial Park Development Co., Ltd.(hereinafter referred to as "International Food")	25.00%
Dongguan Shenliang Oil & Food Trade Co., Ltd.(hereinafter referred to as "Dongguan Oil & Food")	25.00%
Shuangyashan Shenliang Cereals Base Co., Ltd. (hereinafter referred to as "Shuangyashan")	25.00%
Shenzhen Shenbao Huacheng Technology Co., Ltd. (hereinafter referred to as "Shenbao Huacheng")	15.00%
Wuyuan Ju Fang Yong Tea Industry Co., Ltd(hereinafter referred to as "Wuyuan Ju Fang Yong")	15.00%
Shenzhen Shenshenbao Investment Co., Ltd(hereinafter referred to as "Shenshenbao Investment")	25.00%
Shenzhen Shenshenbao Tea Culture Commercial Management Co., Ltd.(hereinafter referred to as "Shenbao Tea Culture")	25.00%
Hangzhou Ju Fang Yong Holding Co., Ltd(hereinafter referred to as "Ju Fang Yong Holding")	25.00%
Hangzhou Fuhaitang Catering Management Chain Co., Ltd. (hereinafter referred to as "Fuhaitang Catering")	25.00%
Hangzhou Fuhaitang Tea Ecology Technology Co., Ltd(hereinafter referred to as "Fuhaitang Tea Ecology")	25%
Mount Wuyi Shenbao Rock Tea Co., Ltd.(hereinafter referred to as "Shenbao Rock Tea")	25.00%
Yunnan Shenbao Pu'er Tea Supply Chain Management Co., Ltd. (hereinafter referred to as "Pu'er Tea Supply Chain")	25.00%
Shenzhen Shenliang Food Co., Ltd. (hereinafter referred to as "Shenzhen Shenliang Food")	25.00%
Huizhou Shenliang Food Co., Ltd. (hereinafter referred to as "Huizhou Shenliang Food")	25.00%

Huizhou Shenbao Technology Co., Ltd.(hereinafter referred to as “Huizhou Shenbao”)	25.00%
Shenliang Hongli Grain and Oil (Shenzhen) Co., Ltd (hereinafter referred to as “Shenliang Hongli”)	25.00%

2. Preferential taxation

1. VAT discounts and approval

According to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Issues Concerning the VAT Collection and Exemption of Grain Enterprises (CSZ [1999] No. 198)” and “Shenzhen Tax Service, State Taxation Administration and Shenzhen Finance Bureau SGSF (SCF [1999] No.428)”, confirming that SZCG, the Company’s subsidiary, and its subsidiaries, are state-owned grain purchase and sale enterprises that undertake grain collection and storage tasks for Shenzhen, the grain sold is subject to tax-free declaration by rule and enjoys the exemption from VAT. In addition, according to the stipulation of the “Announcement of State Administration of Taxation on Relevant Management Matters After Clarifying the Cancellation of the Approval of Some VAT Preferential Policies” (SAT Announcement 2015 No. 38), the approval for exemption from VAT and the involved tax review and approval procedures for the state-owned grain enterprises that undertake grain collection and storage tasks, other grain enterprises that operate tax-free projects and enterprises that have edible vegetable oil sales business for government reserves are canceled and changed to record management. The taxpayer does not change the content of the record materials during the period of tax exemption can be put on a one-time record. In December 2013, SZCG obtained the notice of the VAT preferential record (SGSFJBM [2013] No.2956) from Shenzhen Futian State Administration of Taxation. In the case of no change in policy, this limited filing period started on January 1st, 2014. The VAT input tax amount of the preferential item was separately accounted for, and the input VAT calculation method cannot be changed within 36 months after the selection. As of June 30, 2024, the tax exemption policy has been in effect since its filing in 2014, and the company’s VAT input tax has not changed since it was accounted for separately in 2014, so the company continues to enjoy the tax preference.

2. Stamp duty, house property tax, and urban land use tax preferences

According to the stipulations of the Announcement of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of Tax Preferential Policies for Some National Reserve Commodity Reserves([2023]No.48)”, confirming that the fund account book of SZCG, the Company’s subsidiary, and its direct depots is exempt from stamp duty, confirming that the written purchase and sale contracts of SZCG in the process of undertaking the commodity reserve business are exempt from stamp duty, and confirming that SZCG’s house property and land used for the commodity reserve business are exempt from house property tax and urban land use tax. The execution time limit for this tax preference policy is from January 1, 2024 to December 31, 2027.

3. Enterprise income tax

(1) On May 27, 2021, the General Administration of Taxation, Ministry of Finance issued the Notice on the Extension of Preferential Policies of Enterprise Income Tax of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Shenzhen, the enterprise income tax of qualified enterprises located in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone is levied at the rate of 15.00%, and the Notice to be implemented from January 1, 2021 to December 31, 2025. The Company’s subsidiary cold chain logistics is registered in Shenzhen Qianhai Cooperation Zone, which is eligible for preferential tax conditions. According to relevant policies of the cooperation zone, its income tax will enjoy a preferential tax of 15.00%

(2) On December 23, 2021, Shenbao Huacheng, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202144205394) jointly issued by the Shenzhen Science and Technology Bureau, the Shenzhen Finance Bureau, and the Shenzhen Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, the qualified high-tech enterprises will pay corporate income tax at a reduced income

tax rate of 15.00% within three years from the year of identification. Shenbao Huacheng will enjoy the preferential tax policy from 2021 to 2024.

(3) On November 3, 2021, Wuyuan Ju Fang Yong, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202136000731) jointly issued by the Science and Technology Department of Jiangxi Province, the Finance Department of Jiangxi Province, and the Jiangxi Provincial Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, qualified high-tech enterprises will pay corporate income tax at a reduced income tax rate of 15.00% within three years from the year of identification. Wuyuan Ju Fang Yong will enjoy the preferential tax policy from 2021 to 2024.

④According to the Notice of the Ministry of Finance and the State Taxation Administration on the Treatment of Corporate Income Tax Treatment of Fiscal Funds for Special Purposes (CS[2009]No.87), the governmental service incomes obtained by SZCG, the Company’s subsidiary, and its subordinate companies by carrying out government grain reserves business are fiscal funds for special purposes, those that meet the requirements can be regarded as non-taxable incomes and deducted from the total income when calculating the taxable income. Expenses arising from the use of the above non-taxable income for expenditure shall not be deducted from the calculation of taxable income; for assets formed from expenditure, the calculated depreciation and amortization shall not be deducted from the calculation of taxable income.

⑤Shenzhen Flour, a subsidiary of the Company, is a flour primary processing enterprise, according to the stipulations of the “Notice on Issuing the Scope (Trial) of Primary Processing of Agricultural Products Applicable to the Corporate Income Tax Preferential Policy (CS[2008]No.149)” and the “Supplementary Notice on the Scope of Primary Processing of Agricultural Products Applicable to the Corporate Income Tax Preferential Policy of the Ministry of Finance and the State Administration of Taxation” (CS[2011]No.26), the wheat primary processing is exempt from income tax.

⑥According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises ([2022]No.13), from January 1, 2022 to December 31, 2024, the part of the annual taxable income of small and low-profit enterprises not exceeding 1.00 million yuan shall be included in the taxable income at a reduced rate of 25.00%, and the enterprise income tax shall be paid at a tax rate of 20.00%. The company’s subsidiary Hainan Grain and Oil, Shenliang Property and Shenliang Quality Inspection are small profit enterprises and in line with the preferential tax conditions.

3. Other

VII. Notes to main items of consolidated financial statements

1. Monetary funds

In RMB

Item	Ending balance	Beginning balance
Cash on hand	9,350.71	10,106.10
Cash in bank	76,739,623.56	233,808,796.22
Other monetary fund	4,839,681.02	2,565,704.28
Total	81,588,655.29	236,384,606.60

Other explanation:

The details of monetary funds that are restricted in use due to mortgage, pledge, or freezing, restricted in centralized management and withdrawal of funds, and restricted in repatriation due to being placed overseas are as follows:

Item	Ending balance	Ending balance of last period
Guarantee deposit		1,800,000.00
Letter of credit deposit	4,750,000.00	691,708.31
Litigation related freezing	2,973,129.00	2,973,129.00
Other		
Total	7,723,129.00	5,464,837.31

2.Tradable financial assets

In RMB

Item	Ending balance	Beginning balance
Financial assets measured by fair value and with variation reckoned into current gains/losses		1,122,347.85
Including:		
Equity investment instrument		1,122,347.85
Including:		
Total		1,122,347.85

Other explanation:

3.Derivative financial assets

In RMB

Item	Ending balance	Beginning balance

Other explanation:

4.Note receivable

(1)By category

In RMB

Item	Ending balance	Beginning balance
Bank acceptance bill		113,932.00
Total		113,932.00

(2) Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book value		Bad debt provision		Book value	Book value		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

If the bad debts provision of accounts receivable is made on the basis of the general model of expected credit losses:

Applicable Not applicable

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

Bad debt provision accrual in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	

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

Applicable Not applicable

(4) Notes receivable already pledged by the Company at the end of the period

In RMB

Item	Amount pledge at period-end
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(5) Notes endorsement or discount and undue on balance sheet date

Item	Ending derecognized amount	Ending not derecognized amount
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(6) Note receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major note receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on note receivable charged off:

5.Account receivable

(1)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	251,753,250.07	185,011,814.38
1-2 years	4,448,936.32	1,411,768.67
2-3 years	467,145.18	732,353.29
Over 3 years	95,494,612.88	95,284,580.37
3-4 years	295,299.35	2,124,859.32
4-5 years	2,066,167.80	80,685.16
Over 5 years	93,133,145.73	93,079,035.89
Total	352,163,944.45	282,440,516.71

(2)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning 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	
Account receivable with bad debt provision accrued on single basis	99,644,394.91	28.29%	99,547,665.65	99.90%	96,729.26	99,603,414.71	35.27%	99,513,955.78	99.91%	89,458.93
Including:										
Account receivable with bad debt provision accrued on portfolio	252,519,549.54	71.71%	3,118,571.98	1.23%	249,400,977.56	182,837,102.00	64.73%	3,098,066.95	1.69%	179,739,035.05
Including:										
Portfolio of sales receivable	140,190,638.63	39.81%	3,118,571.98	2.22%	137,072,066.65	116,066,604.29	41.09%	3,098,066.95	2.67%	112,968,537.34
Object-specific portfolio	112,328,910.91	31.90%			112,328,910.91	66,770,497.71	23.64%	0.00		66,770,497.71
Total	352,163,944.45	100.00%	102,666,237.63	29.15%	249,497,706.82	282,440,516.71	100.00%	102,612,022.73	36.33%	179,828,493.98

Bad debt provision accrued on single basis

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Bad debt provision accrued on single basis	99,603,414.71	99,513,955.78	99,644,394.91	99,547,665.65	99.90%	Low possibility of recovery
Total	99,603,414.71	99,513,955.78	99,644,394.91	99,547,665.65		

Bad debt provision accrued on portfolio: portfolio of sales receivable

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Portfolio of sales receivable	140,190,638.63	3,118,571.98	2.22%

Total	140,190,638.63	3,118,571.98	
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Explanation on the basis for determining portfolio:

Bad debt provision accrual on portfolio: object-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Object-specific portfolio	112,328,910.91		
Total	112,328,910.91		

Explanation on the basis for determining portfolio:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses:

Applicable Not applicable

(3) Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Change in current period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision for accounts receivable	102,612,022.73	249,557.35	195,342.45			102,666,237.63
Total	102,612,022.73	249,557.35	195,342.45			102,666,237.63

Important bad debt provision collected or reversal:

In RMB

Name	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision

(4) Account receivable actually charged off in the period

In RMB

Item	Amount charged off

Including major account receivable charged off:

In RMB

Enterprise	Nature	Amount charged off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)?

Explanation on account receivable charged off:

(5) Top 5 receivables and contract assets at ending balance by arrears party

In RMB

Name	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivable and contract assets	Ending balance of bad debt provision and impairment reserve of contract assets

First	109,554,078.55		109,554,078.55	31.11%	
Second	26,793,258.62		26,793,258.62	7.61%	267,932.59
Third	10,455,627.54		10,455,627.54	2.97%	10,455,627.54
Fourth	6,776,216.00		6,776,216.00	1.92%	67,762.16
Fifth	6,039,907.50		6,039,907.50	1.72%	1,826.50
Total	159,619,088.21		159,619,088.21	45.33%	10,793,148.79

6.Contract asset

(1)Contract asset

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value

(2)The amount and reasons for significant changes in book value during the reporting period

In RMB

Item	Amount of change	Reason for change
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(3)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book value		Bad debt provision		Book value	Book value		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

If the bad debt provision of account receivable is made on the basis of the general model of expected credit losses:

Applicable Not applicable

(4) Bad debt provision accrued, collected or reversal

In RMB

Category	Accrued in current period	Collected or reversal in current period	Charged off in current period	Reason
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Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

(5)Contract assets actually charged off during the reporting period

In RMB

Item	Amount charged off
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Including major contract assets charged off:

In RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)?
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Explanation on contract assets charged off :

Other explanation:

7.Account receivable financing

(1)Category of account receivable financing

In RMB

Item	Ending balance	Beginning balance
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(2)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book value		Bad debt provision		Book value	Book value		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

The bad debt provision of accounts receivable is made on the basis of the general model of expected credit losses:

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, 2024 in the period				

Classification basis and accrued ratio of bad debt provision for each stage

Explanation on significant changes in the financing book balance of accounts receivable with changes in impairment provision in the current period:

(3)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	

Important bad debt provision collected or reversal

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

(4)Account receivable financing already pledged by the Company at period-end

In RMB

Item	Amount pledge at period-end
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(5)Account receivable financing endorsement or discount and undue on balance sheet date

In RMB

Item	Amount derecognized at period-end	Amount not derecognized at period-end
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(6) Account receivable financing actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major account receivable financing charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on account receivable financing charged off:

(7)Changes of account receivable financing and change of fair value in the period

(8) Other explanation

8.Other accounts receivable

In RMB

Item	Ending balance	Beginning balance
Other accounts receivable	23,652,977.28	29,127,689.89
Total	23,652,977.28	29,127,689.89

(1)Interest receivable

1)Category of interest receivable

In RMB

Item	Ending balance	Beginning balance
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2) Significant overdue interest

In RMB

Borrower	Ending balance	Overdue period	Overdue reason	Whether impairment has occurred and its judgment basis
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Other explanation:

3) Accrued bad debt provision

Applicable Not applicable

4) Bad debt provision accrued, collected or reversal

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

5) Interest receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major interest receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)?
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Explanation on interest receivable charged off:

Other explanations:

(2) Dividend receivable

1) Category of dividend receivable

In RMB

Item(or investee)	Ending balance	Beginning balance
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2) Significant dividend receivable with aging over one year

In RMB

Item(or investee)	Ending balance	Aging	Reason for not received	Whether impairment has occurred and its
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				judgment basis
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3)Accrued bad debt provision

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

5) Dividend receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major dividend receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on dividend receivable charged off:

Other explanation:

(3)Other account receivable

1)By nature

In RMB

Nature	Ending book balance	Beginning book balance
Deposit and margin	8,035,033.66	10,671,175.15
Other intercourse funds	118,186,650.76	121,009,368.29
Total	126,221,684.42	131,680,543.44

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	14,563,793.58	18,288,294.29

1-2 years	7,761,005.90	9,503,326.35
2-3 years	4,927,839.57	2,536,281.98
Over 3 years	98,969,045.37	101,352,640.82
3-4 years	499,026.82	3,501,011.75
4-5 years	1,625,705.75	1,478,563.36
Over five years	96,844,312.80	96,373,065.71
Total	126,221,684.42	131,680,543.44

3)Accrued bad debt provision

☑Applicable ☐Not applicable

In RMB

Category	Ending balance					Beginning balance				
	Book value		Bad debt provision		Book value	Book value		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Bad debt provision accrued on single basis	101,844,895.11	80.68%	99,904,291.27	98.09%	1,940,603.84	102,362,618.93	77.73%	99,905,653.94	97.60%	2,456,964.99
Including:										
Bad debt provision accrued on portfolio basis	24,376,789.31	19.32%	2,664,415.87	10.93%	21,712,373.44	29,317,924.51	22.27%	2,647,199.61	9.03%	26,670,724.90
Including										
Portfolio of expected credit risk feature	10,327,085.67	8.73%	2,641,214.77	25.58%	7,685,870.90	11,021,354.40	8.37%	2,647,199.61	24.02%	8,374,154.79
Object-specific portfolio	14,049,703.64	10.59%	23,201.10	0.17%	14,026,502.54	18,296,570.11	43.90%			18,296,570.11
Total	126,221,684.42	100.00%	102,568,707.14		23,652,977.28	131,680,543.44	100.00%	102,552,853.55		29,127,689.89

Type of bad debt provision accrued on single basis:

In RMB

Name	Beginning balance		Ending balance			
	Book value	Bad debt provision	Book value	Bad debt provision	Book value	Bad debt provision
Bad debt provision accrued on single basis	102,362,618.93	99,905,653.94	101,844,895.11	99,904,291.27		98.09%
Total	102,362,618.93	99,905,653.94	101,844,895.11	99,904,291.27		

Type of bad debt provision accrued on portfolio basis : Portfolio of expected credit risk feature

In RMB

Name	Ending balance		
	Book value	Bad debt provision	Withdrawal proportion
Portfolio of expected credit risk feature	10,327,085.67	2,641,214.77	25.58%
Total	10,327,085.67	2,641,214.77	

Explanation on the basis of defining such portfolio

Type of bad debt provision accrued on portfolio basis:

In RMB

Name	Ending balance		
	Book value	Bad debt provision	Withdrawal proportion
Object-specific portfolio	14,049,703.64	23,201.10	
Total	14,049,703.64	23,201.10	

If the provision for bad debts of accounts receivable is made on the basis of the general model of expected credit losses:

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2024	2,647,199.61		99,905,653.94	102,552,853.55
Balance of Jan. 1, 2024 in the period				
Current accrual	18,292.31			18,292.31
Current reversal	2,002.99		435.73	2,438.72
Other changes	926.94		-926.94	0.00
Balance on June 30, 2024	2,664,415.87		99,904,291.27	102,568,707.14

Classification basis and bad debt provision ratio for each stage

Changes in book balance with significant changes in impairment provision in the current period

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision of other accounts receivable	102,552,853.55	18,292.31	2,438.72			102,568,707.14
Total	102,552,853.55	18,292.31	2,438.72			102,568,707.14

Important bad debt provision collected or reversal:

In RMB

Name	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision

5) Other account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major other account receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on other account receivable charged off:

6)Top 5 other accounts receivable at ending balance by arrears party

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debt provision
First	Intercourse funds	24,108,742.46	Over five years	19.10%	22,187,644.18
Second	Intercourse funds	8,326,202.63	Over five years	6.60%	8,326,202.63
Third	Intercourse funds	8,285,803.57	Over five years	6.56%	8,285,803.57
Fourth	Intercourse funds	8,257,311.80	Over five years	6.54%	8,257,311.80
Fifth	Intercourse funds	6,781,000.00	Over five years	5.37%	
Total		55,759,060.46		44.18%	47,056,962.18

7)Those booked into other account receivables due to centralized fund management

In RMB

Other explanation:

9.Account paid in advance

(1)By aging

In RMB

Aging	Ending balance		Beginning balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	66,993,762.15	98.30%	16,244,819.71	94.26%
1-2 year	822,570.56	1.21%	676,069.63	3.92%
2-3 years	35,649.86	0.05%	95,050.89	0.55%
Over 3 years	297,072.05	0.44%	218,761.69	1.27%
Total	68,149,054.62		17,234,701.92	

Explanation on reasons for not timely settling important account paid in advance with age over one year:

(2) Top 5 accounts paid in advance at ending balance by prepayment object

Prepaid objects	Ending balance	Proportion in total prepayment balance at the end of period (%)
First	38,640,000.00	56.70
Second	6,455,967.75	9.47
Third	5,894,976.91	8.65

Prepaid objects	Ending balance	Proportion in total prepayment balance at the end of period (%)
Fourth	4,135,560.00	6.07
Fifth	2,675,633.12	3.93
Total	57,802,137.78	84.82

Other explanation:

10.Inventory

Does the Company need to comply with the disclosure requirements of the real estate industry?

No

(1)By category

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	70,142,518.71	15,117,598.01	55,024,920.70	63,123,938.67	15,039,481.32	48,084,457.35
Goods in process	24,881,677.33		24,881,677.33	27,382,027.01		27,382,027.01
Finished goods	3,744,804,898.48	121,390,592.69	3,623,414,305.79	3,449,447,657.13	87,071,319.87	3,362,376,337.26
Revolving material	2,967,788.47	1,689,782.52	1,278,005.95	2,935,812.93	1,685,748.86	1,250,064.07
Goods in transit	11,313,953.36		11,313,953.36	12,559,426.44		12,559,426.44
Low value consumables - packaging materials	3,610,349.55	266,242.87	3,344,106.68	6,824,189.94	32,513.03	6,791,676.91
Work in process-outsourced	5,438,894.64	5,438,363.67	530.97	5,438,363.67	5,438,363.67	
Total	3,863,160,080.54	143,902,579.76	3,719,257,500.78	3,567,711,415.79	109,267,426.75	3,458,443,989.04

(2)Data resource defined as inventory

In RMB

Item	Outsourced data resource inventory	Self-processed data resource inventory	Inventory of data resourced acquired by other manners	Total

(3)Inventories fall provision or impairment provision of contract performance costs

In RMB

Item	Beginning balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Other	Reversal or write-off	Other	

Raw materials	15,039,481.32	99,052.06		20,935.37		15,117,598.01
Finished goods	87,071,319.87	79,587,092.88		45,267,820.06		121,390,592.69
Revolving material	1,685,748.86	7,955.76		3,922.10		1,689,782.52
Low value consumables - packaging materials	32,513.03	233,743.58		13.74		266,242.87
Work in process-outsourced	5,438,363.67					5,438,363.67
Total	109,267,426.75	79,927,844.28		45,292,691.27		143,902,579.76

Inventories fall provision accrued in terms of portfolio

In RMB

Portfolio name	Ending			Opening		
	Ending balance	Inventories fall provision	Accrual ratio of inventories fall provision	Beginning balance	Inventories fall provision	Accrual ratio of inventories fall provision

Standard for inventories fall provision accrued in terms of portfolio

(4) Explanation of the capitalized amount of borrowing costs included in the ending balance of inventory

(5) Explanation on the current amortization amount of contract performance costs

11. Assets held for sale

In RMB

Item	Ending book balance	Impairment provision	Ending book value	Fair value	Estimated disposal cost	Estimated disposal time
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Other explanation:

12. Non-current asset due within one year

In RMB

Item	Ending balance	Beginning balance
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(1) Creditors' investment maturing within one year

Applicable Not applicable

(2) Other creditors' investment maturing within one year

Applicable Not applicable

13. Other current assets

In RMB

Item	Ending balance	Beginning balance
Input tax to be deducted	57,740,544.05	48,868,668.82
Certificate of deposit		30,226,849.32
Gains/losses from assets to be disposed	1,627,096.85	1,623,160.79

Prepayment of taxes	216,137.50	25,137,638.10
VAT deduction amount	186,379.24	1,606.45
Total	59,770,157.64	105,857,923.48

Other explanation:

14. Creditors' investment

(1) Creditors' investment

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Changes of impairment provision of creditors' investment in current period

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
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(2) Important creditors' investment at year-end

Major creditors' investment

In RMB

Item	Ending balance					Beginning balance				
	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal

(3) Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2024 in the period				

Classification basis and accrual ratio of bad debt provision for each stage

(4) Debt investment actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major debt investment charged off:

Explanation on debt investment charged off:

Changes in book balance with significant changes in the current period's provision for losses

Applicable Not applicable

Other explanation:

15. Other creditors' investment

(1) Other creditors' investment

In RMB

Item	Beginning balance	Accrual interest	Interest adjustment	Change of fair value in the period	Ending balance	Cost	Accumulated change of fair value	Impairment provision accumulated recognized in other comprehensive income	Note
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Changes in impairment provision of other debt investments in the current period

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
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(2) Other major creditors' investment at year-end

In RMB

Other creditors' item	Ending balance					Beginning balance				
	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal

(3) Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2024 in the period				

Classification basis and accrued ratio of bad debt provision for each stage

(4) Other debt investment actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major other debt investment charged off:

Explanation on other debt investment charged off:

Changes in book balance with significant changes in the current period's provision for losses

Applicable Not applicable

Other explanation:

16. Other equity instrument investment

In RMB

Item	Ending	Beginni	Gains	Losses	Accumulated	Accumulated	Dividend	Reasons for
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	balance	ng balance	recognized in other comprehensive income for the current period	recognized in other comprehensive income for the current period	gains recognized in other comprehensive income at the end of this period	losses recognized in other comprehensive income at the end of this period	income recognized in this period	designating fair value measurement with changes recognized in other comprehensive income
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Other equity instrument investment derecognized in current period

In RMB

Item name	Accumulated gains carried forward to retained gains	Accumulated losses carried forward to retained gains	Reason for de-recognition
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Sub-item disclosure of current non-trading equity instrument investments

In RMB

Item	Dividends income	Accumulated gains	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for value measurement with changes recognized in other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
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Other explanation:

17.Long-term account receivable

(1)Long-term account receivable

In RMB

Item	Ending balance			Beginning balance			Discount rate range
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	

(2)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

The bad debt provision is made in terms of the general model of expected credit losses

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
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	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, 2024 in the period				

Classification basis and accrual ratio of bad debt provision for each stage

(3)Bad debt provision accrued, collected or reversal

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

(4) Long-term account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major long-term account receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on long-term account receivable charged off:

18.Long-term equipment

In RMB

Invested entity	Beginning balance (book value)	Beginning balance of impairment provision	Current changes (+/-)								Ending balance (book value)	Ending balance of impairment provision
			Addition investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture												
II. Associated enterprise												
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	1,587,723.81				-337,578.03							1,250,145.78
Zhuhai Hengxing Feed Industrial Co., Ltd.	33,653,135.48				514,675.01							34,167,810.49
Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen)	27,081,889.78				188,403.56							27,270,293.34

Partnership Enterprise (Limited)											
Shenzhen Shenyuan Data Tech. Co., Ltd	11,686,177.41				-2,088,015.42					9,598,161.99	
Shenbao Liaoyuan Investment Company		57,628.53									57,628.53
Shenzhen Shenbao (Xinmin) Foods Co., Ltd.		2,870,000.00									2,870,000.00
Changzhou Shenbao Chacang E-business Co., Ltd.											
Shenzhen Shichumingmen Catering Management Co., Ltd.											
Subtotal	74,008,926.48	2,927,628.53			-1,722,514.88					72,286,411.60	2,927,628.53
Total	74,008,926.48	2,927,628.53			-1,722,514.88					72,286,411.60	2,927,628.53

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Other explanation:

19. Other non-current financial assets

In RMB

Item	Ending balance	Beginning balance
Equity instrument investment	57,500.00	57,500.00
Total	57,500.00	57,500.00

Other explanation:

20. Investment real estate

(1) Measured by cost

Applicable Not applicable

In RMB

Item	House and building	Land use right	Construction in progress	Total
I. Original book value				

1.Beginning balance	614,752,374.09			614,752,374.09
2.Current amount increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3.Current amount decreased	70,520.63			70,520.63
(1) Disposal				
(2) Other transfer-out	70,520.63			70,520.63
4.Ending balance	614,681,853.46			614,681,853.46
II. Accumulated depreciation and accumulated amortization				
1.Beginning balance	351,155,342.20			351,155,342.20
2.Current amount increased	8,004,805.63			8,004,805.63
(1) Accrual or amortization	8,004,805.63			8,004,805.63
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	359,160,147.83			359,160,147.83
III. Impairment provision				
1.Beginning balance				
2.Current amount increased				
(1) Accrual				
3. Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance				
IV. Book value				
1.Ending book value	255,521,705.63			255,521,705.63
2. Opening book value	263,597,031.89			263,597,031.89

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Other explanation:

(2) Measured by fair value

Applicable Not applicable

(3) Converted to investment real estate and measure at fair value

In RMB

Item	Accounts before conversion	Amount	Reason for conversion	Approval procedures	Impact on gains/losses	Impact on other comprehensive income

(4) Investment real estate without property certificate completed

In RMB

Item	Book value	Reason for not obtaining the property rights certificate
1 st floor, 7 th - 20 th floor of Dongguan No.1 Grain and Oil Headquarters	48,398,153.11	The joint inspection has not been completed temporarily
Office Building Rental Haizhifeng Part	812,981.29	Remaining issues, currently being followed up

Other explanation:

21. Fixed assets

In RMB

Item	Ending balance	Beginning balance
Fixed assets	2,127,010,769.47	2,171,962,173.22
Disposal of fixed assets	7,552.00	7,552.00
Total	2,127,018,321.47	2,171,969,725.22

(1) Fixed assets

In RMB

Item	House and buildings	Machinery equipment	Transport equipment	Electronic and other equipment	Total
I. Original book value:					
1. Beginning balance	2,030,666,059.42	779,559,717.86	16,206,810.75	104,121,959.64	2,930,554,547.67
2. Current amount increased	998,789.00	313,696.30	161,000.00	1,368,583.13	2,842,068.43
(1) Purchase		255,839.22	161,000.00	1,116,115.98	1,532,955.20
(2) Construction in progress transfer-in	998,789.00	57,857.08		252,467.15	1,309,113.23
(3) Increased by combination					
3. Current amount decreased	222,989.50	277,460.63		731,867.59	1,232,317.72
(1) Disposal or scrap		277,460.63		731,867.59	1,009,328.22
Other decrease	222,989.50				222,989.50
4. Ending	2,031,441,858.92	779,595,953.53	16,367,810.75	104,758,675.18	2,932,164,298.38

balance					
II. Accumulated depreciation					
1.Beginning balance	350,849,019.39	318,153,516.48	13,863,413.36	72,903,471.51	755,769,420.74
2.Current amount increased	23,701,120.38	17,996,162.91	372,346.29	5,443,357.93	47,512,987.51
(1) Accrual	23,701,120.38	17,996,162.91	372,346.29	5,443,357.93	47,512,987.51
3.Current amount decreased		267,077.45		684,755.60	951,833.05
(1) Disposal or scrap		267,077.45		684,755.60	951,833.05
4.Ending balance	374,550,139.77	335,882,601.94	14,235,759.65	77,662,073.84	802,330,575.20
III. Impairment provision					
1.Beginning balance		2,813,063.84		9,889.87	2,822,953.71
2.Current amount increased					
(1) Accrual					
3.Current amount decreased					
(1) Disposal or scrap					
4.Ending balance		2,813,063.84		9,889.87	2,822,953.71
IV. Book value					
1.Ending book value	1,656,891,719.15	440,900,287.75	2,132,051.10	27,086,711.47	2,127,010,769.47
2. Opening book value	1,679,817,040.03	458,593,137.54	2,343,397.39	31,208,598.26	2,171,962,173.22

(2) Temporarily idle fixed assets

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
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(3) Fixed assets leased out by operation

In RMB

Item	Ending book value
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(4) Fix assets without property certification held

In RMB

Item	Book value	Reasons for without the property certification
Civil engineering of CDE warehouse	571,246,866.67	Still under processing
Housing and buildings of Dongguan Industrial and Trade	81,221,407.86	Under processing
Shuguang Grain reserve warehouse	52,405,275.05	Solving firefighting safety issues
Office building	13,429,771.63	Remaining issues, currently being

		followed
1 st to 3 rd floors of Grain and Oil Headquarters	32,341,873.87	The joint inspection has not been completed temporarily
Cold storage house	6,778,090.83	Solving firefighting safety issues
Food processing project(A3)	49,983,933.98	Handle property certification after the completion record is finished.
Food processing and logistics distribution industry park(A2)	72,687,422.33	Handle property certification after the completion record is finished.

Other explanation:

(5) Impairment testing of fixed assets

Applicable Not applicable

(6) Disposal of fixed assets

In RMB

Item	Ending balance	Beginning balance
Machinery equipment	7,368.24	7,368.24
Electronic equipment and others	183.76	183.76
Total	7,552.00	7,552.00

Other explanation:

22. Construction in progress

In RMB

Item	Ending balance	Beginning balance
Construction in progress	63,236,301.49	51,288,301.16
Total	63,236,301.49	51,288,301.16

(1) Construction in progress

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Dongguan grain storage and wharf matching project	37,176,625.83		37,176,625.83	32,632,618.62		32,632,618.62
Small packaging production line of Dongguan Industrial and Trade	8,891,368.45		8,891,368.45	8,880,595.19		8,880,595.19
CDE storage of Dongguan Food Industrial Park and wharf mating projects	6,337,990.40		6,337,990.40	4,965,118.29		4,965,118.29
Semi automated	1,777,617.73		1,777,617.73	1,784,995.63		1,784,995.63

renovation project for powder packaging production line						
Deep processing of Dongguan Oil & Food	513,729.78		513,729.78	513,729.78		513,729.78
Other	13,284,492.68	4,745,523.38	8,538,969.30	7,256,767.03	4,745,523.38	2,511,243.65
Total	67,981,824.87	4,745,523.38	63,236,301.49	56,033,824.54	4,745,523.38	51,288,301.16

(2) Changes of major construction in progress

In RMB

Item	Budget	Beginning balance	Current amount increased	Transfer-in fixed assets	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated capitalization of interest	Including: amount of capitalization of interest in Period	Interest capitalization rate in Period	Capital resources
Dongguan grain storage and wharf matching project	1,242,000,000.00	32,632,618.62	6,140,492.42	675,693.13	920,792.08	37,176,625.83	89.02%	89.02%	37,344,112.39	122,117.23	2.30%	Loans from financial institution
CDE storage of Dongguan Food Industrial Park and wharf matching projects	1,087,300,000.00	4,965,118.29	1,372,872.11			6,337,990.40	98.92%	98.92%	86,730,568.74			Loans from financial institution
Total	2,329,300,000.00	37,597,736.91	7,513,364.53	675,693.13	920,792.08	43,514,616.23			124,074,681.13	122,117.23	2.30%	

(3) Provision for impairment of construction in progress

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Reason for accrual
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Other explanation:

(4) Impairment testing of construction in progress

Applicable Not applicable

(5) Engineering material

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Other explanation:

23. Productive biological asset

(1) Measured at cost

Applicable Not applicable

In RMB

Item	Plant	Livestock	Forestry	Fisheries	Total
I. Original book value					
1. Beginning balance	416,771.28				416,771.28
2. Current amount increased					
(1) Outsourcing					
(2) Self-cultivate					
3. Current amount decreased					
(1) Disposal					
(2) Other					
4. Ending balance	416,771.28				416,771.28
II. Accumulated depreciation					
1. Beginning balance	58,154.28				58,154.28
2. Current amount increased	4,846.20				4,846.20
(1) Accrual	4,846.20				4,846.20
3. Current amount decreased					
(1) Disposal					
(2) Other					
4. Ending balance	63,000.48				63,000.48
III. Impairment provision					
1. Beginning balance					
2. Current amount increased					
(1) Accrual					

3.Current amount decreased				
(1)Disposal				
(2)Other				
4.Ending balance				
IV. Book value				
1.Ending book value	353,770.80			353,770.80
2. Opening book value	358,617.00			358,617.00

(2)Impairment testing of productive biological asset measured at cost model

Applicable Not applicable

(3)Measured at fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use asset

(1)Right-of-use assets

Item	In RMB		
	House and building	Land use rights	Total
I. Original book value			
1.Beginning balance	110,474,798.90	1,823,669.22	112,298,468.12
2.Current amount increased	47,977.64	1,052,300.17	1,100,277.81
(1)Lease	47,977.64	1,052,300.17	1,100,277.81
3.Current amount decreased	509,804.61		509,804.61
(1)Disposal	509,804.61		509,804.61
4.Ending balance	110,012,971.93	2,875,969.39	112,888,941.32
II. Accumulated depreciation			
1.Beginning balance	54,661,515.02	703,804.94	55,365,319.96
2.Current amount increased	11,200,944.27	146,776.36	11,347,720.63
(1) Accrual	11,200,944.27	146,776.36	11,347,720.63
3.Current amount decreased	509,804.61		509,804.61
(1) Disposal	509,804.61		509,804.61
4.Ending balance	65,352,654.68	850,581.30	66,203,235.98
III. Impairment provision			
1.Beginning balance			
2.Current amount increased			

(1) Accrual			
3.Current amount decreased			
(1) Disposal			
4.Ending balance			
IV. Book value			
1.Ending book value	44,660,317.25	2,025,388.09	46,685,705.34
2. Opening book value	55,813,283.88	1,119,864.28	56,933,148.16

(2) Impairment testing of right-of-use assets

Applicable Not applicable

Other explanation:

26.Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent	Non-patent technology	Trademark rights	Software usage rights	Forest use rights	Shop use rights	Other	Total
I. Original book value									
1.Beginning balance	588,167,285.96	50,643,906.30		4,434,008.99	84,174,914.95	22,859,104.98	25,243,910.01	450,000.00	775,973,131.19
2.Current amount increased	2,096,568.36				1,426,250.59				3,522,818.95
(1) Purchase									
(2) Internal R&D									
(3) Increased by combination									
(4) Other increase	2,096,568.36				1,426,250.59				3,522,818.95
3.Current amount decreased									
(1) Disposal									
4.Ending balance	590,263,854.32	50,643,906.30		4,434,008.99	85,601,165.54	22,859,104.98	25,243,910.01	450,000.00	779,495,950.14
II. Accumulated depreciation									
1.Beginning	132,264,46	29,910,16		1,382,270	35,863,22	8,490,309.	16,146,35	37,500.	224,094,29

ng balance	4.12	4.33		.98	9.42	42	4.16	00	2.43
2.Current amount increased	8,068,195.74	564,251.04		1,125.06	6,192,415.37	386,431.80	1,760,048.59	152,018.16	17,124,485.76
(1) Accrual	7,393,596.00	564,251.04		1,125.06	6,192,415.37	386,431.80	1,760,048.59	152,018.16	16,449,886.02
(2)Other increase	674,599.74								674,599.74
3.Current amount decreased									
(1) Disposal									
4.Ending balance	140,332,659.86	30,474,415.37		1,383,396.04	42,055,644.79	8,876,741.22	17,906,402.75	189,518.16	241,218,778.19
III. Impairment provision									
1.Beginning balance		5,553,283.54							5,553,283.54
2.Current amount increased									
(1) Accrual									
3.Current amount decreased					1,130,341.88				1,130,341.88
(1) Disposal					1,130,341.88				1,130,341.88
4.Ending balance		5,553,283.54							5,553,283.54
IV. Book value									
1.Ending book value	449,931,194.46	14,616,207.39		3,050,612.95	43,545,520.75	13,982,363.76	7,337,507.26	260,481.84	532,723,888.41
2. Opening book value	455,902,821.84	15,180,458.43		3,051,738.01	48,311,685.53	14,368,795.56	9,097,555.85	412,500.00	546,325,555.22

The ratio of the intangible assets from internal R&D in balance of intangible assets at period-end

(2) Data resource defined as intangible asset

In RMB

Item	Outsourced data resource defined as intangible asset	Self developed data resource defined as intangible asset	Data resource acquired by other manners and defined as intangible asset	Total

(3) Land use rights without certificate of ownership

In RMB

Item	Book value	Reasons for without the property certification
Land use right	7,849,990.00	Still in progress

Other explanation:

(4) Impairment testing of intangible assets

Applicable Not applicable

27. Goodwill

(1) Original book value of goodwill

In RMB

The invested entity or matters forming goodwill	Beginning balance	Current increase		Current decrease		Ending balance
		Formed by business combination		Disposal		
Pu'er Tea Trading Center Co., Ltd.	673,940.32			673,940.32		0.00
Total	673,940.32			673,940.32		0.00

(2) Impairment provision of goodwill

In RMB

The invested entity or matters forming goodwill	Beginning balance	Current increase		Current decrease		Ending balance
		Accrual		Dispose		
Pu'er Tea Trading Center Co., Ltd.	673,940.32			673,940.32		0.00
Total	673,940.32			673,940.32		0.00

(3) Related information of asset group or asset group portfolio where goodwill is included

Name	Component and basis of asset group or asset group portfolio	Operation segment and basis	Consistent with previous years(Y/N)?
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Changes in asset group or asset group portfolio

Name	Component before change	Component after change	Objective fact and basis leading to change
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Other explanation

(4) Specific method of determining the recoverable amount

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

(5) Completion of performance commitments and corresponding impairment of goodwill

There is a performance commitment when goodwill is formed and the reporting period or the previous period is within the performance commitment period

Applicable Not applicable

Other explanation:

28.Long-term expenses to be apportioned

In RMB

Item	Beginning balance	Current increase	Current amortization	Other decrease	Ending balance
Improvement expenditure for fix assets	8,544,999.35	769,310.52	1,527,385.72		7,786,924.15
Decoration fee	12,416,843.39	189,100.92	1,514,088.64		11,091,855.67
Other	3,732,475.31	1,800.00	907,721.77		2,826,553.54
Total	24,694,318.05	960,211.44	3,949,196.13		21,705,333.36

Other explanation:

29.Deferred income tax asset /Deferred income tax liabilities

(1)Deferred income tax assets not offset

In RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Impairment provision for assets	113,009,858.95	26,980,835.06	79,024,031.58	18,487,424.12
Unrealized profits in internal transactions		1,100,509.12	3,110,821.11	1,173,392.02
Lease liabilities	49,915,088.62	7,918,282.23	60,423,752.25	9,667,435.83
Credit impairment loss	152,883,164.37	32,494,107.43	131,582,333.01	32,508,076.97
Total	315,808,111.94	68,493,733.84	274,140,937.95	61,836,328.94

(2)Deferred income tax liability not offset

In RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation increment of enterprise combine under different control	42,808,100.18	10,702,025.14	43,635,535.04	10,908,883.86
Right-of-use asset	46,643,210.86	7,442,880.12	56,763,213.31	9,108,070.16

Total	89,451,311.04	18,144,905.26	100,398,748.35	20,016,954.02
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(3)Deferred income tax assets and deferred income tax liabilities listed after off-set

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	Beginning balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets	7,387,240.97	61,106,492.88	9,079,033.56	52,757,295.38
Deferred income tax liabilities	7,387,240.97	10,757,664.29	9,079,033.56	10,937,920.46

(4)Details of uncertain deferred income tax assets

In RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	52,351,780.41	73,593,637.62
Deductible loss	241,656,255.35	222,144,931.91
Total	294,008,035.76	295,738,569.53

(5) Deductible losses of de-recognized deferred income tax assets expiring in following years

In RMB

Year	Ending balance	Beginning balance	Note
2024	15,666,222.02	16,724,256.16	
2025	59,602,123.69	57,064,985.83	
2026	27,763,001.98	19,372,001.00	
2027	41,648,013.62	30,608,347.99	
2028	49,846,595.37	72,586,319.51	
2029	47,130,298.67	6,398,410.06	
2030		1,592,707.06	
2031		11,566,491.62	
2032		6,231,412.68	
Total	241,656,255.35	222,144,931.91	

Other explanation:

30.Other non-current asset

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid for system	4,122,158.72		4,122,158.72	3,774,032.76		3,774,032.76
Property to be relocated	3,523,917.24		3,523,917.24	3,523,917.24		3,523,917.24
Total	7,646,075.96		7,646,075.96	7,297,950.00		7,297,950.00

Other explanation:

31.The assets rights restricted till end of the period

In RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction status	Book balance	Book value	Restriction type	Restriction status
Monetary fund	7,723,129.00	7,723,129.00	Guarantee deposit, credit deposit, lawsuit freezing, etc.		5,464,837.31	5,464,837.31	Guarantee deposit, credit deposit. etc	
Total	7,723,129.00	7,723,129.00			5,464,837.31	5,464,837.31		

Other explanation:

32.Short-term loans

(1) By category

In RMB

Item	Ending balance	Beginning balance
Pledge loan	0.00	0.00
Mortgage loan	0.00	0.00
Guaranteed loan	0.00	0.00
Credit loan	1,471,993,682.19	1,223,462,519.16
Total	1,471,993,682.19	1,223,462,519.16

Explanation on category of short-term loans:

(2) Overdue and unpaid short-term loans

The overdue and unpaid short-term loans was 0.00 yuan at period-end, including follow major amount:

In RMB

Borrower	Ending balance	Loan rate	Overdue time	Overdue interest
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Other explanation:

33. Tradable financial liability

Item	Ending balance	Beginning balance
Tradable financial liability	0.00	0.00
Including:		
Including:		

Other explanation:

34.Derivative financial liability

In RMB

Item	Ending balance	Beginning balance
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Other explanation:

35. Note payable

In RMB

Category	Ending balance	Beginning balance
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Notes expiring at year-end not repaid was 0.00 yuan.

36. Account payable

(1) Account payable

In RMB

Item	Ending balance	Beginning balance
Trade accounts payable	210,088,964.42	157,073,307.00
Account payable for engineering	139,630,497.66	176,815,688.99
Other	3,658,351.90	2,276,200.81
Total	353,377,813.98	336,165,196.80

(2) Major accounts payable with age over one year

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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Other explanation:

37. Other account payable

In RMB

Item	Ending balance	Beginning balance
Dividend payable	2,933,690.04	2,933,690.04
Other account payable	266,623,779.54	274,753,900.79
Total	269,557,469.58	277,687,590.83

(1) Interest payable

In RMB

Item	Ending balance	Beginning balance
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Important overdue and unpaid interest situation:

In RMB

Borrower	Overdue amount	Overdue reason
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Other explanation:

(2) Dividend payable

In RMB

Item	Ending balance	Beginning balance
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Shenzhen Investment Management Company	2,690,970.14	2,690,970.14
Untrusted shares	242,719.90	242,719.90
Total	2,933,690.04	2,933,690.04

Other explanations, including important dividends payable that have not been paid for more than one year, should disclose the reasons for non payment:

(3)Other account payable

1)By nature

In RMB

Item	Ending balance	Beginning balance
Accounts receivable and other expenses	192,157,117.01	212,017,192.04
Deposit and margin	65,846,543.10	59,175,450.98
Engineering quality assurance deposit and final payment	1,555,264.94	2,697,829.08
Accrued expenses	7,064,854.49	863,428.69
Total	266,623,779.54	274,753,900.79

2)Significant other account payable with over 1 year aging or overdue significant other account payable

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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Other explanation:

38.Accounts received in advance

(1)Accounts received in advance

In RMB

Item	Ending balance	Beginning balance
Lease payment received in advance	491,132.97	3,654.89
Other	1,012,264.58	1,081,046.71
Total	1,503,397.55	1,084,701.60

(2) Significant accounts received in advance with over 1 year aging or overdue significant accounts received in advance

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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In RMB

Item	Change in amount	Reason for change
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Other explanation:

39.Contractual liabilities

In RMB

Item	Ending balance	Beginning balance
Sales price	93,304,109.71	86,566,253.73
Total	93,304,109.71	86,566,253.73

Significant contractual liabilities with aging over 1 year

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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Amount and reasons for important changes in book value in the period

In RMB

Item	Change in amount	Reason for change
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40. Wage payable

(1) Wage payable

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
I. Short-term compensation	253,139,696.10	124,669,697.81	180,257,757.01	197,551,636.90
II. After-service welfare-defined contribution plans	12,314,242.50	12,644,785.28	9,089,823.63	15,869,204.15
III. Dismissed welfare	760,724.60		34,050.00	726,674.60
Total	266,214,663.20	137,314,483.09	189,381,630.64	214,147,515.65

(2) Short-term compensation

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
1. Wage, bonus, allowance and subsidy	244,885,071.13	102,376,213.20	157,627,387.52	189,633,896.81
2. Employees' welfare	88,864.69	5,957,422.47	6,024,067.90	22,219.26
3. Social insurance charges	302,549.13	3,442,633.08	3,396,412.81	348,769.40
Including: medical insurance premium	272,678.90	2,991,348.97	2,950,876.30	313,151.57
Industrial injury insurance premiums	3,329.93	199,446.08	197,202.54	5,573.47
Maternity insurance premiums	26,540.30	251,838.03	248,333.97	30,044.36
4. Housing public reserve	36,788.20	10,811,261.24	10,806,449.79	41,599.65
5. Trade union fee and education fee	7,817,422.95	2,066,207.82	2,378,478.99	7,505,151.78
Other short-term compensation	9,000.00	15,960.00	24,960.00	

Total	253,139,696.10	124,669,697.81	180,257,757.01	197,551,636.90
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(3)Defined contribution plans

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
1. Basic endowment insurance premiums	27,351.36	8,677,843.06	8,666,906.92	38,287.50
2. Unemployment insurance premiums	6,375.81	427,933.61	422,916.71	11,392.71
3. Enterprise annuity	12,280,515.33	3,539,008.61		15,819,523.94
Total	12,314,242.50	12,644,785.28	9,089,823.63	15,869,204.15

Other explanation:

41.Taxes payable

In RMB

Item	Ending balance	Beginning balance
VAT	3,249,306.63	3,929,827.56
Enterprise income tax	44,568,724.67	78,612,383.92
Personal income tax	6,120,749.08	919,489.66
Urban maintenance and construction tax	125,402.87	184,436.23
Property tax	5,669,983.27	1,402,724.23
Stamp tax	325,474.00	924,833.66
Deed tax	664,227.84	664,227.84
Educational surtax	103,869.84	253,657.15
Use tax of land	821,131.34	15,205.45
Other	2,644.11	
Total	61,651,513.65	86,906,785.70

Other explanation:

42.Liability held for sale

In RMB

Item	Ending balance	Beginning balance
Subsidiary Wuhan Jiacheng		66,579,828.59
Total		66,579,828.59

Other explanation:

43.Non-current liabilities due within one year

In RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	20,693,439.58	22,805,473.76
Total	20,693,439.58	22,805,473.76

Other explanation:

44.Other current liabilities

In RMB

Item	Ending balance	Beginning balance
Deferred output tax	4,029,143.68	3,896,108.63
Other		31.93
Total	4,029,143.68	3,896,140.56

Changes of short-term bonds payable:

In RMB

Bonds	Face value	Issuance date	Bonds term	Amount issued	Beginning balance	Issued in the period	Accrual interest by face value	Premium and discount amortization	Paid in the period	Ending balance	Breach contract or not(Y/N)?
Total	--	--	--								

Other explanation:

45. Long-term loan

(1) Category of long-term loan

In RMB

Item	Ending balance	Beginning balance
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Explanation on category of long-term loans:

Other explanation, including interest rate range:

46. Bonds payable

(1) Bonds payable

In RMB

Item	Ending balance	Beginning balance
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(2) Changes of bonds payable (not including other financial instrument of preferred stock and perpetual capital securities that are classified as financial liability)

In RMB

Bonds	Face value	Issuance date	Bonds term	Amount issued	Beginning balance	Issued in the period	Accrual interest by face value	Premium and discount amortization	Paid in the period	Ending balance	Breach contract or not(Y/N)?
Total	--										

(3) Convertible conditions and time for shares transfer for the convertible bonds

(4) Other financial instruments classified as financial liability

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

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

In RMB

Outstanding financial instrument	Period-beginning		Current increase		Current decrease		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Explanation on the basis for classifying other financial instrument into financial liability

Other explanation

47. Lease liability

In RMB

Item	Ending balance	Beginning balance
Lease payments	52,900,980.20	64,121,413.50
Unrecognized financing charges	-2,941,437.13	-3,570,988.00
Minus: lease liabilities due within one year	-20,693,439.58	-22,805,473.76
Total	29,266,103.49	37,744,951.74

Other explanation:

48. Long-term account payable

In RMB

Item	Ending balance	Beginning balance
Special account payable	18,183,091.89	17,994,633.05
Total	18,183,091.89	17,994,633.05

(1) By nature

In RMB

Item	Ending balance	Beginning balance
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Other explanation:

(2) Special account payable

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Causes
Depreciation funds for fixed assets of government reserve grain depots	16,214,402.96	103,611.34		16,318,014.30	
Special funding for research in the grain public welfare industry	207,477.09			207,477.09	
Shenzhen Hospital Phase III Housing Expropriation Property Rights Exchange	1,529,253.00	138,381.00	17,033.50	1,650,600.50	
Grain and oil market monitoring	3,500.00	3,500.00		7,000.00	

and early warning subsidy					
Special funds for the construction and maintenance of the grain emergency system	40,000.00		40,000.00		
Total	17,994,633.05	245,492.34	57,033.50	18,183,091.89	

Other explanation:

49. Long-term wage payable

(1) Long-term wage payable

In RMB

Item	Ending balance	Beginning balance
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(2) Changes of defined benefit plans

Present value of the defined benefit plans:

In RMB

Item	Current Period	Last Period
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Scheme assets:

In RMB

Item	Current Period	Last Period
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Net liability (assets) of the defined benefit plans

In RMB

Item	Current Period	Last Period
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Content of defined benefit plans and relevant risks, impact on future cash flow of the Company as well as times and uncertainty:

Major actuarial assumption and sensitivity analysis:

Other explanation:

50. Accrual liabilities

In RMB

Item	Ending balance	Beginning balance	Causes
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Other explanation, including relevant important assumptions and estimation:

51. Deferred income

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Causes
Government grant	82,819,873.24	4,057,114.25	3,982,362.15	82,894,625.34	Asset-related government grant
Total	82,819,873.24	4,057,114.25	3,982,362.15	82,894,625.34	

Other explanation:

52. Other non-current liabilities

In RMB

Item	Ending balance	Beginning balance
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Other explanation:

53. Share capital

In RMB

	Beginning balance	Increased (decreased) in this year +,-					Ending balance
		New shares issued	Bonus shares	Shares converted from public reserve	Other	Subtotal	
Total shares	1,152,535,254.00						1,152,535,254.00

Other explanation:

54. Other equity instrument

(1) Basic information of the outstanding preferred stock and perpetual capital securities at period-end

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

In RMB

Outstanding financial instrument	Period-beginning		Current increase		Current decrease		Period-end	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value

Explanation on changes in other equity instrument, reasons for changes and relevant accounting treatment basis:

Other explanation:

55. Capital reserve

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
Capital premium (Share capital premium)	1,251,860,732.56			1,251,860,732.56
Other capital reserve	8,896,381.86			8,896,381.86
Total	1,260,757,114.42			1,260,757,114.42

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

56. Treasury stock

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
Total	0.00			0.00

Other explanation, including changes and reason for changes:

57. Other comprehensive income

In RMB

Item	Beginning balance	Current period					Ending balance
		Amount before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to current gains/losses	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less : income tax expense	Attributable to parent company after tax	
Total of other comprehensive income	0.00						0.00

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

58. Reasonable reserve

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
Work safety fee	741,968.19	836,287.66	481,774.25	1,096,481.60
Total	741,968.19	836,287.66	481,774.25	1,096,481.60

Other explanation, including changes in current period and reason for changes:

59. Surplus public reserve

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance
Statutory surplus reserves	483,103,366.38			483,103,366.38
Total	483,103,366.38			483,103,366.38

Other explanation, including changes in current period and reasons for changes:

60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at the end of the previous year before adjustment	1,927,314,400.85	1,910,954,084.79
Total adjustment amount of retained profit at the beginning of the year (adjustment increase +/adjustment decrease-)	0.00	148,597.59
Retained profit at the beginning of the year after adjustment	1,927,314,400.85	1,911,102,682.38
Add: net profit attributable to shareholder of parent company	129,030,850.78	347,824,733.68
Less: withdrawal of legal surplus reserve		43,479,201.71
Common stock dividends payable	230,507,050.80	288,133,813.50
Retained profit at period-end	1,825,838,200.83	1,927,314,400.85

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

- 1) Due to the retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations, the retained profit at the beginning of the period was affected by 0.00 yuan.
- 2) Due to changes in accounting policies, the retained profit at the beginning of the period was affected by 0.00 yuan.
- 3) Due to major accounting error correction, the retained profit at the beginning of the period was affected by 0.00 yuan
- 4) Due to changes in merge scope caused by the same control, the retained profits at the beginning of the period was affected by

0.00 yuan.

5) Due to other adjustments, the retained profits at the beginning of the period was affected by 0.00 yuan.

61. Operating income and operating cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	2,415,839,496.41	1,985,218,970.39	2,831,155,949.83	2,356,767,116.63
Other business	613,423.20	206,792.93	840,851.99	671,590.94
Total	2,416,452,919.61	1,985,425,763.32	2,831,996,801.82	2,357,438,707.57

Breakdown of operating income and operating cost:

In RMB

Category	Branch 1		Branch 2				Total	
	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost	Operating income	Operating cost
Business types								
Including:								
Classification by business area								
Including:								
Market or customer type								
Including:								
Contract types								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract duration								
Including:								
Classification by sales channel								
Including:								
Total								

Information relating to performance obligations:

Item	Time for performance obligations	Important payment terms	Nature of the goods promised to transfer by the company	Is it the main responsible person?	The expected refunds to customers borne by the company	The types of quality assurance provided by the company and related obligations
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Other explanations

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

At the end of this reporting period, the contract has been signed, but the corresponding income for performance obligations which are not yet fulfilled or unfinished amounted to 93,304,109.71 yuan. The whole amount, 93,304,109.71 yuan, is expected to be recognized within one year.

Information related to variable consideration in the contract:

Significant contract changes or significant transaction price adjustments

In RMB

Item	Accounting treatment method	Impact on income
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Other explanation:

62. Tax and surcharge

In RMB

Item	Current period	Last period
Urban maintenance and construction tax	732,943.30	707,839.53
Education surcharge	447,916.95	514,033.21
Property tax	5,647,115.56	5,465,817.42
Use tax of land	995,148.54	1,057,091.18
Vehicle and vessel use tax	12,197.60	8,618.40
Stamp duty	702,590.30	1,041,352.09
Other	131,522.81	23,851.07
Resource tax		12,486.15
Total	8,669,435.06	8,831,089.05

Other explanation:

63. Administration expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	56,814,032.17	68,054,624.17
Depreciation and amortization of long-term assets	22,875,890.10	21,180,508.17
Office expenses	2,648,095.32	3,240,787.25
Intermediary agency fee	2,189,633.97	2,520,013.55
Travelling expense	724,417.01	926,931.47
Communication expense	760,746.70	743,873.40
Vehicle usage fee	562,013.08	531,242.62
Business hospitality	299,069.79	441,096.09
Rental	133,328.88	100,321.82
Repair cost	312,129.52	211,610.40
Low-value consumable	3,924.22	25,815.93
Other	7,403,442.99	6,680,190.17

Total	94,726,723.75	104,657,015.04
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Other explanation:

64.Sales expense

In RMB

Item	Current period	Last period
Labor and social security benefits	46,005,597.00	46,585,880.47
Depreciation and amortization of long-term assets	7,978,358.27	7,597,306.09
Utilities and office expenses	5,154,390.85	4,317,153.38
Sales service fee	6,029,769.66	3,981,193.46
Storage and loading/unloading fees	4,783.47	4,495,439.50
Port terminal fees	715,427.02	6,403,280.39
Travel expenses	1,111,459.18	1,272,102.59
Business hospitality	517,485.12	870,284.53
Rental	292,107.15	122,357.08
Advertising expenses	820,363.78	151,566.61
Property insurance premium	840,821.33	315,312.65
Low value consumables and other loss expenses	1,961,226.16	-1,471,258.29
Logistics and transportation costs	344,270.20	200,017.78
Vehicle usage fee	86,253.99	161,425.43
Other	1,598,513.78	6,079,182.41
Total	73,460,826.96	81,081,244.08

Other explanation:

65.R&D expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	5,116,627.53	5,658,800.71
Depreciation cost	1,573,235.55	1,459,851.71
Material consumption	1,699,485.02	1,079,631.78
Travel expense	349,424.09	368,211.91
Maintenance and inspection fee	250,655.39	33,552.42
Office expense	83,555.14	336,015.10
Intermediary fees	31,654.72	56,115.10
Other	708,633.77	440,566.51
Total	9,813,271.21	9,432,745.24

Other explanation:

66.Financial expense

In RMB

Item	Current period	Last period
Interest expenses	17,092,597.32	20,495,411.83
Less: Interest income	952,349.13	315,939.31
Exchange gains or loss	183,430.87	253,349.64
Handling fee and others	446,174.46	375,293.18
Total	16,769,853.52	20,808,115.34

Other explanation:

67.Other income

Sources	In RMB	
	Current period	Last period
Government grant	5,540,994.27	4,215,117.48
Input tax deduction	897,627.62	1,189,220.31
Handling fees for withholding personal income tax	448,072.44	383,734.35
Direct reduction of value-added tax	346.53	0.00
Other	1,509,124.92	0.00

68.Net exposure hedge gains

Item	In RMB	
	Current period	Last period
Other explanation:		

69.Income of fair value changes

Sources	In RMB	
	Current period	Last period
Tradable financial assets		-113,524.84
Tradable financial liabilities		288,486.18
Total		174,961.34

Other explanation:

70.Investment income

Item	In RMB	
	Current period	Last period
Long-term equity investment income measured by equity	-1,722,514.88	-705,464.09
Investment income from disposal of long-term equity investment	1,156,849.46	
Financing products	3,933,789.27	3,107,648.76
Total	3,368,123.85	2,402,184.67

Other explanation:

71.Credit impairment loss

Item	In RMB	
	Current period	Last period
Loss of bad debt of account receivable	-53,879.90	56,679.59
Loss of bad debt of other account receivable	-15,853.59	613,567.64
Total	-69,733.49	670,247.23

Other explanation:

72.Asset impairment loss

In RMB

Item	Current period	Last period
I. Inventory depreciation and contract performance cost impairment loss	-79,774,391.84	-46,633,952.80
Total	-79,774,391.84	-46,633,952.80

Other explanation:

73.Income from assets disposal

In RMB

Sources	Current period	Last period
Gains/losses from disposal of non-current assets	5,219,432.33	1,587,775.37

74.Non-operation income

In RMB

Item	Current period	Last period	Amount included in the current non-recurring gains/losses
Liquidated damages compensation income	8,536.00	191,240.00	8,536.00
No payment required	1,000.00		1,000.00
Gains from damage and scrapping of non-current assets	784.47		784.47
Gains from inventory surplus	0.00		0.00
Government relocation subsidy	0.00		0.00
Other	61,826.18	147,404.53	61,826.18
Total	72,146.65	338,644.53	72,146.65

Other explanation:

75.Non-operating expenditure

In RMB

Item	Current period	Last period	Amount included in current non-recurring gains and losses
External donations	21,613.38		21,613.38
Penalty expenses (and liquidated damages)	3,632.69		3,632.69
Loss of scrap from non-current assets	24,793.40	40,437.67	24,793.40
Compensation	160,000.00		160,000.00
Other	20,505.01	154,778.82	20,505.01
Total	230,544.48	195,216.49	230,544.48

Other explanation:

76. Income tax expense**(1) Income tax expense**

In RMB

Item	Current period	Last period
Current income tax expenses	42,734,278.54	12,023,380.41
Deferred income tax expenses	-8,529,453.68	-139,471.71
Other		34,334,038.75
Total	34,204,824.86	46,217,947.45

(2) Adjustment process of accounting profit and income tax expenses

In RMB

Item	Current period
Total profit	164,568,244.59
Income tax expenses calculated by statutory/applicable tax rate	41,142,061.15
Impact from different tax rate applicable with subsidiaries	-1,379,087.66
Effect of adjusting income tax in the previous period	-249,965.30
Impact of cost, expenses and losses unable to be deducted	35,844,629.16
Impact of unrecognized deferred income tax assets in current period on deductible temporary differences or deductible losses	34,616,976.53
Gains/losses of joint ventures and associated enterprises measured with equity method	344,625.76
Non-taxable income (filled in with the sign of "-")	-68,038,250.15
Tax influence of utilizing unconfirmed deductible losses and deductible temporary differences from previous years (filled in with the sign of "-")	-5,893,814.53
Tax influence of additional deduction of R&D expenditure (filled in with the sign of "-")	-528,943.57
Other	-1,653,406.53
Income tax expenses	34,204,824.86

Other explanation:

77. Other comprehensive income

Refer to notes.

78. Items of cash flow statement**(1) Cash received with other operating activities concerned**

In RMB

Item	Current period	Last period
Intercourse funds and deposit	1,281,111,970.63	333,482,963.88
Government grants	1,561,534.17	1,828,301.20
Interest income	611,096.36	315,939.31
Other	4,916,809.72	
Total	1,288,201,410.88	335,627,204.39

Note of cash paid with other operating activities concerned:

Cash paid with other operating activities concerned

In RMB

Item	Current period	Last period
Intercourse funds and deposit	1,067,273,655.24	403,829,430.09
Operating daily expenses	43,636,917.27	37,196,560.20
Other	5,735,732.19	2,062,442.54
Total	1,116,646,304.70	443,088,432.83

Note of cash paid with other operating activities concerned:

(2) Cash with other investment activities concerned

Cash received with other investment activities concerned

In RMB

Item	Current period	Last period
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Significant cash received with other investment activities concerned:

In RMB

Item	Current period	Last period
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Explanation on cash received with other investment activities concerned:

Cash paid with other investment activities concerned

In RMB

Item	Current period	Last period
Other		3,784,107.76
Total		3,784,107.76

Significant cash paid with investment activities

In RMB

Item	Current period	Last period
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Cash paid with other operating activities concerned

(3) Cash with financing activities concerned

Cash received with financing activities concerned

In RMB

Item	Current period	Last period
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Explanation on cash received with other financing activities concerned:

Cash paid with other financing activities concerned

In RMB

Item	Current period	Last period
Operating lease paid	12,238,276.69	9,650,074.57
Total	12,238,276.69	9,650,074.57

Explanation on cash paid with other financing activities concerned:

Changes in liabilities arising from financing activities

Applicable Not applicable

(4)Cash flow listed at net amount

Item	Relevant facts	Basis for being listed at net amount	Financial impact
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(5) Significant activities and financial impacts that do not involve current cash inflow and outflow but affect the financial condition of the enterprise or may affect the cash flow of the enterprise in the future**79.Supplementary information of cash flow statement****(1) Supplementary information of cash flow statement**

In RMB

Supplementary information	Current amount	Last amount
1. Net profit adjusted to cash flow of operation activities:		
Net profit	130,363,419.73	167,662,654.04
Add: Impairment provision for assets	79,844,125.33	45,963,705.57
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	55,522,639.34	56,724,826.02
Depreciation of right-of-use assets	11,347,720.63	11,088,321.52
Amortization of intangible assets	17,124,485.76	15,448,850.55
Amortization of long-term pending expenses	3,949,196.13	4,063,437.55
Loss from disposal of fixed assets, intangible assets and other long-term assets (income is listed with “-”)	-5,219,432.33	-1,587,775.37
Losses on scrapping of fixed assets (income is listed with “-”)	24,008.93	0.00
Loss from change of fair value (income is listed with “-”)	0.00	113,524.84
Financial expenses (income is listed with “-”)	17,092,597.32	19,324,823.46
Investment loss (income is listed with “-”)	-3,368,123.85	-3,107,648.76
Decrease of deferred income tax assets (increase is listed with “-”)	-8,349,197.50	33,567.33
Increase of deferred income tax asset((increase is listed with “-”)	-180,256.17	-206,859.33
Decrease of inventory (increase is listed with “-”)	-340,587,903.58	-22,562,750.54
Decrease of operating receivable accounts (increase is listed with “-”)	-84,838,140.10	56,159,006.78
Increase of operating payable accounts (decrease is listed with “-”)	-31,256,584.05	-265,614,331.45
Other		
Net cash flow arising from operating activities	-158,531,444.41	83,503,352.21
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Convertible company bonds due within one year		
Financing lease of fixed assets	1,100,277.81	
3. Net change of cash and cash equivalents:		

Ending balance of cash	73,865,526.29	100,112,129.74
Less: beginning balance of cash	230,919,769.29	53,095,469.26
Add: ending balance of cash equivalents		0.00
Less: beginning balance of cash equivalents	1,469,717.13	0.00
Net increasing of cash and cash equivalents	-158,523,960.13	47,016,660.48

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

In RMB

	Amount
Including:	
Including:	
Including:	

Other explanation:

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

In RMB

	Amount
Disposal of cash or cash equivalents received by subsidiaries in the current period	16,360,810.20
Including:	
Wuhan Jiacheng Biological Products Co., Ltd	16,360,810.20
Less: Cash and cash equivalents held by the company on the day of loss of control	3,118,867.58
Including:	
Wuhan Jiacheng Biological Products Co., Ltd	3,118,867.58
Including:	
Net cash received from disposal of subsidiaries	13,241,942.62

Other explanation:

(4) Component of cash and cash equivalent

In RMB

Item	Ending balance	Beginning balance
I. Cash	73,865,526.29	230,919,769.29
Including: Cash on hand	9,350.71	10,106.10
Bank deposit available for payment at any time	69,016,494.56	230,835,667.22
Other monetary fund available for payment at any time	4,839,681.02	73,995.97
II. Cash equivalent		1,469,717.13
Held-for-sale assets - monetary funds		1,469,717.13
Other		
III. Ending balance of cash and cash equivalent	73,865,526.29	232,389,486.42

(5) Items with restricted application scope still belong to cash and cash equivalents

In RMB

Item	Current amount	Last amount	Reason for still belonging to cash and cash equivalents
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(6) Monetary funds not belonging to cash and cash equivalent

In RMB

Item	Current amount	Last amount	Reason for not belonging to cash and cash equivalents
Bank deposit	2,973,129.00		Lawsuit freezing
Other monetary funds	4,750,000.00	5,464,837.31	Guarantee deposit, credit deposit, etc
Total	7,723,129.00	5,464,837.31	

Other explanation:

(7) Explanation on other significant activities

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" items that have been adjusted to the ending balance of the previous year

81. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			2,841,138.49
Including: USD	47,006.93	7.1268	335,008.99
EURO	0.00	7.6617	0.00
HKD	184,404.43	0.9127	168,302.24
Account receivable			
Including: USD	287,049.27	7.1268	2,045,742.74
EURO			
HKD	320,029.50	0.9127	292,084.52
Long-term borrows			
Including: USD			
EURO			
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 is changed, explain reasons

Applicable Not applicable

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" items that have been adjusted to the ending balance of the previous year

81. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			
Including: USD	47,006.93	7.1268	335,008.99
EURO	0.00	7.6617	0.00
HKD	184,404.43	0.9127	168,302.24
Account receivable			
Including: USD	287,049.27	7.1268	2,045,742.74
EURO			
HKD	320,029.50	0.91268	292,084.52
Long-term borrows			
Including: USD			
EURO			
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 is changed, explain reasons

Applicable Not applicable

82. Lease

(1) The company as lessee

Applicable Not applicable

(2) The company as lessor

Operating lease with the company as lessor

Applicable Not applicable

Financing lease with the company as lessor

Applicable Not applicable

Annual undiscounted lease payments for the next five years

Applicable Not applicable

Adjustment table for undiscounted lease receipts and net lease investments

(3)Recognize gains/losses from financing lease as producer or dealer

Applicable Not applicable

83. Data resource

84. Others

VIII. R&D expenditure

In RMB

Item	Current period	Last period
Labor and social security benefits	4,677,082.95	5,098,176.11
Depreciation and amortization expenses	1,622,308.36	1,780,607.54
Material consumption	1,648,913.98	1,038,146.52
Maintenance and testing fees	445,254.60	351,178.38
Travel expenses	349,424.09	368,175.91
Office expenses	371,605.05	337,322.20
Intermediary fees	31,654.72	56,115.10
Other	392,222.82	31,757.24
Total	9,538,466.57	9,061,479.00
Among them: Expensed R&D expenditure	9,538,466.57	9,061,479.00
Capitalized R&D expenses	0.00	0.00

1.R&D items that meet capitalization conditions

In RMB

Item	Beginning balance	Current increase			Current decrease			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Carried forward to current gains/losses		
Total								

Major capitalized R&D items

Items	R&D progress	Estimated completion time	Expected way of generating economic benefits	Starting point of capitalization	Specific basis for starting capitalization

Impairment reserve for R&D expenditure

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Impairment test

2. Important outsourced projects under research

Item	Expected way of generating economic benefits	The criteria and specific basis for determining capitalization or expensing

Other explanation:

IX.Changes in consolidation range

1. Enterprise merger not under the same control

(1) Enterprise merger not under the same control

In RMB

Acquiree	Time point for equity obtained	Cost of equity obtained	Ratio of equity obtained	Acquired way Equity obtained way	Purchasing date	Standard to determine the purchasing date	Income of acquiree from purchasing date to period-end	Net profit of acquiree from purchasing date to period-end

Other explanation:

(2) Combination cost and goodwill

In RMB

Consolidation cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of debts issued or assumed	
--Fair value of equity securities issued	
--Fair value of contingent consideration	
--Fair value of the equity prior to the purchasing date	
--Other	
Total combination cost	
Less: shares of fair value of identifiable net assets acquired	
Portion of goodwill/merger cost less than the shares of fair value of identifiable net assets acquired	

Explanation of the method for determining the fair value of merger costs

Explanation on contingent considerations

Main reasons for the formation of large goodwill

Other explanation:

(3) Identifiable assets and liabilities on purchasing date under the acquiree

In RMB

	Fair value on purchasing date	Book value on purchasing date
Assets:		
Monetary funds		
Account receivable		
Inventory		
Fixed assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Deferred income tax liabilities		
Net assets		
Less: Minority interests		
Net assets acquired		

Determination method for fair value of the identifiable assets and liabilities:

Contingent liabilities assumed by the acquiree in a business merger:

Other explanation:

(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date

Is there any transaction that achieves business merger through multiple transactions and obtains control during the reporting period?

Yes No

(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are unable to confirm rationally

(6) Other explanation

2. Business combination under the same control

(1) Business combination under the same control in the Period

In RMB

Acquiree	Equity ratio obtained in combination	Basis of combined under the same control	Combination date	Standard to determine the combination date	Income of the combined party from period-begin of combination to the combination date	Net profit of the combined party from period-begin of combination to the combination date	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period

Other explanation:

(2)Combination cost

In RMB

Consolidation cost	
--Cash	
-- Book value of non-cash assets	
-- Book value of debts issued or assumed	
-- Face value of equity securities issued	
--Contingent consideration	

Explanation on contingent consideration and its changes:

Other explanation:

(3) Book value of the assets and liabilities of the combined party on combination date

In RMB

	Consolidation date	Ending balance of last period
Assets:		
Monetary funds		
Account receivable		

Inventory		
Fixed assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liability of the combined party assumed by the Company during combination:

Other explanation:

3. Reverse purchase

Basic transaction information, basis of counter purchase, whether making up business due to the assets and liability reserved by listed company and basis, determination of combination cost, amount and calculation on adjusted equity by equity transaction:

4. Disposal of subsidiary

Is there any transaction or event of losing control of a subsidiary in this period?

Yes No

In RMB

Name of subsidiary	Disposal price at the point of loss of control	Proportion of disposal at the point of loss of control	Disposal manner at the point of loss of control	The point of losing control	Basis for determining the point of losing control	The difference between the disposal price and the share of the subsidiary's net assets in the consolidated financial statements corresponding to the disposal investment	The proportion of remaining equity on the date of loss of control	On the date of loss of control, the book value of the remaining equity at the consolidated financial statement level	Fair value of remaining equity at the consolidated financial statement level on the date of loss of control	Gains or losses arising from remeasurement of remaining equity at fair value	Method and main assumptions for determining the fair value of remaining equity at the consolidated financial statement level on the date of loss of control	The amount of other comprehensive income related to equity investments in subsidiary companies transferred to investment profit or loss or retained earnings
Wuhan	23,242	51.00	Sale	2024-	Transf	1,156,						

Jiache ng Biolog ical Produc ts Co., Ltd	,130.2 0	%		02-29	er of control right	849.46						
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Other explanation:

Is there any situation where investments in subsidiaries are disposed by steps through multiple transactions and control is lost in the current period?

Yes No

5. Other reasons for changes in consolidation range

Consolidation scope changes caused by other reasons (eg. establish new subsidiaries, liquidate subsidiaries, etc.) and the related circumstances:

6. Other

X. Equity in other entities

1. Equity in subsidiaries

(1) Membership of enterprise group

Subsidiary	Registered capital	Main place of operation	Registration place	Business nature	Shareholding ratio ratio		Acquisition way
					Directly	Indirectly	
SZCG	1,530,000,000.00	Shenzhen City	Shenzhen City	Grain & oil trading	100.00%		Combine under the same control
Hualian Grain & Oil	100,000,000.00	Shenzhen City	Shenzhen City	Grain & oil trading		100.00%	Combine under the same control
Shenzhen Flour	30,000,000.00	Shenzhen City	Shenzhen City	Flour processing		100.00%	Combine under the same control
Shenliang Quality Inspection	8,000,000.00	Shenzhen City	Shenzhen City	Inspection		100.00%	Combine under the same control
Hainan Grain and Oil	10,000,000.00	Haikou City	Haikou City	Feed production		100.00%	Combine under the same control
Doximi	10,000,000.00	Shenzhen City	Shenzhen City	E-commerce		100.00%	Combine under the same control
Big Kitchen	10,000,000.00	Shenzhen City	Shenzhen City	Sales and processing of grain,oil and relevant products		70.00%	Combine under the same control
Yingkou Storage	1,000,000.00	Yingkou City	Yingkou City	Storage		100.00%	Combine under the same control
Cold Chain Logistic	10,000,000.00	Shenzhen City	Shenzhen City	On-line operation of fresh food		100.00%	Combine under the same control
Shenliang Property	9,500,000.00	Shenzhen City	Shenzhen City	Property development and management		100.00%	Combine under the same

							control
International Food	221,000,000.00	Dongguan City	Dongguan City	Port operation, food production		100.00%	Combine under the same control
Dongguan Grain and Oil	100,000,000.00	Dongguan City	Dongguan City	Food production		100.00%	Combine under the same control
Dongguan Logistics	298,000,000.00	Dongguan City	Dongguan City	Storage, logistics	49.00%	51.00%	Combine under the same control
Shuangyashan	100,000,000.00	Shuangyashan City	Shuangyashan City	Construction of food base and development of related complementary facilities		51.00%	Combine under the same control
Shenliang Hongjun	30,000,000.00	Shenzhen City	Shenzhen City	Catering		51.00%	Establishment
Dongguan Hualian	10,000,000.00	Dongguan City	Dongguan City	Grain and oil trade		100.00%	Establishment
Shenliang Property Management	5,000,000.00	Shenzhen City	Shenzhen City	Property management		100.00%	Establishment
Shenbao Huacheng	207,451,300.00	Shenzhen City	Shenzhen City	Manufacturing	100.00%		Establishment
Wuyuan Ju Fang Yong	290,000,000.00	Shangrao City	Shangrao City	Manufacturing		100.00%	Establishment
Huizhou Shenbao	60,000,000.00	Huizhou City	Huizhou City	Comprehensive	100.00%		Establishment
Shenbao Investment	50,000,000.00	Shenzhen City	Shenzhen City	Investment management	100.00%		Establishment
Shenbao Tea Culture	15,000,000.00	Shenzhen City	Shenzhen City	Commercial trade		100.00%	Establishment
Shenliang Hongli	50,000,000.00	Shenzhen City	Shenzhen City	Gain and oil wholesale	100.00%		Establishment
Ju Fang Yong Holding	175,000,000.00	Hangzhou City	Hangzhou City	Comprehensive		100.00%	Establishment
Fuhaitang Catering	1,000,000.00	Hangzhou City	Hangzhou City	Catering industry		100.00%	Establishment
Fuhaitang Ecology Technology	2,000,000.00	Hangzhou City	Hangzhou City	Tea planting, production and sales		100.00%	Business combination not under the same control
Shenbao Rock Tea	20,700,000.00	Wuyishan City	Wuyishan City	Manufacturing		100.00%	Establishment
Pu'er Tea Supply Chain	20,000,000.00	Pu'er City	Pu'er City	Wholesale business		100.00%	Establishment
Shenliang Food	30,150,000.00	Huizhou City	Shenzhen City	Manufacturing	100.00%		Establishment
Huizhou Shenliang Food	5,000,000.00	Huizhou City	Huizhou City	Wholesale business		100.00%	Establishment
Zhenpin Market	10,000,000.00	Shenzhen City	Shenzhen City	Platform construction, promotion, and operation		51.00%	Establishment

Explanation on shareholding ratio ratio in subsidiary different from ratio of voting right:

Explanation on 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:

Explanation on the basis for control the important structured entities included in the consolidation scope:

Basis for determining whether the company is an agent or consignor:

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	shareholding ratio of minority shareholders	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shuangyashan	49.00%	81,812.58		29,188,287.66

Explanation on the situation where the shareholding ratio of minority shareholders is different from the voting right ratio of minority shareholders:

Other explanation:

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

In RMB

Subsidiary	Ending balance						Beginning balance					
	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities
Shuangyashan	18,012,706.98	148,736,670.63	166,749,377.61	107,181,443.61		107,181,443.61	85,781,145.45	152,130,471.73	237,911,617.18	178,510,647.62		178,510,647.62

In RMB

Subsidiary	Current Period				Last Period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operation activity	Operating income	Net profit	Total comprehensive income	Cash flow from operation activity
Shuangyashan	70,843,760.11	166,964.44	166,964.44	2,080,725.70	33,838,129.44	191,507.02	191,507.02	2,197,667.83

Other explanation:

(4) Significant restrictions on the use of enterprise group assets and the repayment of debts of the enterprise group

(5) Financial or other support offered to the structured entities included in consolidated financial statements

Other explanation:

2. Transactions where the share of owner's equity in a subsidiary changes while the subsidiary is still controlled

(1) Explanation on changes in owner's equity shares in subsidiary

(2) Impact of such transaction on equity of minority interests and owners' equity attributable to parent company

In RMB

Purchase cost/disposal consideration	
--Cash	

--Fair value of non-cash assets	
Purchase cost/total disposal consideration	
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity	
Difference	
Including: Adjust capital reserve	
Adjust surplus reserve	
Adjust retained profit	

Other explanation

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

Joint venture/Associated enterprise	Main place of operation	Registration place	Business nature	Shareholding ratio		Accounting treatment on investment in joint venture and associated enterprise
				Directly	Indirectly	
Zhuhai Hengxing Feed Industrial Co., Ltd.	Zhuhai	Zhuhai	Aquatic fee and animal fee		40.00%	Equity method
Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	Shenzhen	Shenzhen	Equity investment; investment consultant		49.02%	Equity method

Description on situation where the shareholding ratio in joint ventures or associated enterprises is different from the ratio of voting rights:

Description on the basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but having no significant influence.

(2) Main financial information of important joint venture

In RMB

	Ending balance/Current period		Beginning balance/Last period	
Current assets				
Including: cash and cash equivalent				
Non-current assets				
Total assets				
Current liabilities				
Non-current liabilities				
Total liabilities				
Minority interests				
Shareholders' equity attributable to parent company				
Share of net assets				

calculated by shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profit of internal trading				
-- Other				
Book value of equity investment in joint venture				
Fair value of the equity investment in joint ventures with public offers concerned				
Operating income				
Financial expenses				
Income tax expenses				
Net profit				
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income				
Dividends received from joint venture in the year				

Other explanation

(3) Main financial information of important associated enterprises

In RMB

	Ending balance/Current period		Beginning balance/Last period	
	Zhuhai Hengxing Feed Industrial Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	Zhuhai Hengxing Feed Industrial Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)
Current assets	258,912,540.40	20,641,526.55	206,533,219.54	20,506,045.15
Non-current assets	20,917,350.71	35,159,782.75	22,214,230.53	34,910,923.94
Total assets	279,829,891.11	55,801,309.30	228,747,450.07	55,416,969.09
Current liabilities	164,910,902.36	170,000.00	115,358,256.12	170,000.00
Non-current liabilities	29,017,970.43		29,663,266.41	
Total liabilities	193,928,872.79	170,000.00	145,021,522.53	170,000.00
Net asset	85,901,018.32	55,631,309.30	83,725,927.54	55,246,969.09
Minority interests				
Equity attributable to shareholder of parent company	85,901,018.32	55,631,309.30	83,725,927.54	55,246,969.09
Share of net assets measured by shareholding	34,167,810.49	27,270,293.34	33,490,371.02	27,082,064.25
Adjustment			162,764.46	-174.47
--Goodwill				
--Unrealized profit of internal trading				
-- Other			162,764.46	-174.47

Book value of equity investment in associated enterprise	34,167,810.49	27,270,293.34	33,653,135.48	27,081,889.78
Fair value of the equity investment of associated enterprise with public offers concerned				
Operating income	151,719,295.67		267,239,221.76	
Net profit	1,286,687.52	384,340.21	1,868,302.32	-403,077.01
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	1,286,687.52	384,340.21	1,868,302.32	-403,077.01
Dividends received from associated enterprise in the year				

Other explanation

(4) Summary of financial information of unimportant joint venture and associated enterprises

In RMB

	Ending balance/Current Period	Beginning balance/Last Period
Joint venture:		
Amount based on shareholding ratio ratio		
Associated enterprise:		
Total book value of investment	10,848,307.77	13,273,901.22
Total amount calculated in terms of shareholding ratio ratio		
--Net profit	-2,425,593.45	-2,828,725.22
--Other comprehensive income		0.00
--Total comprehensive income	-2,425,593.45	-2,828,725.22

Other explanation

(5) Major limitation on capital transfer ability to the Company from joint venture or associated enterprise

(6) Excess loss occurred in joint venture or associated enterprise

In RMB

Joint venture/Associated enterprise	Cumulative derecognized losses	Derecognized losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative derecognized losses at period-end
Changzhou Shenbao Chacang E-business Co., Ltd.	10,600,036.50	-29,640.62	10,570,395.88

Other explanation

(7) Unconfirmed commitment related to joint venture investment

(8) Intangible liabilities related to joint venture or associated enterprise investment

4. Major joint operation

Name	Main place of operation	Registration place	Business nature	Shareholding ratio/ shares enjoyed	
				Directly	In-directly

Explanation on situation where shareholding ratio or shares enjoyed in joint operation is different from voting right ratio in joint operation:

Explanation on the classification the basis of joint operation in case the entity of joint operation is the separate entity:

Other explanation

5. Equity in structured entities not included in the scope of consolidated financial statements

Explanation:

6. Other

XI. Government grant

1. Government grant recognized at report ending in terms of amount receivable

Applicable Not applicable

Reasons for not receiving the expected amount of government grants at the expected time point

Applicable Not applicable

2.Liabilities involved with government grant

Applicable Not applicable

In RMB

Accounting title	Beginning balance	Current increase in government grant	Amount booked into non-business income in current period	Amount carried forward to other income	Other changes in current period	Ending balance	Asset/income related
Deferred income	82,819,873.24	4,057,114.25		3,982,362.15		82,894,625.34	Asset related

3. Government grant booked into current gains/losses

Applicable Not applicable

In RMB

Accounting title	Current period	Last period
Other revenue	5,540,994.27	4,215,117.48

Other explanation:

XII. Risk related with financial instrument

1. Various risks arising from financial instruments

Our business operation makes the Company exposed to various financial risks, such as credit risk, liquidity risk and market risk (Including exchange rate risk, interest rate risk and other price risk).

The Company disperses the risk of financial instruments through appropriate diversified investment and business portfolio, and reduces the risk concentrating on a single industry, specific region or specific counterparty by formulating corresponding risk management policies.

1. Credit risk

Credit risk refers to the risk of a financial loss caused by the counter party's failure to fulfill its contractual obligations.

Credit risks of the Company arises mainly from monetary funds, note receivable, account receivable, other receivable, debt investments, financial guarantee contracts, the debt instrument investments measured at fair value and with its variation reckoned in current gain/loss that are not included in the scope of impairment assessment and derivative financial assets, etc. As of the balance sheet date, the carrying value of the financial assets represented its maximum exposure to credit risk;

Monetary funds of the Company are mainly the bank deposits in reputable state-owned banks and other larger and medium-sized listed banks with high credit ratings, and the company believes that it is not exposed to significant credit risks and will hardly incur significant losses due to the bank defaults.

Furthermore, for bill receivable, account receivables and other account receivables, the Company establishes relevant policies to control exposure of credit risk. The Company appraises customers' credit quality based on their financial position, possibility to obtain guarantee from third parties, credit history and other factors such as prevailing market conditions, and set corresponding credit terms. Customers' credit history would be regularly monitored by the Company. For those customers who have bad credit history, the Company will call collection in written form, shorten credit term or cancel credit term to ensure its overall credit risk is under control.

As of June 30, 2024, the account receivable from top five clients accounted for 45.33% of the Company's total account receivable.

The maximum credit risk exposure equals to the carrying value of each financial asset in balance sheet (including derivative financial instrument). The Company has not provided any guarantee which would otherwise make the Company exposed to credit risk except for the financial guarantee carried in Note "XII. Related party and related transaction".

2. Liquidity risk

Liquidity risk refers to the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets.

It is the Company's policy to ensure that sufficient cash is available to meet debt obligations as they fall due. Liquidity risk is centrally controlled by the Company's finance department. By monitoring cash balances, readily realizable marketable securities, and rolling forecasts of cash flows for the next 12 months, the finance department ensures that the company has sufficient funds to service its debts under all reasonable forecasts. In addition, it continues to monitor whether borrowing agreement is complied with, and seeks for commitment from major financial institutions for provision of sufficient back-up fund, so as to satisfy capital requirement in a short and long term.

The financial liabilities of the company are presented as undiscounted contract cash flows at maturity as follows:

3. Market risk

The market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

3.1 Interest risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

Interest-bearing financial instruments with fixed rates and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed interest rate instruments to floating interest rate instruments according to the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments through regular review and monitoring. When necessary, the Company will use interest rate swap instruments to hedge interest rate risk.

3.2 Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company continuously monitors the foreign currency transactions and the scale of foreign currency assets and liabilities to minimize foreign exchange risks. In addition, the company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. During the current period and the previous period, the Company did not sign any forward foreign exchange contracts or currency swap contracts.

3.3 Other price risk

Other price risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

Other price risk of the Company arises mainly from investment in various types of equity instruments and is exposed to the risks of changes in the prices of equity instruments.

2.Hedge

(1) Risk management for hedge business

Applicable Not applicable

(2) The company conducts eligible hedging business and applies hedging accounting

In RMB

Item	Book value related to hedged items and hedging instruments	Adjustment of accumulated fair value hedging included in the recognized book value	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the company's financial statements

		of hedged items		
Type of hedge risk				
Type of hedge				

Other explanation

(3) The company conducts hedging business for risk management. It is expected to achieve risk management goals but has not applied hedging accounting

Applicable Not applicable

3.Financial assets

(1) By transfer manner

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Financial assets which are transferred and involved continuously

Applicable Not applicable

Other explanation: Nil

XIII. Disclosure of fair value

1. Ending fair value of the assets and liabilities measured by fair value

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
(iii) Other equity instrument investment			57,500.00	57,500.00
II. Non-sustaining measured by fair value	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

7. Changes of valuation technique in the Period

8. Financial assets and liabilities not measured by fair value

9. Other

XIV. Related party and related transactions

1. Parent company

Parent company	Registration place	Business nature	Registered capital	Ratio of shareholding on the Company	Ratio of voting right on the Company
Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	Shenzhen	Investing in industry, development, operation and management of the own property	5,000 million yuan	63.79%	72.02%

Explanation on parent company of the Company

The ultimate controller of the Company is Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission

Other explanation:

2. Subsidiaries of the Company

For more details of subsidiaries of the Company, please refer to "Note X(1)".

3. Joint venture and associated enterprise of the Company

For more details of important joint venture and associated enterprise of the Company, please refer to "Note X(3)".

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

with the Company arising from transaction in last period are described as follows:

Joint venture/Associated enterprise	Relationship with the enterprise
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Other explanation

4. Other related party

Other related party	Relationship between other related party and the company
Shenzhen Agricultural Products Group Co., Ltd	Holding subsidiary of parent company
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenpin Group Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenchu Supply Chain Co., Ltd.	Holding subsidiary of parent company
Xi'an Moer Agricultural Products Co., Ltd	Holding subsidiary of parent company
Shenzhen Shenliang Cold Transport Co., Ltd.	Holding subsidiaries of the Company's associated enterprise
Shenzhen Shennong Kitchen Co., Ltd	Subsidiaries of the Company's shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiaries of the Company's shareholders, controlled by the ultimate controlling party
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Subsidiaries of the Company's shareholders, controlled by the ultimate controlling party

Other explanation

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

Related party	Related transaction content	Current Period	Approved transaction limit	Whether more than the transaction limit (Y/N)	In RMB
					Last Period
Shenzhen Shen Yuan Data Tech. Co., Ltd	Information software development	2,661,837.76		N	5,091,557.43
Shenzhen Shennong Kitchen Co., Ltd	Procurement of goods	2,303,894.07		N	852,212.56
Shenzhen Shenliang Cold Transport Co., Ltd.	Warehousing services/Transportation services	163,398.75		N	137,432.79

Goods sold/labor service providing

Related party	Content of related transaction content	Current period	In RMB
			Last period
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Grain and oil sales	25,911.50	0.00
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	Tea sales and property management services	15,546.90	9,433.95

Shenzhen Agricultural Products Group Co., Ltd	Tea sales, grain and oil sales	14,538.05	8,240.71
Shenzhen Shenliang Cold Transport Co., Ltd.	Grain sales, warehousing services, tea sales	98,874.41	512,330.45
Shenzhen Shennong Kitchen Co., Ltd	Grain and oil sales, tea sales	114,073.49	41,203.54
Shenzhen Zhenpin Group Co.,Ltd.	Property management service	210,774.85	0.00
Shenzhen Zhenchu Supply Chain Co., Ltd.	Grain and oil sales and transportation services	678,685.83	971,414.88
Shenzhen Food Materials Group Co., Ltd	Grain and oil sales	2,045.70	0.00
Shenzhen Cabbage Technology Co., Ltd	Grain and oil sales	2,591.15	0.00
Xi'an Moer Agricultural Products Co., Ltd	Grain and oil sales	38,867.25	0.00

Explanation on goods purchasing, labor service providing and receiving

(2) Related trusteeship management/contract & entrust management/outsourcing

Trusteeship management/contract:

In RMB

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

Entrusted management/outsourcing:

In RMB

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

(3) Related lease

The company acts as the lessor:

In RMB

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized last Period
Shenzhen Shen Yuan Data Technology Co., ltd.	Operating site	223,111.41	261,994.26

The company acts as the lessee:

In RMB

Lessor	Assets type	Simplified rental fees for short-term leases and low value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-of-use assets	
		Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period
Shenzhen	Office	7,885.50	15,771.0			7,885.50	15,771.0				

Higreen International Agricultural Products Logistic Management Co., Ltd	space		0				0				
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Explanation on related lease

(4) Related guarantee

The Company acts as the guarantor

In RMB

Secured party	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
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The Company acts as the secured party

In RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
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Explanation on related guarantee:

(5) Related party's borrowed funds

In RMB

Related party	Borrowing amount	Starting date	Maturity date	Note
Borrowing				
Lending				

(6) Assets transfer and debt reorganization of related party

In RMB

Related party	Content of related transaction	Current Period	Last Period
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(7) Remuneration of key executives

In RMB

Item	Current Period	Last Period
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(8) Other related transaction

6. Accounts receivable from related parties

(1) Items receivable

In RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Book balance	Book balance	Bad debt provision
Account receivable	Guangxi Higreen Agricultural Products International	29,280.00	0.00	0.00	0.00

	Logistics Co., Ltd.				
Account receivable	Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	16,388.00	158.84	15,884.00	158.84
Account receivable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	1,123.20	0.00	1,123.20	0.00
Account receivable	Shenzhen Agricultural Products Group Co., Ltd	4,788.00	46.56	4,656.00	46.56
Account receivable	Shenzhen Shenliang Cold Transport Co., Ltd.	98.83	98.83	9,882.80	98.83
Account receivable	Shenzhen Shennong Kitchen Co., Ltd	70,175.00	177.63	272,089.00	2,720.89
Account receivable	Shenzhen Zhenchu Supply Chain Co., Ltd.	281,544.06	3,834.85	437,388.10	4,420.95
Account receivable	Shenzhen Cabbage Technology Co., Ltd	43,920.00	0.00	0.00	0.00
Account receivable	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	23,220.00	232.20	23,220.00	232.20
Other account receivable	Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	1,001,000.00	0.00	1,001,000.00	0.00
Other account receivable	Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	50,000.00	0.00	50,000.00	0.00
Other account receivable	Shenzhen Shenyuan Data Tech. Co., Ltd	466,800.00	4,668.00	466,800.00	4,668.00
Other account receivable	Shenzhen Shichumingmen Catering Management Co., Ltd.	1,908,202.67	1,908,202.67	1,908,202.67	1,908,202.67
Other account receivable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	5,520.00	5,520.00	5,520.00	5,520.00
Other account	Changzhou	24,608,742.46	22,187,644.18	24,608,742.46	22,187,644.18

receivable	Shenbao Chacang E-business Co., Ltd.				
Other account receivable	Shenzhen Shenliang Cold Transport Co., Ltd.	10,000.00	0.00	10,000.00	0.00
Other account receivable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	0.00	0.00	2,000.00	0.00

(2) Payable item

In RMB

Item	Related party	Ending book balance	Opening book balance
Contract liability	Shenzhen Shennong Kitchen Co., Ltd	1,419.00	0.00
Account payable	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission	45,130,521.99	23,263,563.60
Other account payable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	41,486.00	41,486.00
Other account payable	Shenzhen Shennong Kitchen Co., Ltd	550,000.00	275,000.00
Other account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	427,310.00	1,727,021.67
Other account payable	Shenzhen Agriculture and Food Investment Holding Group Co., Ltd.	146,162,941.72	146,162,941.72
Other account payable	Zhanjiang Haitian Aquatic Feed Co., Ltd	20,000.00	20,000.00
Other account payable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	8,095,680.19	8,069,454.17
Account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	4,500.00	87,671.67

7. Related party commitment

8. Other

XV. Share-based payment

1. Overall situation of share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4.Share-based payment expense in current period

Applicable Not applicable

5. Modification and termination of share-based payment

Nil

6. Other

XVI. Commitment or contingency

1. Important commitments

Important commitments on balance sheet date

As of June 30, 2024, there are no other significant commitments that the company should disclose

2.Contingency

(1) Contingency on balance sheet date

(1)Contingent liabilities arising from pending litigation and arbitration and their financial impact

SN	Plaintiff	Defendant	Cause	Court	Target('0000 yuan)	Progress
1	Shenzhen Yanxin Industrial Co., Ltd(Yanxin Industrial)	SZCG	Part of lease contract dispute lawsuit	Longgang District People's Court of Shenzhen, Guangdong Province	158.38	Pending
2	Nanshan District Housing and Urban-Rural Development Bureau	SZCG	Contract dispute lawsuit	Shenzhen Intermediate People's Court	389.88	Pending
3	Zhonggang Construction Group Co., Ltd(Zhonggang Construction)	Dongguan Logistics	Construction engineering contract dispute lawsuit	Maritime Court of Haizhu District, Guangzhou City, Guangdong Province	2,800.54	Pending
4	Zhongji Guoliang Trade(Liaoning) Co., Ltd(Zhongji Guoliang)	Hualian Company, SZCG, SZCH	Disputes over sales contracts	Shenzhen Intermediate People's Court	297.31	Pending
5	Peng Miaosheng	Guangdong Yongshen Construction Engineering Co., Ltd, International Food Industrial Park , Xu Jianqiang	Construction engineering contract dispute lawsuit	The First People's Court of Dongguan City, Guangdong Province,	453.51	Pending
6	Shanghai Baoyan Catering Co., Ltd.	Hangzhou Ju Fang Yong Holding Co., Ltd and Shenzhen Shenshenbao	Enforcement objection case	Binjiang District People's Court of Hangzhou,	104.37	Pending

SN	Plaintiff	Defendant	Cause	Court	Target('0000 yuan)	Progress
		Investment Co., Ltd		Zhejiang province		

① Lease Contract Dispute between Yanxin Industrial and SZCG (Part)

On April 12, 2022, the plaintiff Yanxin Industrial sued SZCG in the Longgang District People’s Court of Shenzhen, requesting the defendant to pay the plaintiff the following amounts totaling 1,583,800 yuan: 1) Compensation for the plaintiff’s housing renovation expenses of 1,263,800 yuan (including fire engineering construction costs of 1,840,000 yuan, purchase of fire equipment costs of 900,000 yuan (buildings 1-6), and decoration engineering construction costs of 3,062,000 yuan); 2) Compensation for the plaintiff’s water and electricity facility maintenance fees of 120,000 yuan (18,000 yuan per year for building 3); 3) Compensation for the plaintiff’s expenses of converting the property from industrial to commercial use, amounting to 200,000 yuan; 4) Litigation costs to be borne by the defendant.

On January 11, 2023, the Longgang District People’s Court of Shenzhen made a judgment: the defendant SZCG shall pay the plaintiff Yanxin Industries 640,000.00 yuan for house renovation compensation within seven days from the effective date of this judgment; the other claims of the plaintiff Yanxin Industries are dismissed. The case acceptance fee is 24,200.00 yuan, with 11,200.00 yuan borne by the plaintiff and 13,000.00 yuan borne by the defendant.

Both the plaintiff and the defendant have appealed. On January 26, 2024, the Guangdong Province Shenzhen Intermediate People’s Court made a ruling: the first-instance judgment is revoked; the case is remanded to the Longgang District People’s Court of Shenzhen, Guangdong Province for retrial.

As of now, the Company is unable to determine the financial impact of potential liabilities, and the estimated liabilities for this pending lawsuit have not been recognized.

② Contract Dispute between Nanshan District Housing and Urban-Rural Development Bureau and SZCG

On September 1, 2022, the Nanshan District Housing and Urban-Rural Development Bureau filed a lawsuit with the Futian District People’s Court of Shenzhen against SZCG, requesting: 1) Judgement for the defendant Cereals Group to fulfill its assistance obligation by issuing corresponding legal and tax-inclusive invoices to the plaintiff for the repurchase amount, with an invoice amount of 3.8988 million yuan. 2) The litigation costs in this case shall be borne by the defendant.

On January 26, 2024, the Futian District People’s Court of Shenzhen ruled: I) The defendant SZCG shall issue legal and tax-inclusive invoices to the plaintiff Nanshan District Housing and Urban-Rural Development Bureau in the amount of 3.8988 million yuan within ten days from the effective date of this judgment. II) Dismiss the counterclaim request of the defendant SZCG.

On February 7, 2024, SZCG filed an appeal. The case is currently under review.

Note: The assets of Dingtou Village project belong to the assets that have been restructured and listed for divestment, and have been divested from the company.

As of now, our company does not need to recognize estimated liabilities for this pending lawsuit.

③ Construction Engineering Contract Dispute between Zhonggang Construction and Dongguan Logistics

On June 30, 2023, Zhonggang Construction filed a lawsuit against Dongguan Logistics with the Guangzhou Maritime Court. Guangdong Province Planning & Designing Institute for Water Transportation Co., Ltd is the third party(hereinafter referred to as “Planning & Design Institute”, requesting: 1) Judgment for the defendant to pay the plaintiff construction fees of 15,614,000.00

yuan; 2) Judgment for the defendant to pay overdue payment interest to the plaintiff (specific calculation detailed in the “Interest Calculation Table,” currently totaling 6,371,300.00 yuan until June 30, 2023); 3) Judgment for the defendant to compensate the plaintiff for the delay in the construction period and a loss of 6.02 million yuan; 4) Judgment for the defendant to bear all litigation costs in this case. The total amount of the aforementioned first and third litigation requests is currently 28,005,400.00 yuan.

On September 15, 2023, the plaintiff submitted an application to the court to conduct an appraisal of the disputed issues in the case.

On November 6, 2023, the appraisal institution was determined to be Nanjing Yongdao Engineering Consulting Co., Ltd., Zhuhai Branch. On December 4, 2023, the appraisal institution conducted on-site inspections at the first phase terminal of Dongguan Logistics. On December 18, 2023, both parties submitted additional appraisal materials in accordance with the requirements of the court and the appraisal institution, and provided cross-examination opinions on the additional materials submitted by the other party.

On May 17, 2024, the case was formally heard in the Guangzhou Maritime Court. Before the conclusion of the court investigation, the plaintiff amended its claims as follows: 1. The defendant shall pay the plaintiff 16,014,585.88 yuan in project payments; 2. The defendant shall pay the plaintiff interest as follows: 553,266.17 yuan for overdue progress payments, 334,024.12 yuan on the unpaid balance up to 85% of the total construction costs after project completion, 1,869,352.17 yuan on the unpaid balance up to 95% of the settlement amount after project acceptance, and 3,739,669.73 yuan for the delayed return of the warranty deposit (with the total interest calculated up to June 30, 2023, being 6,496,312.19 yuan). Interest is to be calculated on the outstanding amount from the date of delay until full payment, at 1.5 times the corresponding loan interest rate published by the People's Bank of China from October 24, 2015, to August 19, 2019, and at 1.5 times the Loan Prime Rate (LPR) from October 21, 2019, onwards; 3. The defendant shall compensate the plaintiff 6,226,500 yuan for construction delay losses (593 days at 10,500 yuan/day); 4. The defendant shall bear the judicial appraisal fees in proportion to the outcome of the appraisal claims; 5. The defendant shall bear all litigation costs.

On July 29, 2024, the Guangzhou Maritime Court ruled: 1. The defendant, Dongguan Logistics, shall pay the plaintiff, Zhonggang Construction, 15,213,127.76 yuan in project payments, plus interest at the Loan Prime Rate (LPR) published by the National Interbank Funding Center from December 31, 2019, until full payment is made; 2. The defendant shall pay the plaintiff 106,696.65 yuan in appraisal fees; 3. All other claims by the plaintiff are dismissed.

On August 9, 2024, Dongguan Logistics filed an appeal with the Guangdong High People's Court, requesting: 1) The annulment of the first item of the original judgment (2023) Yue 72 Minchu No. 1329, and a revised judgment for the appellant to pay 5,286,821.63 yuan in project payments with corresponding interest; 2) The annulment of the second item of the original judgment, with a recalculation of the appraisal fees based on the revised amount; 3) That all litigation costs for the first and second instances be borne by the appellee.

As of now, our company is unable to determine the financial impact of potential liabilities, and estimated liabilities for this pending lawsuit have not been recognized.

④ Contract Dispute Lawsuit between Zhongji Guoliang and Hualian Company, SZCG and SZCH

Zhongji Guoliang filed a lawsuit against Hualian Company (the first defendant), SZCG (the second defendant), and SZCH (the third defendant) with the Futian District People's Court of Shenzhen, requesting: 1) Judgment for the first defendant to refund the deducted payment of 2.7254 million yuan and compensate the plaintiff for overdue losses (based on the deducted payment of 2.7254 million yuan, calculated at the one-year loan market quoted interest rate (LPR) plus 50%, from November 12, 2021, to the date of payment, currently totaling 0.2477 million yuan until July 11, 2023); 2) the second defendant and the third defendant to jointly assume the liability for the first litigation request; 3) Litigation fees, property preservation fees, and other litigation costs to be borne by the three defendants (the total amount for the first litigation request currently amounts to 2.9731 million yuan until July 11, 2023).

The defendant Hualian Company filed a counterclaim request: 1) Order the counterclaim defendant Zhongji Guoliang to pay the remaining payment and overdue payment interest totaling 943.5 yuan to the counterclaim plaintiff Hualian Company (the overdue payment interest is based on the remaining payment of 943.5 yuan, and is charged 50% based on the one-year loan market quotation rate LPR, calculated from September 30, 2021 to the date of payment settlement, and temporarily calculated as 108.68 yuan until October 23, 2023); 2) Order the defendant Zhongji Guoliang in the counterclaim to pay lawyer's fees of 88,000.00 yuan to the plaintiff Hualian Company in the counterclaim; 3) Order that all counterclaim costs in this case be borne by the defendant Zhongji Guolian.

On August 7, 2023, the Futian District People's Court of Shenzhen issued a civil ruling to seal, seize, or freeze property under the name of Hualian Company worth 2.9731 million yuan.

On April 16, 2024, the Futian District People's Court of Shenzhen issued the judgment (2023) Yue 0304 Minchu No. 40246: 1. The defendant (counterclaim plaintiff), Shenzhen Hualian, is ordered to return 2,011,329.7 yuan to the plaintiff (counterclaim defendant), Zhongji Guoliang, within ten days from the effective date of this judgment, and to pay interest on this amount, calculated at the one-year Loan Prime Rate (LPR) from November 12, 2021, until full payment; 2. The court dismisses the other claims of the plaintiff (counterclaim defendant), Zhongji Guoliang; 3. The court dismisses all counterclaims of the defendant (counterclaim plaintiff), Shenzhen Hualian.

On April 16, 2024, the Futian District People's Court of Shenzhen granted the plaintiff, Zhongji Guoliang, permission to withdraw the lawsuit against the defendants, SZCG and SZCH.

On April 30, 2024, Shenzhen Hualian filed an appeal with the Shenzhen Intermediate People's Court, requesting: 1) The reversal of the first item of judgment No. (2023) Yue 0304 Minchu 40246 and the dismissal of all claims by the appellee; 2) The reversal of the third item of the original judgment, with a revised judgment in favor of the appellant's claims; 3) That all litigation costs for both the first and second instances be borne by the appellee.

On May 6, 2024, Zhongji Guoliang filed an appeal with the Shenzhen Intermediate People's Court, requesting: 1) The reversal of the second item of the civil judgment No. (2023) Yue 0304 Minchu 40246, with a revised judgment to calculate interest on 2,011,329.7 yuan at a rate 50% above the one-year Loan Prime Rate (LPR) published by the National Interbank Funding Center, from November 12, 2021, until full payment is made; 2) That the litigation costs for the second instance be borne by the appellee.

As of now, our company believes that the first-instance court made significant errors, and there is a strong likelihood that the second-instance court will dismiss the appellee's claims. Therefore, no provision for contingent liability has been recognized for this pending litigation.

⑤ Construction Contract Dispute Lawsuit between Peng Miaosheng and Food Industry Park, Yongsheng Construction, and Xu Jianqiang Construction

On October 24, 2023, Peng Miaosheng filed a lawsuit with the First People's Court of Dongguan City, with the following litigation requests: 1) Demand for Defendant Xu Jianqiang to pay construction labor fees of 4.0973 million yuan; 2) Demand for Defendant Xu Jianqiang to pay interest on construction labor fees. Calculated at the one-year loan market quoted interest rate of 3.85% published by the National Interbank Funding Center from January 6, 2021, until the full repayment of the construction fee of 4.0973 million yuan. The interest accrued until October 24, 2023, amounts to 0.4377 million yuan; 3) Yongsheng Construction to bear joint and several payment responsibility for the aforementioned fee of 4.0973 million yuan and interest; 4) Dongguan International Food Industry Park Development Co., Ltd. to bear payment responsibility for the aforementioned construction fee of 4.0973 million yuan and interest within the scope of its outstanding payment for the construction fee. The total amount for the above fees is currently 4.5351 million

yuan; 5) Demand for the defendant to bear all litigation costs.

The Dongguan First People's Court held three pre-trial conferences on January 9, May 9, and June 7, 2024. The plaintiff, Peng Miaosheng, submitted an application for appraisal to the court. The case has not yet proceeded to formal trial.

This case involves a contract dispute, but Dongguan International Food Industrial Park Development Co., Ltd. (hereinafter "Dongguan Food") has no contractual relationship with the plaintiff, Peng Miaosheng. Moreover, as the case is still under trial, our company believes that the court is unlikely to hold Dongguan Food liable. Therefore, no provision for contingent liability has been recognized for this lawsuit.

As of now, our company is unable to determine the financial impact of potential liabilities, and estimated liabilities for this pending lawsuit have not been recognized.

⑥ Enforcement objection case between Shanghai Baoyan Catering Co., Ltd., Hangzhou Ju Fang Yong Holding Co., Ltd and Shenzhen Shenshenbao Investment Co., Ltd.

In the franchise contract dispute between Shanghai Baoyan Catering Co., Ltd. ("Baoyan Company") and Hangzhou Fuhaitang Catering Management Chain Co., Ltd. ("Fuhaitang Catering"), the Hangzhou Intermediate People's Court issued final judgment No. (2022) Zhe 01 Min Zhong 5242. Under the judgment, Fuhaitang Catering is required to return 960,000 yuan in agency cooperation fees and deposits to Baoyan Catering within one month of the judgment's effective date. If Fuhaitang Catering fails to make the payment within the specified period, it must pay double the interest on the overdue amount in accordance with Article 260 of the Civil Procedure Law of the People's Republic of China.

After the judgment took effect, Baoyan Catering applied for enforcement with the Binjiang District People's Court of Hangzhou under enforcement case number (2023) Zhe 0108 Zhi 534. However, since the judgment debtor, Hangzhou Fuhaitang Catering, had no assets available for enforcement, the court terminated the enforcement procedure. Baoyan Catering then applied to add the current sole shareholder of Fuhaitang Catering Shenzhen Shenshenbao Investment Co., Ltd., and the original sole shareholder at the time of its founding, Hangzhou Ju Fang Yong Holdings Co., Ltd., as judgment debtors. Baoyan Catering also raised the following objections to the enforcement: 1) Hangzhou Ju Fang Yong Holdings Co., Ltd. should be held liable within the scope of the 850,000 yuan capital withdrawal; 2) Shenzhen Shenshenbao Investment Co., Ltd. should bear joint liability for the debts of Fuhaitang Catering

On April 23, 2024, the Binjiang District People's Court of Hangzhou issued Enforcement Ruling No. (2024) Zhe 0108 Zhiyi 33, finding that the existing evidence was insufficient to prove that Hangzhou Ju Fang Yong Holdings Co., Ltd. engaged in capital withdrawal. As a result, the court rejected Baoyan Catering's application to add Shenzhen Shenshenbao Investment Co., Ltd. and Hangzhou Ju Fang Yong Holdings Co., Ltd. as judgment debtors in enforcement case No. (2023) Zhe 0108 Zhi 534, and dismissed the objection of Baoyan Catering.

On April 25, 2024, the plaintiff, Shanghai Baoyan Catering Co., Ltd., filed a lawsuit with the Binjiang District People's Court of Hangzhou, Zhejiang Province, against Hangzhou Ju Fang Yong Holdings Co., Ltd. (Defendant 1) and Shenzhen Shenshenbao Investment Co., Ltd. (Defendant 2), requesting: 1) A judgment holding Defendant 1 jointly liable to the plaintiff for the third party's debts as determined in the Hangzhou Intermediate People's Court Civil Judgment No. (2022) Zhe 01 Min Zhong 5242 (returning 960,000 yuan in agency cooperation fees and deposits, and paying 83,700 yuan in doubled interest for delayed performance), within the scope of the 850,000 yuan capital withdrawal; 2) A judgment holding Defendant 2 jointly liable to the plaintiff for the third party's debts as specified in the same judgment; 3) That all litigation costs be borne by both defendants. Fuhaitang Catering Management Chain Co., Ltd. was named as a third party in the case.

The case was heard on May 30, 2024, but no judgment has been issued yet. Therefore, no provision for contingent liability has been recognized for this pending litigation.

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

The Company has no important contingency that need to disclose.

3.Other

XVII. Events after balance sheet date

1. Important non-adjustment matters

In RMB

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

3. Sales return

4. Other events after balance sheet date

XVIII. Other important events

1. Previous accounting errors correction

(1) Retrospective restatement

In RMB

Content of accounting error correction	Procedures	Items impact during vary comparative period	Accumulated impact
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(2)Prospective application

Content of accounting error correction	Approval procedure	Reasons for adopting the prospective applicable method
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2. Debt restructuring

3. Assets exchange

(1) Exchange of non-monetary assets

(2) Other assets exchange

4. Pension plan

5. Discontinuing operation

In RMB

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

6. Branch

(1) Recognition basis and accounting policy for reportable branch

(2) Financial information for reportable branch

In RMB

Item	Offset between branches	Total
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(3) Explain reasons in case the Company has no branches, or is unable to disclose total assets and liabilities of segments

(4) Other explanation

7. Other major transaction and events makes influence on investor's decision

8. Other

XIX. Notes to main items of financial statements of parent company

1. Account receivable

(1) Account receivable classified by category

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	109,789,556.55	65,714,145.99
Over 3 years	37,305.68	37,305.68

Over 5 years	37,305.68	37,305.68
Total	109,826,862.23	65,751,451.67

(2)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book value		Bad debt provision		Book value	Book value		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrued on single basis	28,453.08	0.03%	28,453.08	100.00%	0.00	28,453.08	0.04%	28,453.08	100.00%	0.00
Including:										
Account receivable with bad debt provision accrued on portfolio	109,798,409.15	99.97%	8,442.65	0.01%	109,789,966.50	65,722,998.59	99.96%	8,442.65	0.01%	65,714,555.94
Including:										
Portfolio of sales receivable	244,330.60	0.22%	8,442.65	3.46%	235,887.95	144,909.60	0.22%	8,442.65	5.83%	136,466.95
Object-specific portfolio	109,554,078.55	99.75%	0.00	0.00%	109,554,078.55	65,578,088.99	99.74%		0.00%	65,578,088.99
Total	109,826,862.23	100.00%	36,895.73	0.03%	109,789,966.50	65,751,451.67	100.00%	36,895.73	0.06%	65,714,555.94

Bad debt provision accrued on single item:

In RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Accrual reason
Bad debt provision accrued on single item:	28,453.08	28,453.08	28,453.08	28,453.08	100.00%	Extreme low ability to recover
Total	28,453.08	28,453.08	28,453.08	28,453.08		

Bad debt provision accrued on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Portfolio of sales receivable	244,330.60	8,442.65	3.45%
Object-specific portfolio	109,554,078.55		
Total	109,798,409.15	8,442.65	

Explanation on the basis to determine such portfolio:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses:

Applicable Not applicable

(3)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Other provision on single item:	28,453.08					28,453.08
Bad debt provision of account receivable	8,442.65					8,442.65
Total	36,895.73					36,895.73

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision

(4) Account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major account receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)

Explanation on account receivable charged off:

(5)Top five receivables and contract assets at ending balance by arrears party

In RMB

Enterprise	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivables and contract assets	Ending balance of bad debt provision for account receivable and impairment reserve of contract assets

2. Other account receivable

In RMB

Item	Ending balance	Beginning balance
Other account receivable	1,631,458,762.44	1,624,337,855.63
Total	1,631,458,762.44	1,624,337,855.63

(1) Interest receivable

1) By category

In RMB

Item	Ending balance	Beginning balance
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2) Important overdue interest

Borrower	Ending balance	Overdue time	Overdue causes	Whether impairment occurs and its judgment basis
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Other explanation:

3) Accrued bad debt provision

Applicable Not applicable

4) Bad debt provision accrued, collected or reversal

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

(5) Interest receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major interest receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on interest receivable charged off:

Other explanation:

(2) Dividend receivable

1) Category

In RMB

Item (or the invested entity)	Ending balance	Beginning balance
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2) Important dividend receivable with aging over one year

In RMB

Item (or the invested entity)	Ending balance	Account age	Reasons for not collection	Whether impairment occurs and its judgment basis
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3) Accrued bad debt provision

Applicable Not applicable

4) Bad debt provision accrued, collected or reversal

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision
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Other explanation:

(5) Dividend receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major dividend receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
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Explanation on dividend receivable charged off:

Other explanation:

(3) Other account receivable

1) By nature

In RMB

Nature	Ending book balance	Beginning book balance
Margin and deposit	1,008,451.22	1,000,000.00
Other intercourse funds	1,658,280,046.26	1,651,168,026.40
Total	1,659,288,497.48	1,652,168,026.40

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	1,628,484,297.01	314,162,982.64
1-2 year	5,928,622.71	1,312,629,466.00
Over 3 years	24,875,577.76	25,375,577.76
Over 5 years	24,875,577.76	25,375,577.76
Total	1,659,288,497.48	1,652,168,026.40

3)Accrued bad debt provision

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

Bad debt provision is made on the basis of the general model of expected credit losses:

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, 2024	213,626.85		27,616,266.89	27,829,735.04
Balance on Jan. 1, 2024 in the period				
Balance on June 30, 2024	213,626.85		27,616,266.89	27,829,735.04

Classification basis and bad debt provision ratio for each stage

Changes in book balance with significant changes in the current period's provision for losses

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	

Bad debt provision accrued on single basis	213,468.15					213,468.15
Bad debt provision accrued on portfolio basis	27,616,266.89					27,616,266.89
Total	27,829,735.04					27,829,735.04

Important bad debt provision collected or reversal in current period:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debt provision

5) Other account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major other account receivable charged off:

Unit: RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)?

Explanation on other account receivable charged off:

6) Top 5 accounts receivable at ending balance by arrears party

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debt provision

7) Those booked into other account receivables due to centralized fund management

In RMB

Other explanation:

3. Long-term equity investment

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiary	4,032,344,425.09	5,500,000.00	4,026,844,425.09	4,032,344,425.09	5,500,000.00	4,026,844,425.09
Investment in joint venture and associated enterprise	2,927,628.53	2,927,628.53	0.00	2,927,628.53	2,927,628.53	0.00
Total	4,035,272,053.62	8,427,628.53	4,026,844,425.09	4,035,272,053.62	8,427,628.53	4,026,844,425.09

(1)Investment in subsidiary

In RMB

Invested entity	Beginning balance(book value)	Beginning balance of impairment provision	Current changes (+ -)				Ending balance(book value)	Ending balance of impairment provision
			Addition al investme nt	Capital reduction	Accrual of impaire nt provision	Other		
Shenzhen Cereals Group Co., Ltd	3,291,415,036.82						3,291,415,036.82	
Dongguan Shenliang Logistics Co., Ltd.	321,680,000.00						321,680,000.00	
Huizhou Shenbao Technology Co., Ltd.	60,000,000.00						60,000,000.00	
Shenzhen Shenbao Huacheng Technology Co., Ltd.	223,228,545.91						223,228,545.91	
Shenzhen Shenshenbao Investment Co., Ltd	50,000,000.00						50,000,000.00	
Shenzhen Shenbao Industrial & Trading Co., Ltd	0.00	5,500,000.00		0.00	-5,500,000.00		0.00	
Shenzhen Shenliang Food Co., Ltd.	80,520,842.36		0.00		5,500,000.00		80,520,842.36	5,500,000.00
Total	4,026,844,425.09	5,500,000.00					4,026,844,425.09	5,500,000.00

(2)Investment in associated enterprises and joint venture

In RMB

Investment company	Beginning balance(book value)	Beginning balance of impairment provision	Current changes (+/-)								Ending balance(book value)	Ending balance of impairment provision
			Addition al investme nt	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture												
II. Associated enterprise												

Changzhou Sanjing Grease Co., Ltd	0.00											
Shenzhen Shenbao (Xinmin) Foods Co., Ltd	0.00	2,870,000.00								0.00		2,870,000.00
Shenzhen Shenbao (Liaoyuan) Industrial Company	0.00	57,628.53								0.00		57,628.53
Subtotal		2,927,628.53										2,927,628.53
Total	0.00	2,927,628.53								0.00		2,927,628.53

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

(3)Other explanation

4.Operating income and operating cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	81,572,805.12	235,795.14	80,328,054.38	235,795.14
Other business	137,609.18	0.00	137,609.18	0.00
Total	81,710,414.30	235,795.14	80,465,663.56	235,795.14

Breakdown information of operating income and operating costs:

In RMB

Contract category	Branch 1		Branch 2				Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type								
Including:								
Classification								

by business area								
Including:								
Market or customer type								
Including:								
Contract types								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract duration								
Including:								
Classification by sales channel								
Including:								
Total								

Information related to performing obligations:

Item	Time for performance obligations	Important payment terms	Nature of the goods promised to transfer by the company	Is it the main responsible person?	The expected refunds to customers borne by the company	The types of quality assurance provided by the company and related obligations

Other explanation

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

Income corresponding to performing obligations that have been signed at the end of this reporting period but are not yet fulfilled or finished amounted to 0.00 yuan, among them, 0.00 yuan of income is expected to be recognized in the year

Significant contract changes or significant transaction price adjustments

Item	Accounting treatment method	Impact on income

Other explanation:

5. Investment income

In RMB

Item	Current Period	Last Period
Income from long-term equity investment measured at cost method	9,380,685.39	
Investment income from disposal of long-term equity investment	1,567,130.20	
Investment income during the holding period of tradable financial assets	3,729,953.65	975,629.57
Total	14,677,769.24	975,629.57

6.Others

XX. Supplementary information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset	6,376,281.79	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	5,536,754.37	
Gains/losses of assets delegation on others' investment or management	3,933,789.27	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	435.73	
Other non-operating income and expenditure except for the aforementioned items	-158,397.83	
Less: impact on income tax	3,552,532.61	
Impact on minority shareholders' equity (after-tax)	-2,148.29	--
Total	12,138,479.01	

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

The Company has no other gains/losses items that meet the definition of non-recurring gains/losses.

Explain the items defined as non-recurring gains/losses according to the lists of non-recurring gains/losses in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---non-recurring gains/losses

Applicable Not applicable

2. ROE and earnings per share

Profits during reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits attributable to common stock stockholders of the Company	2.64%	0.1120	0.1120
Net profits attributable to common stock stockholders of the Company after deducting non-recurring gains and losses	2.39%	0.1014	0.1014

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

	Net profit		Net asset	
	Current amount	Last amount	Ending balance	Beginning balance
Under Chinese GAAP	129,030,850.78	168,149,768.31	4,723,330,417.23	4,824,452,103.84
Item and amount adjusted under IAS				

Adjustment of other payable stock market adjustment funds			1,067,000.00	1,067,000.00
Under IAS	129,030,850.78	168,149,768.31	4,724,397,417.23	4,825,519,103.84

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

Applicable Not applicable

(3) Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute

4. Other