

**SHENZHEN CEREALS HOLDINGS CO., LTD.**

**SEMI-ANNUAL REPORT 2025**



**【August 2025】**

## 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](http://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.

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## **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 2025 with signature of the company's principal.

## Interpretation

Items	Refers to	Contents
SZCH/Listed Company /the Company/	Refers to	Shenzhen Cereals Holdings Co., Ltd.
Shenshenbao/Shenbao Company	Refers to	Shenzhen Shenbao Industrial 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.
Shenshenbao Investment	Refers to	Shenzhen Shenshenbao Investment Co., Ltd
Shenzhen Shenliang Food	Refers to	Shenzhen Shenliang Food 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
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
Tel.	0755-83778690	0755-83778690
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### 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 2024 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 2024 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

Reasons for retrospective adjustment or restatement

Business combination under common control

	Amount in current period	Amount in last period		Year-on-year increase (+)/decrease (-)
		Before adjustment	After adjustment	After adjustment
Operating income (RMB)	2,384,227,437.90	2,416,452,919.61	2,416,452,919.61	-1.33%
Net profit attributable to shareholders of the listed company (RMB)	176,015,525.87	129,030,850.78	129,001,273.54	36.44%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	158,014,905.62	116,892,371.77	116,862,794.53	35.21%
Net cash flow arising from operating activities (RMB)	737,278,566.81	-158,531,444.41	-158,549,385.01	565.02%
Basic earnings per share (RMB/Share)	0.1527	0.1120	0.112	36.34%
Diluted earnings per share (RMB/Share)	0.1527	0.1120	0.112	36.34%
Weighted average ROE	3.51%	2.64%	2.64%	0.87%
	Ending balance of current period	Ending balance of last period		Year-on-year increase (+)/decrease (-)
		Before adjustment	After adjustment	After adjustment
Total assets (RMB)	7,058,637,412.85	7,714,550,508.01	7,714,550,508.01	-8.50%
Net assets attributable to shareholder of listed company (RMB)	4,922,671,937.79	4,919,674,142.82	4,919,674,142.82	0.06%

Net profit after excluding the impact of share-based payments

	Current period
Net profit after excluding the impact of share-based payments (RMB)	175,978,271.28

## 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

In RMB

	Net profit		Net asset	
	Current amount	Last amount	Ending balance	Beginning balance
Under Chinese GAPP	176,015,525.87	129,001,273.54	4,922,671,937.79	4,919,674,142.82
Items and amount adjusted under IAS				
			1,067,000.00	1,067,000.00
Under IAS	176,015,525.87	129,001,273.54	4,923,738,937.79	4,920,741,142.82

### 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**

☐ Applicable ☒ Not applicable

**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 written-off of accrued impairment provision of assets)	-18,422.68	
Governmental subsidies 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)	4,186,124.46	
Gains/losses on Non-monetary Exchange	3,165,237.35	
Other non-operating income and expenditure except for the aforementioned items	-134,391.52	
Other gains/losses that meet the definition of non-recurring gains/losses	16,802,279.39	
Less: impact on income tax	6,000,206.75	
Impact on minority shareholders' equity (after-tax)		
Total	18,000,620.25	

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

☐ Applicable ☒ Not applicable

The Company does not have other gains/losses 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 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 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, "SZCH Duoxi" rice, oil, drinking water, non-staple food and condiment series, etc., and the launch of Jinyue 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". 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 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](http://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 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 Big has established a one-stop distribution service platform serving large end customers, providing high-quality oil and grain services for group users such as enterprises, schools, and government institutions.

## (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 Guandong 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 Chines 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 testing capability for four categories of indicators, including conventional grain quality, storage quality, and food safety. 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.

#### (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 Gain & 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 Tea Store”, “Ju Fang Yong”, “Cha Mi Xiang Qi”, “Sanjing”, “www.zglsjy.com.com”, and “doximi.com”.

### III. Main business analysis

#### Overview

In the first half of 2025, facing a challenging macroeconomic environment and pressing development tasks, the company focused on its core business, strengthened the implementation of key projects, and maintained overall performance characterized by “pressure on tasks, orderly planning, and improved efficiency.” Operations remained stable with steady progress, and the

development foundation continued to strengthen. As of June 2025, the company's total assets stood at 7.059 billion yuan, with net assets of 4.924 billion yuan, maintaining a healthy and stable asset-liability ratio of 30.24% and a well-controlled financial structure. Due to market fluctuations in the non-grain and oil segments, operating revenue was 2.384 billion yuan, representing a slight year-on-year decrease of 1.33%. However, through optimizing the business structure and activating idle assets, the company achieved a total profit of 219 million yuan, up 33.28% year-on-year, delivering counter-cyclical growth.

In the first half of 2025, with the guiding principle of “ensuring grain supply stability and improving quality and efficiency,” the company enhanced capabilities, improved mechanisms, and promoted operations to build a modern management system covering the full lifecycle of reserve grain. Under the dual drivers of systematically optimizing operational processes and dynamically allocating resources, all storage facilities coordinated efficiently, significantly improving inbound and outbound logistics efficiency; the company successfully passed provincial and municipal inspections of policy-based grain and oil reserves, with quantities verified, quality up to standard, and stock conditions stable and reliable, and completed the 2025 municipal reserve grain and oil stock increase ahead of schedule; the company established Shenliang Intelligent Storage Co., Ltd., operating reserve grain management as an independent business, and made solid progress on several initiatives, including the upgrade of the grain condition temperature monitoring system and the Grain Condition Cloud Platform. Overall, the company's core business foundation continued to solidify, its capacity to safeguard food security further improved, and it demonstrated strong operational resilience and development potential during a period of deep industry adjustment.

The company accelerated the implementation of key projects. The Dongguan logistics hub made full efforts to advance infrastructure construction and functional upgrades. Expedited the construction of Plant No. 2 and Berth No. 3 at the A3 site. Continued to refine and upgrade the equipment and processes at Berth No. 4. Construction and operational preparation of the Shenshan Grain Depot advanced in parallel. The company successfully secured the operating rights for the depot, and the Shenshan Grain Depot branch has completed business registration. The main structures of both the southern and northern warehouse areas have been largely completed, and the project has fully entered the stage of electromechanical equipment installation, commissioning, and information system development. In line with the established plan, key tasks such as stock compression management and grain relocation have been advanced in an orderly manner, laying a solid foundation for subsequent operational management.

The company achieved a breakthrough in value creation through strategies such as deepening channel networks, innovating the product portfolio, and enhancing brand value. Dongguan Logistics opened a new business track in the oat segment, continued to advance credit cooperation with multiple state-owned grain reserve depots in the Pearl River Delta, and worked on building a soybean supply chain platform. By extending the transshipment business supply chain, the company developed an innovative “volume-price linkage” business model and launched a dedicated liner route connecting Yangtze River Delta ports with Yijia Logistics and the Shenliang Dongguan Logistics terminal. This seamless integration of “North-South Ports + Logistics + Warehousing” across the full industry chain has boosted revenue from transshipment operations. The Trading Company expanded its industrial customer base, driving growth in industrial rice flour sales. The Flour Company launched new products such as industrial noodle flour and specialty bread flour, securing multiple new clients. The Oils & Fats Company closely monitored market trends to achieve growth in bulk trade volumes. In terms of brand value enhancement, Hualian Company continued to advance deep-processing cooperation with leading feed and livestock enterprises, with sales of its “Shenliang Shuangbao” rice increasing year-on-year. Big Company developed the “Micang Market” platform, established a number of stable clients, and was recognized as an “11<sup>th</sup> Batch National Assured Grain and Oil Demonstration Processing Enterprise” and a “Key Leading Agricultural Enterprise in Guangdong Province.” Doximi continued to expand its business in the liquor sector, achieving year-on-year growth in sales revenue for the first half of the year. Shenliang Foods advanced both online and offline channels, developing products such as lemongrass lemon tea and deep-processed corn products.

Industry integration advanced in an orderly manner. The company completed the internal transfer of equity between Mount Wuyi Shenbao Rock Tea Co., Ltd. and Hangzhou Fuhaitang Tea Ecology Technology Co., Ltd, promoting resource integration in

the tea deep-processing segment. In terms of collaborative integration, leveraging the “Fushi Ji” brand as a bridge, the company achieved a strategic upgrade from single-point breakthroughs to group-wide synergy. Multiple subsidiaries, including Doximi, Big Kitchen, Shenshenbao Investment, joined the “Seasonal Dining” Futian Pavilion and participated in various promotional events such as the “Fushi Ji” New Year Goods Festival and the Dragon Boat Festival. Through resource integration and brand collaboration, the company has built a new pattern of deep cooperation across the upstream and downstream of the industrial chain.

Year-on-year changes in major financial data

In RMB

	Current period	Last period	YoY increase (+)/decrease (-)	Reason for change
Operating income	2,384,227,437.90	2,416,452,919.61	-1.33%	It is mainly affected by the grain and oil market conditions and demand; the company's bulk grain and oil trade pace has slowed down, and the sales volume and revenue have decreased year-on-year.
Operating cost	1,942,145,136.11	1,985,425,763.32	-2.18%	It is mainly due to the reduction in the bulk grain and oil trade business, leading to year-on-year decrease in the corresponding operating costs.
Sales expense	60,709,520.71	73,460,826.96	-17.36%	It is mainly due to the year-on-year decrease in expenses such as port terminals and warehousing and handling.
Administration expense	101,939,577.47	94,744,449.01	7.59%	It is mainly because the company has increased the salary expenses accrued based on operating performance.
Financial expense	19,041,945.47	16,769,961.72	13.55%	It is mainly due to the increase in borrowing interest expenses.
Income tax expense	43,337,305.16	34,216,568.64	26.66%	It is mainly because the profit rose, and the accrued income tax expenses have increased year-on-year.
R&D expense	10,208,632.21	9,813,271.21	4.03%	It is mainly because the company continued to increase technical investment in the deep processing of food and tea, and constantly improves its independent research and development capabilities.
Cash flows arising from operating activities	737,278,566.81	-158,549,385.01	565.02%	It is mainly due to the increase in the net inflow of sales from the company's grain and oil trade business.
Cash flows arising from investing activities	47,631,825.95	7,279,212.52	554.35%	It is mainly due to the year-on-year increase in cash received from the disposal of intangible assets this year.
Cash flows arising from financing activities	-770,936,644.64	-7,288,740.77	-10,477.09%	It is mainly due to the increase in cash outflows for repaying short-term loans this year, resulting in year-on-year decrease in the net cash flow from financing activities.
Net increase of cash and cash equivalents	13,913,927.82	-158,510,828.40	108.78%	It is mainly due to the year-on-year increase in net cash flow from operating activities.

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		YoY increase (+)/decrease (-)
	Amount	Ratio in operating income	Amount	Ratio in operating income	
Total operating income	2,384,227,437.90	100%	2,416,452,919.61	100%	-1.33%

By industries					
Wholesale and retail	1,523,443,008.24	63.90%	1,516,982,535.46	62.78%	0.43%
Leasing and business services	505,582,681.67	21.20%	490,757,531.22	20.31%	3.02%
Manufacturing	355,201,747.99	14.90%	408,712,852.93	16.91%	-13.09%
By products					
Grain & oil trading and processing	1,719,517,762.28	72.12%	1,739,184,083.86	71.97%	-1.13%
Grain & oil storage logistics and services	429,859,561.10	18.03%	427,474,421.05	17.69%	0.56%
Food, beverage and tea processing	159,126,993.95	6.67%	186,511,304.53	7.72%	-14.68%
Leasing and others	75,723,120.57	3.18%	63,283,110.17	2.62%	19.66%
By region					
Domestic market	2,370,132,495.12	99.41%	2,399,676,960.09	99.31%	-1.23%
Oversea market	14,094,942.78	0.59%	16,775,959.52	0.69%	-15.98%

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	YoY increase (+)/decrease (-) of operating revenue	YoY increase (+)/decrease (-) of operating cost	YoY increase (+)/decrease (-) of gross profit ratio
By industry						
Wholesale and retail	1,523,443,008.24	1,469,246,267.53	3.56%	0.43%	-0.12%	-1.52%
By product						
Grain & oil trading and processing	1,719,517,762.28	1,655,889,764.85	3.70%	-1.13%	-2.17%	-0.77%
By region						
Domestic market	2,370,132,495.12	1,931,715,540.02	18.50%	-1.23%	-2.05%	1.79%

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	-4,462,721.92	-2.03%		N
Gains/losses of fair value variation	0.00	0.00%		N
Asset impairment	-42,521,010.08	-19.39%	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	146,701.53	0.07%		N
Non-operating expense	299,515.73	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	179,802,996.52	2.55%	168,199,291.23	2.18%	0.37%	
Account receivable	255,093,404.70	3.61%	235,789,565.91	3.06%	0.55%	
Inventory	3,498,965,021.50	49.57%	4,044,998,642.52	52.43%	-2.86%	It is mainly due to the decrease in the company's inventory of grain and oil.
Investment real estate	293,982,667.10	4.16%	302,075,246.75	3.92%	0.24%	
Long-term equity investment	40,894,166.52	0.58%	45,356,888.44	0.59%	-0.01%	
Fix assets	1,996,211,372.88	28.28%	2,009,520,283.95	26.05%	2.23%	It is mainly due to the depreciation of fixed assets in the current year.
Construction in progress	48,429,826.06	0.69%	39,312,847.70	0.51%	0.18%	
Right-of-use assets	94,247,032.57	1.34%	115,258,040.17	1.49%	-0.15%	
Short-term loans	1,086,982,672.65	15.40%	1,484,605,101.05	19.24%	-3.84%	It is mainly due to the repayment of short-term bank loans with funds recovered from operating activities.
Contract liability	94,627,461.61	1.34%	126,590,458.95	1.64%	-0.30%	
Lease liability	57,943,870.37	0.82%	78,084,500.76	1.01%	-0.19%	

### 2. Major overseas assets

☐ Applicable ☒ Not applicable

### 3. Assets and liabilities measured at fair value

☒ Applicable ☒ Not applicable

### 4. The assets rights restricted till end of the period

Item	Ending balance	Ending balance of last period
Guarantee deposit	-	
Letter of credit deposit	3,980,596.85	3,245,714.29
Litigation related freezing	2,973,129.00	6,018,240.07
Total	6,953,725.85	9,263,954.36

## VI. Investment analysis

### 1. Overall situation

☒ Applicable ☐ Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Changes (+/-)
290,622,568.04	1,449,600.00	19,948.47%

### 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

The Company has no securities investment in the Period

#### (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	Subsidiary	Grain & oil trading processing, grain and oil reserve	153000000	6,478,738,133.90	3,118,758,509.18	2,152,349,469.27	162,015,910.94	119,260,334.18



Co., Ltd		service						
Shenzhen Hualian Grain and Oil Trading Co., Ltd.	Subsidiary	Grain & oil trading	300000000	1,024,312,965.75	412,667,180.49	560,702,448.20	37,854,373.00	38,164,694.60
Dongguan Shenliang Logistics Co., Ltd.	Subsidiary	Grain & oil trading processing, warehouse, and logistics	298000000	2,698,286,947.68	443,825,261.03	478,490,737.32	26,076,658.38	23,345,351.32

Particular about subsidiaries obtained or disposed in reporting period

Applicable ☒ Not applicable

Explanation on main holding/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 6,478,738,133.90 yuan, and net assets amounted to 3,118,758,509.18 yuan, and shareholders' equity attributable to parent company was 2,899,618,332.75 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 2,152,349,469.27-yuan, 119,260,334.18 yuan and 107,858,366.62 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 300,000,000.00 yuan. As of the end of current period, total assets reached 1,024,312,965.75 yuan, and net assets amounted to 412,667,180.49 yuan, and shareholders' equity attributable to parent company was 412,667,180.49 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 560,702,448.20 yuan, negative 38,164,694.60 yuan and negative 38,164,694.60 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 2,698,286,947.68 yuan, and net assets amounted to 443,825,261.03 yuan, and shareholders' equity attributable to parent company was 443,825,261.03 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 478,490,737.32-yuan, 23,345,351.32 yuan and 23,345,351.32 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. The aforementioned risks may affect the company's profit level and may also lead to fluctuations in the value of inventory.

The company will proactively respond to the risk of fluctuations in grain and oil prices by strengthening market forecasting, establishing strategic cooperation, refining purchase and sales management, enhancing internal coordination, 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”. In accordance with regulatory requirements and the company's actual management conditions, the company has issued *the Measures for the Management of Food Quality and Safety of SZCH* and strictly implemented it. As the superior system for the company's food safety management, this system covers the quality management of grain and oil products as well as non-grain and oil food products, fully clarifies the job responsibilities for key positions, strengthens supervision over key links, and ensures that food products comply with 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. The formulation and implementation of the market capitalization management system and valuation enhancement plan**

Whether the company formulated a market capitalization management system or not?

☐Yes ☒No

Whether the company disclosed the valuation enhancement plan or not?

☐Yes ☒No

## **XII. Implementation of the Action Plan for “Double Improvement of Quality and Return”**

Whether the company disclosed the Action Plan for “Double Improvement of Quality and Return” or not?

☐Yes ☒No

## Section IV Corporate Governance, Environmental and Social Responsibilities

### I. Changes in directors, supervisors and senior executives

☐Applicable ☒ Not applicable

There are no changes in directors, supervisors and senior executives. Refer to 2024 annual report for details.

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

☐Applicable ☒Not applicable

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

### III. Implementation of the Company's stock incentive plan, employee stock ownership plan or other employee incentives

☐Applicable ☒Not applicable

The company didn't implement stock incentive plan, employee stock ownership plan or other employee incentives.

### IV. Environment information disclosure

Are the listed company and its major subsidiaries included in the list of enterprises required to disclose environment information in accordance with laws?

☒ Yes ☐ No

Number of enterprises included in the list of enterprises required to disclose environmental information in accordance with laws		1
SN	Enterprise name	Query index for the report on environmental information disclosure in accordance with laws
1	Dongguan International Food Industrial Park Development Co., Ltd.	Department of Ecology and Environment of Guangdong Province - Enterprise Environmental Information Disclosure System in Accordance with the Law <a href="https://gdee.gd.gov.cn/gdeepub/front/dal/report/list">https://gdee.gd.gov.cn/gdeepub/front/dal/report/list</a>

### V. Social responsibility

In consolidating and expanding the achievements of poverty alleviation and ensuring effective alignment with rural revitalization, the company made solid progress: first, dispatched two aid cadres to the Chaonan District of Shantou and to the Chaozhou Command of the Shenzhen counterpart assistance program, continuing active participation in local rural revitalization efforts; second, actively carried out urban and rural greening initiatives through themed Party Day events and volunteer services, conducting five greening activities in the first half of the year and donating earmarked funds to the Shenshan Special Cooperation Zone to support rural greening efforts; third, promoted consumption-based assistance by mobilizing grassroots trade unions to actively procure products from poverty alleviation initiatives, thereby fostering industrial development in formerly impoverished areas.

## Section V. Important Events

### I. Commitments completed in Period and those completed till the end of the Period from actual controller, shareholders, related parties, purchaser and companies

☒ Applicable ☐ Not applicable

There are no commitments which are not completed in Period and those completed till the end of the Period from actual controller, shareholders, related parties, purchaser and companies.

### II. Non-operational fund occupation by controlling shareholders and their related parties

☐ Applicable ☒ Not applicable

No non-operational fund occupation by controlling shareholders and their related parties in period.

### III. External guarantee out of regulations

☐ Applicable ☒ Not applicable

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

### IV. Appointment and dismissal of CPA

Has the semi-annual financial report been audited?

☐ Yes ☐ No

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

### V. Explanation from the BOD, the board of supervisors and independent directors (if applicable) for “Qualified Audit Opinion” issued by CPA

☐ Applicable ☒ Not applicable

### VI. Explanation from the BOD for “Qualified Audit Opinion” of last period

☐ Applicable ☒ Not applicable

### VII. Bankruptcy reorganization

☐ Applicable ☒ Not applicable

No bankruptcy reorganization for the Company in reporting period

### VIII. Lawsuits

Material litigation and arbitration matters

☐ Applicable ☒ Not Applicable

During the reporting period, the company has no material litigation or arbitration matters.

Other litigation matters

☐ Applicable ☒ Not Applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand)	Resulting in an accrual liability (Y/N)	Progress	Result and influence	Execution of judgment	Disclosure date	Disclosure index

	yuan)						
As of June 30, 2025, other lawsuits that did not meet the disclosure standards for significant lawsuits mainly included disputes over sales contracts, disputes over wharf construction contracts, disputes over construction project contracts, disputes over lease contracts, etc.	5,716.78	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	NA	NA

## IX. Penalty and rectification

☐ Applicable ☒ Not applicable

No penalty and rectification for the Company in reporting period.

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

☐ Applicable ☒ Not applicable

## XI. Major related transaction

### 1. Related transaction with routine operation concerned

☐ Applicable ☒ Not applicable

The company had no related transaction with routine operation concerned at the end of the reporting period.

### 2. Assets or equity acquisition, and sales of assets and equity

☐ Applicable ☒ Not applicable

### 3. Related transaction of joint external investment

☐ Applicable ☒ Not applicable

No related transaction of joint external investment occurred in the period

### 4. Related credits and liabilities

☐ Applicable ☒ Not applicable

No related credits and liabilities occurred in period

### 5. Contact with the related finance companies

☐ Applicable ☒ Not applicable

There are no deposits, loans, credits or other financial businesses 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 major related transaction

☐ Applicable ☒ Not applicable

No other major related transaction in the Period.

## XII. Significant contract and implementation

### 1. Trusteeship, contract and leasing

#### 1) Trusteeship

☐ Applicable ☒ Not applicable

No trusteeship for the Company in reporting period

#### 2) Contract

☐ Applicable ☒ Not applicable

No contract for the Company in reporting period

#### 3) Leasing

☐ Applicable ☒ Not applicable

No leasing in the Period

### 2. Major guarantee

☒ Applicable ☒ Not applicable

There is no major guarantee in reporting period.

### 3. Entrusted financing

☒ Applicable ☒ Not applicable

There is no entrusted financing in reporting period.

### 4. Other material contracts

☐ Applicable ☒ Not applicable

No other material contracts in the period.

## XIII. Explanation on other significant events

☒ Applicable ☒ Not applicable

There are no other significant events to be enplaned.

## XIV. Significant event of subsidiaries of the Company

☒ Applicable ☒ Not applicable

- On March 25, 2025, the Company convened the 13<sup>th</sup> meeting of the 11<sup>th</sup> session of the Board of Directors, deliberated and approved the Proposal on Deliberating the Project of Independent Legal Entity Operation for Reserved Grain and Oil

Management Business, and agreed to the company's project of independent legal entity operation for reserved grain and oil management business. For details, please refer to the Announcement on the Resolution of the 13<sup>th</sup> Meeting of the 11<sup>th</sup> session of the Board of Directors of the Company published on *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and CNINFO Website (www.cninfo.com.cn) on March 26, 2025.

2. On April 28, 2025, the Company convened the 14<sup>th</sup> Meeting of the 11<sup>th</sup> session of the Board of Directors, deliberated and approved the Proposal on the Investment Decision of Steel Structure Workshop No. 2 for the Food Processing Project of Dongguan Shenliang Logistics Co., Ltd., and agreed to the matter of the investment decision of steel structure workshop No. 2 for the food processing project of Dongguan Shenliang Logistics Co., Ltd. For details, please refer to the Announcement on the Resolution of the 14<sup>th</sup> Meeting of the 11<sup>th</sup> session of the Board of Directors of the Company published on *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and CNINFO Website (www.cninfo.com.cn) on April 29, 2025.
3. On June 17, 2025, the Company convened the 16<sup>th</sup> Meeting of the 11<sup>th</sup> session of the Board of Directors, deliberated and approved the Proposal on the Investment Decision of the New-Quality Productive Forces Technology Upgrade Project for Beverage Tea of Shenbao Huacheng, and agreed that Shenzhen Shenbao Huacheng Technology Co., Ltd., the wholly-owned subsidiary of the company, shall invest in and construct the new-quality productive forces technology upgrade project for beverage tea, with total investment amount not exceeding 18.37 million yuan. For details, please refer to the Announcement on the Resolution of the 16<sup>th</sup> Meeting of the 11<sup>th</sup> session of the Board of Directors of the Company published on *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and CNINFO Website (www.cninfo.com.cn) on June 18, 2025.



## Section VI. 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	Subtotal	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. Domestic 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

Implementation progress of share repurchase

☐ Applicable ☒ Not applicable

Implementation progress of reducing repurchased shares by concentrated auction method

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Other information necessary to be disclosed in the viewpoint of the Company or that required to be disclosed by securities regulators

☐ Applicable ☒ Not applicable

## 2. Changes in restricted shares

☐ Applicable ☒ Not applicable

## II. Securities issuance and listing

☐ Applicable ☒ Not applicable

## III. Number of shareholders and particulars about shares holding

Unit: Share

Total common stock shareholders at the end of reporting period	44,215			Total preferred shareholders with voting rights recovered at end of last month before annual report disclosed (if applicable) (refer to Note 8)			0	
Shareholding of shareholders holding more than 5% shares of the company or top ten shareholders (Excluding shares lent through refinancing)								
Name of Shareholders	Nature of shareholder	Proportion of shares held	Total shares held at the end of reporting period	Changes in reporting period	Quantity of restricted shares held	Quantity of unrestricted shares held	Information of shares pledged, tagged or frozen	
							State of share	Quantity
Shenzhen Agricultural Power Group Co., Ltd.	State-owned legal person	63.79%	735,237,253	0	669,184,735	66,052,518	NA	0
Shenzhen Agricultural Products Group Co., Ltd	State-owned legal person	8.23%	94,832,294	0	15,384,832	79,447,462	NA	0
Dongguan Fruit	Domestic non-state-	0.75%	8,698,216	0	0	8,698,216	NA	0

Vegetable, and Non-staple Food Trading Market Co., Ltd	owned legal person							
Hong Kong Securities Clearing Company	Foreign legal person	0.41%	4,685,100	-807,745	0	5,492,845	NA	0
Chen Jiuyang	Domestic nature person	0.32%	3,730,070	433,000	0	3,297,070	NA	0
Zhong Zhenxin	Domestic nature person	0.29%	3,295,500	0	0	3,295,500	NA	0
Sun Huiming	Domestic nature person	0.28%	3,236,352	0	0	3,236,352	NA	0
CMB - Southern CSI 1000 Trading Open-End Index Securities Investment Fund	Other	0.26%	3,028,300	301,600	0	2,726,700	NA	0
China Minsheng Banking Corporation Limited - Jinyuan Shunan Yuanqi Flexible Allocation Hybrid Securities Investment Fund	Other	0.17%	2,000,000	1,805,100	0	194,900	NA	0
CMB – Huaxia CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	Other	0.16%	1,801,010	334,890	0	1,466,120	NA	0
Strategy investors or general legal person becoming top 10 common shareholders due to rights issue (if applicable) (see note 3)	Nil							
Explanation on associated relationship among the aforesaid shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Agricultural Power Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agricultural Power 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 involved with delegating/entrusted voting rights and abstention from voting rights.	Nil							
Special note on the repurchase account among the top 10 shareholders (if applicable) (see Note 11)	Nil							

Particular about top ten shareholders holding unrestricted shares (Excluding shares lent through refinancing, locked-up shares for senior executives)			
Shareholders' name	Quantity of unrestricted shares held at period-end	Type of shares	
		Type	Quantity
Shenzhen Agricultural Products Group Co., Ltd	79,447,462	RMB common shares	79,447,462
Shenzhen Agricultural Power Group Co., Ltd.	66,052,518	RMB common shares	66,052,518
Dongguan Fruit, Vegetable, and Non- staple Food Trading Market Co., Ltd	8,698,216	RMB common shares	8,698,216
Hong Kong Securities Clearing Company	4,685,100	RMB common shares	4,685,100
Chen Jiuyang	3,730,070	RMB common shares	3,730,070
Zhong Zhenxin	3,295,500	RMB common shares	3,295,500
Sun Huiming	3,236,352	Domestically listed foreign shares	3,236,352
CMB - Southern CSI 1000 Trading Open-End Index Securities Investment Fund	3,028,300	RMB common shares	3,028,300
China Minsheng Banking Corporation Limited - Jinyuan Shunan Yuanqi Flexible Allocation Hybrid Securities Investment Fund	2,000,000	RMB common shares	2,000,000
CMB - Huaxia CSI 1000 Exchange-Traded Open-End Index Securities Investment Fund	1,801,010	RMB common shares	1,801,010
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 Agricultural Power Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agricultural Power 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)	Nil		

Shareholders with over 5% of shares, top ten shareholders, and top ten shareholders of un-restrict shares participate in the lending of shares through refinancing

☐ Applicable ☒ Not applicable

The top 10 shareholders and the top 10 shareholders of un-restricted tradable shares have changed compared to the previous period due to the reasons of lending/returning of shares through refinancing

☐ Applicable ☒ Not applicable

Whether top ten common stock shareholders or top ten common stock shareholders of un-restrict shares have buy-back agreement dealing in reporting period or not?

☐ Yes ☒ No

The top ten common stock shareholders or top ten common stock shareholders of un-restrict shares didn't have buy-back agreement dealing in reporting period.

#### IV. Changes in shareholdings of directors, supervisors and senior management

☐ Applicable ☒ Not Applicable

During the reporting period, there were no changes in the shareholdings of the company's directors, supervisors and senior management. For details, please refer to 2024 annual report.

## **V. Changes in controlling shareholders or actual controllers**

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not Applicable

There were no changes in the company's controlling shareholders during the reporting period.

Changes in actual controllers during the reporting period

☐ Applicable ☒ Not Applicable

There were no changes in the company's actual controllers during the reporting period.

## **VI. Matters related to preferred shares**

☐ Applicable ☒ Not Applicable

The company had no preferred shares during the reporting period.

## Section VII. Corporate Bonds

☐ Applicable ☒ Not applicable

## Section VIII. Financial Report

### I. Audit Report

Whether the semi-annual report is audited or not?

☐ Yes ☒ No

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

### II. Financial statements

Statement in Financial Notes are carried in RMB/CNY.

#### 1. Consolidated balance sheet

Prepared by SHENZHEN CEREALS HOLDINGS CO., LTD

June 30, 2025

In RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary funds	179,802,996.52	168,199,291.23
Settlement provisions		
Capital lent		
Tradable financial assets		
Derivative financial assets		
Note receivable	4,572,126.00	2,327,160.00
Account receivable	255,093,404.70	235,789,565.91
Receivable financing		
Accounts paid in advance	10,907,702.40	9,776,028.70
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other accounts receivable	27,834,070.02	19,978,436.61
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	3,498,965,021.50	4,044,998,642.52
Including: data source		
Contract assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	72,762,114.90	113,243,285.26
Total current assets	4,049,937,436.04	4,594,312,410.23
Non-current assets:		
Loans and payments on behalf		
Creditors' investment		
Other creditors' investment		
Long-term account receivable		
Long-term equity investment	40,894,166.52	45,356,888.44
Investment in other equity instrument		
Other non-current financial assets	57,500.00	57,500.00

Investment real estate	293,982,667.10	302,075,246.75
Fixed assets	1,996,211,372.88	2,009,520,283.95
Construction in progress	48,429,826.06	39,312,847.70
Productive biological asset	344,078.40	348,924.60
Oil and gas asset		
Right-of-use assets	94,247,032.57	115,258,040.17
Intangible assets	448,191,318.36	523,370,792.77
Including: data resources		
R&D cost		
Including: data resources		
Goodwill		
Long-term expenses to be apportioned	22,320,721.48	26,013,188.68
Deferred income tax asset	54,880,135.65	52,903,106.75
Other non-current asset	9,141,157.79	6,021,277.97
Total non-current asset	3,008,699,976.81	3,120,238,097.78
Total assets	7,058,637,412.85	7,714,550,508.01
Current liabilities:		
Short-term loans	1,086,982,672.65	1,484,605,101.05
Loan from central bank		
Capital borrowed		
Tradable financial liability		
Derivative financial liability		
Note payable		
Account payable	265,576,091.67	392,787,099.23
Accounts received in advance	1,647,717.09	1,689,748.86
Contract liability	94,627,461.61	126,590,458.95
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	147,949,411.70	181,550,514.63
Taxes payable	61,818,850.03	102,239,439.35
Other account payable	269,124,016.57	268,321,327.50
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Handle fee and commission payable		
Reinsurance payable		
Liability held for sale	0.00	0.00
Non-current liabilities due within one year	40,979,285.84	42,927,367.21
Other current liabilities	4,508,204.90	8,042,645.47
Total current liabilities	1,973,213,712.06	2,608,753,702.25
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	57,943,870.37	78,084,500.76
Long-term account payable	16,695,689.73	16,636,326.62
Long-term wages payable		
Accrual liability		
Deferred income	76,133,884.37	79,203,615.99
Deferred income tax liabilities	10,312,520.01	10,495,166.46
Other non-current liabilities		
Total non-current liabilities	161,085,964.48	184,419,609.83



Total liabilities	2,134,299,676.54	2,793,173,312.08
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	1,271,908,217.34	1,271,908,217.34
Less: Inventory shares		
Other comprehensive income	-685,870.77	-620,406.95
Reasonable reserve	1,080,638.78	1,152,617.76
Surplus public reserve	616,729,697.68	616,729,697.68
Provision of general risk		
Retained profit	1,881,104,000.76	1,877,968,762.99
Total owner's equity attributable to parent company	4,922,671,937.79	4,919,674,142.82
Minority interests	1,665,798.52	1,703,053.11
Total owner's equity	4,924,337,736.31	4,921,377,195.93
Total liabilities and owner's equity	7,058,637,412.85	7,714,550,508.01

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	105,576,052.34	103,158,696.39
Tradable financial assets	0.00	0.00
Derivative financial assets		
Note receivable		
Account receivable	119,683,214.04	116,938,612.94
Receivable financing		
Accounts paid in advance	0.00	134,194.35
Other accounts receivable	1,952,967,875.15	2,123,872,937.65
Including: interest receivable		
Dividends receivable		
Inventories		
Including: data resources		
Contract assets		
Assets held for sale	0.00	0.00
Non-current assets maturing within one year		
Other current assets	403,829.83	110,478.30
Total current assets	2,178,630,971.36	2,344,214,919.63
Non-current assets:		
Creditors' investment		
Other creditors' investment		
Long-term receivables		
Long-term equity investments	4,031,188,641.37	4,031,188,641.37
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	14,864,347.78	15,100,142.92
Fixed assets	30,240,252.94	30,997,299.26
Construction in progress		

Productive biological assets	344,078.40	348,924.60
Oil and natural gas assets		
Right-of-use assets	55,701,393.85	67,225,820.17
Intangible assets	18,930,356.93	21,988,398.89
Including: data resources		
R&D cost		
Including: data resources		
Goodwill		
Long-term deferred expenses	2,807,781.24	3,403,734.80
Deferred income tax assets	10,362,734.95	10,774,610.43
Other non-current assets	2,449,577.55	2,497,360.73
Total non-current assets	4,166,889,165.01	4,183,524,933.17
Total assets	6,345,520,136.37	6,527,739,852.80
Current liabilities:		
Short-term borrowings	219,439,809.30	272,901,652.46
Tradable financial liability		
Derivative financial liability		
Notes payable		
Account payable		
Accounts received in advance		
Contract liability		
Wage payable	39,238,257.09	49,395,879.48
Taxes payable	4,435,466.03	3,570,294.15
Other accounts payable	258,400,785.82	228,671,937.92
Including: interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Liability held for sale		
Non-current liabilities due within one year	22,589,619.63	22,332,687.31
Other current liabilities		
Total current liabilities	544,103,937.87	576,872,451.32
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability	34,516,964.69	46,945,825.26
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	34,516,964.69	46,945,825.26
Total liabilities	578,620,902.56	623,818,276.58
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	3,018,298,284.55	3,018,298,284.55
Less: Inventory shares		
Other comprehensive income		
Special reserve		

Surplus reserve	344,325,269.54	344,325,269.54
Retained profit	1,251,740,425.72	1,388,762,768.13
Total owner's equity	5,766,899,233.81	5,903,921,576.22
Total liabilities and owner's equity	6,345,520,136.37	6,527,739,852.80

### 3. Consolidated profit statement

In RMB

Item	2025 semi-annual	2024 semi-annual
I. Total operating income	2,384,227,437.90	2,416,452,919.61
Including: Operating income	2,384,227,437.90	2,416,452,919.61
Interest income		
Insurance gained		
handle fee and commission income		
II. Total operating cost	2,143,192,880.83	2,188,883,707.28
Including: Operating cost	1,942,145,136.11	1,985,425,763.32
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	9,148,068.86	8,669,435.06
Sales expense	60,709,520.71	73,460,826.96
Administrative expense	101,939,577.47	94,744,449.01
R&D expense	10,208,632.21	9,813,271.21
Financial expense	19,041,945.47	16,769,961.72
Including: Interest expenses	19,155,569.88	17,092,705.52
Interest income	406,929.22	952,349.13
Add: Other income	4,186,124.46	8,396,165.78
Investment income (Loss is listed with "-")	-4,462,721.92	3,368,123.85
Including: Investment income on associated enterprise and joint venture		-2,195,664.82
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")		
Loss of credit impairment (Loss is listed with "-")	1,263,924.37	-69,733.49
Losses of devaluation of asset (Loss is listed with "-")	-42,521,010.08	-79,774,391.84
Income from assets disposal (Loss is listed with "-")	19,967,516.74	5,219,432.33
III. Operating profit (Loss is listed with "-")	219,468,390.64	164,708,808.96
Add: Non-operating income	146,701.53	72,146.65
Less: Non-operating expense	299,515.73	230,544.48
IV. Total profit (Loss is listed with "-")	219,315,576.44	164,550,411.13
Less: Income tax expense	43,337,305.16	34,216,568.64

V. Net profit (Net loss is listed with “-”)	175,978,271.28	130,333,842.49
(i) Classify by business continuity		
1.Continuous operating net profit (net loss is listed with “-”)	175,978,271.28	130,333,842.49
2.Termination of net profit (net loss is listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owners of parent company	176,015,525.87	129,001,273.54
2.Minority shareholders’ gains/losses	-37,254.59	1,332,568.95
VI. Net after-tax of other comprehensive income	-65,463.82	28,559.40
Net after-tax of other comprehensive income attributable to owners of parent company	-65,463.82	28,559.40
(I) Other comprehensive income items which will not be reclassified subsequently to gains/losses		
1.Changes of the defined benefit plans re-measured		
2.Other comprehensive income under equity method that cannot be transferred to gains/losses		
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 gains/losses	-65,463.82	28,559.40
1.Other comprehensive income under equity method that can be transferred to gains/losses		
2.Change of fair value of other creditors' investment		
3.Amount of financial assets re-classified to other comprehensive income		
4.Credit impairment provision for other creditors' investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-65,463.82	28,559.40
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	175,912,807.46	130,362,401.89
Total comprehensive income attributable to owners of parent company	175,950,062.05	129,029,832.94
Total comprehensive income attributable to minority shareholders	-37,254.59	1,332,568.95
VIII. Earnings per share:		
(i) Basic earnings per share	0.1527	0.1120
(ii) Diluted earnings per share	0.1527	0.1120

As for the enterprise combined under the same control, the net profit achieved by the merged party before combination is zero yuan and the net profit achieved by the merged party in last period is zero 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	2025 semi-annual	2024 semi-annual
I. Operating income	75,084,378.42	81,710,414.30
Less: Operating cost	12,697,586.52	235,795.14
Taxes and surcharge	258,865.15	279,398.08
Sales expenses		
Administration expenses	44,402,122.93	36,208,920.45
R&D expenses		
Financial expenses	-17,542,982.07	-19,356,764.73
Including: Interest expenses	6,270,059.61	1,953,504.26
Interest income	23,865,184.21	21,577,083.48
Add: Other income	103,605.12	154,328.97
Investment income (Loss is listed with “-”)		14,677,769.24
Including: Investment income on associated enterprise and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	1,000,000.00	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 “-”)	36,372,391.01	79,175,599.30
Add: Non-operating income		
Less: Non-operating expense	102,569.84	16,034.73
III. Total Profit (Loss is listed with “-”)	36,269,821.17	79,159,564.57
Less: Income tax	411,875.48	
IV. Net profit (Net loss is listed with “-”)	35,857,945.69	79,159,564.57
(i) Continuous operating net profit (net loss is listed with “-”)	35,857,945.69	79,159,564.57
(ii) Termination of net profit (net loss is listed with “-”)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to gains/losses		
1.Changes of the defined benefit plans re-measured		
2.Other comprehensive income under equity method that cannot be transferred to gains/losses		
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 gains/losses		
1.Other comprehensive income under equity method that can be transferred to gains/losses		
2.Change of fair value of other creditors' investment		
3.Amount of financial assets re-classified to other comprehensive income		
4.Credit impairment provision for other creditors' investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	35,857,945.69	79,159,564.57
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated cash flow statement

Item	2025 semi-annual	2024 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,515,459,297.68	2,416,339,686.68
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	2,001,200.56	1,931,425.08
Other cash received concerning operating activities	173,603,846.00	1,288,201,410.88
Subtotal of cash inflow arising from operating activities	2,691,064,344.24	3,706,472,522.64
Cash paid for purchasing commodities and receiving labor service	1,443,488,394.47	2,473,823,154.14
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	171,799,129.01	182,640,622.80
Taxes paid	107,439,103.32	91,905,629.19
Other cash paid concerning operating activities	231,059,150.63	1,116,652,501.52
Subtotal of cash outflow arising from operating activities	1,953,785,777.43	3,865,021,907.65
Net cash flows arising from operating activities	737,278,566.81	-158,549,385.01
II. Cash flows arising from investing activities:		
Cash received from recovering investment		315,621,806.51
Cash received from investment income		5,305,517.33
Net cash received from disposal of fixed, intangible and other long-term assets	77,797,545.09	17,286,128.50

Net cash received from disposal of subsidiaries and other units	1,718,711.71	13,241,942.62
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	79,516,256.80	351,455,394.96
Cash paid for purchasing fixed, intangible and other long-term assets	31,884,430.85	59,176,182.44
Cash paid for investment		285,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	31,884,430.85	344,176,182.44
Net cash flows arising from investing activities	47,631,825.95	7,279,212.52
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,077,015,327.03	2,045,107,250.15
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,077,015,327.03	2,045,107,250.15
Cash paid for settling debts	1,653,752,375.98	1,794,353,974.79
Cash paid for dividend and profit distributing or interest paying	188,876,399.22	245,803,739.44
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	5,323,196.47	12,238,276.69
Subtotal of cash outflow from financing activities	1,847,951,971.67	2,052,395,990.92
Net cash flows arising from financing activities	-770,936,644.64	-7,288,740.77
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-59,820.30	48,084.86
V. Net increase of cash and cash equivalents	13,913,927.82	-158,510,828.40
Add: Balance of cash and cash equivalents at the period -begin	158,935,342.85	236,745,667.10
VI. Balance of cash and cash equivalents at the period-end	172,849,270.67	78,234,838.70

## 6. Cash flow statement of parent company

In RMB

Item	2025 semi-annual	2024 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	390,394,107.50	326,750,573.00
Write-back of tax received		
Other cash received concerning operating activities	1,994,466,762.23	2,046,639,594.59
Subtotal of cash inflow arising from operating activities	2,384,860,869.73	2,373,390,167.59
Cash paid for purchasing commodities and receiving labor service	15,028,437.90	
Cash paid to/for staff and workers	39,687,095.15	26,547,520.98
Taxes paid	90,525.02	416,585.00
Other cash paid concerning operating activities	1,913,761,049.85	2,634,761,716.00
Subtotal of cash outflow arising from operating activities	1,968,567,107.92	2,661,725,821.98
Net cash flows arising from operating activities	416,293,761.81	-288,335,654.39
II. Cash flows arising from investing activities:		
Cash received from recovering investment		265,621,806.51
Cash received from investment income		13,838,029.70
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of		16,360,810.20

subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		295,820,646.41
Cash paid for purchasing fixed, intangible and other long-term assets	2,557,504.30	2,600,123.18
Cash paid for investment		235,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	2,557,504.30	237,600,123.18
Net cash flows arising from investing activities	-2,557,504.30	58,220,523.23
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	468,751,150.53	1,029,128,411.85
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	468,751,150.53	1,029,128,411.85
Cash paid for settling debts	701,282,632.75	711,351,213.44
Cash paid for dividend and profit distributing or interest paying	178,784,966.14	232,463,872.40
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	880,067,598.89	943,815,085.84
Net cash flows arising from financing activities	-411,316,448.36	85,313,326.01
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-2,453.20	1,188.15
V. Net increase of cash and cash equivalents	2,417,355.95	-144,800,617.00
Add: Beginning balance of cash and cash equivalents	103,158,696.39	149,617,836.08
VI. Ending balance of cash and cash equivalents	105,576,052.34	4,817,219.08



## 7. Consolidated statement of changes in owners' equity

Current period

In RMB

Item	2025 semi-annual													
	Owners' equity attributable to the parent Company													Minority interest
	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	
I. Balance at the end of the last year	1,152,535,254.00				1,271,908,217.34	0.00	-620,406.95	1,152,617.76	616,729,697.68	0.00	1,877,968,762.99	0.00	4,919,674,142.82	1,703,053.11
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				1,271,908,217.34	0.00	-620,406.95	1,152,617.76	616,729,697.68	0.00	1,877,968,762.99	0.00	4,919,674,142.82	1,703,053.11
III. Increase/Decrease in reporting period (Decrease is listed with "-")							-65,463.82	-71,978.98			3,135,237.77		2,997,794.97	-37,254.59
(i) Total comprehensive income							-65,463.82				176,015,525.87		175,950,062.05	-37,254.59
(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											-172,880,288.10		-172,880,288.10	-172,880,288.10
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)											-172,880,288.10		-172,880,288.10	-172,880,288.10
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								-71,978.98					-71,978.98	-71,978.98
1. Withdrawal in the reporting period														
2. Usage in the reporting period								-71,978.98					-71,978.98	-71,978.98
(VI) Others														
IV. Balance at the end of the reporting period	1,152,535,254.00				1,271,908,217.34		-685,870.77	1,080,638.78	616,729,697.68		1,881,104,000.76		4,922,671,937.79	1,665,798.52

Last period

In RMB

Item	2024 semi-annual													
	Owners' equity attributable to the parent Company													Minorit y intere sts
	Share capital	Other equity instrument			Capital reserve	Less: Invento ry shares	Other compre hensive income	Reason able reserve	Surplus reserve	Provisi on of general risk	Retaine d profit	Other	Subtota l	
I. Balance at the end of the last year	1,152,535,254.00				1,276,151,523.07	0.00	-833,174.82	741,968.19	483,103,366.38		1,916,792,566.57		4,828,491,503.39	53,209,554.68
Add: Changes of accounting policy														
Error correction of the last period														
Other														
II. Balance at the beginning of this year						-	28,559.40	354,513.41			101,505,777.25		101,122,704.44	1,332,568.95
III. Increase/Decrease in reporting period (Decrease is listed with "-")							28,559.40				129,001,273.55		129,029,832.95	1,332,568.95
(i) Total comprehensive income														
(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											230,507,050.80		230,507,050.80	
(III) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions											230,507,050.80		230,507,050.80	
3. Distribution for owners (or shareholders)														
4. Other														
(IV) Carrying forward internal owners' equity														
1. Capital reserves converted to capital (share capital)														
2. Surplus reserves converted to capital (share capital)														
3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the defined benefit plans														
5. Carry-over retained earnings from other comprehensive income														
6. Other								354,513.41					354,513.41	
(V) Reasonable reserve								836,287.66					836,287.66	
1. Withdrawal in the reporting period								481,774.25					481,774.25	
2. Usage in the reporting period														
(VI) Others	1,152,535,254.00				1,276,151,523.07		804,615.42	1,096,481.60	483,103,366.38		1,815,286,789.32		4,727,368,798.95	54,542,123.63
IV. Balance at the end of the reporting period						-	28,559.40	354,513.41			101,505,777.25		101,122,704.44	1,332,568.95

## 8. Statement of changes in owners' equity of parent company

Current period

In RMB

Item	2025 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,298,284.55				344,325,269.54	1,388,762,768.13		5,903,921,576.22
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				3,018,298,284.55				344,325,269.54	1,388,762,768.13		5,903,921,576.22
III. Increase/Decrease in reporting period (Decrease is listed with "-")										- 137,022,342.41		- 137,022,342.41
(i) Total comprehensive income										35,857.945.69		35,857.945.69
(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										- 172,880,288.10		- 172,880,288.10
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										- 172,880,288.10		- 172,880,288.10
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				3,018,298,284.55				344,325,269.54	1,251,740,425.72		5,766,899,233.81

Last period

In RMB

Item	2024 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,106,568.27				210,698,938.24	416,632,837.22		4,797,973,597.73
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				210,698,938.24	416,632,837.22		4,797,973,597.73
III. Increase/Decrease in reporting period (Decrease is listed with "-")										-		-
(i) Total comprehensive income										151,347,486.23		151,347,486.23
(ii) Owners' devoted and decreased capital										79,159,564.57		79,159,564.57
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners' equity with share-based payment												
4. Other												
(III) Profit distribution										-		-
1. Withdrawal of surplus reserves										230,507,050.80		230,507,050.80
2. Distribution for owners (or shareholders)										-		-
3. Other										230,507,050.80		230,507,050.80
(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

### III. Basic information of company

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), combining the Information Disclosure Preparation Rules for Company Public Issuing Securities No.15-General Rules for Financial Report of the CSRC(Revised in 2023).

These financial statements are presented on a going concern basis.

The Company's accounting is based on the accrual basis of accounting. Except for certain financial instruments, these financial statements are measured on a historical cost basis. If an asset is impaired, the corresponding impairment provision shall be accrued in accordance with relevant regulations.

#### 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. 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, 2025, as well as the consolidated and parent company’s operational results and cash flow for the period from January to June

2025.

## 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. Overseas subsidiaries select their accounting base currency based on the currency of the main economic environment in which they operate.

## 5. Method for determining importance criteria and selection criteria

☒ Applicable ☐ Not applicable

Item	Importance criteria
Important accounts receivable with single provision for bad debt reserves	Amount $\geq$ 1000000
Other accounts receivable with significant single provision for bad debt reserves	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-tradable 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.

## **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

### (1) Foreign currency transactions

The company conducts foreign currency business and converts the amount of the accounting currency at the exchange rate which is determined in a systematic and reasonable manner and is approximately the spot exchange rate on the date of transaction.

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.

### (2) Translation of foreign currency financial statements

At the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, for the assets and liabilities items in the balance sheet, the spot exchange rate on the balance sheet date is used for translation. For the items of shareholders' equity, except for "retained profits", other items are translated at the spot exchange rate on the date of occurrence.

For the revenue and expense items in the income statement, the exchange rate determined by a reasonable method of the system and approximate to the spot exchange rate on the transaction date will be available for translation.

All items in the cash flow statement are translated at the exchange rate determined by a reasonable method of the system and approximate to the spot exchange rate on the date of cash flow occurrence. The impact amount of exchange rate fluctuations on cash is treated as an adjustment item, and is booked into the "Impact of Exchange Rate Fluctuations on Cash and Cash Equivalents" which is separately presented in the cash flow statement.

The difference arising from the translation of financial statements is presented in "Other Comprehensive Income" under the shareholders' equity items in the balance sheet.

In case of disposing of an overseas operation and losing control rights, the translation difference of the foreign currency statements related to this overseas operation, which is presented under the items of owners' equity in the balance sheet, shall be transferred in full or in proportion to the gains/losses of the period of the disposal of such overseas operation.

## 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.

### **(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 is 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) 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 data (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 reserve for that receivable. Except for accounts receivable with individual bad debt reserve, the company classifies accounts receivable into portfolios based on credit risk

characteristics and calculates bad debt reserve on the basis of portfolio.

Notes receivable, accounts receivable and contract assets

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 1: Bank acceptance bill

Accounts receivable portfolio 2: Commercial acceptance bill

B. Accounts receivable

Accounts receivable portfolio 1: Sales receivables portfolio

Accounts receivable portfolio 2: Specific object portfolio

For accounts receivable and contract assets classified into portfolio, the company, 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

For accounts receivable classified into portfolio, the company, 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. The aging of the accounts receivable is calculated since the recognition date of accounts receivable.

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 as follows:

Other accounts receivable portfolio 1: Expected portfolio of credit risk characteristics

Other accounts receivable portfolio 2: Specific object portfolio

For other receivables classified into portfolio, the company, 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. The aging of the accounts receivable is calculated since the recognition date of other accounts receivable.

Creditors' investment and other creditors' investments

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

#### **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 creditors' 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 creditors' 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 writes 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 the 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.

#### (6) 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.

#### (7) 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 accounts 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

#### (1) Recognition criteria and accounting treatment for non-current assets or disposal groups classified as held-for-sale category

In case the company recovers the carrying value of a non-current asset or a disposal group mainly through selling (including non-monetary asset exchanges with commercial substance) rather than continuous use, such non-current asset or disposal group shall be classified as held-for-sale category.

The above-mentioned non-current assets do not include investment real estate measured subsequently at fair value, biological assets measured at the net amount of fair value minus selling expenses, assets formed from employee benefits, financial assets, deferred income tax assets, and rights arising from insurance contracts.

A disposal group refers to a group of assets that are disposed of as a whole through sale or other means in a single transaction, as well as the liabilities directly related to these assets that are transferred in the transaction. Under certain circumstances, a disposal group includes goodwill obtained in a business combination.

Non-current assets or disposal groups that meet the following conditions simultaneously shall be classified as held-for-sale category categories: In accordance with the practice of selling such assets or disposal groups in similar transactions, the non-current assets or disposal groups can be sold immediately in their current state; the sale is highly likely to occur, that is, a resolution has been made on a sales plan and a firm purchase commitment has been obtained, and it is expected that the sale will be completed within one year. In the case of losing control over a subsidiary due to reasons such as the sale of investment in the subsidiary, regardless of whether the company retains part of the equity investment after the sale, when the investment in the subsidiary to be sold meets the classification conditions for the held-for-sale category, the investment in the subsidiary as a whole shall be classified as the held-for-sale category in the individual financial statements, and all the assets and liabilities of the subsidiary shall be classified as the held-for-sale category in the consolidated financial statements.

When initially measuring or re-measuring a non-current asset or disposal group held-for-sale at the balance sheet date, the difference between the carrying value and the net amount of fair value minus selling expenses shall be recognized as an asset impairment loss. For the amount of asset impairment loss recognized for a disposal group held-for-sale, the carrying value of the goodwill in the disposal group shall be offset first, and then the carrying values of the various non-current assets in the disposal group shall be offset proportionally according to the proportion of their respective carrying values.

If the net amount of the fair value of a non-current asset or disposal group held-for-sale minus selling expenses increases at a subsequent balance sheet date, the previously written-down amount shall be restored and reversed within the amount of asset impairment loss recognized after being classified as held-for-sale category, and the reversed amount shall be included in the current gains/losses. The written-down carrying value of the goodwill shall not be reversed.

The non-current assets held-for-sale and the assets in the disposal group held-for-sale shall not be depreciated or amortized; the interest and other expenses of the liabilities in the disposal group held-for-sale shall continue to be recognized. For all or part of

the investment in associated enterprise or joint venture classified as held-for-sale category, the equity method of accounting shall be suspended for the part classified as held-for-sale, and the retained part not classified as held-for-sale category shall continue to be accounted with the equity method; in case the company loses significant influence over the associated enterprise or joint venture due to sale, the equity method of accounting shall be suspended.

If a certain non-current asset or disposal group is classified as held-for-sale category but later no longer meets the classification conditions for held-for-sale category, the company shall stop classifying it as held-for-sale category and measure it at the lower of the following two amounts:

- ① The carrying value of the asset or disposal group before it was classified as held-for-sale category, adjusted according to the depreciation, amortization or impairment that should have been recognized assuming it had not been classified as held-for-sale category;
- ② The recoverable amount.

## (2) Recognition criteria for discontinued operations

Discontinued operation refers to a separately distinguishable component that has been disposed of by the company or classified as held-for-sale category by the company and meets one of the following conditions:

- ① The component represents an independent major business or a separate major operating region.
- ② The component is part of a related plan for the disposal of an independent major business or a separate major operating region.
- ③ The component is a subsidiary acquired specifically for resale.

## (3) Presentation

The company presents the non-current assets held-for-sale or the assets in the disposal group held-for-sale in the balance sheet in “Assets held-for-sale”, and presents the liabilities in the disposal group held-for-sale in “Liabilities held-for-sale”.

The company presents the gains/losses from continuing operations and the gains/losses from discontinued operations separately in the income statement. For non-current assets or disposal groups held-for-sale that do not meet the definition of discontinued operations, their impairment losses, reversal amounts and disposal gains/losses are presented as the gains/losses from continuing operations. The impairment losses, reversal amounts and other operating gains/losses as well as disposal gains/losses of discontinued operations are presented as gains/losses from discontinued operations.

A disposal group that is intended to be taken out of use rather than sold and meets the conditions of the relevant component in the definition of discontinued operations shall be presented as a discontinued operation as of the date of its cessation of use.

For the discontinued operations presented in the current period, in the current financial statements, the information that was originally presented as gains/losses from continuing operations is re-presented as gains/losses from discontinued operations for the comparable accounting period. If a discontinued operation no longer meets the classification conditions for the held-for-sale category, in the current financial statements, the information that was originally presented as gains/losses from discontinued operations is re-presented as gains/losses from continuing operations for the comparable accounting period.

## 19. Creditors' investment

## 20. Other creditors' 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 constituting 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-tradable 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.

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	5.00	4.75-2.71
Non-production buildings	Straight-line depreciation	20-40	5.00	4.75-2.38
Temporary dormitory and simple room etc.	Straight-line depreciation	5-15	5.00	19.00-6.33
Gas storage bin	Straight-line depreciation	20	5.00	4.75
Silo	Straight-line depreciation	50	5.00	1.90
Wharf and supporting facilities	Straight-line depreciation	50	5.00	1.90
Machinery equipment	Straight-line depreciation			
Other machinery equipment	Straight-line depreciation	10-20	5.00	9.50-4.75
Warehouse transmission equipment	Straight-line depreciation	20	5.00	4.75
Transport equipment	Straight-line depreciation	3-10	5.00	31.67-9.50
Electronic equipment and others	Straight-line depreciation	2-10	5.00	47.50-9.50

Among them, for fixed assets with impairment provision, the cumulative amount of impairment provision of fixed assets should also be deducted to determine the depreciation rate.

- At the end of each year, the company reviews the useful lives, estimated residual values and depreciation methods of its fixed assets.

If there is a difference between the expected useful life and the original estimate, the useful life of the fixed asset shall be

adjusted; if there is a difference between the estimated residual value and the original estimate, the estimated residual value shall be adjusted.

## 2) Disposal of fixed assets

When a fixed asset is disposed of, or it is expected that no economic benefits arise from its use or disposal, such fixed asset shall be de-recognized. The amount obtained from the disposal of fixed asset (including sales, transfers, scrapping or damage), after deducting its carrying value and relevant taxes and fees, shall be included in the current gains/losses.

## 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.

## 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;
- ③ The 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

The biological assets of the company include productive biological assets.

#### ① Productive biological assets

The biological assets of the company are 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 management and feeding expenses incurred after the closure or achievement of the intended production and operation objectives of productive biological assets are presented in the current gains/losses.

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:

the 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) Treatment of impairment of biological assets

If the net realizable value of consumable biological assets is lower than their book value, a impairment provision 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 impairment provision, and the reversed amount should be recognized in gains and losses in current period.

No impairment provision 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:

### Estimation of the service life of intangible assets with limited service life

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

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.

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.

### **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:

- ① The customer obtains and consumes the economic benefits brought by the company's performance at the same time as the company fulfills its obligations.

② Customers 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, the 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 Grain and oil trade and processing business

The revenue from sales of goods 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 Grain and oil storage logistics and services

Dynamic grain and oil reserves and rotation services: recognize 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.

The warehousing, logistics and transshipment business, including services such as warehousing, loading onto ships, direct pick-up, fumigation and transferring goods between warehouses, is recognized by calculating according to the charging time and method stipulated in the contract or agreement.

### ③ Food, beverage and tea processing

The company shall recognize revenue when it has delivered the products to the buyers as agreed in the contract and obtained the buyers' receipt confirmation, the buyers have obtained the control of the products, the payment has been received or the payment voucher has been obtained, and the relevant economic benefits are highly likely to flow in.

#### ④ Leasing business

For property leasing services, the realization of revenue shall be recognized on the date when the lessee is due to pay the rent as specified in the transaction contract or agreement.

#### ⑤ Other businesses

The revenue from property management services shall be recognized when the relevant labor services occur and the payment is received simultaneously or the voucher for receiving the payment is obtained.

The revenue of other businesses shall be measured 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 the 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.

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.

For the policy preferential loans and interest subsidies obtained by the company, in case the finance department allocates interest subsidy to the lending bank, 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, in case 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, the 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. the



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 the 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 2025, and implementation of relevant financial statement items at the beginning of the year for the first time

☒Applicable ☒Not applicable

#### 44. Others

### VI. Tax

#### 1. Type of tax and rate for main applicable tax

Taxes	Basis	Rate
VAT	Taxable value added (The taxable amount is calculated by multiplying the taxable sales amount by the applicable tax rate and deducting the input tax allowed for deduction in the current period)	13.00%, 9.00%, 6.00%, 5.00%, 3.00%
Urban maintenance and construction tax	Actual paid turnover tax	7.00%, 5.00%
Enterprise income tax	Taxable income	25.00%
Educational surcharge	Actual paid turnover tax	3.00%
Local educational surcharge	Actual paid turnover tax	2.00%
Property tax	For ad valorem taxes, 1.2% of the remaining value after deducting 20.00% from the original value of the property shall be calculated and paid; For levy based on rent, calculated and paid at 12.00% of rental income	1.20%, 12.00%
Deed tax	When real estate property rights are transferred, a one-time payment shall be made to the property transferee at the agreed contract price	3.00%-5.00%

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%, tax exemption for some businesses
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%, tax exemption for some businesses
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%
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	25.00%

Logistics”)	
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 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”)	25.00%
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”)	20.00%
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%
Xingye Food Co., Ltd. (hereinafter referred to as “Xingye Food”)	16.50%
Shenliang Intelligent Storage Co., Ltd.(hereinafter referred to as “Intelligent Storage”)	20.00%

## 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 1, 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, 2025, 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 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.: GR202444206671) jointly issued by the Shenzhen Municipal Bureau of Industry and Information Technology, 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 2025 to 2027.
- 3) On November 3, 2024, Wuyuan Ju Fang Yong, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202436001138) 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 2025 to 2027.
- 4) According 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.
- 5) Shenzhen 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.
- 6) According to the provisions of the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax Policies to Further Support the Development of Small and Micro - sized Enterprises and Individual Industrial and Commercial Households (CZBSHZJ [2023]No.12), the policy of reducing the taxable income of small and micro - profitable

enterprises by 25% and levying enterprise income tax at a rate of 20% shall be extended until December 31, 2027. The company's subsidiary Hainan Grain and Oil, Shenliang Property, Shenliang Quality Inspection, Huizhou Shenliang and Intelligent Storage, are small and micro - profitable enterprises and meet the conditions for tax preferential treatment.

### 3. Other

## VII. Notes to main items of consolidated financial statements

### 1. Monetary funds

In RMB

Item	Ending balance	Opening balance
Cash on hand	9,345.67	9,442.96
Cash in bank	177,196,830.99	164,844,740.19
Other monetary funds	2,596,819.86	3,345,108.08
Total	179,802,996.52	168,199,291.23
Among them: the total amount of funds deposited overseas	179,802,996.52	3,949,901.14

Other explanations:

### 2. Tradable financial assets

In RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

### 3. Derivative financial assets

In RMB

Item	Ending balance	Opening balance
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Other explanation:

### 4. Note receivable

#### (1) By category

In RMB

Item	Ending balance	Opening balance
Bank acceptance bill	4,572,126.00	2,327,160.00
Total	4,572,126.00	2,327,160.00

#### (2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Bills receivable with bad debts reserve accrual on										

single basis										
Including:										
Total										

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

☐Applicable ☒Not applicable

### (3) Bad debts reserve accrual, recovered or reversed in the period

Bad debts reserve accrual in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Recovered or reversed	Written-off	Other	

Including major amount bad debts reserve that recovered or reversed in the period:

☐ Applicable ☒ Not applicable

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

In RMB

Item	Amount pledged at period-end
------	------------------------------

### (5) Notes endorsed or discounted and undue on balance sheet date

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

In RMB

Item	Amount charged off
------	--------------------

Including major note receivable 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 note receivable charged off:

## 5. Account receivable

### (1) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	259,323,907.52	237,689,963.04
1-2 years	2,104,626.38	4,395,809.28
2-3 years	1,785,252.38	812,823.91
Over 3 years	94,660,313.20	95,921,013.66
3-4 years	662,902.92	664,460.24
4-5 years	664,460.24	2,096,832.37
Over 5 years	93,332,950.04	93,159,721.05
Total	357,874,099.48	338,819,609.89

### (2) Accrued bad debts reserve

In RMB

Category	Ending balance			Opening balance		
	Book balance	Bad debts reserve	Book value	Book balance	Bad debts reserve	Book value

	Amount	Ratio	Amount	Accru al ratio		Amount	Ratio	Amount	Accru al ratio	
Account receivable with bad debts reserve accrual on single basis	99,896,308.06	27.91%	99,871,020.76	99.97%	25,287.30	100,008,783.63	29.52%	99,914,189.37	99.91%	94,594.26
Including:										
Account receivable with bad debts reserve accrual on portfolio	257,977,791.42	72.09%	2,909,674.02	1.13%	255,068,117.40	238,810,826.26	70.48%	3,115,854.61	1.23%	235,694,971.65
Including										
Portfolio of sales receivable	135,623,393.44	37.90%	2,909,674.02	2.15%	132,713,719.42	118,311,513.69	34.92%	3,115,854.61	2.63%	115,195,659.08
Object-specific portfolio	122,354,397.98	34.19%			122,354,397.98	120,499,312.57	35.56%			120,499,312.57
Total	357,874,099.48	100.00%	102,780,694.78	28.72%	255,093,404.70	338,819,609.89	100.00%	103,030,043.98	30.41%	235,789,565.91

Bad debts reserve accrual on single basis

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debts reserve	Book balance	Bad debts reserve	Accrual ratio	Accrual causes
Bad debts reserve accrual on single basis	100,008,783.63	99,914,189.37	99,896,308.06	99,871,020.76	99.97%	Low possibility of recovery
Total	100,008,783.63	99,914,189.37	99,896,308.06	99,871,020.76		

Bad debts reserve accrual on portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrual ratio
Portfolio of sales receivable	135,623,393.44	2,909,674.02	2.15%
Total	135,623,393.44	2,909,674.02	

Explanation on the basis for determining portfolio:

Bad debts reserve accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrual ratio
Object-specific portfolio	122,354,397.98		
Total	122,354,397.98		

Explanation on the basis for determining portfolio:

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

☐ Applicable ☒ Not applicable

### (3) Bad debts reserve accrued, recovered or reversed

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Change in current period				Ending balance
		Accrued	Recovered or	Charged off	Other	

			reversed			
Bad debts reserve for accounts receivable	103,030,043.98	-241,027.75	-8,321.45			102,780,694.78
Total	103,030,043.98	-241,027.75	-8,321.45			102,780,694.78

Important bad debts reserve recovered or reversed:

In RMB

Name	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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#### (4) Account receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major account receivable 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 account receivable charged off:

#### (5) Top 5 receivables and contract assets at ending balance by debtor

In RMB

Name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Ratio in total ending balance of accounts receivable and contract assets	Ending balance of bad debt reserve and impairment reserve of contract assets
First	119,639,240.42		119,639,240.42	33.43%	
Second	12,700,000.00		12,700,000.00	3.55%	
Third	12,402,226.92		12,402,226.92	3.47%	93,961.51
Fourth	10,455,627.54		10,455,627.54	2.92%	10,455,627.54
Fifth	8,558,214.80		8,558,214.80	2.39%	35,629.98
Total	163,755,309.68		163,755,309.68	45.76%	10,585,219.03

### 6. Contract asset

#### (1) Contract asset

In RMB

Item	Ending balance			Opening balance		
	Book balance	Bad debts reserve	Book value	Book balance	Bad debts reserve	Book value

#### (2) Amount and reasons for significant changes in book value during the reporting period

In RMB

Item	Amount of change	Reason for change
------	------------------	-------------------

#### (3) Accrued bad debts reserve

In RMB

Category	Ending balance			Opening balance		
	Book value	Bad debts reserve	Book	Book value	Bad debts reserve	Book



	Amount	Ratio	Amount	Accrual ratio	value	Amount	Ratio	Amount	Accrual ratio	value
Including:										
Including:										

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

☐Applicable ☒Not applicable

#### (4) Bad debts reserve accrued, recovered or reversed

In RMB

Item	Accrued in the period	Recovered or reversed in the period	Written-off in the period	Reason
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Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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Other explanation:

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

In RMB

Item	Amount charged off
------	--------------------

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	Opening balance
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#### (2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

The bad debts reserve of account receivable is made on the basis of the general model of expected credit losses:

In RMB

Bad debts reserve	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, 2025 in the period				
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Classification basis and accrual ratio of bad debts reserve for each stage

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

### (3) Bad debts reserve accrued, recovered or reversed

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	

Important bad debts reserve recovered or reversed

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
------------	-----------------------	---------------------	--------------------	---

Other explanation:

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

In RMB

Item	Amount pledged at period-end
------	------------------------------

### (5) Account receivable financing endorsed or discounted 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 charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including important account receivable financing 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 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	Opening balance
Other accounts receivable	27,834,070.02	19,978,436.61
Total	27,834,070.02	19,978,436.61

## (1) Interest receivable

### 1) Category of interest receivable

In RMB

Item	Ending balance	Opening 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 debts reserve

☐Applicable ☒Not applicable

### 4) Bad debts reserve accrued, recovered or reversed

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	

Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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Other explanation:

### 5) Interest receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including important interest receivable 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 interest receivable charged off:

Other explanations:

## (2) Dividends receivable

### 1) Category of dividends receivable

In RMB

Item (or investee)	Ending balance	Opening balance
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### 2) Significant dividends receivable with aging over one year

In RMB

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

☐Applicable ☒Not applicable

### 4) Bad debts reserve accrued, recovered or reversed

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	

Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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Other explanation:

### 5) Dividends receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major dividends receivable 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 dividends receivable charged off:

Other explanation:

### (3) Other accounts receivable

#### 1) By nature

In RMB

Nature	Ending book balance	Beginning book balance
Deposit and margin	18,222,579.01	16,410,289.56
Other intercourse funds	110,506,091.54	105,477,322.66
Total	128,728,670.55	121,887,612.22

#### 2) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	16,733,958.76	9,698,491.15
1-2 years	3,625,945.77	7,784,603.76
2-3 years	7,784,603.76	5,278,542.28
Over 3 years	100,584,162.26	99,125,975.03
3-4 years	1,458,187.14	2,121,384.83
4-5 years	2,121,384.83	737,000.59
Over five years	97,004,590.29	96,267,589.61
Total	128,728,670.55	121,887,612.22

### 3) Accrued bad debts reserve

☐Applicable ☐Not applicable

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Bad debts reserve accrual on single basis										
Including:										
Bad debts reserve accrual on portfolio basis										
Including:										
Total										

Bad debts reserve accrual on single basis

In RMB

Category	Opening balance		Ending balance			
	Book value	Bad debts reserve	Book value	Bad debts reserve	Accrual ratio	Reason

Bad debts reserve accrual on portfolio of expected credit loss

In RMB

Category	Ending balance		
	Book value	Bad debts reserve	Accrual ratio
Portfolio of expected credit loss	6,580,480.28	1,856,140.88	28.21%
Total	6,580,480.28	1,856,140.88	

Explanation on the basis to determine such portfolio:

Bad debts reserve accrual on object-specific portfolio

In RMB

Category	Ending balance		
	Book value	Bad debts reserve	Accrual ratio
Object-specific portfolio	20,716,293.06		
Total	20,716,293.06		

Explanation on the basis to determine such portfolio::

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

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration	Expected credit losses for the entire duration	

		(without credit impairment occurred)	(with credit impairment occurred)	
Balance of Jan. 1, 2025	3,698,170.13		98,211,005.48	101,909,175.61
Balance of Jan. 1, 2025 in the period				
Current accrual			827,454.17	827,454.17
Current reversal	1,842,029.25			1,842,029.25
Balance on June 30, 2025	1,856,140.88		99,038,459.65	100,894,600.53

Classification basis and bad debts reserve ratio for each stage

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

☐Applicable ☒Not applicable

#### 4) Bad debts reserve accrued, recovered or reversed

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	
Bad debts reserve of other accounts receivable	101,909,175.61		1,014,575.08			100,894,600.53
Total	101,909,175.61		1,014,575.08			100,894,600.53

Important bad debts reserve recovered or reversed:

In RMB

Name	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve

#### 5) Other accounts receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major other account receivable charged off:

In 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 other accounts receivable at ending balance by debtors

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debt reserve
First	Intercourse funds	23,608,742.46	Over five years	18.34%	22,187,644.18
Second	Intercourse funds	8,326,202.63	Over five years	6.47%	8,326,202.63
Third	Intercourse funds	8,285,803.57	Over five years	6.44%	8,285,803.57
Fourth	Intercourse funds	8,257,311.80	Over five years	6.41%	8,257,311.80
Fifth	Intercourse funds	6,781,000.00	1-2 years	5.27%	
Total		55,259,060.46		42.93%	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		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	10,251,139.32	93.98%	7,575,700.47	77.49%
1-2 year	74,067.00	0.68%	1,614,572.15	16.52%
2-3 years	364,250.00	3.34%	367,510.00	3.76%
Over 3 years	218,246.08	2.00%	218,246.08	2.23%
Total	10,907,702.40		9,776,028.70	

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

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

Other explanation:

**10. Inventory**

Whether the Company needs to comply with the disclosure requirements of the real estate industry or not?

No

**(1) By category**

In RMB

Item	Ending balance			Opening 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	92,232,575.13	13,668,205.65	78,564,369.48	80,869,593.40	14,029,193.74	66,840,399.66
Goods in process	27,861,163.79		27,861,163.79	26,297,439.74		26,297,439.74
Finished goods	3,480,957,950.69	105,191,344.99	3,375,766,605.70	3,990,325,129.27	87,793,814.10	3,903,440,914.10
Goods in transit	11,948,144.68		11,948,144.68	15,150,734.79		14,241,135.86
Low value consumables - packaging materials	6,990,366.64	2,165,628.79	4,824,737.85	6,304,862.83	2,190,627.19	4,114,235.64
Work in process-outsourced	5,388,642.06	5,388,642.06		5,388,642.06	5,388,642.06	
Materials in transit				30,064,517.52		30,064,517.52
Total	3,625,378,842.99	126,413,821.49	3,498,965,021.50	4,154,400,919.61	109,402,277.09	4,044,998,642.52

**(2) Data resource recognized as inventory**

In total

Item	Data resource inventory outsourced	Data resource inventory self-processed	Data resource inventory acquired with other manners	Total
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**(3) Inventories fall provision or impairment provision of contract performance costs**

In RMB

Item	Opening balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	14,029,193.74	5,111.87		366,099.96		13,668,205.65
Finished goods	87,793,814.10	42,559,301.21		25,161,770.32		105,191,344.99
Low value consumables - packaging materials	2,190,627.19	2,991.14		27,989.54		2,165,628.79
Work in process-outsourced	5,388,642.06					5,388,642.06
Total	109,402,277.09	42,567,404.22		25,555,859.82		126,413,821.49

Inventories fall provision accrual on portfolio

In RMB

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

Standard for inventories fall provision accrual on portfolio

**(4) Explanation on 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	Opening 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	Opening balance
Input tax to be deducted	71,883,764.30	111,305,418.60
Prepayment of income taxes	656,064.29	1,424,165.18
Prepaid and deferred expense	172,329.25	513,701.48
Other	49,957.06	
Total	72,762,114.90	113,243,285.26

Other explanation:

### 14. Creditors' investment

#### (1) Creditors' investment

In RMB

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

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 debts reserve	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, 2025 in the period				

Classification basis and accrual ratio of bad debts reserve for each stage

#### (4) Creditors' investment charged off in the period

In RMB

Item	Amount charged off
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Including important creditors' investment charged off:

Explanation on creditors' investment charged off:

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

☐Applicable ☒Not applicable

Other explanation:

## 15. Other creditors' investment

### (1) Other creditors' investment

In RMB

Item	Opening balance	Accrual interest	Interest adjustment	Change of fair value in the period	Ending balance	Cost	Accumulated change of fair value	Accumulated impairment provision recognized in other comprehensive income	Note
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Changes in impairment provision of other creditors' investments in the current period

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance
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### (2) Other 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 debts reserve	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 debts reserve for each stage

### (4) Other creditors' investment charged off in the period

In RMB

Item	Amount charged off
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Including major other creditors' investment charged off:

Explanation on other creditors' investment charged off:

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

☐Applicable ☒Not applicable

Other explanation:

## 16. Other equity instrument investment

In RMB

Item	Ending balance	Opening balance	Gains recognized in other comprehensive income for the current period	Losses recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income at the end of this period	Accumulated losses recognized in other comprehensive income at the end of this period	Dividend income recognized in this period	Reasons for designating fair value measurement with changes recognized in other comprehensive
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								income
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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-tradable equity instrument investments

In RMB

Item	Dividends income	Accumulated gains	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for designating fair 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			Opening balance			Discount rate range
	Book balance	Bad debts reserve	Book value	Book balance	Bad debts reserve	Book value	

### (2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debts reserve		Book value	Book balance		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

Bad debt reserve accrual on ral model of expected credit losses

In RMB

Bad debts reserve	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, 2025 in the period				

Classification basis and accrual ratio of bad debts reserve for each stage

### (3) Bad debts reserve accrued, recovered or reversed

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	

Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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Other explanation:

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

In RMB

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

### 18. Long-term equipment

In RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/-)								Ending balance (book value)	Ending balance of impairment provision
			Additi onal invest ment	Capi tal redu ction	Investment gains recognized under equity	Other comprehen sive income adjustment	Other equit y chan ge	Cash dividend or profit announced to issued	Accrual of impairm ent provision	O t h e r		
I. Joint venture												
II. Associated enterprise												
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	887,461.14				-185,060.12						702,401.02	
Zhuhai Hengxing Feed Industrial Co., Ltd.	32,724,440.12				-3,039,455.86						29,684,984.26	
Shenzhen Shenyuan Data Tech. Co., Ltd	11,744,987.18				-1,238,205.94						10,506,781.24	
Subtotal	45,356,888.44				-4,462,721.92						40,894,166.52	
Total	45,356,888.44				-4,462,721.92						40,894,166.52	

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

☐Applicable ☒Not applicable

The recoverable amount is determined on the basis of 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	Opening 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 at cost

☒Applicable ☐Not applicable

In RMB

Item	House and building	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	670,655,915.53			670,655,915.53
2. Current amount increased	460,020.86			460,020.86
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in	460,020.86			460,020.86
(3) Increased by combination				
3. Current amount decreased	11,088,790.26			11,088,790.26
(1) Disposal	48,512.96			48,512.96
(2) Other transfer-out	11,040,277.30			11,040,277.30
4. Ending balance	660,027,146.13			660,027,146.13
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	368,580,668.78			368,580,668.78
2. Current amount increased	8,550,174.86			8,550,174.86
(1) Accrual or amortization	8,550,174.86			8,550,174.86
3. Current amount decreased	11,086,364.61			11,086,364.61
(1) Disposal	46,087.31			46,087.31
(2) Other transfer-out	11,040,277.30			11,040,277.30
4. Ending balance	366,044,479.03			366,044,479.03
III. Impairment provision				
1. Opening 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	293,982,667.10			293,982,667.10
2. Opening book value	302,075,246.75			302,075,246.75

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

☐Applicable ☒Not applicable

The recoverable amount is determined on the basis of 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 at fair value

☐Applicable ☒Not applicable

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

In RMB

Item	Accounts before conversion	Amount	Reason for conversion	Approval procedures	Impact on gains/losses	Impact on other comprehensive income
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## (4) Investment real estate without property certificate completed

In RMB

Item	Book value	Reason for not obtaining property rights certificate
1 <sup>st</sup> , 7 <sup>th</sup> - 20 <sup>th</sup> floors of Dongguan No.1 Grain and Oil Headquarters	58,568,343.66	The joint inspection has not been completed temporarily
Office Building Rental Haizhifeng Part	959,617.29	Remaining issues, currently being followed up

Other explanation:

## 21. Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	1,996,211,372.88	2,009,520,283.95
Total	1,996,211,372.88	2,009,520,283.95

### (1) Fixed assets

In RMB

Item	House and buildings	Machinery equipment	Transport equipment	Electronic and other equipment	Total
I. Original book value:					
1.Opening balance	1,941,461,273.74	791,741,297.79	17,305,299.91	100,915,108.88	2,851,422,980.32
2.Current amount increased	25,508,578.45	10,543,843.18		3,186,229.31	39,238,650.94
(1) Purchase		5,362,719.55		1,535,457.42	6,898,176.97
(2) Construction	25,508,578.45	5,181,123.63		1,650,771.89	32,340,473.97

in progress transfer-in					
(3) Increased by combination					
3.Current amount decreased		10,295,116.88	282,984.00	931,881.85	11,509,982.73
(1) Disposal or scrap		10,174,779.38	282,984.00	931,881.85	11,389,645.23
(2) Other decrease		120,337.50			120,337.50
4.Ending balance	1,966,969,852.19	791,990,024.09	17,022,315.91	103,169,456.34	2,879,151,648.53
II. Accumulated depreciation					
1.Opening balance	395,620,432.09	352,024,780.44	14,857,378.46	76,831,770.86	839,334,361.84
2.Current amount increased	24,296,740.59	18,453,167.41	323,799.99	5,212,811.33	48,286,519.32
(1) Accrual	24,296,740.59	18,453,167.41	323,799.99	5,212,811.33	48,286,519.32
3.Current amount decreased		6,117,680.41	268,834.80	862,424.83	7,248,940.04
(1) Disposal or scrap		6,069,094.14	268,834.80	862,424.83	7,200,353.77
(2) Other decrease		48,586.27			48,586.27
4.Ending balance	419,917,172.68	364,360,267.44	14,912,343.65	81,182,157.36	880,371,941.13
III. Impairment provision					
1.Opening balance		2,558,444.66		9,889.87	2,568,334.53
2.Current amount increased					
(1) Accrual					
3.Current amount decreased					
(1) Disposal or scrap					
4.Ending balance		2,558,444.66		9,889.87	2,568,334.53
IV. Book value					
1.Ending book value	1,547,052,679.51	425,071,311.99	2,109,972.26	21,977,409.11	1,996,211,372.88
2. Opening book value	1,545,840,841.65	437,158,072.69	2,447,921.45	24,073,448.15	2,009,520,283.95

## (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
Housing and buildings of Dongguan Industrial and Trade	78,716,540.94	Under processing
Office building	15,852,075.94	Remaining issues, currently being followed
1 <sup>st</sup> to 3 <sup>rd</sup> floors, 6 <sup>th</sup> floor, 21 <sup>st</sup> to 23 <sup>rd</sup> floors of No. 1 Grain and Oil Headquarters	39,082,012.58	The joint inspection has not been completed temporarily
Food Processing and Logistics Distribution Industrial Park(A2)	74,134,093.25	The village collective address certificate is required, and communicating with the village committee regarding the issuance of the document.

Other explanation:

## (5) Impairment testing of fixed assets

☐Applicable ☒Not applicable

## (6) Disposal of fixed assets

In RMB

Item	Ending balance	Opening balance

Other explanation:

## 22. Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	48,429,826.06	39,312,847.70
Total	48,429,826.06	39,312,847.70

## (1) Construction in progress

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Dongguan grain storage and wharf matching project	23,025,277.83		23,025,277.83	23,185,559.25		23,185,559.25
CDE storage of Dongguan Food Industrial Park and wharf mating projects	5,937,211.52		5,937,211.52	6,281,644.10		6,281,644.10
Low Temperature Warehouse Renovation Project of Pinghu Grain Depot	13,007,149.07		13,007,149.07	3,942,246.16		3,942,246.16
Precision processing color selection and impurity removal equipment				1,061,287.68		1,061,287.68



project						
Powder packaging equipment project				814,388.06		814,388.06
Other	11,360,761.02	4,900,573.38	6,460,187.64	8,928,295.83	4,900,573.38	4,027,722.45
Total	53,330,399.44	4,900,573.38	48,429,826.06	44,213,421.08	4,900,573.38	39,312,847.70

## (2) Changes of major construction in progress

In RMB

Item	Budget	Opening 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	23,185,559.25	25,484,871.56	25,185,132.12	460,020.86	23,025,277.83	90.55%	90.55%	37,221,995.16			Other
CDE storage of Dongguan Food Industrial Park and wharf matting projects	1,087,300,000.00	6,281,644.10	6,810,909.27	7,155,341.85		5,937,211.52	99.42%	99.42%	86,730,568.74			Other
Total	2,329,300,000.00	29,467,203.35	32,295,780.83	32,340,473.97	460,020.86	28,962,489.35			123,952,563.90			

## (3) Impairment provision of construction in progress

In RMB

Item	Opening 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			Opening 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	416,771.28				416,771.28
1. Opening balance					
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. Opening balance	67,846.68				67,846.68
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	72,692.88				72,692.88
III. Impairment provision					
1. Opening 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	344,078.40				344,078.40
2. Opening book value	348,924.60				348,924.60

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

☐Applicable ☒Not applicable

**(3) Productive biological asset measured at fair value**

☐Applicable ☒Not applicable

**24. Oil and gas asset**

☐ Applicable ☒Not applicable

**25. Right-of-use asset**

**(1) Right-of-use asset**

In RMB

Item	House and building	Land use rights	Total
I. Original book value	195,429,902.49	2,875,969.39	198,305,871.88
1. Opening balance	195,429,902.49	2,875,969.39	198,305,871.88
2. Current amount increased			
3. Current amount decreased	9,055,586.73		9,055,586.73
(1) Disposal	9,055,586.73		9,055,586.73
4. Ending balance	186,374,315.76	2,875,969.39	189,250,285.15
II. Accumulated depreciation			
1. Opening balance	82,054,858.58	992,973.13	83,047,831.71
2. Current amount increased	21,127,859.56	116,147.86	21,244,007.42
(1) Accrual	21,127,859.56	116,147.86	21,244,007.42
3. Current amount decreased	9,288,586.55		9,288,586.55
(1) Disposal	9,055,586.73		9,055,586.73
(2) Other decrease	232,999.82		232,999.82
4. Ending balance	93,894,131.59	1,109,120.99	95,003,252.58
III. Impairment provision			
1. Opening balance			
2. Current amount increased			
(1) Accrual			
3. Current amount decreased			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	92,480,184.17	1,766,848.40	94,247,032.57
2. Opening book value	113,375,043.91	1,882,996.26	115,258,040.17

## (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	Shop use rights	Software usage rights	Forest use rights	Trademark rights	Total
I. Original book value								
1. Opening balance	587,907,374.86	54,891,301.41		3,610,487.37	116,819,200.84	22,859,104.98	98,073.32	786,185,542.78
2. Current amount increased					672,660.32			672,660.32
(1)					101,000.00			101,000.00

Purchase								
(2) Internal R&D								
(3) Increased by combination								
Other increase					571,660.32			571,660.32
3.Current amount decreased	87,522,255.86				6,933.96			87,529,189.82
(1) Disposal	86,122,268.56							86,122,268.56
(2) Other decrease	1,399,987.30				6,933.96			1,406,921.26
4.Ending balance	500,385,119.00	54,891,301.41		3,610,487.37	117,484,927.20	22,859,104.98	98,073.32	699,329,013.28
II. Accumulated depreciation								
1.Opening balance	144,678,876.08	32,459,698.26		1,675,382.19	69,123,935.16	9,229,847.16	93,727.62	257,261,466.47
2.Current amount increased	6,265,572.56	826,652.22		52,639.91	7,814,036.97	515,498.92	2,544.22	15,476,944.80
(1) Accrual	6,265,572.56	826,652.22		52,639.91	7,814,036.97	386,431.80	2,544.22	15,347,877.68
Other increase						129,067.12		129,067.12
3.Current amount decreased	27,024,932.77					129,067.12		27,153,999.89
(1) Disposal	25,624,945.47							25,624,945.47
(3) Other decrease	1,399,987.30					129,067.12		1,529,054.42
4.Ending balance	123,919,515.87	33,286,350.48		1,728,022.10	76,937,972.13	9,616,278.96	96,271.84	245,584,411.38
III. Impairment provision								
1.Opening balance		5,553,283.54						5,553,283.54
2.Current amount increased								
(1) Accrual								
3.Current amount decreased								
(1) Disposal								
4.Ending balance		5,553,283.54						5,553,283.54
IV. Book value								
1.Ending	376,465,603.	16,051,667.		1,882,465.	40,546,955.0	13,242,826.	1,801.48	448,191,318.

book value	13	39		27	7	02		36
2. Opening book value	443,228,498.78	16,051,667.39		1,935,105.18	47,695,265.68	13,629,257.82	4,345.70	523,370,792.77

Ratio of the intangible assets formed by internal R&D in balance of intangible assets at period-end

## (2) Data resource recognized as intangible assets

☐Applicable ☒Not applicable

In RMB

Item	Data resource inventory outsourced	Data resource inventory self-processed	Data resource inventory acquired with other manners	Total
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## (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	In Progress

Other explanation:

## (4) Impairment testing of intangible assets

☐Applicable ☒Not applicable

## 27. Goodwill

### (1) Original book value of goodwill

In RMB

Investee or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination		Disposal		
Total						

### (2) Impairment provision of goodwill

In RMB

Investee or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Accrual		Disposal		
Total						

### (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 on the basis of the net amount after deducting disposal expenses from fair value

☒Applicable ☐Not applicable

The recoverable amount is determined on the basis of 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

When goodwill is formed, there is a performance commitment 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	Opening balance	Current amount increased	Current amortization	Other decreased	Ending balance
Decoration fee	5,869,803.29	227,813.70	1,077,478.72		5,020,138.27
Improvement expenditure for fix assets	17,166,598.90	327,865.24	2,416,281.20	9,349.98	15,068,832.96
Other engineering	2,976,786.49	18,993.00	764,029.24		2,231,750.25
Total	26,013,188.68	574,671.94	4,257,789.16	9,349.98	22,320,721.48

Other explanation:

### 29. Deferred income tax asset /Deferred income tax liabilities

#### (1) Deferred income tax assets not offset

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Impairment provision for assets	91,722,204.75	21,766,774.23	78,886,233.43	19,113,818.29
Unrealized profits in internal transactions	1,233,076.04	305,537.53	1,955,326.35	293,298.96
Credit impairment loss	126,919,932.42	31,956,747.49	131,272,060.28	32,427,392.41
Lease liabilities	60,074,582.65	15,018,673.14	72,583,919.01	18,145,979.75
Total	279,949,795.86	69,047,732.39	284,697,539.07	69,980,489.41

#### (2) Deferred income tax liability not offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation appreciation of enterprise combination under different control	41,153,232.04	10,288,308.01	41,980,665.84	10,495,166.46

Right-of-use asset	56,670,386.96	14,167,596.74	68,309,530.63	17,077,382.66
Total	97,823,619.00	24,455,904.75	110,290,196.47	27,572,549.12

**(3) Deferred income tax assets and deferred income tax liabilities listed as net amount after offsetting**

In RMB

Item	Offsetting between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after offsetting	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax asset	14,167,596.74	54,880,135.65	17,077,382.66	52,903,106.75
Deferred income tax liabilities	14,167,596.74	10,312,520.01	17,077,382.66	10,495,166.46

**(4) Details of unrecognized deferred income tax assets**

In RMB

Item	Ending balance	Opening balance
Deductible temporary differences	175,956,969.18	151,802,527.41
Deductible loss	346,623,657.81	319,287,351.61
Total	522,580,626.99	471,089,879.02

**(5) Deductible losses of unrecognized deferred income tax assets expiring in following years**

In RMB

Year	Ending balance	Beginning balance	Note
2025	54,999,442.38	59,047,529.92	
2026	19,293,465.08	24,075,232.20	
2027	32,940,016.78	37,011,114.59	
2028	91,290,525.93	95,247,245.53	
2029	113,417,068.12	81,843,220.20	
2030	17,652,280.46	1,592,707.06	
2031	11,566,491.62	11,566,491.62	
2032	5,464,367.44	6,231,412.69	
2033		2,672,397.80	
Total	346,623,657.81	319,287,351.61	

Other explanation:

**30. Other non-current assets**

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Property to be relocated	6,691,580.24		6,691,580.24	3,523,917.24		3,523,917.24
Prepaid for engineer	2,449,577.55		2,449,577.55	2,497,360.73		2,497,360.73
Total	9,141,157.79		9,141,157.79	6,021,277.97		6,021,277.97

Other explanation:

**31. Assets with restricted ownership or use rights**

In RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction status	Book balance	Book value	Restriction type	Restriction status
Monetary fund	6,953,725.85	6,953,725.85	Guarantee deposit,		5,569,948.86	5,569,948.86	Guarantee deposit,	



			credit deposit, lawsuit freezing, etc.				credit deposit. etc	
Total	6,953,725.85	6,953,725.85			5,569,948.86	5,569,948.86		

Other explanation:

## 32. Short-term loans

### (1) By category

In RMB

Item	Ending balance	Opening balance
Loan in credit	1,086,982,672.65	1,484,605,101.05
Total	1,086,982,672.65	1,484,605,101.05

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	Opening balance
Including:		
Including:		

Other explanation:

## 34. Derivative financial liability

In RMB

Item	Ending balance	Opening balance
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Other explanation:

## 35. Note payable

In RMB

Category	Ending balance	Opening 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	Opening balance
Payment for goods	115,098,341.60	320,908,083.65
Account payable for engineer and equipment	84,007,855.69	69,278,292.34
Other	66,469,894.38	2,600,723.24
Total	265,576,091.67	392,787,099.23

## (2) Major accounts payable with aging over one year or overdue major accounts payable

In RMB

Item	Ending balance	Reason for not repaying or carry-over
Shenzhen Municipal Engineering Corporation	16,937,860.59	The project has been completed, but not settled, and the payment node stipulated in the contract has not been reached.
Guangdong Henghui Construction Co., Ltd.	18,615,952.92	There are disputes.
Dalian Jiangong Mechanical and Electrical Installation Engineering Co., Ltd.	13,871,408.71	Provision for unpaid funds for CDE warehouse equipment.
Total	49,425,222.22	

Other explanation:

## 37. Other account payable

In RMB

Item	Ending balance	Opening balance
Dividends payable	2,933,690.04	2,933,690.04
Other account payable	266,190,326.53	265,387,637.46
Total	269,124,016.57	268,321,327.50

### (1) Interest payable

In RMB

Item	Ending balance	Opening 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) Dividends payable

In RMB

Item	Ending balance	Opening balance
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 nonpayment:

### (3) Other account payable

#### 1) By nature

In RMB

Item	Ending balance	Opening balance
Accounts receivable and other expenses	212,436,348.95	181,075,520.70
Deposit and margin	52,320,251.51	71,419,422.77
Accrued expenses	897,425.36	12,452,805.44
Others	536,300.71	439,888.55
Total	266,190,326.53	265,387,637.46

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

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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**38. Accounts received in advance**

**(1) Accounts received in advance**

In RMB

Item	Ending balance	Opening balance
Lease payment received in advance	1,051,041.33	1,120,939.23
Other	596,675.76	568,809.63
Total	1,647,717.09	1,689,748.86

**(2) Significant accounts received in advance with aging over one year 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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**39. Contract liabilities**

In RMB

Item	Ending balance	Opening balance
Advance on sales	94,627,461.61	126,590,458.95
Total	94,627,461.61	126,590,458.95

Significant contract 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	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	173,956,857.94	131,316,629.56	167,999,973.62	137,273,513.88
II. After-service welfare-defined contribution plans	6,866,982.09	15,219,163.58	12,136,922.45	9,949,223.22
III. Dismissed welfare	726,674.60	21,370.36	21,370.36	726,674.60
Total	181,550,514.63	146,557,163.50	180,158,266.43	147,949,411.70

**(2) Short-term compensation**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wage, bonus, allowance and subsidy	166,282,245.23	108,789,365.66	144,818,974.36	130,252,636.53
2. Employees' welfare	368,527.83	1,955,449.98	2,231,011.39	92,966.42
3. Social insurance charges	382,704.75	3,688,253.91	3,681,314.57	389,644.09
Including: medical insurance premium	347,882.18	3,163,162.12	3,157,488.01	353,556.29
Industrial injury insurance premiums	6,129.88	298,900.96	298,248.90	6,781.94
Maternity insurance premiums	28,692.69	226,190.83	225,577.66	29,305.86
4. Housing public reserve	51,276.78	10,245,471.68	10,224,676.14	72,072.32
5. Trade union fee and education fee	6,725,952.35	2,511,763.85	2,780,559.50	6,457,156.70
Non-monetary welfare	141,151.00	4,126,324.48	4,263,437.66	4,037.82
Other short-term compensation	5,000.00			5,000.00
Total	173,956,857.94	131,316,629.56	167,999,973.62	137,273,513.88

### (3) Defined contribution plans

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance premiums	56,501.10	10,096,965.60	10,077,364.86	76,101.84
2. Unemployment insurance premiums		462,426.24	461,382.62	1,043.62
3. Enterprise annuity	6,810,480.99	4,659,771.74	1,598,174.97	9,872,077.76
Total	6,866,982.09	15,219,163.58	12,136,922.45	9,949,223.22

Other explanation:

### 41. Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	2,473,922.43	2,133,176.38
Enterprise income tax	46,737,778.58	95,215,697.77
Personal income tax	4,610,328.61	1,450,305.23
Urban maintenance and construction tax	85,590.29	113,475.35
Property tax	6,067,709.89	1,350,095.44
Stamp tax	298,712.39	1,089,799.33
Deed tax	664,227.84	664,227.84
Use tax of land	809,878.64	138,387.07
Educational surtax	68,057.25	81,630.62
Environment protection tax	2,644.11	2,644.32
Total	61,818,850.03	102,239,439.35

Other explanation:

### 42. Liability held for sale

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

Other explanation:

### 43. Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance
Lease liabilities due within one year	40,979,285.84	42,927,367.21
Total	40,979,285.84	42,927,367.21

Other explanation:

### 44. Other current liabilities

In RMB

Item	Ending balance	Opening balance
Deferred output tax	4,508,204.90	8,042,645.47
Total	4,508,204.90	8,042,645.47

Changes of short-term bonds payable:

In RMB

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

Other explanation:

### 45. Long-term loan

#### (1) By category

In RMB

Item	Ending balance	Opening 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	Opening balance
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#### (2) Changes of bonds payable (not including preferred stock, perpetual capital securities and other financial instruments classified as financial liability)

In RMB

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

**(3) Description of 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 increased		Current decreased		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	Opening balance
Lease payments	103,061,010.64	126,474,987.95
Unrecognized financing charges	-3,956,012.45	-5,463,119.98
Lease liabilities due within one year	-41,161,127.82	-42,927,367.21
Total	57,943,870.37	78,084,500.76

Other explanation:

**48. Long-term account payable**

In RMB

Item	Ending balance	Opening balance
Special account payable	16,695,689.73	16,636,326.62
Total	16,695,689.73	16,636,326.62

**(1) By nature**

In RMB

Item	Ending balance	Opening balance
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Other explanation:

**(2) Special account payable**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Depreciation funds for fixed assets of government reserve grain depots	16,421,849.53	59,363.11		16,481,212.64	
Special funding for research in the grain public welfare industry	207,477.09			207,477.09	
Grain and oil market monitoring and early warning subsidy	7,000.00			7,000.00	
Total	16,636,326.62	59,363.11		16,695,689.73	

Other explanation:

## 49. Long-term wage payable

### (1) Long-term wage payable

In RMB

Item	Ending balance	Opening 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 of defined benefit plans:

Other explanation:

## 50. Accrual liabilities

In RMB

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

## 51. Deferred income

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Government grant	79,203,615.99		3,069,731.62	76,133,884.37	Government subsidy related to assets
Total	79,203,615.99		3,069,731.62	76,133,884.37	--

Other explanation:

## 52. Other non-current liabilities

In RMB

Item	Ending balance	Opening balance
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Other explanation:

## 53. Share capital

In RMB

	Opening balance	Current increased (decreased) +/-					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 increased		Current decreased		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	Opening balance	Current increased	Current decreased	Ending balance
Capital premium (Share capital premium)	1,263,011,835.48			1,263,011,835.48
Other capital reserve	8,896,381.86			8,896,381.86
Total	1,271,908,217.34			1,271,908,217.34

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

## 56. Treasury stock

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
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Other explanation, including changes and reason for changes:

## 57. Other comprehensive income

In RMB

Item	Opening balance	Current period						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains/losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income re-classified into gains/losses	- 620,406.95					-65,463.82		- 685,870.77
Exchange differences on translation of foreign currency financial statements	- 620,406.95					-65,463.82		- 685,870.77
Total of other comprehensive income	- 620,406.95					-65,463.82		- 685,870.77

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

## 58. Reasonable reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
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Work safety fee	1,152,617.76		71,978.98	1,080,638.78
Total	1,152,617.76		71,978.98	1,080,638.78

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

## 59. Surplus public reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	616,729,697.68			616,729,697.68
Total	616,729,697.68			616,729,697.68

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

## 60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at last period-end before adjustment	1,877,968,762.99	1,916,792,566.57
Retained profit at period-beginning after adjustment	1,877,968,762.99	172,880,288.10
Add: net profit attributable to shareholder of parent company	176,015,525.87	129,001,273.55
Common stock dividends payable	172,880,288.10	230,507,050.80
Retained profit at period-end	1,881,104,000.76	1,825,838,200.83

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 revenue and operating cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	2,380,995,921.98	1,941,297,621.82	2,415,839,496.41	1,985,218,970.39
Other business	3,231,515.92	847,514.29	613,423.20	206,792.93
Total	2,384,227,437.90	1,942,145,136.11	2,416,452,919.61	1,985,425,763.32

Information on breakdown of operation income and cost:

In RMB

Category	Branch 1		Branch 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	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?	Expected refunds to customers borne by the company	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 income corresponding to unfulfilled or incomplete performance obligations is 94,627,461.61 yuan, which is expected to be recognized in the year of 2025.

Related information of contract variable price:

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	558,488.19	732,943.30
Education surcharge	427,914.55	447,916.95
Property tax	6,030,291.88	5,647,115.56
Use tax of land	983,134.88	995,148.54
Vehicle and vessel use tax	76,244.89	12,197.60
Stamp duty	789,944.86	702,590.30
Other	282,049.61	131,522.81

Total	9,148,068.86	8,669,435.06
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Other explanation:

### 63. Administration expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	68,048,573.63	56,814,032.17
Depreciation and amortization of long-term assets	20,704,572.10	22,875,890.10
Office expenses	2,734,065.83	2,648,095.32
Intermediary agency fees	2,447,676.25	2,189,633.97
Communication expense	767,588.46	760,746.70
Vehicle usage fee	475,475.05	579,738.34
Travelling expense	1,239,181.61	724,417.01
Rental	16,200.00	133,328.88
Repairing expense	234,333.21	312,129.52
Low-value consumable	311.03	3,924.22
Business hospitality	307,633.92	299,069.79
Other	4,963,966.38	7,403,442.99
Total	101,939,577.47	94,744,449.01

Other explanation:

### 64. Sales expense

In RMB

Item	Current period	Last period
Labor and social security benefits	42,115,079.76	46,005,597.00
Depreciation and amortization of long-term assets	2,943,601.35	7,978,358.27
Office expenses	2,169,551.44	5,154,390.85
Sales service fee	5,127,547.02	6,029,769.66
Port storage and loading/unloading fees	1,584.16	720,210.49
Low value consumables and other loss expenses	879,315.37	1,961,226.16
Travel expenses	1,580,085.82	1,111,459.18
Business hospitality	484,397.33	517,485.12
Advertising expenses	122,150.87	820,363.78
Rental	30,827.57	292,107.15
Property insurance premium	81,175.86	840,821.33
Logistics and transportation costs	239,131.85	344,270.20
Sales commission	12,494.53	
Vehicle use fee	123,924.22	86,253.99
Other	4,798,653.56	1,598,513.78
Total	60,709,520.71	73,460,826.96

Other explanation:

### 65. R&D expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	4,508,400.43	5,116,627.53
Direct investment	2,305,713.08	1,699,485.02
Depreciation and amortization	1,650,826.40	1,573,235.55
Entrusted R&D expense	461,108.08	31,654.72
Travel expense	372,878.73	349,424.09
Inspection and debugging expense	448,208.19	250,655.39

Other expenses	446,593.52	708,633.77
Office expenses	14,903.78	83,555.14
Total	10,208,632.21	9,813,271.21

Other explanation:

## 66. Financial expense

In RMB

Item	Current period	Last period
Interest expenses	19,155,569.88	17,092,705.52
Less: interest income	406,929.22	952,349.13
Exchange gains/losses	-37,433.71	183,430.87
Handling fee and others	330,738.52	446,174.46
Total	19,041,945.47	16,769,961.72

Other explanation:

## 67. Other income

In RMB

Sources	Current period	Last period
Government grant	3,348,104.77	5,540,994.27
Input tax deduction	501,558.34	897,627.62
Handling fees for withholding personal income tax	336,461.35	448,072.44
Other	0.00	1,509,471.45

## 68. Net exposure hedge gains

In RMB

Item	Current period	Last period
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Other explanation:

## 69. Income of fair value changes

In RMB

Sources	Current period	Last period
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Other explanation:

## 70. Investment income

In RMB

Item	Current period	Last period
Long-term equity investment income measured with equity method	-4,462,721.92	-1,722,514.88
Investment income from the disposal of long-term equity investment		1,156,849.46
Income from financial products		3,933,789.27
Total	-4,462,721.92	3,368,123.85

Other explanation:

## 71. Credit impairment loss

In RMB

Item	Current period	Last period
Loss of bad debt of accounts receivable	249,349.20	-53,879.90
Loss of bad debt of other accounts	1,014,575.17	-15,853.59

receivable		
Total	1,263,924.37	-69,733.49

Other explanation:

## 72. Asset impairment loss

In RMB

Item	Current period	Last period
I. Inventory depreciation loss and impairment loss of contract performance cost	-42,521,010.08	-79,774,391.84
Total	-42,521,010.08	-79,774,391.84

Other explanation:

## 73. Income from disposal of assets

In RMB

Sources	Current period	Last period
Gains from the disposal of non-current assets (disposal group) held for sale (losses shall be filled in with "-")	19,967,516.74	5,219,432.33

## 74. Non-operation income

Item	Current period	Last period	Amount included in the current non-recurring gains/losses
Government grants	11,250.00		11,250.00
Gains from damage and scrapping of non-current assets	26,999.99	784.47	26,999.99
Other	29,151.54	61,826.18	29,151.54
Liquidated damages compensation income	79,300.00	8,536.00	79,300.00
No payment required		1,000.00	
Total	146,701.53	72,146.65	146,701.53

In RMB

Other explanation:

## 75. Non-operating expenditure

In RMB

Item	Current period	Last period	Amount included in current non-recurring gains/ losses
External donations	100,000.00	21,613.38	100,000.00
Loss of disposal of non-current assets	45,422.67	24,793.40	45,422.67
Penalty expenses and liquidated damages	6,236.50	3,632.69	6,236.50
Other	75,927.79	20,505.01	75,927.79
Loss of scrap from inventories	71,928.77		71,928.77
Compensation payment		160,000.00	
Total	299,515.73	230,544.48	299,515.73

Other explanation:

## 76. Income tax expense

### (1) Income tax expense

In RMB

Item	Current period	Last period
Current income tax expenses	45,549,703.07	42,746,022.32
Deferred income tax expenses	-2,212,397.91	-8,529,453.68
Total	43,337,305.16	34,216,568.64

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

In RMB

Item	Current period
Total profit	219,315,576.44
Income tax expenses calculated by statutory/applicable tax rate	32,897,336.47
Impact from different tax rate applicable with subsidiaries	-191,076.58
Effect of adjusting income tax in the previous period	7,412.16
Impact of non-taxable income	-24,144,866.52
Impact of cost, expenses and losses unable to be deducted	39,979,253.46
Impact of the use of a previously unrecognized deferred income tax asset on deductible losses	-7,826,420.08
Impact of unrecognized deferred income tax assets in current period on deductible temporary differences or deductible losses	2,615,666.25
Income tax expenses	43,337,305.16

Other explanation:

## 77. Other comprehensive income

Refer to notes for details.

## 78. Items of cash flow statement

### (1) Cash received with operating activities concerned

Cash received with other operating activities concerned

In RMB

Item	Current period	Last period
Intercourse funds and deposit	167,279,594.99	1,281,111,970.63
Government grants	234,873.15	1,561,534.17
Interest income	540,453.34	611,096.36
Other	5,548,924.52	4,916,809.72
Total	173,603,846.00	1,288,201,410.88

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	175,723,905.37	1,067,273,655.24
Daily operating expenses	53,387,305.01	43,643,114.09
Other	1,947,940.25	5,735,732.19
Total	231,059,150.63	1,116,652,501.52

Note of cash paid with other operating activities concerned:

### (2) Cash with 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
Significant cash paid with investment activities concerned		

In RMB

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

### (3) Cash with financing activities concerned

Cash received with other financing activities concerned

In RMB

Item	Current period	Last period
Note of cash received with other financing activities concerned:		

Cash paid with other financing activities concerned

In RMB

Item	Current period	Last period
Operating lease paid	5,323,196.47	12,238,276.69
Total	5,323,196.47	12,238,276.69

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 company or may affect the cash flow of the company 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	175,978,271.28	130,333,842.49
Add: Impairment provision of assets	41,283,621.10	79,844,125.33
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	56,850,288.74	55,522,639.34
Depreciation of right-of-use assets	21,244,007.42	11,347,720.63
Amortization of intangible assets	15,713,200.60	17,124,485.76
Amortization of long-term deferred expenses	4,257,789.16	3,949,196.13
Loss from the disposal of fixed assets, intangible assets and other long-term assets (income is listed with "-")	-19,952,880.86	-5,219,432.33
Losses on scrapping of fixed assets (income is listed with "-")	15,786.79	24,008.93
Loss from change of fair value (income is listed with "-")		
Financial expenses (income is	19,134,024.49	17,092,597.32

listed with “-”)		
Investment loss (income is listed with “-”)	4,462,721.92	-3,368,123.85
Decrease of deferred income tax assets (increase is listed with “-”)	-1,882,996.58	-8,349,197.50
Increase of deferred income tax asset ((increase is listed with “-”)	-184,876.57	-180,256.17
Decrease of inventory (increase is listed with “-”)	526,841,580.03	-340,587,903.58
Decrease of operating receivable accounts (increase is listed with “-”)	162,945,770.18	-84,838,140.10
Increase of operating payable accounts (decrease is listed with “-”)	-269,427,740.89	-31,244,947.41
Other		
Net cash flow arising from operating activities	737,278,566.81	-158,549,385.01
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		
3. Net change of cash and cash equivalents:		
Ending balance of cash	172,849,270.67	78,234,838.70
Less: beginning balance of cash	158,935,342.85	236,745,667.10
Add: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	13,913,927.82	-158,510,828.40

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

In RMB

	Amount
Including:	
Including	
Including:	

Other explanation:

## (3) Net cash received by disposing subsidiaries in the Period

In RMB

	Amount
Including:	
Including:	
Including:	

Other explanation:

## (4) Component of cash and cash equivalents

In RMB

Item	Ending balance	Opening balance
I. Cash	172,849,270.67	158,935,342.85
Including: Cash on hand	9,345.67	9,442.96
Bank deposit available for payment at any time	170,243,105.14	158,925,899.89
Other monetary funds available for payment at any time	2,596,819.86	
Funds deposited with the central		



bank available for payment		
Funds deposited with other financial institutions		
Funds lent to other financial institutions		
II. Cash equivalents		
Including: bond investment maturing within three months		
III. Ending balance of cash and cash equivalents	172,849,270.67	158,935,342.85

**(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 equivalents**

In RMB

Item	Current amount	Last amount	Reason for not belonging to cash and cash equivalents
Monetary funds	6,953,725.85	9,263,948.38	Credit deposit, litigation preservation
Total	6,953,725.85	9,263,948.38	

Other explanation:

**(7) Explanation on other significant activities**

**80. Notes of changes of owners' equity**

Explain the name and adjusted amount in "Other" 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			4,062,436.76
Including: USD	5,897.62	7.1586	42,218.71
EURO			
HKD	4,408,617.23	0.9119	4,020,218.05
Account receivable			2,212,863.32
Including: USD	267,214.66	7.1586	1,912,882.87
EURO			
HKD	328,962.00	0.9119	299,980.45
Long-term borrow			
Including: USD			
EURO			
HKD			

Other explanation:

**(2) Explanation on overseas operating entities, including disclosure of their main overseas operating location, accounting currency, and selection criteria for important overseas operating entities. If the accounting currency changes, the reasons should also be disclosed.**

☐ Applicable ☒ Not applicable

**82. Lease**

**(1) The company as leaser**

☒ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ☒ Not applicable

Lease expenses for short-term leases or low-value asset leases with simplified treatment

☒ Applicable ☐ Not applicable

Short-term lease	43,458,540.73
Low-value asset lease	252,486.44
Variable lease payments not included in the measurement of lease liabilities	-
<b>Total</b>	<b>43,711,027.17</b>

Circumstances involving sale and leaseback transactions

**(2) The company as lessee**

Operating lease with the company as lessee

☒ Applicable ☐ Not applicable

In RMB

Item	Lease income	Including: income related to variable lease payments not included in lease payments
Lease income	65,913,018.03	
<b>Total</b>	<b>65,913,018.03</b>	

Financing lease with the company as lessee

☐ Applicable ☒ Not applicable

Annual lease receipts not discounted in the next five years

☐ Applicable ☒ Not applicable

Adjustment table for lease receipts not discounted 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	4,508,400.43	4,677,082.95
Direct input	2,305,713.08	1,648,913.98

Depreciation and amortization	1,650,826.40	1,622,308.36
Outsourced R&D expenditures	461,108.08	31,654.72
Travel expenses	372,878.73	349,424.09
Inspection and commissioning fees	448,208.19	445,254.60
Other expenses	446,593.52	392,222.82
Office expenses	14,903.78	371,605.05
Total	10,208,632.21	9,538,466.57
Including: expensed R&D expenditures	10,208,632.21	9,538,466.57

## 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
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Impairment provision for R&D cost

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Impairment test
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## 2. Important outsourced projects under research

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

## IX. Changes in consolidation range

### 1. Enterprise combination not under the same control

#### (1) Enterprise combination 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
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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/combination cost less than the shares of fair value of identifiable net assets acquired	

Explanation on the method for determining the fair value of combination costs

Explanation on contingent considerations and their changes:

Main reasons for the formation of large goodwill

Other explanation:

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

In RMB

	Fair value on purchasing date	Book value on purchasing date
Assets:		
Monetary funds		
Accounts receivable		
Inventory		
Fixed assets		
Intangible assets		
Liability:		
Loan		
Accounts payable		
Deferred 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 enterprise combination:

Other explanation:

### (4) Gains/losses arising from the equity held before purchasing date which are re-measured at fair value

Whether there is any transaction that achieves enterprise combination through multiple transactions and obtains control during the reporting period or not?

☐Yes ☒No

### (5) Explanation on failing to reasonably determine the combination consideration or the fair value of identifiable assets and liabilities of the acquiree on the purchasing date or at the combination period-end

### (6) Other explanation

## 2. Business combination under the same control

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

In RMB

A c q u i r e	Equity ratio obtained in combinati on	Basis of enterprise combination under the same control	Com binat ion date	Standard to determine the combination date	Income of the acquiree from the combination period-begin to the combination date	Net profit of the acquiree from the combination period-begin to the combination date	Income of the acquiree during the comparison period	Net profit of the acquiree during the comparison period
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Other explanation:

## (2) Combination cost

In RMB

Combination 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 acquiree on combination date

In RMB

	Combination 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 subsidiaries

Whether there is any situation where a single disposal of investment in a subsidiary result in loss of control or not?

☐Yes ☒No

Whether there is any situation where investments in subsidiaries are disposed by steps through multiple transactions and control is lost in the current period or not?

☐Yes ☒No

## 5. Other reasons for changes in consolidation range

Consolidation scope changes caused by other reasons (e.g., establish new subsidiaries, liquidate subsidiaries) 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		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		100.00%	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		100.00%	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 businesses	100.00%		Establishment
Shenshenbao 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	Hangzhou City	Hangzhou City	Grain and oil wholesale	100.00%		Establishment
Fuhaitang Catering	1,000,000.00	Hangzhou City	Hangzhou City	Catering		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	Pu'er City	Pu'er City	Manufacturing	100.00%		Establishment
Huizhou Shenliang Food	5,000,000.00	Huizhou City	Shenzhen City	Wholesale business		100.00%	Establishment
Xingye Food	500,000.00	Hong Kong (China)	Hong Kong (China)	Wholesale business	100.00%		Business combination under the same control
Intelligent Storage	10,000,000.00	Shenzhen City	Shenzhen City	Warehouse, logistics		100.00%	Establishment

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

Explanation on the basis for controlling the investee with half or below voting rights held and without controlling the investee, or explanation on the basis for not controlling the investee with over half 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
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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 subsidiaries

In RMB

Subsidiary	Ending balance						Opening 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

In RMB

Subsidiary	Current Period				Last Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity

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 change 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	
Total of purchase cost/disposal consideration	
Less: Subsidiary's share of net assets calculated in terms of the proportion of acquired/disposed equity	
Difference	
Including: Adjust capital reserve	
Adjust surplus reserve	
Adjust undistributed 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

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	Opening balance/Last period
Current assets		
Including: cash and cash equivalents		
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 in terms of 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 revenue		
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 period		

Other explanation

### (3) Main financial information of important associated enterprises

In RMB

	Opening balance/Last period Zhuhai Hengxing Feed Industrial Co., Ltd.	Opening balance/Last period Zhuhai Hengxing Feed Industrial Co., Ltd.
Current assets	192,979,381.88	178,447,054.01
Non-current assets	19,811,802.74	20,408,430.87
Total assets	212,791,184.62	198,855,484.88
Current liabilities	111,018,241.96	89,109,413.45
Non-current liabilities	27,737,327.24	28,373,574.24
Total liabilities	138,755,569.20	117,482,987.69
Net asset	74,035,615.42	81,372,497.19
Minority interests		
Equity attributable to shareholder of parent company	74,035,615.42	81,372,497.19
Share of net assets measured in terms of shareholding	29,614,246.17	32,548,998.88
Adjustment	70,738.09	175,441.24
--Goodwill		
--Unrealized profit of internal trading		
-- Other		
Book value of equity investment in associated enterprise	29,684,984.26	32,724,440.12
Fair value of the equity investment of associated enterprise with public offers concerned		
Operating revenue	84,662,144.19	151,719,295.67
Net profit	-7,598,639.64	1,286,687.52
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income	-7,598,639.64	1,286,687.52
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	Opening balance/Last period
Joint venture:		
Amount calculated in terms of shareholding ratio		

Associated enterprise:		
Total book value of investment	11,209,182.26	12,632,448.32
Total amount calculated in terms of shareholding ratio		
--Net profit	-1,423,266.05	-2,425,593.45
--Total comprehensive income	-1,423,266.05	-2,425,593.45

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	Accumulated derecognized losses	Derecognized losses not recognized in the Period (or net profit enjoyed in the Period)	Accumulated derecognized losses at period-end
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Other explanation

**(7) Unrecognized 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 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

Item	Opening 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	79,203,615.99			3,069,731.62		76,133,884.37	Asset related

### 3. Government grant booked into current gains/losses

☐Applicable ☐Not applicable

In RMB

Accounting title	Current period	Last period
Other revenue	3,308,104.77	5,540,994.27

Other explanation:

## XII. Risk related with financial instrument

### 1. Various risks arising from financial instruments

The company's main financial instruments include monetary funds, notes receivable, accounts receivable, other receivables, other current assets, trading financial assets, other non-current financial assets, accounts payable, other payables, short-term borrowings, non-current liabilities due within one year, and lease liabilities. The detailed information of various financial instruments has been disclosed in the relevant notes. The risks associated with these financial instruments, as well as the risk management policies adopted by the company to reduce these risks, are described below. The management of the company manages and monitors these risk exposures to ensure that the aforementioned risks are controlled within a limited range.

#### (1) Risk management objectives and policies

The main risks caused by the company's financial instruments are credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and commodity price risk).

The goal of the company's risk management is to strike an appropriate balance between risk and return, striving to reduce the adverse impact of financial risks on our financial performance. Based on this risk management objective, the company has developed a risk management policy to identify and analyze the risks we face, set appropriate acceptable levels of risks, and design corresponding internal control procedures to monitor our risk level. The company will regularly review these risk management policies and related internal control systems to adapt to market conditions or changes in our business activities. The internal audit department of the company also regularly or randomly checks whether the implementation of the internal control system complies with risk management policies.

The board of directors is responsible for planning and establishing the company's risk management structure, formulating the company's risk management policies and related guidelines, and supervising the implementation of risk management measures. The company has developed risk management policies to identify and analyze the risks we face. These risk management policies clearly define specific risks and cover various aspects such as market risk, credit risk, and liquidity risk management. The company regularly evaluates changes in the market environment and our business activities to determine whether to update our risk management policies and systems. The risk management of the company is carried out by relevant departments in accordance with the policies approved by the board of directors. These departments identify, evaluate, and mitigate related risks through close cooperation with other business departments of the company.

the company diversifies investment and business portfolio appropriately to diversify financial instrument risks, and reduces risks concentrated in a single industry, specific regions, or specific counterparties 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 arise mainly from monetary funds, note receivable, account receivable, and other receivable.

The company's bank deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks, and we

anticipate that there is no significant credit risk associated with bank deposits.

For notes receivable, accounts receivable, and other receivables, the company has established relevant policies to control credit risk exposure. The company evaluates the credit qualifications of customers based on their financial status, credit records, and other factors such as current market conditions, and sets corresponding credit periods. The company will regularly monitor customer credit records. For customers with poor credit records, we will use written reminders, shorten or cancel credit periods, etc. to ensure that our overall credit risk is within a controllable range.

The debtors of the company's accounts receivable are customers distributed across different industries and regions. the company continuously conducts credit assessments on the financial condition of accounts receivable and purchases credit guarantee insurance when appropriate.

The maximum credit risk exposure that the company is exposed to is the carrying amount of each financial asset on the balance sheet. the company has not provided any other guarantees that may expose the company to credit risk.

Among the accounts receivable of the company, the accounts receivable of the top five customers account for 62.62%.

## 2) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds encountered by the company when fulfilling its obligations to settle cash or other financial assets.

When managing liquidity risk, the company maintains cash and cash equivalents that the management deems sufficient and monitors them to meet the company's operational needs and reduce the impact of cash flow fluctuations. The management of the company monitors the use of bank loans and ensures compliance with loan agreements. Simultaneously obtain commitments from major financial institutions to provide sufficient reserve funds to meet both short-term and long-term funding needs.

## 3) Market risk

The market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to market price changes, including interest rate risk, exchange rate risk, and other price risks.

### Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest rate risk can arise from both confirmed interest-bearing financial instruments and unconfirmed financial instruments (such as certain loan commitments).

Financial liabilities with floating rate expose the company to cash flow interest rate risk, while financial liabilities with fixed rate expose the company to fair value interest rate risk. The company determines the relative ratio of fixed and floating rate contracts based on the market environment at that time, and maintains an appropriate combination of fixed and floating rate instruments through regular review and supervision.

The company closely monitors the impact of interest rate changes on our interest rate risk. The company currently does not adopt an interest rate hedging policy. But the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risks when necessary. An increase in interest rates will increase the cost of new interest-bearing debt and the interest expenses on floating interest-bearing debt that the company has not yet paid off, and will have a significant adverse impact on the company's financial performance. Management will make timely adjustments based on the latest market conditions, which may involve arranging interest rate swaps to reduce interest rate risk.

## (4) Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in

foreign exchange rates. Exchange rate risk may arise from financial instruments denominated in foreign currencies other than the accounting base currency.

The exchange rate risk mainly lies in the impact of foreign exchange rate fluctuations on the company's financial position and cash flows. In addition to the subsidiaries established in Hong Kong holding assets denominated in Hong Kong dollars as the settlement currency, the company has only a small amount of investment business in the Hong Kong market. The proportion of the company's foreign currency-denominated assets and liabilities in the overall assets and liabilities is not significant. Therefore, the company believes that the exchange rate risk it faces is not significant.

The company closely monitors the impact of exchange rate changes on its exchange rate risk. Currently, the company has not taken any measures to avoid exchange rate risks. However, the management is responsible for monitoring exchange rate risks and will consider hedging significant exchange rate risks when necessary.

## (2) Capital management

The goal of the company's capital management policy is to ensure that we can continue to operate, provide returns to shareholders, and benefit other stakeholders while maintaining the optimal capital structure to reduce capital costs.

In order to maintain or adjust its capital structure, the company may adjust its financing methods, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The company monitors its capital structure based on the asset liability ratio (total liabilities divided by total assets).

## 2. Hedge

### (1) Risk management for hedge business

☐Applicable ☒Not applicable

### (2) The company conducted eligible hedging business and applied 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 of hedged items	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the company's financial statements
Type of hedge risk				
Type of hedge				

Other explanation

### (3) The company carried out hedging business for risk management and expected to achieve risk management goals but has not applied hedge 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

**XIII. Disclosure of fair value**

**1. Ending fair value of the assets and liabilities measured at fair value**

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
1. Sustaining measured at fair value	--	--	--	--
(2) Other equity investment			57,500.00	57,500.00
2. Non-sustaining measured at fair value	--	--	--	--

**2. Basis for recognizing the market price of items sustaining and non-sustaining measured at fair value on first-order**

**3. Valuation technique, qualitative and quantitative information on major parameters for items sustaining and non-sustaining measured at fair value on second-order**

**4. Valuation technique, qualitative and quantitative information on major parameters for items sustaining and non-sustaining measured at fair value on third-order**

**5. Adjustment information and sensitivity analysis of unobservable parameters for items sustaining and non-sustaining measured at fair value on third-order**

**6. Reasons for conversion and policies for conversion time point of items sustaining measured at fair value in case there is conversion between all levels**

**7. Changes of valuation technique in the Period and reasons**

**8. Financial assets and liabilities not measured at fair value**

**9. Other**

**XIV. Related party and related transactions**

**1. Parent company**

Parent company	Registration address	Business nature	Registered capital	Ratio of shareholding on the Company	Ratio of voting right on the Company
Shenzhen Agricultural Power Group Co., Ltd.	Shenzhen	Food distribution platform and safety infrastructure construction, domestic trade, industrial investment and operation, etc.	5,000,000,000.00	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 VII.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 VII.4”.

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
Other explanation	

## 4. Other related parties

Other related parties	Relationship between other related parties and the company
Shenzhen Agricultural Products Group Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenchu Supply Chain 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
Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	Holding subsidiary of parent company
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Shenzhen Medical Materials Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Land Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Kitchen Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Higreen Real Estate Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Southern Agricultural Products Logistics Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Products Small Loan Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Products E-commerce Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiary of the Company’s shareholders, controlled by the ultimate controlling party
Directors, Managers, Chief Financial Officers, and Board Secretaries	Key executives
Directors, supervisors, senior management personnel and their close family members	Directors, supervisors, senior management personnel and their close family members

Other explanation:

## 5. Related transaction

### (1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Related transaction content	Current Period	Approved transaction limit	Whether more than the transaction limit	Last Period
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				(Y/N)	
Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	Procurement of goods	561,526.59	561,526.59	N	
Hunan Higreen Supply Chain Co., Ltd	Procurement of goods	32,972.11	32,972.11	N	
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Procurement of goods	57,605.50	57,605.50	N	
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Procurement of goods	1,887.61	1,887.61	N	
Ningxia Higreen Agricultural Products International Logistics Co., Ltd.	Procurement of goods	391,922.15	391,922.15	N	
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd	Procurement of goods	5,840.70	5,840.70	N	
F.Q.T	Procurement of goods	120,810.00	120,810.00	N	
Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	Procurement of goods	279,031.93	279,031.93	N	
Shenzhen Shennong Kitchen Co., Ltd	Procurement of goods	2,532,162.72	2,532,162.72	N	2,844,421.97
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd	Procurement of goods	78,705.72	78,705.72	N	
Shenzhen Shen Yuan Data Tech. Co., Ltd	Information software development	3,007,850.00	3,007,850.00	N	8,670,750.00
Xi'an Moer Agricultural Products Co., Ltd	Procurement of goods	75,433.21	75,433.21	N	17,286.56
F.Q.T	Procurement of goods				73,260.00

Goods sold/labor service providing

In RMB

Related party	Content of related transaction content	Current period	Last period
Changzhou Shenbao Chacang E-business Co., Ltd.	Product sales	30,693.00	28,301.89
Danzhou Shennong Modern Agricultural Development Co., Ltd.	Product sales	5,095.74	
Guangxi Higreen International Agricultural Products Logistic Management Co., Ltd	Product sales	660.55	25,911.50
Hunan Higreen Supply Chain Co., Ltd	Product sales	2,346,629.25	
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Product sales	2,591.15	
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Product sales	10,364.60	533,883.17
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd	Product sales	66,466.69	50,499.00
Shenzhen Agricultural Science and Technology Innovation Group Co., Ltd	Product sales	6,900.00	35,815.00
Shenzhen Agricultural Power Group Co., Ltd.	Product sales	130,831.87	24,540.51
Shenzhen Cabbage Technology Co., Ltd	Product sales	10,364.60	10,364.60
Shenzhen Futian Agricultural Products Wholesale Market Co., Ltd.	Product sales	5,005.15	
Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	Product sales	18,138.04	99,980.00
Shenzhen Agricultural Products Group Co., Ltd	Product sales	9,634.02	25,560.85
Shenzhen Shennong Kitchen Co., Ltd	Product sales	879,201.32	253,069.73
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd	Product sales	32,769.25	
Shenzhen Food Materials Group Co., Ltd	Product sales	12,955.75	
Shenzhen Zhenpin Group Co., Ltd	Property management	239,831.90	429,377.89
Shenzhen Zhenchu Supply Chain Co., Ltd	Product sales	236,382.00	1,066,771.53
Yueyang Higreen International Agricultural Products Market Development Co., Ltd.	Product sales	20,729.20	
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Property management	30,188.68	
Zhenpin Market Operation Technology Co., Ltd.	Property management	3,396.24	

Explanation on goods purchasing, labor service providing and receiving

## (2) Related trusteeship management/contract & entrust management/outsourcing

Trusteeship management/contract:

In RMB

Client/Contract issuer	Trustee/Contractor	Type of trusteeship management/contract asset	Start date of trusteeship management/contract	End date of trusteeship management/contract	Pricing basis for earnings of trusteeship management/contract	Earnings of trusteeship management/contract recognized in current period
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Related trusteeship management/contract:

Entrusted management/outsourcing:

In RMB

Client/contract issuer	Trustee/Contractor	Type of entrusted/outsourced assets	Start date of entrusted/outsourced	End date of entrusted/outsourced	Pricing basis of entrusted/outsourcing expense	Entrust/outsourcing expense recognized in current period
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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 current period	Lease income recognized in last period
Shenzhen Shenyuan Data Technology Co., Ltd.	Lease of houses	184,228.58	407,339.97
Zhenpin Market Operation Technology Co., Ltd.	Lease of houses		13,609.00

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 Higreen International Agricultural Products Logistic Management Co., Ltd	Lease of houses	15,771.00	31,542.00								
Shenzhen Agricultural Power Group Co., Ltd.	Lease of houses	79,200.00									

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:

The company has no related guarantee.

### (5) Related party's borrowed funds

In RMB

Related party	Borrowing amount	Start date	Maturity date	Note
Borrowing				
Lending				

### (6) Assets transfer and debt restructuring 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/payable to related parties**

**(1) Accounts receivable from related parties**

In RMB

Item	Related parties	Ending balance		Opening balance	
		Book balance	Bad debts reserve	Book balance	Bad debts reserve
Account receivable	Shenzhen Shennong Kitchen Co., Ltd	44,675.65	424.36	128,634.65	1,286.35
Account receivable	Hunan Higreen Supply Chain Co., Ltd	2,877,782.00	28,777.82	104,884.00	1,048.84
Account receivable	Shenzhen Zhenchu Supply Chain Co., Ltd.			92,854.00	928.54
Account receivable	Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd	9,759.28		46,769.40	467.69
Account receivable	Shenzhen Agricultural Power Group Co., Ltd.	60,517.80	428.67	58,028.00	580.28
Account receivable	Shenzhen Zhenpin Group Co., Ltd	657,010.10	275.00	36,784.00	367.84
Account receivable	Guangxi Higreen International Agricultural Products Logistic Management Co., Ltd	29,280.00	292.80	29,280.00	292.80
Account receivable	Tianjin Higreen Agricultural Products Logistics Co., Ltd	23,424.00	234.24	23,424.00	234.24
Account receivable	Shenzhen Agricultural Science and Technology Innovation Group Co., Ltd			9,900.00	99.00
Account receivable	Shenzhen Agricultural Products Small Loan Co., Ltd			5,857.00	58.57
Account receivable	Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd	21,052.40	29.28	1,212.60	12.13
Account receivable	Shenzhen Agricultural Products Group			392.00	3.92

	Co., Ltd				
Account receivable	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	3,400.00	34.00	204.00	2.04
Account receivable	Huaiji County Shennong Modern Agriculture Development Co., Ltd			104.00	1.04
Account receivable	Shenzhen Futian Agricultural Products Wholesale Market Co., Ltd.	3,522.00	29.28		
Account receivable	Wuhan Metropolitan Circle Higreen Agricultural Products Logistics Co., Ltd.	8,100.00	81.00		
Account receivable	Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	30,776.00	307.76		
Account receivable	Shenzhen Cabbage Technology Co., Ltd	20,400.00	204.00		
Account receivable	Yueyang Higreen International Agricultural Products Market Development Co., Ltd.	23,424.00	234.24		
Account receivable	F.Q.T	1,952.00	19.52		
Account receivable	Danzhou Shennong Modern Agricultural Development Co., Ltd.	1,200.00	12.00		
Other accounts receivable	Changzhou Shenbao Chacang E-business Co., Ltd.	23,608,742.46	21,187,644.18	24,138,742.46	22,187,944.18
Other accounts receivable	Shenzhen Shichumingmen Catering Management Co., Ltd.	1,908,202.67	1,908,202.67	1,908,202.67	1,908,202.67
Other accounts receivable	Shenzhen Zhenpin Group Co., Ltd			1,718,711.71	17,187.12
Other accounts receivable	Shenzhen Shenyuan Data Tech. Co., Ltd	205,345.94	72.33	248,742.14	506.29
Other accounts receivable	Shenzhen Higreen International Agricultural Products Logistic	50,000.00		50,000.00	

	Management Co., Ltd				
Other accounts receivable	Shenzhen Agricultural Power Group Co., Ltd.	26,400.00		26,400.00	
Other accounts receivable	Zhenpin Market Operation Technology Co., Ltd.			13,609.00	
Other accounts receivable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	5,520.00	5,520.00	5,520.00	5,520.00
Other accounts receivable	Changsha Mawangdui Agricultural Products Co., Ltd.	5,000.00		5,000.00	
Other accounts receivable	Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	4,000.00		4,000.00	
Other accounts receivable	Tianjin Higreen Agricultural Products Logistics Co., Ltd	3,000.00		3,000.00	

## (2) Accounts payable to related parties

In RMB

Item	Related party	Ending book balance	Opening book balance
Account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	16,350.00	16,350.00
Account payable	Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd	29,068.71	40,880.51
Account payable	Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd		31,680.00
Account payable	Huaiji County Shennong Modern Agriculture Development Co., Ltd	17,706.00	24,804.00
Account payable	Hunan Higreen Supply Chain Co., Ltd	1,656.00	2,545.20
Account payable	Xi'an Moer Agricultural Products Co., Ltd	641.00	9,444.00
Account payable	Ningxia Higreen International Agricultural Products Logistic Management Co., Ltd	57,169.00	967.00
Account payable	Shenzhen Shennong Kitchen Co., Ltd	603.15	
Other account payable	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission		23,263,563.60
Other account payable	Shenzhen Shennong Kitchen Co., Ltd	277,691.48	296,063.14
Other account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	159,000.00	65,400.00
Other account payable	Zhanjiang Haitian Aquatic Feed Co., Ltd	20,000.00	20,000.00
Other account payable	Shenzhen Agricultural Power Group Co., Ltd.	146,162,941.72	146,162,941.72

## 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

Nil

## XVI. Commitment or contingency

### 1. Important commitments

Important commitments on balance sheet date

As of June 30, 2025, there are no commitments that should be disclosed by the company.

### 2. Contingency

#### (1) Contingency on balance sheet date

1) Contingent liabilities arising from pending litigation and arbitration and their financial impact

Plaintiff	Defendant	Cause	Court	Target	Progress
Peng Miaosheng	International Food Industrial Park, Guangdong Yongsheng Construction Engineering Co., Ltd (hereinafter referred to as "Yongsheng Construction"), Xu Jianqiang	Construction engineering contract dispute lawsuit	The First People's Court of Dongguan City, Guangdong Province,	4,535,000.00	The first-instance judgment has taken effect

①Dispute regarding the construction contract between Peng Miaosheng, Xu Jianqiang, Yongsheng Construction and International Food

In October 2023, Peng Miaosheng filed a lawsuit against Xu Jianqiang, Yongsheng Construction, and the Dongguan International Food Industry Park, seeking the payment of 4,097,300.00 yuan for construction labor costs and 437,700.00 yuan in interest. Peng Miaosheng requested that Yongsheng Construction be jointly liable for the payment of the full amount, 4,535,000.00 yuan and that

the Food Industry Park bear responsibility for paying the outstanding project funds of 4,097,300.00 yuan, including interest. The Food Industry Park has argued that the dispute is unrelated to its responsibilities. In June 2025, the First People's Court of Dongguan City, Guangdong Province rendered the first-instance judgment as follows: The defendant, Guangdong Yongsheng Construction Engineering Co., Ltd., shall pay the project payment of 571,192.00 yuan and the corresponding interest to the plaintiff, Peng Miaosheng, within seven(7) days from the date on which this judgment takes effect; Reject the plaintiff Peng Miaosheng's other claims; Reject all counterclaims of the defendant Guangdong Yongsheng Construction Engineering Co., Ltd. As of now, the company is unable to determine the financial impact of potential liabilities, and estimated liabilities for this pending lawsuit have not been recognized.

**(2) It shall also be described in case the company has no important contingent events to be disclosed.**

The company has no important contingent events to be disclosed.

**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 failing to estimate the impact
------	---------	--	---

**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 every comparative period	Accumulated impact
--	------------	--	--------------------

**(2) Prospective application**

Content of accounting error correction	Approval procedure	Reasons for adopting the prospective applicable method
--	--------------------	--

**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	Income tax	Net	Profit of discontinuing operation attributable to owners of
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			profit	expenses	profit	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

### (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) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	119,664,346.72	116,870,897.62
1-2 years	24,424.00	73,272.00
Over 3 years	37,305.68	37,305.68
Over 5 years	37,305.68	37,305.68
Total	119,726,076.40	116,981,475.30

#### (2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debts reserve accrual on single basis	28,453.08	0.02%	28,453.08	100.00%	0.00	28,453.08	0.02%	28,453.08	100.00%	0.00
Including:										
Account	119,697,623.32	99.98%	14,409.28	0.01%	119,683,214.04	116,953,022.22	99.98%	14,409.28	0.01%	116,938,612.94

receivable with bad debts reserve accrual on portfolio										
Including:										
Portfolio of sales receivable	58,382.90	0.05%	14,409.28	24.68%	43,973.62	82,124.60	0.07%	14,409.28	17.55%	67,715.32
Object-specific portfolio	119,639,240.42	99.93%	0.00	0.00%	119,639,240.42	116,870,897.62	99.91%	0.00	0.00%	116,870,897.62
Total	119,726,076.40	100.00%	42,862.36	0.04%	119,683,214.04	116,981,475.30	100.00%	42,862.36	0.04%	116,938,612.94

Accrual of bad debts reserve on single item

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debts reserve	Book balance	Bad debts reserve	Accrual ratio	Accrual reason
Accrual of bad debts reserve on single item	28,453.08	28,453.08	28,453.08	28,453.08	100.00%	The possibility of recovery is relatively low
Total	28,453.08	28,453.08	28,453.08	28,453.08		

Accrual of bad debts reserve on portfolio of sales receivable and objective-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrual ratio
Portfolio of sales receivable	58,382.90	14,409.28	24.68%
Object-specific portfolio	119,639,240.42	0.00	0.00%
Total	119,697,623.32	14,409.28	

Explanation on the basis to determine such portfolio:

Accrual of bad debts reserve on portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrual ratio

Explanation on the basis to determine such portfolio:

Accrual of bad debts reserve of account receivable on the general model of expected credit losses:

☐Applicable ☒Not applicable

### (3) Bad debts reserve accrued, recovered or reversed

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Written-off	Other	
Bad debts reserve of account receivable	42,862.36	0.00	0.00	0.00	0.00	42,862.36

Total	42,862.36	0.00	0.00	0.00	0.00	42,862.36
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Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
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#### (4) Account receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major account receivable 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 account receivable charged off:

#### (5) Top five receivables and contract assets at ending balance by debtor

In RMB

Enterprise	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Ratio in total ending balance of accounts receivables and contract assets	Ending balance of bad debts reserves for account receivable and impairment provision of contract assets
------------	---------------------------------------	-----------------------------------	---	---	---

## 2. Other accounts receivable

In RMB

Item	Ending balance	Opening balance
Other accounts receivable	1,952,967,875.15	2,123,872,937.65
Total	1,952,967,875.15	2,123,872,937.65

#### (1) Interest receivable

##### 1) By category

In RMB

Item	Ending balance	Opening balance
------	----------------	-----------------

##### 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 debts reserve

☐Applicable ☒Not applicable

#### 4) Bad debts reserve accrued, recovered or reversed

In RMB

Category	Opening balance	Amount changed in the period	Ending balance
----------	-----------------	------------------------------	----------------

		Accrued	Recovered or reversed	Charged off	Other	
Bad debts reserve						
Total						

Important bad debts reserve recovered or reversed:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
------------	-----------------------	---------------------	--------------------	---

Other explanation:

## 5) Interest receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major interest receivable charged off:

In RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
------------	--------	--------------------	------------------------	--------------------------	---------------------------------------

Explanation on interest receivable charged off:

Other explanation:

## (2) Dividends receivable

### 1) By category

In RMB

Item (or the invested entity)	Ending balance	Opening balance
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### 2) Important dividends receivable with aging over one year

In RMB

Item (or investee)	Ending balance	Aging	Reasons for not collection	Whether impairment occurs and its judgment basis
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### 3) Accrued bad debts reserve

☐Applicable ☒Not applicable

### 4) Bad debts reserve accrued, recovered or reversed

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Charged off	Other	

Important bad debts reserve recovered or reversed in the period:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
------------	-----------------------	---------------------	--------------------	---

Other explanation:

## 5) Dividends receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major dividends receivable charged off:

In RMB

Enterprise	Nature	Amount charged off	Reason for charged off	Procedure of charged off	Resulted by related transaction (Y/N)
------------	--------	--------------------	------------------------	--------------------------	---------------------------------------

Explanation on those charged off:

Other explanation:

### (3) Other accounts receivable

#### 1) By nature

In RMB

Nature	Ending book balance	Beginning book balance
Margin and deposit	5,205,444.18	5,210,066.16
Other intercourse funds	1,974,592,166.01	2,146,492,606.53
Total	1,979,797,610.19	2,151,702,672.69

#### 2) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	1,950,493,409.72	770,755,999.84
1-2 year		162,272,693.15
2-3 years	260,356.15	1,193,798,401.94
Over 3 years	29,043,844.32	24,875,577.76
Over 5 years	29,043,844.32	24,875,577.76
Total	1,979,797,610.19	2,151,702,672.69

### 3) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debts reserve		Book value	Book balance		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

Accrual of bad debts reserve on the general model of expected credit losses:

In RMB

Bad debts reserve	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, 2025	27,829,735.04			27,829,735.04
Balance on Jan. 1, 2025 in the period				
Reversal	1,000,000.00			1,000,000.00
Balance on June 30, 2025	26,829,735.04			26,829,735.04

Classification basis and bad debts reserve ratio for each stage

Changes in book balance of bad debts reverse with significant changes in the current period

☐Applicable ☒Not applicable

#### 4) Bad debts reserve accrued, recovered or reversed

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Recovered or reversed	Charged off	Other	
Bad debts reserve of other account receivable	27,829,735.04		1,000,000.00			26,829,735.04
Total	27,829,735.04		1,000,000.00			26,829,735.04

Important bad debts reserve recovered or reversed in current period:

In RMB

Enterprise	Recovered or reversed	Reason for recovery	Manner of reversal	Basis and rationality to define the accrual ratio of original bad debts reserve
------------	-----------------------	---------------------	--------------------	---

#### 5) Other accounts receivable charged off in the period

In RMB

Item	Amount charged off
------	--------------------

Including major other account receivable charged off:

In 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 debtor

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debts reserve
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#### 7) Those booked into other accounts receivables due to centralized fund management

In RMB

Other explanation:

### 3. Long-term equity investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,036,688,641.37	5,500,000.00	4,031,188,641.37	4,036,688,641.37	5,500,000.00	4,031,188,641.37
Total	4,036,688,641.37	5,500,000.00	4,031,188,641.37	4,036,688,641.37	5,500,000.00	4,031,188,641.37

#### (1) Investment in subsidiaries

In RMB

Investee	Opening balance (book value)	Beginning balance of impairment provision	Current changes (+/-)				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Accrual of impairment provision	Other		
SZCG	3,291,415,036.82						3,291,415,036.82	
Dongguan Shenliang	321,680,000.00						321,680,000.00	

Logistics Co., Ltd.								
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 Shenliang Food Co., Ltd.	80,520,842.36	5,500,000.00					80,520,842.36	5,500,000.00
Xingye Food	4,344,216.28						4,344,216.28	
Total	4,031,188,641.37	5,500,000.00					4,031,188,641.37	5,500,000.00

## (2) Investment in associated enterprises and joint venture

In RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/-)								Ending balance(book value)	Ending balance of impairment provision
			Addition al 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		
1. Joint venture												
2. Associated enterprise												

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

☐Applicable ☒Not applicable

The recoverable amount is determined on the basis of 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 revenue and operating cost

In RMB

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Main business	75,010,570.45	12,461,791.38	81,572,805.12	235,795.14
Other business	73,807.97	235,795.14	137,609.18	0.00
Total	75,084,378.42	12,697,586.52	81,710,414.30	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 type								
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 performing 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:

The amount of income corresponding to performing obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, 0.00 yuan of revenue 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
Investment income of long-term equity investment measured with cost method		9,380,685.39
Investment income from the disposal of long-term equity investment		1,567,130.20
Investment income during the holding period of tradable financial assets		3,729,953.65
Total		14,677,769.24



## 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	-18,422.68	
Governmental subsidies 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)	4,186,124.46	
Gains/losses from exchange of non-monetary assets	3,165,237.35	
Other non-operating income and expenditure except for the aforementioned items	-134,391.52	
Other gains/losses that meet the definition of non-recurring gains/losses	16,802,279.39	
Less: impact on income tax	6,000,206.75	
Impact on minority shareholders' equity (after-tax)		
Total	18,000,620.25	

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

☐ Applicable ☒ Not applicable

The Company does not have other gains/losses 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 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	3.51%	0.1527	0.1527
Net profits attributable to common stock stockholders of the Company after deducting non-recurring gains/ losses	3.16%	0.1371	0.1371

#### 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

In RMB

	Net profit		Net asset	
	Current amount	Last amount	Ending balance	Beginning balance
Under Chinese GAPP	176,015,525.87	129,001,273.54	4,922,671,937.79	4,919,674,142.82
Items and amount adjusted under IAS				
			1,067,000.00	1,067,000.00

Under IAS	176,015,525.87	129,001,273.54	4,923,738,937.79	4,920,741,142.82
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**(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**

☐ Applicable ☒ Not applicable

**4. Other**

## Section IX Other Reported Data

### I. Status of other major social security issues

Whether the listed company and its subsidiaries have other major social security issues or not?

☐ Yes ☒ No ☐ Not Applicable

Whether any administrative penalties were imposed during the reporting period or not?

☐ Yes ☒ No ☐ Not Applicable

### II. Reception of research, communication and interview during the reporting period

☞Applicable ☐Not applicable

Reception time	Reception place	Reception mode	Reception object type	Reception Object	Main content talked about and materials provided	Index of basic situation of research
May 20, 2025	Online Value www.ir-online.cn	Network platform online communication	Other	All investors	2024 annual performance briefing	For details, please refer to the “Investor Communication Record Form of the Company's 2022 Annual Performance Explanation Meeting” disclosed on CNINFO Website (www.cninfo.com.cn) on May 20, 2025

### III. Status of fund transactions between the listed company and its controlling shareholders and other related parties

☒Applicable ☐Not applicable

In ten thousand yuan

Name of counterparty	Nature of transaction	Opening balance	Amount incurred in reporting period	Amount repaid in reporting period	Ending balance	Interest income	Interest expenditure
Changzhou Shenbao Chacang E-business Co., Ltd.	Operating transaction	2,413.87	3.47	56.46	2,360.87	0	0
Chengdu Agricultural Products Center Wholesale	Operating transaction	0.4	0	0	0.4	0	0

Market Co., Ltd.							
Danzhou Shennong Modern Agricultural Development Co., Ltd.	Operating transaction	0	0.58	0.46	0.12	0	0
Guangxi Higreen International Agricultural Products Logistic Management Co., Ltd	Operating transaction	2.93	0.07	0.07	2.93	0	0
Hunan Higreen Supply Chain Co., Ltd	Operating transaction	10.49	277.29	0	287.78	0	0
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Operating transaction	0.01	0.29	0.3	0	0	0
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Operating transaction	0.02	1.17	0.85	0.34	0	0
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd	Operating transaction	4.68	7.51	11.21	0.98	0	0
F.Q. T	Operating transaction	0	0.2	0	0.2	0	0
Shenzhen Agricultural Science and Technology Innovation Group Co., Ltd	Operating transaction	0.99	0.78	1.77	0	0	0
Shenzhen Agricultural Power Group Co., Ltd.	Operating transaction	8.44	29.57	29.32	8.69	0	0
Shenzhen Cabbage Technology Co., Ltd	Operating transaction	0	2.04	0	2.04	0	0
Shenzhen Futian Agricultural Products Wholesale Market Co., Ltd.	Operating transaction	0	0.35	0	0.35	0	0
Shenzhen	Operating	0	3.08	0	3.08	0	0

Guangming Higreen Agricultural Products Industry Development Co., Ltd	transaction						
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd	Operating transaction	5	0	0	5	0	0
Shenzhen Agricultural Products Group Co., Ltd	Operating transaction	0.04	1.09	1.13	0	0	0
Shenzhen Agricultural Products Small Loan Co., Ltd	Operating transaction	0.59	0	0.59	0	0	0
Shenzhen Shennong Kitchen Co., Ltd	Operating transaction	12.86	99.35	107.75	4.47	0	0
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd	Operating transaction	0	3.7	1.6	2.11	0	0
Shenzhen Shenyuan Data Tech. Co., Ltd	Operating transaction	24.87	0	4.34	20.53	0	0
Shenzhen Shichumingmen Catering Management Co., Ltd.	Operating transaction	190.82	0	0	190.82	0	0
Shenzhen Zhenpin Group Co., Ltd	Operating transaction	175.55	89.12	198.97	65.7	0	0
Shenzhen Zhenchu Supply Chain Co., Ltd.	Operating transaction	9.29	26.71	36	0	0	0
Tianjin Higreen Agricultural Products Logistics Co., Ltd	Operating transaction	2.64	0	0	2.64	0	0
Wuhan Metropolitan Circle Higreen Agricultural Products Logistics Co., Ltd.	Operating transaction	0	0.81	0	0.81	0	0
Yueyang Higreen	Operating	0	2.34	0	2.34	0	0

International Agricultural Products Market Development Co., Ltd.	transaction						
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Operating transaction	0.55	0	0	0.55	0	0
Changsha Mawangdui Agricultural Products Co., Ltd.	Operating transaction	0.5	0	0	0.5	0	0
Zhenpin Market Operation Technology Co., Ltd.	Operating transaction	0	0.38	0.38	0	0	0
Dongguan International Food Industrial Park Development Co., Ltd. (hereinafter referred to as “International Food”)	Non-Operating Expense	66,872.97	869.24	0	67,742.22	869.24	0
Dongguan Shenliang Hualian Cereals and Oil Trading Co., Ltd (hereinafter referred to as “Dongguan Hualian”)	Non-Operating Expense	260.51	337.59	0	598.09	337.59	0
Dongguan Shenliang Oil & Food Trade Co., Ltd. (hereinafter referred to as “Dongguan Oil & Food”)	Non-Operating Expense	10,947.08	141.33	0	11,088.41	141.33	0
Dongguan Shenliang Logistics Co., Ltd. (hereinafter referred to as “Dongguan Logistics”)	Non-Operating Expense	42,434.05	1,077.77	0	43,511.81	1,077.77	0
Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd (hereinafter referred to as “Big Kitchen”)	Non-Operating Expense	76.55	22.49	0	99.04	22.49	0
Shuangyashan Shenliang	Non-Operating Expense	12.97	23.83	0	36.80	23.83	0

Cereals Base Co., Ltd. (hereinafter referred to as “Shuangyashan”)							
Shenzhen Shenliang Storage (Yingkou) Co., Ltd (hereinafter referred to as “Yingkou Storage”)	Non-Operating Expense	2.66	3.73	0	6.39	3.73	0
Total	--	123,471.33	3,025.88	451.20	126,046.01	2,475.98	0
Related decision procedures	Yes						
Fund security assurance measures	Yes						