

Shandong Zhonglu Oceanic Fisheries Co., Ltd.

SEMI-ANNUAL REPORT 2016

August 2016

Section I. Important Notice, Contents and Paraphrase

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

All directors are attended the Board Meeting for report deliberation.

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

Chi Weizhen, principal of the Company, Yue Juan, person in charger of accounting works and Lei Lixin, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of Semi-Annual Report 2016 is authentic, accurate and complete.

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Paraphrase

Items	Refers to	Definition
Company, The Company, Zhonglu Company	Refers to	Shandong Zhonglu Oceanic Fisheries Company Limited
Shandong State-owned Assets Investment	Refers to	Shandong State-owned Assets Investment Holding Company Limited
Luxin Group	Refers to	Luxin Investment Holding Company Limited
SASAP	Refers to	State-owned Assets Supervision and Administration Commission of Shandong Provincial Government
CSRC	Refers to	China Securities Regulatory Commission
Shandong SRB	Refers to	CSRC, Shandong Securities Regulatory Bureau
The report	Refers to	Semi-Annual Report for 2016 compiled by the Company

Section II Company profile

I. Company Profile

Short form for share	Zhonglu B	Code for share	200992
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	山东省中鲁远洋渔业股份有限公司		
Abbr. of Chinese name of the Company(if applicable)	中鲁远洋		
English name of the Company(if applicable)	Shandong Zhonglu Oceanic Fisheries Company Limited		
Abbr. of English name of the Company(if applicable)	ZLYY		
Legal Representative	Chi Weizhen		

II. Contact person and ways

	Secretary of the Board	Rep. of securities affairs
Name	Li Ming	Li Ying
Contact adds.	No.43 Heping Rd, Jinan City, Shangdong Province	No.43 Heping Rd, Jinan City, Shangdong Province
Tel.	0531-86553278	0531-86553276
Fax.	0531-86982906	0531-86982906
E-mail	zlzqb@163.com	zlzqb@163.com

III. Others

1. Way of contact

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

☐ Applicable ☒ Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2015.

2. Information disclosure and preparation place

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

☐ Applicable ☒ Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2015.

3. Registration changes of the Company

Whether registration has changed in reporting period or not

☒ Applicable ☐ Not applicable

	Registration date	Registration place	Business license number of enterprise legal person	Tax ID	Organization code
Period-begin registration	2012-09-20	Shandong Administration for Industry & Commerce	370000018030003	370102863043102	863043102
Period-end registration	2016-05-24	Shandong Administration for Industry & Commerce	91370000863043102Y	91370000863043102Y	91370000863043102Y
Query date for the temporary announcement released on appointed website (if any)					

Section III. Accounting data and summary of financial indexes

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

☐ Yes ☒ No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	407,890,793.78	354,687,719.14	15.00%
Net profit attributable to shareholders of the listed company(RMB)	11,560,370.58	-10,923,907.99	205.83%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	8,143,813.27	-9,454,892.95	186.13%
Net cash flow arising from operating activities(RMB)	16,233,581.58	3,256,740.30	398.46%
Basic earnings per share (RMB/Share)	0.043	-0.041	204.88%
Diluted earnings per share (RMB/Share)	0.043	-0.041	204.88%
Weighted average ROE	2.02%	-1.99%	4.01%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	828,741,985.78	798,232,793.11	3.82%
Net assets attributable to shareholder of listed company(RMB)	577,086,587.44	565,708,222.79	2.01%

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

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

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	2,672,766.60	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	443,568.74	
Other non-operating income and expenditure except for the aforementioned items	300,221.97	
Total	3,416,557.31	--

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

☐ Applicable ☒ Not applicable

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

Section IV. Report of the Board of Directors

I. Introduction

During the reporting period, the company has firmly established the ideology of "a game of chess" high and low, strived to improve the leading cadres and employees' awareness of overall situation, and practically strengthened the cooperation and coordination between horizontal and longitudinal directions of production and operation and management. Faced with the adverse environmental factors at home and abroad, the company attaches great importance high and low and timely develops efficient and effective response measures to ensure that the production and operation activities to be carried out normally and orderly according to the annual plan, which has achieved the desired results. During the reporting period, the company achieved operating income of 407,890,800 Yuan, an increase of 15% compared with the same period of last year, operating costs of 382,197,000 Yuan, an increase of 11.79 % compared with the same period of last year, net profit attributable to parent company of 11,560,400 Yuan, an increase of 205.83% compared with the same period of last year.

II. Main business analysis

Y-o-y changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operation revenue	407,890,793.78	354,687,719.14	15.00%	
Operation cost	382,196,992.60	341,893,525.38	11.79%	
Sales expenses	2,738,457.38	3,174,368.35	-13.73%	
Administrative expenses	14,381,558.82	16,889,614.73	-14.85%	
Financial cost	-804,850.82	1,964,841.39	-140.96%	The exchange earnings increased due to the change of exchange rate
Income tax expense	264,529.60	259,441.63	1.96%	
Net cash flow arising from operation activities	16,233,581.58	3,256,740.30	398.46%	Operation reveue increased over that of last year
Net cash flow arising from investment activities	-3,166,006.13	-9,430,776.54	66.43%	Investment in the Period has the same as last period, mainly due to the cash received from aged vessels disposal
Net cash flow arising	-8,804,287.01	3,067,952.77	-386.98%	The borrowing received

from financing activities				in the Period are less than last period
Net increase of cash and cash equivalent	7,344,317.84	-2,974,673.29	346.89%	Described above

Major changes on profit composition or profit resources in reporting period

☐ Applicable ☒ Not applicable

No major changes on profit composition or profit resources occurred in reporting period

The future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

☐ Applicable ☒ Not applicable

No future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

Review on the previous business plan and its progress during reporting period

The Company overcome any adversity, well organized production in vary business and made a remarkable works during the Period. Achived an operation revenue of RMB 408 million, increased 15% over last period and completed 73.17% of the budget for the whole year. Total profit achieved RMB 12.5547 million, increased RMB 23.4031 million over that of last period, and completed 60.95% of the budget for the whole year. The Company completed half of the works in time and targets.

III. Constitution of main business

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase or decrease of operating revenue over same period of last year	Increase or decrease of operating cost over same period of last year	Increase or decrease of gross profit ratio over same period of last year
According to industries						
Seine tuna fishing	1,136,964.52	4,998,106.52	-339.60%	-93.13%	-87.77%	-192.60%
Longlines tuna fishing	38,445,515.46	36,310,158.26	5.55%	-16.31%	-12.32%	-4.30%
Boat rental	44,798,845.07	36,488,600.44	18.55%	-4.85%	4.79%	-7.49%
Other deep-sea fishing	5,668,203.77	5,486,497.54	3.21%	-19.24%	-18.33%	-1.07%
Aquatic product processing	305,729,039.08	294,014,639.24	3.83%	33.77%	37.48%	-2.60%
Refrigerator	5,776,936.44	3,433,334.06	40.57%	105.67%	38.56%	28.79%
OEM	1,346,655.22	622,251.54	53.79%	7.57%	-30.50%	25.31%
According to products						
Seine tuna fishing	1,136,964.52	4,998,106.52	-339.60%	-93.13%	-87.77%	-192.60%
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OEM	1,346,655.22	622,251.54	53.79%	7.57%	-30.50%	25.31%
According to region						
Taiwan	52,697,340.23	48,006,192.23	8.90%	-30.03%	-41.84%	18.50%
China	144,420,396.39	134,950,737.37	6.56%	105.33%	118.67%	-5.70%
Garner	5,668,203.77	5,486,497.54	3.21%	-19.24%	-18.33%	-1.07%
Japan	144,764,334.52	139,935,853.85	3.34%	11.58%	11.98%	-0.35%
Singapore	6,398,602.27	6,109,686.47	4.52%	-33.35%	-34.85%	2.20%
Korea	21,770,373.07	20,654,788.88	5.12%	-19.32%	-20.59%	1.52%
Other	27,182,909.31	26,209,831.26	3.58%	-9.99%	-11.82%	2.00%

IV. Core competitive-ness analysis

As a comprehensive fishery enterprise, the company's core competitiveness is mainly reflected in the following aspects: Firstly, the company is a comprehensive fishery enterprise integrating deep-sea fishing, refrigerated transport, and refrigeration and processing and trading of aquatic products, its main business involves all key links of industry chain, and the businesses among all operating entities are highly related, possess the conditions for overall collaborative operation, and provides guarantee for strengthening and extending the industrial chain strategy; secondly, as one of the enterprises engaged in deep-sea fishing business at the earliest in China, the company starts the production and operation early with high starting point, and high-quality talents and assets. After more than ten years of professional management, the company has accumulated a large number of professional talents covering all fields of deep-sea fishing. Thirdly, deep-sea fishing, as the company's main business, is a constituent part of China's ocean strategy and the blue economic zone plan of Shandong Province to which the central government and governments at all levels pay high attention, and policy advantages are the important strategic resource for an enterprise's development and expansion. Our country implements a number of preferential policies for the development of deep-sea fishing for a long term, as the leading enterprise of deep-sea fishing in Shandong Province, the company will surely usher in new development opportunities under the strong support of various national and provincial supportive policies.

The company has achieved major breakthroughs in deep-sea fishing sector and tuna purse-seine project, implemented the operational plan for "Tailong 1" vessel to transit to the Atlantic Ocean, and successfully obtained the qualification for tuna purse seine in the Atlantic Ocean, which will be put into production and operation in the next half year. Therefore, one major business short board obstructing the company's development is solved, which enables the company to become the first domestic deep-sea fishing enterprise possessing the qualification for tuna

purse seine in the Atlantic Ocean and lays the foundation for the company's follow-up construction of industry chain.

Refrigerated transport sector has improved its operation level and competitiveness by completing the standardization system construction, further improving the system and standard for safety production, management and technical operational level.

For the land storage and processing trade sector, the first is to make full use of the own refrigeration storages, processing platforms, as well as advantages in technology to improve the independence in collection and marketing of fish products, which not only improves the operating autonomy but also reduce the business risk to some extent; secondly, the second is to strengthen the construction of standardization, newly establish over ten standard systems, further subdivide the product quality levels, further refine the job responsibilities, make production operation more specific and process-oriented; the third is to attach importance to young talent training, implement the system of "leadership team members one for one" and "undergraduate workshop manager", promote the combination of basic experience and sense of innovation, employ while culture, continue to optimize the structure of enterprise human resources; the fourth is to newly increase refrigeration business by improving individuation, diversification, and high-quality services so as to be recognized and praised by customers.

Above factors provide strong strategic supports for our company's development, the company will make good use of the above strategic resources, innovate, accelerate the strategic transformation, vigorously implement the industrial chain extension project, and further enhance the company's influence and competitiveness in the domestic and international markets.

V. Investment analysis

1. Equity investment outside

(1) Investment outside

☐ Applicable ☒ Not applicable

The Company has no investment outside in the Period

(2) Holding equity of financial enterprise

☐ Applicable ☒ Not applicable

The Company has no equity of financial enterprise held in the Period

(3) Securities investment

☐ Applicable ☒ Not applicable

The Company has no securities investment in the Period

(4) Explanation on equity of other listed company held

☐ Applicable ☒ Not applicable

The Company had no equity of other listed company held in Period.

2. Trust financing, investment of derivatives and entrustment loan

(1) Trust financing

√ Applicable □ Not applicable

In ten thousand Yuan

Trustee	Connecte d relationsh ip	Is a related transactio n or not	Kinds	Amount for trust financing	Start Date	Expiry	Determin e way for remunerat ion	Principal actually recover in the period	Impairme nt provision (if applicable)	Anticipat ed income	Actual gains/loss es in Period
CMB	N/A	No	T10412 financial products	700	2016-06- 23	2016-09- 23	Pursuit to the agreeme nt			7.51	
Total				700	--	--	--	0	0	7.51	0
Capital resources				Owned fund							
Accumulated overdue uncollected principal and interest				0							
Lawsuit (if any)				N/A							
Disclosure date for the notice of approval by the Board (if any)											
Disclosure date for the notice of approval by Shareholders' General Meeting (if any)											

(2) Investment of derivatives

□ Applicable √ Not applicable

The Company has no derivatives investment in the Period

(3) Entrustment loan

□ Applicable √ Not applicable

The Company has no entrustment loan in the Period

3. Application of raised proceeds

□ Applicable √ Not applicable

The company had no application of raised proceeds in the reporting period.

4. Main subsidiaries and joint-stock companies analysis

√ Applicable □ Not applicable

Main subsidiaries and joint-stock companies

In RMB

Name	Type	Industry involved	Main products or service	Registered capital	Total assets	Net assets	Operation revenue	Operation profit	Net profit
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Subsidiary	Food processing	Food processing	75,593,300	329,139,309.74	151,199,825.85	324,237,231.06	10,099,316.67	10,262,004.01
Shandong Zhonglu Haiyan Oceanic Co., Ltd.	Subsidiary	Distant fishing	Distant fishing	138,731,900	169,445,707.69	153,520,361.23	28,313,004.24	3,844,548.49	3,844,548.49
HABITAT INTERNATIONAL CORPORATION	Subsidiary	Refrigerated transport	Refrigerated transport	12,476,146	179,138,152.58	174,897,115.67	28,707,807.15	5,559,209.95	5,559,209.95
Shandong Zhonglu Fishery Shipping Co., Ltd.	Subsidiary	Refrigerated transport	Refrigerated transport	22,505,600	34,254,071.71	1,376,956.93	16,091,037.92	528,150.53	528,150.53

5. Major project invested by non-raised funds

□ Applicable √ Not applicable

The Company had no major project invested by non-raised funds in Period.

VI. Prediction of business performance from January – September 2016

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

□ Applicable √ Not applicable

VII. Explanation from the Board and Supervisory Committee for “Qualified Opinion” from the CPA of this year’s

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

IX. Implementation of profit distribution in reporting period

Implementation or adjustment of profit distribution plan in reporting period, cash dividend plan and shares converted from capital reserve in particular

☐ Applicable ☒ Not applicable

Previous year’s profit distribution plan was no profit distribution and shares converted from capital reserve either

X. Profit distribution and capitalization of capital reserves in the Period

☐ Applicable ☒ Not applicable

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

XI. In the report period, reception of research, communication and interview

☒ Applicable ☐ Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
2016-01-08	Jinan	Telephone communication	Individual	Individual investor	Operation status of the Company and with no materials provided
2016-03-24	Jinan	Telephone communication	Individual	Individual investor	The Activity Review Record of IR on 24 March 2016 released on http://www.cninfo.com.cn

Section V. Important Events

I. Corporate governance

During the reporting period, the Company continued to improve its legal person governance structure, further standardize its operation and raise its corporate governance level in strict compliance with the Company Law, Securities Law, Governance Rules of Listed Issuer, Guidelines on Standardized Operation of Companies Listed on the Main Board of Shenzhen Stock Exchange. The Company was able to convene general meeting, board meeting and supervisors meeting in strict accordance with relevant requirements, and the respective directors and supervisors can perform their obligations on an earnest basis. Ended as the reporting period, the actual corporate governance of the Company had nothing different from the relevant requirements of the Company Law and the CSRC.

II. Lawsuits

Significant lawsuits and arbitrations

☐Applicable ☒Not applicable

The Company has no significant lawsuits and arbitrations in reporting period

Other lawsuits

☐Applicable ☒Not applicable

III. Question from media

☐ Applicable ☒ Not applicable

No universal questioned by media in reporting period

IV. Bankruptcy reorganization

☐ Applicable ☒ Not applicable

In reporting period, the Company has no bankruptcy reorganization occurred.

V. Transaction in assets

1. Assets acquisition

☐ Applicable ☒ Not applicable

The Company did not purchased assets in the Period

2. Sales of assets

☒Applicable ☐Not applicable

Counter party	Assets for sale	The date of sale	Transaction price (in 10 thousand Yuan)	The net profits contributed to the listed company by the asset from the beginning of current period to the date of sale (in 10 thousand Yuan)	Impact on the Company (note3)	The proportion of the net profits that the assets for sale contributed to the listed company in total profits	Pricing principle	Related transaction confirmed (Y/N)	The association with the counterparty (Applicable for related transaction)	The ownership of property rights that involved has transferred totally (Y/N)	The creditor's rights and debts that involved has transferred totally (Y/N)	Date of disclosure	Index of disclosure
KINGFISHERS SHIP-PING CO., LTD	FORTUNA REEFER	2016-6-12	481	261	N/A	21.24%	Under contract	N	N/A	Y	Y		

3. Business combination

☐ Applicable ☒ Not applicable

The Company has no business combined in the Period

VI. Implementation of the company's equity incentive and the effects

☐ Applicable ☒ Not applicable

No equity incentive in reporting period

VII. Significant related transaction

1. Related transaction routine operations concerned

☐ Applicable ☒ Not applicable

The Company has no related transaction with routine operations concerned occurred in the Period

2. Related transaction incurred by purchase or sales of assets

☐ Applicable ☒ Not applicable

No related transaction incurred by purchase or sales of assets in Period

3. Related transaction from jointly investment outside

☐ Applicable ☒ Not applicable

No related transaction from jointly investment outside occurred in Period

4. Credits and liability of related party

☐ Applicable ☒ Not applicable

The Company had no credits or liability of related party in Period.

5. Other related transactions

☐ Applicable ☒ Not applicable

The Company has no other related transaction in the Period

VIII. Non-business capital occupying by controlling shareholders and its related parties

☐ Applicable ☒ Not applicable

No non-business capital occupied by controlling shareholders and its related parties in Period

IX. Major contract and implantation

1. Trusteeship, contract and leasing

(1) Trusteeship

☐ Applicable ☒ Not applicable

The Company had no trusteeship in the reporting period.

(2) Contract

☐ Applicable ☒ Not applicable

The Company had no contract in the reporting period.

(3) Leasing

☐ Applicable ☒ Not applicable

The Company had no leasing in the reporting period.

2. Guarantee

☐ Applicable ☒ Not applicable

The Company had no guarantee in the reporting period.

3. Other material contracts

☐ Applicable ☒ Not applicable

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

4. Other material transactions

☐ Applicable ☒ Not applicable

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

X. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or occurred in the previous reporting period but continued to reporting period

☐ Applicable ☒ Not applicable

The Company had no commitment made by the Company or shareholders holding above 5% shares of the Company in reporting period or occurred in the previous reporting period but continued to reporting period in Period.

XI. Engagement and non-reappointment of CPA

Whether the semi-annual report was audited or not

☐ Yes ☒ No

The semi-annual report had not been audited.

XII. Penalty and rectification

☐ Applicable ☒ Not applicable

The Company had no penalty or rectification in the reporting period.

XIII. Risk disclosure of delisting with laws and rules violated

☐ Applicable ☒ Not applicable

The Company has no delisting risks with laws and rules violated in Period

XIV. Explanation on other significant events

☐ Applicable ☒ Not applicable

The Company has no other significant events need to explain in the Period

XV. Issuance of corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No

Section VI. Changes in Shares and Particulars about Shareholders

I. Number of shares and shares held

In Share

	Before change		Increase/decrease in this time (+, -)					After change	
	Amount	Ratio	New issue	Bonus share	Capitalization of public reserve	Other	Subtotal	Amount	Ratio
I. Unlisted shares	128,071,320	48.13%						128,071,320	48.13%
1. Sponsor shares	128,071,320	48.13%						128,071,320	48.13%
Including: State-owned shares	127,811,320	48.04%						127,811,320	48.04%
Domestic corporate shares	260,000	0.10%						260,000	0.10%
II. Listed shares	138,000,000	51.87%						138,000,000	51.87%
2. Domestically listed foreign shares	138,000,000	51.87%						138,000,000	51.87%
III. Total shares	266,071,320	100.00%						266,071,320	100.00%

Reasons for share changed

☐ Applicable ☒ Not applicable

Approval of share changed

☐ Applicable ☒ Not applicable

Ownership transfer of share changes

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

☐ Applicable ☒ Not applicable

II. Number of shares and shares held

In Share

Total common shareholders at period-end	11,845			Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see Note 8)			0	
Particulars about shares held above 5% by common shareholders or top ten common shareholders								
Shareholders	Nature of shareholder	Proportion of shares held	Number of common shares held at period-end	Changes in reporting period	Amount of holding unlisted common circulation shares	Amount of holding listed common circulation shares	Number of share pledged/frozen	
							Status	Amount
Shandong State-owned Assets Investment Holding Co., Ltd	State-owned corporate	33.07%	88,000,000		88,000,000			
Shandong Luxin Investment Holding Group Co., Ltd	State-owned corporate	14.18%	37,731,320		37,731,320			
Shenwan Hongyuan Securities (HK) Limited	Overseas corporate	3.45%	9,184,390	-161,796		9,184,390		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	2.59%	6,891,165	-200,867		6,891,165		
Chen Tianming	Overseas natural person	2.16%	5,760,427			5,760,427		
CHINA INT'L CAPITAL CORP HONG KONG	Overseas corporate	1.33%	3,542,682	-2,397,000		3,542,682		

SECURITIES LTD								
Haitong International Securities Company Limited-Account Client	Overseas corporate	0.83%	2,200,900	3,000		2,200,900		
China Everbright Securities (H.K.) Co., Ltd.	Overseas corporate	0.78%	2,072,000	-70,561		2,072,000		
China National Heavy Duty Truck Group Jinan Truck LLC.	State-owned corporate	0.73%	1,950,000		1,950,000			
Wang Dongsheng	Overseas natural person	0.45%	1,209,502			1,209,502		
Strategy investors or general corporate becomes top 10 common shareholders due to rights issued (if applicable)(Note 3)	Not applicable							
Explanation on associated relationship among the aforesaid shareholders	Shandong State-owned Assets Investment Holding Co., Ltd and Shandong Luxin Investment Holding Group Co., Ltd are provincial state-owned enterprises under the same stock controlling of Shandong Provincial Commission; China National Heavy Duty Truck Group Jinan Truck LLC is the sponsor shareholder of the Company and the above mentioned shareholders have no associated relationships or not belong to consistent actors regulated by <i>Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies</i> . Rests of the shareholders are the domestically listed foreign shareholders, and t he Company is unknown whether there exists associated relationship or belongs to consistent actor regulated by “ <i>management method for acquisition of listed company</i> ” among the above said shareholders.							
Particulars about the shares held by the top ten unrestricted common shareholders								
Shareholders	Amount of circulated common shares held at period-end					Type of shares		
						Type	Amount	
Shenwan Hongyuan Securities (HK) Limited	9,184,390					Domestically listed foreign shares	9,184,390	
GUOTAI JUNAN SECURITIES(HONGKONG)	6,891,165					Domestically listed foreign	6,891,165	

LIMITED		shares	
Chen Tianming	5,760,427	Domestically listed foreign shares	5,760,427
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	3,542,682	Domestically listed foreign shares	3,542,682
Haitong International Securities Company Limited-Account Client	2,200,900	Domestically listed foreign shares	2,200,900
China Everbright Securities (H.K.) Co., Ltd	2,072,000	Domestically listed foreign shares	2,072,000
Wang Dongsheng	1,209,502	Domestically listed foreign shares	1,209,502
Zhang Xiufang	1,100,600	Domestically listed foreign shares	1,100,600
Qin Jun	1,083,220	Domestically listed foreign shares	1,083,220
Yi Ying	1,078,200	Domestically listed foreign shares	1,078,200
Expiation on associated relationship or consistent actors within the top 10 un-restrict common shareholders and between top 10 un-restrict common shareholders and top 10 common shareholders	It is unknown whether the shareholders just mentioned belong to consistent actors or have associated relationship or regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies.		
Explanation on top 10 common shareholders involving margin business (if applicable)(see note4)	Not applicable		

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

☐ Yes ☒ No

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

III. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

☐ Applicable ☒ Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

☐ Applicable ☒ Not applicable

Changes of actual controller in reporting period had no change in reporting period.

IV. Share holding increasing plan proposed or implemented in reporting period from shareholder of the Company and its concerted action person

☐ Applicable ☒ Not applicable

As far as the Company know, there are no share holding increasing plan proposed or implemented in Period from shareholder of the Company and its concerted action person.

Section VII. Preferred Stock

☐ Applicable ☒ Not applicable

The Company had no preferred stock in the reporting.

Section VIII. Directors, Supervisors and Senior Executives

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

☐ Applicable ☒ Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2015.

II. Resignation and dismissal of directors, supervisors and senior executives

☒ Applicable ☐ Not applicable

Name	Title	Type	Date	Reasons
Chi Weizhen	President	Elected	2016-05-19	General election
Lu Xiaonan	Director	Elected	2016-05-19	General election
Zhao Zhiguo	Director, deputy GM	Elected	2016-05-19	General election
Jiang Lu	Independent Director	Elected	2016-05-19	General election
Song Xiliang	Independent Director	Elected	2016-05-19	General election
Zhang Liqing	Chairman of Supervisory Committee	Elected	2016-05-19	General election
Hou Zhenkai	Supervisor	Elected	2016-05-19	General election
Li Wenyi	President	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired
Zhang Chunxin	Director	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired
Song Wenjian	Director, deputy GM	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired
Wang Hanmin	Independent Director	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired
Zhong ZHigang	Independent Director	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired

Liu Zhihui	Chairman of Supervisory Committee	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired
Yang Gongmin	Supervisor	Leave the post while office terms expired	2016-05-19	Leave the post while Board terms expired

Section IX. Financial Report

I. Audit reports

Whether the semi-annual report was audited or not

☐ Yes ☒ No

The financial report of this semi-annual report was unaudited

II. Financial statements

Units in Notes of Financial Statements is RMB

1. Consolidated balance sheet

Prepared by: Shandong Zhonglu Oceanic Fisheries Co., Ltd

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	79,772,739.78	72,428,421.94
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	41,627,611.45	26,746,955.58
Accounts paid in advance	4,749,810.67	6,195,816.18
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	12,174,923.87	4,567,617.49
Purchase restituted finance asset		
Inventories	204,322,596.29	189,084,316.91

Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	13,557,623.33	14,405,410.05
Total current assets	356,205,305.39	313,428,538.15
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment		
Investment property	32,947,724.94	33,557,057.70
Fixed assets	414,357,638.71	429,846,758.41
Construction in progress	9,928,188.11	5,901,575.16
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	13,303,128.63	13,498,863.69
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset		
Other non-current asset	2,000,000.00	2,000,000.00
Total non-current asset	472,536,680.39	484,804,254.96
Total assets	828,741,985.78	798,232,793.11
Current liabilities:		
Short-term loans	40,991,679.09	46,321,773.62
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		

Notes payable		
Accounts payable	92,482,937.03	81,770,298.61
Accounts received in advance	31,639,189.67	18,691,305.28
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	13,946,273.49	17,624,638.23
Taxes payable	883,612.48	3,044,646.00
Interest payable		655,581.11
Dividend payable		
Other accounts payable	14,529,120.37	5,630,290.48
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	15,063,292.74	17,396,585.48
Other current liabilities		
Total current liabilities	209,536,104.87	191,135,118.81
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	1,908,126.22	1,908,126.22
Special accounts payable		
Projected liabilities		
Deferred income	11,439,040.10	11,439,040.10
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	13,347,166.32	13,347,166.32
Total liabilities	222,883,271.19	204,482,285.13
Owner's equity:		

Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	279,998,206.82	279,998,206.82
Less: Inventory shares		
Other comprehensive income	-216,035.19	-34,029.26
Reasonable reserve		
Surplus public reserve	21,908,064.19	21,908,064.19
Provision of general risk		
Retained profit	9,325,031.62	-2,235,338.96
Total owner's equity attributable to parent company	577,086,587.44	565,708,222.79
Minority interests	28,772,127.15	28,042,285.19
Total owner's equity	605,858,714.59	593,750,507.98
Total liabilities and owner's equity	828,741,985.78	798,232,793.11

Legal Representative: Chi Weizhen

Person in Charge of Accounting: Yue Juan

Person in Charge of Accounting Department: Lei Lixin

2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	11,370,319.15	40,612,855.17
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable		
Accounts receivable	2,072,514.00	748,287.00
Account paid in advance	2,250,440.97	2,205,564.37
Interest receivable		
Dividends receivable		
Other receivables	43,446,141.76	36,250,522.61

Inventories	43,783,324.28	34,878,804.73
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	8,502,421.22	128,193.05
Total current assets	111,425,161.38	114,824,226.93
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	6,368,854.72	5,831,546.05
Long-term equity investments	204,189,455.23	204,189,455.23
Investment property	32,947,724.94	33,557,057.70
Fixed assets	81,375,104.17	87,079,353.98
Construction in progress	4,399,915.82	1,452,019.07
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	26,366.72	30,166.70
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	329,307,421.60	332,139,598.73
Total assets	440,732,582.98	446,963,825.66
Current liabilities:		
Short-term borrowings		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Accounts payable	8,123,629.18	15,700,096.10
Accounts received in advance	28,774,363.72	5,858,514.14

Wage payable	5,919,495.46	7,031,556.30
Taxes payable	286,056.44	2,131,532.55
Interest payable		2,757.64
Dividend payable		
Other accounts payable	41,557,572.73	48,122,404.66
Divided into liability held for sale		
Non-current liabilities due within 1 year		1,900,000.00
Other current liabilities		
Total current liabilities	84,661,117.53	80,746,861.39
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	1,333,709.44	1,333,709.44
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,333,709.44	1,333,709.44
Total liabilities	85,994,826.97	82,080,570.83
Owners' equity:		
Share capita	266,071,320.00	266,071,320.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	279,115,900.17	279,115,900.17
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		

Surplus reserve	19,184,672.34	19,184,672.34
Retained profit	-209,634,136.50	-199,488,637.68
Total owner's equity	354,737,756.01	364,883,254.83
Total liabilities and owner's equity	440,732,582.98	446,963,825.66

3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	407,890,793.78	354,687,719.14
Including: Operating income	407,890,793.78	354,687,719.14
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	398,752,608.95	364,326,577.69
Including: Operating cost	382,196,992.60	341,893,525.38
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	240,450.97	404,227.84
Sales expenses	2,738,457.38	3,174,368.35
Administration expenses	14,381,558.82	16,889,614.73
Financial expenses	-804,850.82	1,964,841.39
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		

Including: Investment income on affiliated company and joint venture		
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	9,138,184.83	-9,638,858.55
Add: Non-operating income	3,426,238.02	542,733.41
Including: Disposal gains of non-current asset	2,672,766.60	
Less: Non-operating expense	9,680.71	1,752,306.82
Including: Disposal loss of non-current asset	9,680.71	1,745,126.82
IV. Total Profit (Loss is listed with “-”)	12,554,742.14	-10,848,431.96
Less: Income tax expense	264,529.60	259,441.63
V. Net profit (Net loss is listed with “-”)	12,290,212.54	-11,107,873.59
Net profit attributable to owner’s of parent company	11,560,370.58	-10,923,907.99
Minority shareholders’ gains and losses	729,841.96	-183,965.60
VI. Net after-tax of other comprehensive income	-182,005.93	2,960.53
Net after-tax of other comprehensive income attributable to owners of parent company	-182,005.93	2,960.53
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-182,005.93	2,960.53
1. Share of the other		

comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements	-182,005.93	2,960.53
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	12,108,206.61	-11,104,913.06
Total comprehensive income attributable to owners of parent Company	11,378,364.65	-10,920,947.46
Total comprehensive income attributable to minority shareholders	729,841.96	-183,965.60
VIII. Earnings per share:		
(i) Basic earnings per share	0.043	-0.041
(ii) Diluted earnings per share	0.043	-0.041

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

Legal Representative: Chi Weizhen

Person in Charge of Accounting: Yue Juan

Person in Charge of Accounting Department: Lei Lixin

4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	14,143,001.64	63,565,831.67

Less: Operating cost	17,632,539.08	80,525,788.81
Operating tax and extras	239,862.47	344,641.80
Sales expenses		263,143.28
Administration expenses	7,408,255.61	8,923,445.69
Financial expenses	-697,673.61	115,006.58
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated company and joint venture		
II. Operating profit (Loss is listed with “-”)	-10,439,981.91	-26,606,194.49
Add: Non-operating income	302,000.00	110,284.67
Including: Disposal gains of non-current asset		
Less: Non-operating expense	7,516.91	4,187,133.62
Including: Disposal loss of non-current asset	7,516.91	4,179,953.62
III. Total Profit (Loss is listed with “-”)	-10,145,498.82	-30,683,043.44
Less: Income tax expense		
IV. Net profit (Net loss is listed with “-”)	-10,145,498.82	-30,683,043.44
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		

(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	-10,145,498.82	-30,683,043.44
VII. Earnings per share:		
(i) Basic earnings per share	-0.038	-0.115
(ii) Diluted earnings per share	-0.038	-0.115

5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	405,899,058.35	321,832,556.63
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		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	25,846,875.82	24,785,214.51
Other cash received concerning operating activities	37,108,348.64	21,586,085.45
Subtotal of cash inflow arising from operating activities	468,854,282.81	368,203,856.59
Cash paid for purchasing commodities and receiving labor service	326,653,829.29	284,284,559.67
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	51,459,471.79	50,560,586.51
Taxes paid	7,096,981.37	3,702,132.11
Other cash paid concerning operating activities	67,410,418.78	26,399,838.00

Subtotal of cash outflow arising from operating activities	452,620,701.23	364,947,116.29
Net cash flows arising from operating activities	16,233,581.58	3,256,740.30
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	5,006,095.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	5,006,095.00	
Cash paid for purchasing fixed, intangible and other long-term assets	8,087,541.71	9,430,776.54
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	84,559.42	
Subtotal of cash outflow from investing activities	8,172,101.13	9,430,776.54
Net cash flows arising from investing activities	-3,166,006.13	-9,430,776.54
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	19,589,731.78	61,900,595.13
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	19,589,731.78	61,900,595.13
Cash paid for settling debts	27,340,971.72	57,137,375.73
Cash paid for dividend and profit distributing or interest paying	1,053,047.07	1,695,266.63
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	28,394,018.79	58,832,642.36
Net cash flows arising from financing activities	-8,804,287.01	3,067,952.77
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	3,081,029.40	131,410.18
V. Net increase of cash and cash equivalents	7,344,317.84	-2,974,673.29
Add: Balance of cash and cash equivalents at the period -begin	72,428,421.94	44,980,211.04
VI. Balance of cash and cash equivalents at the period -end	79,772,739.78	42,005,537.75

6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	37,549,036.30	73,565,062.60
Write-back of tax received		9,430.95
Other cash received concerning	1,957,724.04	16,899,788.26

operating activities		
Subtotal of cash inflow arising from operating activities	39,506,760.34	90,474,281.81
Cash paid for purchasing commodities and receiving labor service	8,146,479.78	57,906,027.79
Cash paid to/for staff and workers	12,905,058.54	20,311,694.29
Taxes paid	3,364,550.60	535,262.69
Other cash paid concerning operating activities	42,287,457.92	14,288,824.02
Subtotal of cash outflow arising from operating activities	66,703,546.84	93,041,808.79
Net cash flows arising from operating activities	-27,196,786.50	-2,567,526.98
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets	125,056.87	37,183.00
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	125,056.87	37,183.00

Net cash flows arising from investing activities	-125,056.87	-37,183.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts	1,900,000.00	13,446,666.66
Cash paid for dividend and profit distributing or interest paying	15,856.43	645,992.32
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	1,915,856.43	14,092,658.98
Net cash flows arising from financing activities	-1,915,856.43	-14,092,658.98
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-4,836.22	
V. Net increase of cash and cash equivalents	-29,242,536.02	-16,697,368.96
Add: Balance of cash and cash equivalents at the period -begin	40,612,855.17	30,215,484.63
VI. Balance of cash and cash equivalents at the period -end	11,370,319.15	13,518,115.67

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

This Period

In RMB

Item	This Period										
	Owners' equity attributable to parent company									Minorit y interests	Total owners' equity
	Share	Other equity instrument	Capital reserve	Less: Invento	Other compre	Reason able	Surplus reserve	Provisio n of	Retaine d profit		

		Preferred stock	Perpetual capital securities	Other		Ordinary shares	Comprehensive income	Reserve		General risk			
I. Balance at the end of the last year	266,071,320.00				279,998,206.82		-34,029.26		21,908,064.19		-2,235,338.96	28,042,285.19	593,750,507.98
Add: Changes of accounting policy													
Error correction of the last period													
Enterprise combine under the same control													
Other													
II. Balance at the beginning of this year	266,071,320.00				279,998,206.82		-34,029.26		21,908,064.19		-2,235,338.96	28,042,285.19	593,750,507.98
III. Increase/Decrease in this year (Decrease is listed with "-")							-182,005.93				11,560,370.58	729,841.96	12,108,206.61
(i) Total comprehensive income							-182,005.93				11,560,370.58	729,841.96	12,108,206.61
(ii) Owners' devoted and decreased capital													
1.Common shares invested by shareholders													
2. Capital invested by holders of other equity instruments													
3. Amount reckoned into owners equity with share-based payment													
4. Other													
(III) Profit distribution													
1. Withdrawal of surplus reserves													

2. Withdrawal of general risk provisions													
3. Distribution for owners (or shareholders)													
4. Other													
(IV) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI) Others													
IV. Balance at the end of the report period	266,071,320.00				279,998,206.82		-216,035.19		21,908,064.19		9,325,031.62	28,772,127.15	605,858,714.59

Last Period

In RMB

Item	Last Period												
	Owners' equity attributable to the parent Company										Minority interest	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk			Retained profit
		Preferred stock	Perpetual capital securities	Other									
I. Balance at the end of the last year	266,071,320.				281,245		52,881.		21,908,		-14,376,	24,555,	579,455

	00				,215.96		19		064.19		699.17	197.86	,980.03
Add: Changes of accounting policy													
Error correction of the last period													
Enterprise combine under the same control													
Other													
II. Balance at the beginning of this year	266,071,320.00				281,245,215.96		52,881.19		21,908,064.19		-14,376,699.17	24,555,197.86	579,455,980.03
III. Increase/Decrease in this year (Decrease is listed with "-")					1,249,736.64		2,960.53				-10,923,907.99	-183,965.60	-9,855,176.42
(i) Total comprehensive income							2,960.53				-10,923,907.99	-183,965.60	-11,104,913.06
(ii) Owners' devoted and decreased capital					1,249,736.64								1,249,736.64
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					1,249,736.64								1,249,736.64
(III) Profit distribution													
1. Withdrawal of surplus reserves													
2. Withdrawal of general risk provisions													
3. Distribution for owners (or shareholders)													
4. Other													

(IV) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI) Others													
IV. Balance at the end of the report period	266,071,320.00				282,494,952.60		55,841.72		21,908,064.19		-25,300,607.16	24,371,232.26	569,600,803.61

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

This Period

In RMB

Item	This Period										
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred stock	Perpetual capital securities	Other							
I. Balance at the end of the last year	266,071,320.00				279,115,900.17				19,184,672.34	-199,488,637.68	364,883,254.83
Add: Changes of accounting policy											
Error											

correction of the last period											
Other											
II. Balance at the beginning of this year	266,071,320.00				279,115,900.17				19,184,672.34	-199,488,637.68	364,883,254.83
III. Increase/Decrease in this year (Decrease is listed with "-")										-10,145,498.82	-10,145,498.82
(i) Total comprehensive income										-10,145,498.82	-10,145,498.82
(ii) Owners' devoted and decreased capital											
1.Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other											
(III) Profit distribution											
1. Withdrawal of surplus reserves											
2. Distribution for owners (or shareholders)											
3. Other											
(IV) Carrying forward internal owners' equity											
1. Capital reserves conversed to capital (share capital)											
2. Surplus reserves conversed to capital (share capital)											
3. Remedying loss with surplus											

reserve											
4. Other											
(V) Reasonable reserve											
1. Withdrawal in the report period											
2. Usage in the report period											
(VI) Others											
IV. Balance at the end of the report period	266,071,320.00				279,115,900.17				19,184,672.34	-209,634,136.50	354,737,756.01

Last period

In RMB

Item	Last period										
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred stock	Perpetual capital securities	Other							
I. Balance at the end of the last year	266,071,320.00				279,115,900.17				19,184,672.34	-155,939,808.71	408,432,083.80
Add: Changes of accounting policy											
Error correction of the last period											
Other											
II. Balance at the beginning of this year	266,071,320.00				279,115,900.17				19,184,672.34	-155,939,808.71	408,432,083.80
III. Increase/Decrease in this year (Decrease is listed with "-")										-30,683,043.44	-30,683,043.44
(i) Total comprehensive income										-30,683,043.44	-30,683,043.44
(ii) Owners' devoted and											

decreased capital											
1.Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other											
(III) Profit distribution											
1. Withdrawal of surplus reserves											
2. Distribution for owners (or shareholders)											
3. Other											
(IV) Carrying forward internal owners' equity											
1. Capital reserves conversed to capital (share capital)											
2. Surplus reserves conversed to capital (share capital)											
3. Remedying loss with surplus reserve											
4. Other											
(V) Reasonable reserve											
1. Withdrawal in the report period											
2. Usage in the report period											
(VI)Others											
IV. Balance at the end of the report period	266,071,320.00				279,115,900.17				19,184,672.34	-186,622,852.15	377,749,040.36

III. Company profile

Shandong Zhonglu Oceanic Fisheries Co., Ltd. (the “Company”), registered at No.43, Heping Road, Jinan, Shandong Province, HQ located at No.43, Heping Road, Jinan, Shandong Province, was incorporated as a joint stock limited company in the People’s Republic of China on 30 July 1999 according to the documentation of Lu Ti Gai Zi [1999] No.85 issued by Shandong Development and Reform Commission, and the holding company of the Company is Shandong Fisheries Enterprise Group General Corporation, the main sponsor. On 26 June 2000, being approved by the documentation of Zheng Jian Fa Xing Zi [2000] No.82 issued by the China Securities Regulatory Commission, the Company’s B-share, stock ID ”Zhonglu B”, stock code” 200992” are listing for trading on Shenzhen Stock Exchange dated 24 July 2000.

Corporate industry: sea-going fisheries

Corporate major products: tuna and its products

Operating scope:

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

Pre-licensing projects: offshore fishing and distant fishing.

Basic organization structure of the Company: board of shareholders, board of directors, supervisory committee, office of the board, departments of human resources, financing plan department, corporate operation department, office of auditory supervision and general affairs department.

Ended as 30 June 2016, consolidation socpe of the Company are as:

four subsidairies, that is Shandong Zhonglu Fishery Shipping Co., Ltd., Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd., HABITAT INTERNATIONAL CORPORATION and Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd; two sub-subsubsidiary: LAIFFISHERIES COMPANY LIMITED and Shandong Zhonglu Ocean Refrigerated Co., Ltd.; and one operation entity with conrolling rights obtained through operating lease: YAW ADDO FISHERIES COMPANY LIMITED. Found more in disclosure of equity in other main body

The financial report has been approved for report by the Board dated 25 August 2016.

IV. Preparation basis of Financial Statements

1. Preparation basis

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

2. Going concern

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

V. Important accounting policy and estimation

Notes on specific accounting policies and accounting estimation:

The Company and subsidiaries determine specific accounting policies and accounting estimation based on their production and operation, which mainly differ in accrual method for bad debt provision of the account receivable , evaluation of inventory, depreciation of fixed assets and intangible assets amortization and recognition time of the revenue etc.

1. Declaration of obedience to Accounting Standards for Business Enterprise

The Financial Statements of the Company are up to requirements of Accounting Standards for Business Enterprise and also a true and thorough reflection to the relevant information as the Company's financial position dated 30th June 2016 and the operation results as well as cash flow in first half year of 2016.

2. Accounting period

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

3. Business cycle

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

4. Bookkeeping standard currency

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

5. Accounting methods for consolidation of enterprises under the same control or otherwise**(1) Consolidation of enterprises under the same control**

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

(2) Business combination not under common control

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

6. Preparation methods for consolidated financial statements

(1) consolidation financial statement range

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

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

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

(3) set off of consolidated financial statement

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

(4) Accounting for acquisition of subsidiary through combination

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

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

(1) Classification of joint arrangements

Joint arrangements are divided into joint operations and joint ventures. Joint arrangements achieved not through separate entities are classified as joint operations. Separate entities refer to the entities with separate identifiable

financial architecture including separate legal entities and legally recognised entities without the qualification of legal entity. Joint arrangements achieved through separate entities are generally classified as joint ventures. In case of changes in rights entitled to and obligations undertaken by the parties of joint venture under a joint arrangement due to the changes in relevant facts and circumstances, the parties of joint venture will re-assess the classification of joint arrangements.

(2) Accounting treatment for joint operations

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

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

(3) Accounting treatment for joint ventures

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

8. Determination criteria of cash and cash equivalent

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

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

(1) Foreign currency exchange

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

or recognized as other consolidated income and reckoned into capital public reserve.

(2) Conversion of foreign currency financial statements

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

10. Financial instruments

(1) Categories and recognition of financial instruments

The financial instruments are classified as the financial assets and liabilities. As the Company becomes one party of the financial instrument contract, the instrument is recognized as one financial asset or liability.

In the initial recognition, the financial assets are classified as, the financial assets measured on fair value and with its changes reckoned into the current loss/gain, long-term invest-bonds, account receivables, and financial assets available for sale. Categories of the financial assets besides account receivables are dependent on the holding intention and purpose of the Company and its subsidiaries for the financial assets. In the initial recognition, the financial liabilities are classified as the financial liabilities measured on the fair value and with its changes reckoned into the current loss/gain, other financial liabilities.

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in the short term; receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market; available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition; held-to-maturity investments are non-derivative financial assets with fixed maturity and fixed or determinable payments that management has the positive intention and ability to hold to maturity.

(2) measurement of financial instruments

In the initial recognition, the financial assets or liabilities are measured on fair value; and the follow-up measurements are: financial assets and financial assets available for sale that measured by fair value and with alteration reckoned into current gains/losses together with the financial liabilities that measured by fair value with alteration reckoned into current gains/losses should measured by fair value; the held-to-maturity securities, loans, account receivable and other financial liability are measured by amortized cost; as for the equity instrument investment without quote in an active market and with its fair value can not be reliably measured, and those derivative financial assets or liability that paid with equity instrument, which have hook with such instrument, should measured by cost. The loss/gain from the fair value changes in the follow-up measurement of the financial assets and liabilities, besides one related to the hedge, is dealt with in the following methods: ① The

financial assets or liabilities measured on the fair value and with its changes reckoned into the current loss/gain, are reckoned into the fair value loss/gain; ② The fair value change of the financial assets available for sale, is reckoned into the other comprehensive income.

(3) Recognition of the fair value for the financial assets and liabilities

For those financial instruments existing in active markets, market quotation in the active market is used to confirm their fair values; fair value of the financial instruments which have no active market is confirmed by adoption of estimation technology. The estimation technology mainly including market approach, income approach and cost method

(4) Recognition basis and measurement method for the transfer of financial assets/liabilities

As for the financial assets with all risks and compensations on their patent transferred, or all risks and compensations neither maintained nor transferred but the control over the assets given up, the recognition of the financial asset may terminate. For the financial assets are qualified for the recognition of termination conditions, the measurement may be taken on the financial assets transfer, namely the difference is reckoned into the current loss/gain, between the book value of the transferred financial assets and, the total of the consideration value received from the transfer and the fair value change accumulative sum originally booked into the capital reserve. If the partial transfer satisfies the criteria for derecognition, the entire carrying value of the transferred financial asset shall proportionally allocated between the derecognized portion and the retained portion according to their respective relative fair value.

When all or part of the current obligation to a financial liability has been terminated, the entire or part of such financial liability shall be derecognized.

(5) Impairment loss on a financial assets

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

When an impairment loss on a financial asset measured at cost has occurred, the amount of loss is provided for at the difference between the asset's carrying amount and the present value of its estimated future cash flows. The impairment loss on such financial asset is not reversed once it is recognised.

Where there is objective evidence that an impairment loss on available-for-sale financial assets occurs, the cumulative loss arising from the decline in fair value that had been recognised directly in equity is removed from equity and recognised in impairment loss. For an investment in debt instrument classified as available-for-sale on which impairment losses have been recognised, if, in a subsequent period, its fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the previously recognised impairment loss is reversed and recognised in profit or loss for the current period. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognised, the increase in its fair value in a subsequent period is recognised in equity directly.

For investments in equity instruments, the specific quantitative criteria for the Company to determine "serious" or

“not temporary” decrease in their fair value, cost computing method, method for determining closing fair value, and basis for determining the continuous decrease period are set out below:

Specific quantitative criterion on “serious” decrease in their fair value	Decrease in closing fair value relative to the cost has reached or exceeded 50%
Specific quantitative criterion on “not temporary” decrease in their fair value	Fall for 12 consecutive months
Cost computing method	Consideration of payment at acquisition (net of cash dividends declared but not yet paid or due but unpaid interest on bonds) and the relevant transaction cost are recognized as the investment cost.
Method for determining closing fair value	As for a financial instrument for which there is an active market, the quoted prices in the active market shall be used to recognize the fair values thereof. Where there is no active market for a financial instrument, the enterprise concerned shall adopt value appraisal techniques to determine its fair value.
Basis for determining the continuous decrease period	The rebound in the continuous fall or the period with the trend of fall is less than 20% margin. Rebound duration not more than six months is treated as continuous decrease period.

11. Account receivable

(1) account receivables with single major amount and withdrawal bad debt provision independently

Criterion or amount standards of major single amount	Book balance of the account receivable with over one million Yuan (one million year inclusive)
Withdrawal method for individual bad debt provision accrual with major single amount concerned	Recognized on the difference between the book value and the current value of the estimative future cash flow

(2) Account receivable with bad debt provision accrual by portfolio

Portfolio	Accrued method for bad
Age portfolio	Aging of accounts

Withdrawing bad debt provision by aging method in portfolio:

☒ Applicable ☐ Not applicable

Account ages	Accrued proportion of accounts receivable	Accrued proportion of other accounts receivable
Within one year (one year included)	10.00%	10.00%
Within six months	5.00%	5.00%
1—2 years	30.00%	30.00%
2—3 years	50.00%	50.00%
Over three years	100.00%	100.00%

Withdrawing bad bed provision by percentage of total accounts receivable outstanding in portfolio :

☐ Applicable ☒ Not applicable

Withdrawing bad bed provision by other methods in portfolio :

☐ Applicable ☒ Not applicable

(3) Account receivable with minor single amount but has individual bad debt provision accrual

Reasons for individual bad debt prevision accrual	Account receivable with over three years in account age and has objective evidence of impairment appears
Accrued method for bad debt provision	Recognized on the difference between the book value and the current value of the estimative future cash flow

12. Inventory

(1) Categories of inventory

The inventory is goods or manufactured products held for sale, products in process, and materials and matters utilized in the production or supply of labor. It mainly consists of the raw material, consumable low-value product, storage goods, turnover material and wrappage etc.

(2) Accounting method for inventory delivery

Recognized actual cost for the inventory while deliver by using weighted average method

(3) Accrual method inventory falling price reserves

On the balance sheet day, the inventory is measured on the lower one between the cost and the net realizable value, and the provision for the falling price reserves is accrued on each inventory item; however, as for the inventory of large quantity and low price, the provision is accrued on the inventory category.

Recognition principle on net realizable value of inventory: ① net realizable value as the estimative sale price less the relevant tax expenses, stock of the Company mainly refers to the long lines tuna, ending net realizable value of the tuna based on the quote of Shimizu Fisheries, closely to balance sheet date, after deducted relevant expenses while products have sale achieved; ② as for the materials held for production, if the net realizable value of the manufactured product in use of the materials, is higher than the cost, the net realizable value is measured on cost; as the fall-down of the material price shows that the net realizable value of the manufactured product is lower than the cost, recognizable value is recognized on the estimative sale price less the estimative will-be actual cost, estimative sale expenses, and relevant tax expenses.③ As for the materials held on sale, the net realizable value is the market sale price.

(4) Inventory system

Inventory system of the Company is perpetual inventory system

(5) Amortization method for the low-value consumables and wrap page

Amortization method for the low-value consumables and wrap page refers to the fifty percent (50%) amortization

13. Classify to assets available for sale**14. Long term equity investment****(1) Recognition of initial investment cost**

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

(2) Subsequent measurement and profit or loss recognition

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

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

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

14. Investment real estate

Measurement for investment real estate

Cost method

Depreciation or amortization method

Category of the Company's investment real estate: rented land use rights, rented buildings and land use rights held

for transfer after appreciation. Investment real estate of the Company is initially measured by cost and conducting follow-up measures by cost mode.

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

16. Fixed assets

(1) Recognition

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

(2) Depreciation method

Category	Depreciation method	Depreciation life (year)	Salvage rate	Annual depreciation rate
House and building	Straight-line depreciation	20-40	3-5	2.00-5.00
Vessel and netting gear	Straight-line depreciation	5-30	3-5	3.17-12.00
Machine equipment	Straight-line depreciation	8-20	3-5	5.00-12.00
Transportation equipment	Straight-line depreciation	5	3-5	19.00-19.40
Furniture and office equipment	Straight-line depreciation	5	3-5	

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

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

17. Project in progress

Project in progress of the Company divided as self-run construction and out-bag construction. The project in progress of the Company carried forward as fixed assets while the construction is ready for the intended use. Criteria of the expected condition for use should apply one of the follow conditions: The substance construction (installation included) of the fixed assets has completed all or basically; As the projects have been in test

production or operation, and the results show that the assets can operate properly and produce the qualified products stably, or the test operation result shows the assets can operate or open properly. The expenditure of the fixed assets on the construction, is a little or little. The fixed assets of the project constructed have been up to the requirements of the design or contract, or basically up to.

The construction in progress of the Company mainly refers to vessels. When a vessel is accepted as qualified for normal sailing, the Company determines that the vessel reaches its planned condition for use.

18. Borrowing expenses

(1) Recognition principle on capitalization of borrowing expenses

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

(2) Calculation of the capitalization

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

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

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

19. Biological assets

20. Oil-and-gas assets

21. Intangible assets

(1) Accounting method, service life and impairment test

1) Accounting method for intangible assets

The Company's intangible assets are measured initially on cost. The intangible assets purchased in are taken as the actual cost on the actual payment and relevant expenditure. As for the intangible assets invested in by the investors, the actual cost is recognized on the value stipulated in the contract or agreement; however, if what is

stipulated in the contract or agreement is not fair value, the actual cost is recognized on fair value. As for the self-developed intangible assets, their cost is the actual total expenditure before reaching the expectant purpose.

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

2) Recognition principle of intangible assets with uncertain service life

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

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

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

22. Long-term investment impairment

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

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

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

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

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

23. Long-term deferred expenditure

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

24. Employees benefits

(1) Accounting for short-term benefits

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

(2) Accounting for post-employment benefits

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

(3) Accounting for termination benefits

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

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

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

25. Accrual liability**26. Share-based payment****27. Other financial instrument of preferred stock and perpetual capital securities****28. Revenue****(1) Sales of goods**

The Company shall ascertain the revenue incurred by selling goods in accordance with the received or receivable price stipulated in the contract or agreement signed between the enterprise and the buyer unless the following conditions are met simultaneously: ① the significant risks and rewards of ownership of the goods have been transferred to the buyer by the enterprise; ② the enterprise retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; ③ the relevant amount of revenue can be measured in a reliable way; ④ relevant economic benefits may flow into the enterprise and ⑤ the relevant costs incurred or to be incurred can be measured in a reliable way.

The Company mainly conducts seine fisheries sales on sea. In detail, our production vessel directly unloads fisheries products to the shipping vessel of purchaser. Upon delivery of such products to shipping vessel, parties from both production vessel and shipping vessel would confirm the unloaded quantity and issue delivery bill (both parties sign ship receipt); finance department would confirm sales revenue based on ship receipt and sales contract.

Fisheries products gained from long line fishing by the Company are all shipped back to domestic market for sale. Our sales department makes external sales by reference to the trading price in Qingshui of Japan. Change in ownership of cargos is based on sales contract and value determination table. Finance department would confirm sales revenue based on sales contract and value determination table.

The Company processes aquatic products for domestic sales: Shandong Zhonglu Oceanic (Yantai) Food Co., Ltd. issues delivery confirmation according to the fax or email orders from domestic customers, then sales staff would arrange warehouse department to prepare stock and deliver cargos via airline and long trip auto transportation. Finance department will issue sales invoice according to the delivery bill issued by sales department and signed and confirmed by warehouse department, and confirm sales revenue.

The Company processes aquatic products for overseas sales: once receipt purchase orders from overseas customers, our international trade department will issue export delivery confirmation and arrange warehouse department to prepare relevant orders. Once the cargos to be exported is packed and delivered, warehouse department will sign on the delivery bill issued by international trade department to confirm. Upon completion of export by unloading cargos on vessels, we will obtain packing slip, delivery order and other export bills issued by the transportation department and also bill of clearance from custom. Finance department will issued sales invoice and confirm sales revenue based on delivery bill, packing slip, bill of clearance, etc.

(2) Labor service providing

If an enterprise can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the revenue from providing services employing the

percentage-of-completion method. The enterprise can ascertain the schedule of completion (percentage-of-completion) under the transaction concerning the providing of labor services based on calculation of completed works, if an enterprise can not, on the date of the balance sheet, measure the result of a transaction concerning the providing of labor service in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: ①if the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; ②if the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

(3) Transition of asset use right

When economic benefits relating to transition of asset use right is likely to inflow into the Company and the relevant income can be measured reliably, the Company shall recognise such income from transition of asset use right

29. Government subsidy

(1) Determination basis and accounting treatment for government grants related to assets

Government grant obtained by the Company for the purpose of constructing or otherwise forming long term assets is recognised as government grant related to assets which will be recognised as deferred income. Deferred income is averagely allocated against the estimated service life of asset since the asset is available for use, and recorded in profit or loss for the current period.

(2) Determination basis and accounting treatment for government grants related to income

The government grants other than the government grants related to assets are recognized as government grants related to income. Government grants related to income shall be treated as follows: those used to compensate relevant expenses or losses to be incurred by the enterprise in subsequent periods are recognized as deferred income and recorded in profit and loss for the current period when such expenses are recognized; and those used to compensate relevant expenses or losses that have been incurred by the enterprise are recorded directly in profit or loss for the current period.

30. Deferred income tax asset and deferred income tax liability

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

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

tax assets, book value of the deferred income tax assets shall be kept in decreased.

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

31. Leasing

(1) Accounting treatment for operating lease

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

(2) Accounting treatment for finance lease

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

32. Other important accounting policy and estimation

33. Changes in important accounting policies and estimates

(1) Changes in important accounting policies

☐ Applicable ☒ Not applicable

(2) Changes in important accounting estimates

☐ Applicable ☒ Not applicable

34. Other

VI. Taxes

1. Major tax and tax rate

Taxes	Taxation basis	Tax rate
VAT	Output tax minor the deductible input tax	17%, 13%, 6%
Business tax	Income from leasing	5%

Urban maintenance and construction tax	Turnover taxes payable	7%
Corporate income tax	Taxable amount	25%
Educational surtax	Turnover taxes payable	3%
Local educational surtax	Turnover taxes payable	2%

Explain the different taxation entity of the enterprise income tax

Taxation entity	Income tax rate
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2. Preferential tax

(1) Preferential tax for VAT:

Pursuant to the Treasury Tax (1997) No. 64 Notice on Taxation on Import of Fishery Equipment and Transport-back of Self-fished Fishery Products of Overseas Fishery Industry Corporation, the self-fished fishery products transported home, is regarded as the non-import domestic products, without taxation of tariff or added-value taxation in the import link. The corresponding domestic sales are attributable to the primary agricultural products sales, and free from added-value tax according to the specific rules of added value tax.

(2) Preferential tax for income tax

Pursuant to rules of Treasury Tax [1994] No. 001 <Notice on Several Preference Policies of Corporate Income Tax>, Treasury Tax [1997] No. 114 <Notice on Corporate Income Taxation on Fishing Business of Domestic Fishery Corporation>, Treasury Agriculture [2010] No. 104 <Letter on Opinion on Relevant Problems of Quickening National Overseas Fishery>, President Order of People's Republic of China [2007] No. 63 <Corporate Income Tax Law of People's Republic of China>, the Company's income earns from the overseas fishing business and preliminary process of agricultural products are exempted from corporate income tax. The Company's income besides one from the overseas fishing business and preliminary process of agricultural products will taxed on 25% for the corporate income tax.

3. Other

Subsidiary Shandong Zhonglu Haiyan Oceanic Co., Ltd. is exempted from enterprise income tax; the aquatic product processing of the subsidiary Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd. is exempted from enterprise income tax

VII. Notes to main items in consolidated financial statement

1. Monetary fund

In RMB

Item	Closing balance	Opening balance
Cash on hand	1,376,231.00	893,253.29
Bank deposit	77,907,372.16	70,570,487.71
Other monetary fund	489,136.62	964,680.94

Total	79,772,739.78	72,428,421.94
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Other explanation

2. Financial assets measured by fair value and with its variation reckoned into current gains/losses

In RMB

Item	Closing balance	Opening balance
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Other explanation:

3. Derivative financial assets

☐ Applicable ☒ Not applicable

4. Note receivable

(1) Category

In RMB

Item	Closing balance	Opening balance
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(2) Note receivable pledged at period-end

In RMB

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

In RMB

Item	De-recognition amount at period-end	Un de-recognition amount at period-end
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(4) Note transferred to account receivable due to the drawer failure to perform at period-end

In RMB

Item	Amount transferred to accaount receivable at period-end
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Other explanation

5. Account receivable

(1) Category of account receivable

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Account receivable with bad debt provision accrual by portfolio	48,782,692.78	100.00%	7,155,081.33	14.67%	41,627,611.45	33,905,178.71	100.00%	7,158,223.13	21.11%	26,746,955.58
Total	48,782,692.78	100.00%	7,155,081.33	14.67%	41,627,611.45	33,905,178.71	100.00%	7,158,223.13	21.11%	26,746,955.58

Account receivable with major single amount and withdrawal bad debt provision single at period-end:

☐ Applicable ☒ Not applicable

Account receivable with bad debt provision withdrawal by method of account age in portfolio:

☒ Applicable ☐ Not applicable

In RMB

Account age	Closing balance		
	Account receivable	Bad debt provision	Accrual ratio
Sub-item of within one year			
1-6 months	41,675,186.79	1,424,189.52	5.00%
6-12 months	418,737.96	41,873.80	10.00%
Subtotal of within one year	42,093,924.75	1,466,063.32	
Over three years	5,689,018.01	5,689,018.01	100.00%
Total	47,782,942.76	7,155,081.33	

Explanation on portfolio basis:

Withdrawing bad debt provision by percentage of total accounts receivable outstanding in portfolio:

☐ Applicable ☒ Not applicable

Withdrawing bad debt provision by other methods in portfolio:

(2) Bad debt provision accrual, switch-back or taken back in the period

Amount accrual in the Period; amount switch-back or taken back in the Period

Including major amount of bad debt provision that switch-back or taken back in the Period:

In RMB

Company	Amount switch back or taken back	Way
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(3) Account receivables actually written-off during the reporting period

In RMB

Item	Amount verified
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Including major account receivables written-off:

In RMB

Company	Nature	Amount verified	Reasons	Verified procedures	Occurred due to related transaction (Y/N)
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Explanation on account receivable written-off

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

Company	Ending balance	Ratio in total account receivable (%)	Bad debt provision balance
CORAL TRIANGLE PROCESSORS	8,230,269.12	16.87%	308,606.33
Hong Kong Luen Thai Seafood	3,932,352.26	8.06%	147,485.97
PANDA	3,600,962.12	7.38%	3,600,962.12
Taiwan Fengqun Aquatic Product	2,998,086.01	6.15%	
South Korea SEA SKY	2,360,951.02	4.84%	885,502.25
Total	21,122,620.53	43.30%	4,942,556.67

(5) Account receivables derecognized due to financial assets transfer

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

Other explanation:

6. Prepayments

(1) Prepayments listed by account age

In RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within one year	4,664,789.34		6,195,816.18	100.00%
1-2 years	85,021.33			
Total	4,749,810.67	--	6,195,816.18	--

Explanation on prepayments with over one year in age and reasons of un-settle:

(2) Top 5 prepayments collected by objects at ending balance

Company	Ending balance	Ratio in total prepayment %
Fengxiang Shipping Co., Ltd.	1,193,616.00	25.13%
NOTOS&COMPANY LIMITED	859,403.52	18.09%
Shandong Sanchuan Trading Co., Ltd.	574,647.52	12.10%
Takoradi Shipyard	372,713.09	7.85%
First Branch of Yantai Fuxin Construction Installation Engineering Company	310,000.00	6.53%
Total	3,310,380.13	69.69%

Other explanation:

7. Interest receivable**(1) Category**

In RMB

Item	Closing balance	Opening balance
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(2) Major overdue interest

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

8. Dividend receivable**(1) Dividend receivable**

In RMB

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

In RMB

Item (or invested company)	Closing balance	Age	Causes 未收回的原因	Whether has impairment occurred and determination basis
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Other explanation:

9. Other account receivable

(1) Category of other account receivable

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Accrual ratio		Amount	Proportion	Amount	Accrual ratio	
Other account receivable with bad debt provision accrual by portfolio	16,901,110.31	100.00%	4,726,186.44	27.96%	12,174,923.87	9,297,125.77	100.00%	4,729,508.28	50.87%	4,567,617.49
Total	16,901,110.31		4,726,186.44		12,174,923.87	9,297,125.77		4,729,508.28		4,567,617.49

Other account receivable with major single amount and withdrawal bad debt provision single at period-end:

☐ Applicable ☒ Not applicable

Other account receivable with bad debt provision withdrawal by method of account age in portfolio:

☒ Applicable ☐ Not applicable

In RMB

Account age	Closing balance		
	Other account receivable	Bad debt provision	Accrual ratio
Sub-item of within one year			
1-6 months	10,245,055.39	283,145.15	5.00%
6-12 months	551,601.77	55,160.18	10.00%
Subtotal of within one year	10,796,657.16	338,305.33	
1-2 years	508,399.00	152,519.70	30.00%
2-3 years	567,317.91	283,658.96	50.00%
Over three years	3,951,702.45	3,951,702.45	100.00%
Total	15,824,076.52	4,726,186.44	

Explanation on portfolio basis:

Withdrawing bad debt provision by percentage of total other accounts receivable outstanding in portfolio

☐ Applicable ☒ Not applicable

Withdrawing bad debt provision by other methods in portfolio:

☒ Applicable ☐ Not applicable

Portfolio	Ending			Opening		
	Book balance	Accrual ratio %	Bad debt provision	Book balance	Accrual ratio %	Bad debt provision

Riskless portfolio	1,077,033.79			1,000,000.00		
Total	1,077,033.79			1,000,000.00		

(2) Bad debt provision accrual, switch-back or taken back in reporting period

Amount accrual in the Period; amount switch-back or taken back in the Period

Including major amount of bad debt provision that switch-back or taken back in the Period:

In RMB

Company	Amount switch-back or taken back	Way
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(3) Other receivables actually written-off during the reporting period

In RMB

Item	Amount verified
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Including major other account receivables written-off:

In RMB

Company	Nature	Amount verified	Reasons	Verified procedures	Occurred due to related transaction (Y/N)
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Explanation on write-off of other receivables:

(4) Classify according to nature

In RMB

Nature	Ending book balance	Opening book balance
Margin	1,049,550.00	1,165,901.84
Insurance claims payment receivable	9,992.00	808,986.14
Transactions and others	10,476,583.87	7,322,237.79
Employee's borrowing	13,109.75	
Partner borrowing	37,399.24	
Marine reserve fund	26,524.80	
National Tax Bureau of Yantai Development Zone (input tax)	5,059,680.65	
Personal loan	221,700.00	
Pretty cash and other	6,570.00	
Total	16,901,110.31	9,297,125.77

(5) top 5 other receivables collected by arrears party at ending balance

In RMB

Company	Nature	Ending balance	Account age	Proportion in total other receivables at year-end	Ending balance of bad debt provision
National Tax Bureau of Development Zone (input tax)	Input tax	5,059,680.65	1-6 months	29.94%	31,367.45
Shandong Marine Affairs Bureau	Margin	1,000,000.00	Over three years	5.92%	
Daihatsu	Intercourse funds	288,896.39	Over five years	1.71%	288,896.39
DIVING SEAGULL	Intercourse funds	207,072.50	Over five years	1.23%	207,072.50
Wende Ship Repair Company	Intercourse funds	200,000.00	Over five years	1.18%	200,000.00
Total	--	6,755,649.54	--	39.97%	727,336.34

(6) Account receivable involved government subsidies

In RMB

Company	Government subsidies	Ending balance	Ending account age	Time, amount and basis estimated to received
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(7) Other account receivables derecognized due to financial assets transfer**(8) Transfer the other account receivable and assets & liabilities arising from further involvement**

Other explanation:

10. Inventory**(1) Category of inventory**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for price fall-down	Book value	Book balance	Provision for price fall-down	Book value
Raw materials	92,446,026.53	184,081.21	92,261,945.32	105,508,981.73	51,082.91	105,457,898.82
Inventory	113,041,051.56	1,781,926.62	111,259,124.94	84,281,728.09	2,059,961.21	82,221,766.88
Revolving	801,526.03		801,526.03	1,537,649.51	132,998.30	1,404,651.21

material						
Total	206,288,604.12	1,966,007.83	204,322,596.29	191,328,359.33	2,244,042.42	189,084,316.91

(2) Provision for price fall-down

In RMB

Items	Opening balance	Current increased		Current decreased		Closing balance
		Accrual	Other	Switch back or Written-off	Other	
Raw materials	51,082.91					184,081.21
Inventory	2,059,961.21			278,034.59		1,781,926.62
Revolving material	132,998.30					
Total	2,244,042.42			278,034.59		1,966,007.83

(3) Explanation on capitalization of borrowing costs in ending balance of inventory**(4) Assets completed without settle resulted by construction contract at period-end**

In RMB

Items	Amount
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Other explanation:

11. Classified as assets held for sale

In RMB

Item	Ending book value	Fair value	Expected disposal expenses	Expected disposal time
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Other explanation:

12. Non-current assets due within one year

In RMB

Item	Closing balance	Opening balance
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Other explanation:

13. Other current assets

In RMB

Items	Closing balance	Opening balance
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Input VAT	6,429,430.28	14,277,217.00
Income tax prepaid	88,480.55	88,480.55
Other tax prepaid	39,712.50	39,712.50
Financial products	7,000,000.00	
Total	13,557,623.33	14,405,410.05

Other explanation:

14. Finance asset available for sales

(1) Finance asset available for sales

In RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Equity instrument available for sales:	33,000,000.00	33,000,000.00		33,000,000.00	33,000,000.00	
Measured by cost	33,000,000.00	33,000,000.00		33,000,000.00	33,000,000.00	
Total	33,000,000.00	33,000,000.00		33,000,000.00	33,000,000.00	

(2) Finance asset available for sales measured by fair value at period-end

In RMB

Category	Equity instrument available for sale	Debt instrument available for sale		Total
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(3) Finance asset available for sales measured by cost at period-end

In RMB

Invested Unit	Book balance				Impairment provision				Holding proportion in invested unit	Cash dividend for the year
	period-beg in	Increase in the year	Decrease in the year	period-end	period-beg in	Increase in the year	Decrease in the year	period-end		
Equity investment - South Securities Co., Ltd.	33,000,000.00			33,000,000.00	33,000,000.00			33,000,000.00	0.87%	
Total	33,000,000.00			33,000,000.00	33,000,000.00			33,000,000.00	--	

(4) Impairment reserve of finance asset available for sales

In RMB

Category	Equity instrument available for sale	Debt instrument available for sale		Total
Balance of accrual impairment at period-begin	33,000,000.00			33,000,000.00
Balance of accrual impairment at period-end	33,000,000.00			33,000,000.00

(5) Explanation on closing fair value of equity instrument available for sale which was down sharply or other-than-temporary drop without accrual the impairment provision

In RMB

Equity instrument available for sale	Investment cost	Ending fair value	Decline changes of fair value comparing with its costs	Time to drop continuously (month)	Accrual impairment amount	Reasons without accrual
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Other explanation

15. Held-to-maturity investment**(1) Held-to-maturity investment**

In RMB

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

(2) Major held-to-maturity investment at Peirod-end

In RMB

Bond	Face value	Coupon rate	Real interest rates	Maturity date
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(3) Re-classified as held-to-maturity investment in the period

Other explanation

16. Long-term account receivable

(1) Long-term account receivable

In RMB

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

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

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

Other explanation

17. Long-term equity investment

In RMB

The invested entity	Opening balance	+,-								Closing balance	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Impairment accrual	Other		
I. Joint venture											
II. Associated enterprise											

Other explanation

18. Investment real estate

(1) Investment real estate measured at cost

√ Applicable □ Not applicable

In RMB

Item	House and building	Land use right	Construction in process	Total
I. original book value				
1. Opening balance	47,120,794.80			47,120,794.80
2. Current increased				
(1) outsourcing				
(2) Inventory\fixed				

assets\construction in process transfer-in				
(3) increased by combination				
3.Current decreased				
(1) disposal				
(2) other transfer-out				
4.Closing balance	47,120,794.80			47,120,794.80
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	12,677,225.04			12,677,225.04
2.Current increased	609,332.76			609,332.76
(1) accrual or amortization	609,332.76			609,332.76
3.Current decreased				
(1) disposal				
(2) other transfer-out				
4.Closing balance	13,286,557.80			13,286,557.80
III. Depreciation reserves				
1.Opening balance	886,512.06			886,512.06
2.Current increased				
(1) accrual				
3. Current decreased				
(1) disposal				
(2) other transfer-out				

4.Closing balance	886,512.06			886,512.06
IV. Book value				
1. Ending Book value	32,947,724.94			32,947,724.94
2. Opening Book value	33,557,057.70			33,557,057.70

(2) Investment real estate measure on fair value

☐ Applicable ☒ Not applicable

(3) Investment real estate without property certificate completed

In RMB

Items	Book value	Reasons
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Other explanation

19. Fixed assets**(1) Fixed assets**

In RMB

Items	House and building	Vessel and netting gear	Machine equipment	Transportation equipment	Furniture and office equipment	Total
I. original book value:						
1. Opening balance	117,971,308.68	455,454,212.38	38,101,098.44	6,364,875.62	10,152,382.78	628,043,877.90
2. Current increased		197,370.20	1,931,899.52	106,354.55	585,930.79	2,821,555.06
(1)purchasing		197,370.20	1,931,899.52	106,354.55	585,930.79	2,821,555.06
(2)Construction in progress transfer-in						
(3) increased by combination						
3. Current		12,565,466.55		99,825.46		

decreased						
(1) disposal or scrapping		12,565,466.55		99,825.46		
4.Closing balance	117,971,308.68	443,086,116.03	40,032,997.96	6,371,404.71	10,738,313.57	618,200,140.95
II. accumulative depreciation						
1.Opening balance	19,540,707.94	153,378,897.33	13,369,374.17	4,265,318.42	7,485,248.13	198,039,545.99
2.Current increased	1,578,995.70	12,855,787.36	1,099,628.63	461,526.12	247,886.50	16,243,824.31
(1) accrual	1,578,995.70	12,855,787.36	1,099,628.63	461,526.12	247,886.50	16,243,824.31
3.Current decreased		10,479,141.90		99,825.46	19,474.20	10,598,441.56
(1) disposal or scrapping		10,479,141.90		99,825.46	19,474.20	10,598,441.56
4.Closing balance	21,119,703.64	155,755,542.79	14,469,002.80	4,627,019.07	7,713,660.44	203,684,928.74
III. Depreciation reserves						
1.Opening balance		157,573.50				157,573.50
2.Current increased						
(1) accrual						
3.Current decreased						
(1) disposal or scrapping						

4.Closing balance		157,573.50				157,573.50
IV. Book value						
1. Ending Book value	96,851,605.04	284,895,746.44	25,563,995.16	1,739,893.22	3,024,653.13	414,357,638.71
2. Opening Book value	98,430,600.74	301,917,741.55	24,731,724.27	2,099,557.21	2,667,134.64	429,846,758.41

(2) Temporary idle fixed assets

In RMB

Items	Original book value	Depreciation accumulative	Impairment provision	Book value	Note
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(3) Fixed assets leasing-in by financing lease

In RMB

Items	Original book value	Depreciation accumulative	Impairment provision	Book value
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(4) Fixed assets leasing-out by operational lease

In RMB

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

In RMB

Items	Book value	Reasons for certificate un-settled
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Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZZDi-1299), the comprehensive office building owned by Shandong Aquatic Products Group at No.43, Heping road, Lixia District, Jinan with original value of RMB54,221,197.05 (among which, RMB9,592,434.61 was recorded as fixed assets and others were recorded as investment property) was ruled to be vested to the Company, so as to compensate the relevant debts. Building ownership transfer has not been registered yet; management of the Company is in the process of making active coordination among various parties seeking for early completion of such registration.

20. Construction in progress**(1) Construction in progress**

In RMB

Items	Closing balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Tailong 1 major repair	4,399,915.82		4,399,915.82	1,452,019.07		1,452,019.07
Atlantic fencing	5,528,272.29		5,528,272.29	4,449,556.09		4,449,556.09
Total	9,928,188.11		9,928,188.11	5,901,575.16		5,901,575.16

(2) Changes of major project in progress

In RMB

Item	Budget	Opening balance	Current increased	Transfer to fixed assets	Other decreasing	Ending balance	Proportion of project investment in budget	Work progress	Accumulative amount of interest capitalization	Including: interest capitalization in Period	Capitalizing rate	Capital resources
Atlantic fencing Items	43,840,000.00	4,449,556.09	1,078,716.20			5,528,272.29	12.61%					Other
Total	43,840,000.00	4,449,556.09	1,078,716.20			5,528,272.29	--	--				--

(3) Impairment provision of construction in process accrual in the Period

In RMB

Items	Accrual amount	Reasons
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Other explanation

21. Engineering material

In RMB

Items	Closing balance	Opening balance
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Other explanation:

22. Disposal of fixed assets

In RMB

Items	Closing balance	Opening balance
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Other explanation:

23. Productive biological assets**(1) Measured by cost**

□ Applicable √ Not applicable

(2) Measured by fair value

□ Applicable √ Not applicable

24. oil/gas assets

□ Applicable √ Not applicable

25. Intangible assets**(1) Intangible assets**

In RMB

Items	Land use right	Patent right	Non-patented technology	Computer software	Total
I. original book value					
1. Opening balance	17,154,729.00			197,000.00	17,351,729.00
2. Current increased					
(1) purchasing					
(2) internal R&D					
(3) increased by combination					
3. Current decreased					
(1) disposal					
4. Closing balance	17,154,729.00			197,000.00	17,351,729.00
II. accumulated amortization					

1. Opening balance	3,686,032.01			166,833.30	3,852,865.31
2. Current increased	191,935.08			3,799.98	195,735.06
(1) accrual	191,935.08			3,799.98	195,735.06
3. Current decreased					
(1) disposal					
4. Closing balance	3,877,967.09			170,633.28	4,048,600.37
III. Depreciation reserves					
1. Opening balance					
2. Current increased					
(1) accrual					
3. Current decreased					
(1) disposal					
4. Closing balance					
IV. Book value					
1. Ending Book value	13,276,761.91			26,366.72	13,303,128.63
2. Opening Book value	13,468,696.99			30,166.70	13,498,863.69

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

(2) Land use right without property certificate completed

In RMB

Items	Book value	Reasons
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Other explanation:

26. Development expenses

In RMB

Items	Opening balance	Current increased	Current decreased	Closing balance
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Other explanation

27. Goodwill

(1) Original book value of goodwill

In RMB

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

In RMB

The invested entity of events with goodwill resulted	Opening balance	Increase during the period	Decrease during this period	Closing balance
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Explain the impairment testing, parameter and recognition method of the impairment losses of goodwill:

Other explanation

28. Long-term deferred expenditure

In RMB

Items	Opening balance	Current increased	Amortized in Period	Other decreased	Closing balance
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Other explanation

29. Deferred income tax asset /deferred income tax liability

(1) Deferred income tax assets un-offset

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary	Deferred income tax	Deductible temporary	Deferred income tax

	differences	asset	differences	asset
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(2) Deferred income tax liabilities un-offset

In RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liability	Taxable temporary differences	Deferred income tax liability

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

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
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(4) Deferred income tax asset without confirmed

In RMB

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

In RMB

Year	Closing amount	Opening amount	Note
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Other explanation:

30. Other non-current assets

In RMB

Items	Closing balance	Opening balance
Land paid in advance	2,000,000.00	2,000,000.00
Total	2,000,000.00	2,000,000.00

Other explanation:

31. Short-term borrowing**(1) Category of short-term borrowing**

In RMB

Items	Closing balance	Opening balance
Mortgage loan	19,116,298.01	15,000,000.00

Credit loan	21,875,381.08	31,321,773.62
Total	40,991,679.09	46,321,773.62

Explanation on category of short-term borrowing

Note: Up to December 31, 2015, the subsidiary-Shandong Zhonglu Oceanic (Yantai) Food Co., Ltd. has obtained short-term loans of RMB 19,116,298.01 Yuan by taking its owned land use rights (YGYZ (2002) No. 1047) and housing property rights (YFQZKZ No. 102954, YFQZKZ No. 102985, YFQZKZ No. 102986, YFQZKZ No. 102984, YFQZKZ No. 106566) as the guarantees to sign a comprehensive credit line with Bank of China Yantai Development District Sub-branch.

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

Total short-term loans un-paid by expired at end of the Period was 00 Yuan, including important short-term loans are as:

In RMB

Unit	Ending balance	Loans rate	Overdue time	Overdue interest rate
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Other explanation:

32. Financial liability measured by fair value and with its variation reckoned into current gains/losses

In RMB

Item	Closing balance	Opening balance
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Other explanation:

33. Derivative financial liabilities

☐ Applicable ☒ Not applicable

34. Note payable

In RMB

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

35. . Account payable

(1) Account payable

In RMB

Items	Closing balance	Opening balance
Within one year (one year included)	85,956,947.61	75,578,357.72
Over 1 year	6,525,989.42	6,191,940.89
Total	92,482,937.03	81,770,298.61

(2) Major account payable over one year

In RMB

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

36. . Account received in advance**(1) Account received in advance**

In RMB

Items	Closing balance	Opening balance
Within one year (one year included)	31,289,325.95	18,341,441.56
Over 1 year	349,863.72	349,863.72
Total	31,639,189.67	18,691,305.28

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

In RMB

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

In RMB

Items	Amount
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Other explanation:

37. Salary payable**(1) Salary payable**

In RMB

Items	Opening balance	Increase during the period	Decrease during this period	Closing balance
I. Short-term compensation	17,445,184.30	49,168,333.71	52,732,200.17	13,881,317.84
II. Post-employment welfare- defined contribution plans	0.00	3,201,598.50	3,201,598.50	0.00
III. Dismissal welfare	140,081.62	0.00	89,468.64	50,612.98
IV. Other welfare due	39,372.31	0.00	25,029.64	14,342.67

within one year				
Total	17,624,638.23	52,369,932.21	56,048,296.95	13,946,273.49

(2) Short-term compensation

In RMB

Items	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Wages, bonuses, allowances and subsidies	15,856,088.12	44,399,463.30	47,694,389.98	12,561,161.44
2. Welfare for workers and staff	0.00	1,600,788.12	1,600,788.12	0.00
3. Social insurance	0.00	1,657,002.48	1,657,002.48	0.00
Including: Medical insurance		1,352,961.84	1,352,961.84	
Work injury insurance		164,955.45	164,955.45	
Maternity insurance		139,085.19	139,085.19	
4. Housing accumulation fund	219,252.00	1,249,702.68	1,368,939.68	100,015.00
5. Labor union expenditure and personnel education expense	1,369,844.18	261,377.13	411,079.91	1,220,141.40
Total	17,445,184.30	49,168,333.71	52,732,200.17	13,881,317.84

(3) Defined contribution plans

In RMB

Items	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Basic endowment insurance		2,895,271.63	2,895,271.63	
2. Unemployment insurance		157,144.19	157,144.19	
4. Other		149,182.68	149,182.68	
Total	0.00	3,201,598.50	3,201,598.50	0.00

Other explanation:

38. Tax payable

In RMB

Items	Closing balance	Opening balance
Value-added tax	116,921.54	1,780,431.41
Business tax	7,500.00	43,807.86
Enterprise income tax	222,670.52	497,594.64
Individual income tax	93,854.04	53,017.02
Urban maintenance and construction tax	525.00	
House property tax	270,422.86	252,935.96
Land use tax	167,328.04	166,227.25
Stamp tax	3,940.48	18,070.36
Other	450.00	232,561.50
Total	883,612.48	3,044,646.00

Other explanation:

39. Interest payable

In RMB

Items	Closing balance	Opening balance
Long-term borrowing interest for installment		574,227.50
Interest payable for short-term loans		81,353.61
Total		655,581.11

Interest overdue without paid:

In RMB

Borrower	Amount overdue	Reasons
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Other explanation:

40. Dividend payable

In RMB

Items	Closing balance	Opening balance
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Other explanation, including dividend payable unpaid over one year, and explain the reasons:

41. Other payable**(1) Classification of other payable according to nature of account**

In RMB

Items	Closing balance	Opening balance
With 1 year	10,403,851.04	1,635,887.13
Over 1 year	4,125,269.33	3,994,403.35
Total	14,529,120.37	5,630,290.48

(2) Significant other payable with over one year age

In RMB

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

42. Classified as liabilities held for sale

In RMB

Items	Closing balance	Opening balance
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Other explanation:

43. Non-current liabilities due within one year

In RMB

Items	Closing balance	Opening balance
Long-term loans due within one year		1,900,000.00
Long-term account payable due within one year	14,630,000.00	14,630,000.00
Deferred income due within one year	433,292.74	866,585.48
Total	15,063,292.74	17,396,585.48

Other explanation:

44. Other current liability

In RMB

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

In RMB

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

45. Long-term loans

(1) Classification of long-term loans

In RMB

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

Other explanation, including interest rate section:

46. Bonds payable

(1) Bonds payable

In RMB

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

In RMB

(3) Condition of convertible bonds and time of transferring

(4) Other financial instrument classified as financial liabilities

Outstanding preferred stock and perpetual capital securities at period-end

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

In RMB

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

Explanation on basis of other financial instrument classified into financial liabilities

Other explanation

47. Long-term account payable

(1) Listed by nature

In RMB

Items	Closing balance	Opening balance
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Other explanation:

48. Long-term employee payable

(1) Long-term employee payable

In RMB

Items	Closing balance	Opening balance
I Post-employment benefit – net liability of the defined benefit plan	712,004.80	712,004.80
III. Other long-term welfare	1,196,121.42	1,196,121.42
Total	1,908,126.22	1,908,126.22

(2) Change of defined benefit plan

Present value of the obligation of defined benefit plan:

In RMB

Items	Current Period	Last Period
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Scheme assets:

In RMB

Items	Current Period	Last Period
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Net liability(assets) of the defined benefit plan

In RMB

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

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

Other explanation:

49. Special payable

In RMB

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

50. Accrued liabilities

In RMB

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

51. Deferred income

In RMB

Items	Opening balance	Increase during the period	Decrease during this period	Closing balance	Causes
Construction special funds	10,705,991.46			10,705,991.46	
Fiscal ship-building discount	733,048.64			733,048.64	
Total	11,439,040.10			11,439,040.10	--

Item with government subsidy concerned:

In RMB

Item	Opening balance	Subsidy increase during this period	Amount reckoned into non-operation revenue in the Period	Other changes	Closing balance	Assets-related/ Income-related

Other explanation:

52. Other non-current liability

In RMB

Items	Closing balance	Opening balance

Other explanation:

53. Share capital

In RMB

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

Other explanation:

54. Other equity instrument**(1) Other financial instrument of outstanding preferred stock and perpetual capital securities at period-end****(2) Changes of financial instrument of outstanding preferred stock and perpetual capital securities at period-end**

In RMB

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

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

Other explanation:

55. Capital surplus

In RMB

Items	Opening balance	Increase during the period	Decrease during this period	Closing balance
Capital premium (equity premium)	185,036,701.86			185,036,701.86
Other Capital surplus	94,961,504.96			94,961,504.96
Total	279,998,206.82			279,998,206.82

Other explanation, including changes and reasons of changes:

56. Treasury stock

In RMB

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

57. Other consolidated income

In RMB

Items	Opening balance	Current Period					Closing balance
		Account before income tax in the year	Less: written in other comprehensive income in previous period	Less : income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	

			and carried forward to gains and losses in current period				
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-34,029.26	-182,005.93			-182,005.93		-216,035.19
Translation differences of foreign financial sheet	-34,029.26	-182,005.93			-182,005.93		-216,035.19
Total of other consolidated income	-34,029.26	-182,005.93			-182,005.93		-216,035.19

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

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

59. Surplus reserves

In RMB

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

Other explanation, including changes and reasons for changes:

60. Retained profit

In RMB

Items	This period	Last period
Retained profits at the end of last year before adjustment	-2,235,338.96	
Retained profit at period-end	9,325,031.62	

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

1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 Yuan.

- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 Yuan
- 4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 Yuan

61. Operating income and cost

In RMB

Items	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	402,902,159.56	381,353,587.60	349,194,696.09	341,048,304.67
Other operating	4,988,634.22	843,405.00	5,493,023.05	845,220.71
Total	407,890,793.78	382,196,992.60	354,687,719.14	341,893,525.38

62. Business tax and surcharges

In RMB

Items	Current Period	Last Period
Business tax	64,400.00	100,045.42
City maintenance and construction tax	4,508.00	38,753.32
Educational surtax	3,192.50	27,680.94
House property tax	133,200.00	215,700.00
Other	35,150.47	22,048.16
Total	240,450.97	404,227.84

Other explanation:

63. Sales expenses

In RMB

Items	Current Period	Last Period
Payroll payable	502,157.65	584,154.38
Port surcharge	1,491,034.68	1,812,379.48
Freight and miscellaneous charges	577,967.71	451,630.24
Customs censoring charges		23,037.00
Travelling charge	38,367.10	193,257.50
Business publicity expenses	95,279.59	0.00
Other	33,650.65	109,909.75

Total	2,738,457.38	3,174,368.35
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Other explanation:

64. Administrative expenses

In RMB

Items	Current Period	Last Period
Payroll payable	8,917,176.41	10,748,520.38
Depreciation	760,740.14	791,900.81
Travelling charge	338,936.43	419,807.65
Business entertainment expenses	661,253.56	663,237.18
Expense of taxation	781,002.24	717,046.16
Vehicles charge	254,460.57	296,841.33
Attorney charge	708,252.22	727,835.60
Office allowance	267,058.20	270,482.59
Property water and electricity	96,610.32	385,176.68
Amortization of intangible assets	195,735.06	191,935.08
Other	1,400,333.67	1,676,831.27
Total	14,381,558.82	16,889,614.73

Other explanation:

65. Financial expenses

In RMB

Items	Current Period	Last Period
Interest costs	1,823,268.28	2,470,646.97
Less: interest income	193,805.35	169,697.04
Exchange loss	844,143.77	412,477.29
Less: exchange gains	3,453,867.54	970,871.64
Handing expense	123,886.11	198,190.28
Other expense	51,523.92	24,095.53
Total	-804,850.82	1,964,841.39

Other explanation:

66. Losses on assets impairment

In RMB

Item	Current Period	Last Period
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Other explanation:

67. Gains from changes of fair value

In RMB

Source of gains from changes of fair value	Current Period	Last Period
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Other explanation:

68. Gains on investment

In RMB

Item	Current Period	Last Period
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Other explanation:

69. Non-operating expenditure

In RMB

Items	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Total income from disposal of non-current assets	2,672,766.60		
Including: Gains from disposal of fixed assets	103,190.67		103,190.67
Government subsidy	443,568.74	439,542.74	443,568.74
Other	309,902.68	103,190.67	309,902.68
Total	3,426,238.02	542,733.41	

Government subsidy reckoned into current gains/losses:

In RMB

Item	Issuing subject	Offering causes	Nature	Subsidy impact current gains/losses (Y/N)	The special subsidy (Y/N)	Amount in the Period	Amount in last period	Assets-related/income-related
Construction subsidy of the Blue Economic Zone	Finance Bureau of Yantai Development Zone	Subsidy	Subsidy achieved for engaging in specific business or industry	N	N	419,104.74	419,104.74	Assets-related

			encouraged and supported by the country (obtained legitimately according to national policies and regulations)					
Finance discount	Finance Department of Shandong Province		Subsidy achieved for engaging in specific business or industry encouraged and supported by the country (obtained legitimately according to national policies and regulations)	N	N	14,188.00	14,188.00	Assets-related
Subsidy of science&technology innovation voucher of inspection & quarantine technology center of Yantai Entry-Exit Inspection & Quarantine Bureau	Yantai Entry-Exit Inspection & Quarantine Bureau	Subsidy	Subsidy obtained due to the development of research, technology innovation and transformation	N	N	10,276.00		Income-related
Specific fund for economic &					N		6,250.00	Income-related

technological cooperation with foreign countries								
Total	--	--	--	--	--	443,568.74	439,542.74	--

Other explanation:

70. Non-operating expenses

In RMB

Item	Current Period	Last Period	Amount included in current non-recurring profits or losses
Total losses on disposal of non-current assets	9,680.71	1,745,126.82	
Including: loss on disposal of fixed assets	9,680.71	1,745,126.82	9,680.71
Donation		1,000.00	
Other		6,180.00	
Total	9,680.71	1,752,306.82	

Other explanation:

71. Income tax expenses

(1) Statement of income tax expense

In RMB

Items	Current Period	Last Period
Current income tax expense	264,529.60	259,441.63
Total	264,529.60	259,441.63

(2) Adjustment on accounting profit and income tax expenses

In RMB

Items	Current Period
Total profit	12,554,742.14
Income tax based on statutory/applicable rate	264,529.60
Income tax expense	264,529.60

Other explanation

72. Other comprehensive income

See Note 57.

73. Items of statement of cash flow**(1) Other cash received in relation to operation activities**

In RMB

Items	Current Period	Last Period
Including: financial expense- interest income	193,534.85	167,412.00
Government subsidy		
Financing products expired		
Margin expired		3,050.00
Intercourse funds and others	36,914,813.79	21,415,623.45
Total	37,108,348.64	21,586,085.45

Explanation on other cash received in relation to operation activities:

(2) Other cash paid in relation to operation activities

In RMB

Items	Current Period	Last Period
Including: sales expenses paid in cash	2,738,457.38	2,888,318.16
Expenses of management cash paid	9,521,672.42	8,545,389.69
Purchase of financial products	7,000,000.00	
LC Margin		
Intercourse funds and others	48,150,288.98	14,966,130.15
Total	67,410,418.78	26,399,838.00

Explanation on other cash paid in relation to operation activities:

(3) Cash received from other investment activities

In RMB

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

(4) Cash paid related with investment activities

In RMB

Items	Current Period	Last Period
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Cleaning charge for FR vessel	84,559.42	
Total	84,559.42	

Explanation on cash paid related with investment activities

(5) Other cash received in relation to financing activities

In RMB

Items	Current Period	Last Period
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Explanation on other cash received in relation to financing activities

(6) Cash paid related with financing activities

In RMB

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

74. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	This Period	Last Period
1. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	12,290,212.54	-11,107,873.59
Add: Assets impairment provision	-201,172.25	-11,613,635.92
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	16,243,824.31	18,505,486.96
Amortization of intangible assets	195,735.06	197,868.38
Amortization of long-term deferred expenses		119,829.06
Loss from disposal of fixed assets, intangible assets and other long-term assets(gain is listed with "-")	-2,663,085.89	1,642,496.15
Financial expenses (gain is listed with "-")	1,050,289.43	2,409,131.85
Decrease of inventory (increase is listed with "-")	-14,960,244.79	-27,528,427.21
Decrease of operating receivable accounts (increase is listed with "-")	-34,189,476.51	35,522,323.27
Increase of operating payable accounts (decrease is listed with "-")	38,467,499.68	-4,890,458.65
Net cash flow arising from operating	16,233,581.58	3,256,740.30

activities		
2. Material investment and financing not involved in cash flow	--	--
3. Net change of cash and cash equivalents:	--	--
Balance of cash at period end	79,772,739.78	42,005,537.75
Less: Balance of cash equivalent at year-begin	72,428,421.94	44,980,211.04
Net increasing of cash and cash equivalents	7,344,317.84	-2,974,673.29

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

In RMB

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

Other explanation:

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

In RMB

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

Other explanation:

(4) Constitution of cash and cash equivalent:

In RMB

Item	Closing balance	Opening balance
I . Cash	79,772,739.78	72,428,421.94
Including: Cash on hand	1,376,231.00	1,076,478.61
Bank deposit available for payment at any time	77,907,372.16	37,398,176.21
Other monetary fund available for payment at any time	489,136.62	2,000,629.00
III. Balance of cash and cash equivalent at period-end	79,772,739.78	72,428,421.94

Other explanation:

75. Notes of changes of owners' equity

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

76. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Restriction reasons
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Other explanation:

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

In RMB

Items	Closing balance of foreign currency	Rate of conversion	Ending RMB balance converted
Including: USD	52,227.29	6.6312	346,329.61
EUR	1,205.00	7.375	8,886.88
GNF	185,000.00	0.01243	2,300.16
GHS	436,387.59	1.69034	457,289.48
Bank deposit			
Including: USD	4,400,779.92	6.6312	29,182,451.81
JPY	210,851,940.00	0.064491	13,598,052.46
EUR	7,342.49	7.375	54,150.86
SGD			
GHS	163,157.85	1.69034	264,667.64
Including: USD	3,010,873.10	6.6312	19,965,701.70
JPY	103,405,606.00	0.064491	6,668,730.94
Other receivable			
Including: USD	180,677.11	6.6312	1,198,106.05

Other explanation:

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

√Applicable □ Not applicable

major foreign operation	Foreign main operation place	Book-keeping currency	Basis
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entity			
HABITAT INTERNATIONAL CORPORATION	Panama	CNY	The economic environment in the operation sites
LAIF FISHERIES COMPANY LIMITED	Garner	USD	The economic environment in the operation sites
YAW ADDO FISHERIES COMPANY LIMITED	Garner	USD	The economic environment in the operation sites

78. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and quantitative information for the arbitrage risks:

79. Other

VIII. Changes of consolidation scope

1. Enterprise consolidation not under the same control

(1) Enterprise consolidation 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

Combination cost	
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Determination method for fair value of the combination cost and contingent consideration and changes:

Main reasons for large goodwill resulted:

Other explanation:

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

In RMB

	Fair value on purchasing date
	Book value on purchasing date

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

Contingent liability of the acquiree bear during combination:

Other explanation:

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

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

☐Y ☒N

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

(6) Other explanation

2. Enterprise combined under the same control

(1) Enterprise combined under the same control in the Period

In RMB

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

Other explanation:

(2) Combination cost

In RMB

Combination cost	
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Explanation on contingent consideration and its changes:

Other explanation:

(3) Assets and liability of the combined party on combination date

In RMB

	Combination date	Ending period of last year

Contingent liability of the combined party bear during combination

Other explanation:

3. Counter purchase

Basic information of transactions, basis of transactions constituting counter purchase, whether assets and liabilities reserved by listed companies constituting business and their basis, confirmation of combined cost, the amount occurred when adjusting rights and interests in accordance with equity transaction and its calculation:

4. Disposal of subsidiaries

Losing controlling rights while dispose subsidiary on one-time

☐Yes ☒No

Dispose subsidiary step by step through multi-dealings and losing controlling rights in the Period

☐Yes ☒No**5. Changes of combination scope**

Other reasons contributed the changes for combination scope (e.g. new subsidiary established, liquidate subsidiary etc.):

6. Other**IX. Equity in other entity****1. Equity in subsidiary****(1) Constitute of enterprise group**

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly		
Shandong Zhonglu Fishery Shipping Co., Ltd.	Shandong Qingdao	Shandong Qingdao	Refrigerated transport	100.00%		Investment
Shandong Zhonglu Oceanic	Shandong Yantai	Shandong Yantai	Food processing	100.00%		Investment

(Yantai) Foods Co., Ltd.						
Shandong Zhonglu Haiyan Oceanic Co., Ltd.	Shandong Qingdao	Shandong Qingdao	Pelagic fishing	81.26%		Investment
HABITAT INTERNATIONAL CORPORATION	Panama	Panama	Refrigerated transport	100.00%		Investment
YAW ADDO FISHERIES COMPANY LIMITED	Garner	Garner	Pelagic fishing			Operating lease

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

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

Controlling basis for the structuring entity included in consolidated range:

Basis on determining to be a agent or consignator:

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shandong Zhonglu Haiyan Oceanic Co., Ltd.	18.74%	729,841.96		28,772,127.15

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

Other explanation:

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

In RMB

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liability	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liability
Shandong	74,772,945.11	94,672,762.58	169,445,707.69	15,192,297.82	733,048.64	15,925,346.46	61,746,373.60	95,320,935.48	157,067,309.08	6,698,258.40	733,048.64	7,431,307.04

Zhonglu Haiyan Oceanic Co., Ltd.												
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In RMB

Subsidiary	Current Period				Last Period			
	Operation Income	Net profit	Total comprehensi ve income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensi ve income	Cash flow from operation activity
Shandong Zhonglu Haiyan Oceanic Co., Ltd.	28,313,004.2 4	3,894,567.56	3,894,567.56	18,146,183.3 7	2,337,427.00	-981,673.40	-981,673.40	-3,932,820.05

Other explanation:

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

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

Other explanation:

2. Transaction that has owners equity shares changed in subsidiary but still with controlling rights

(1) Owners equity shares changed in subsidiary

(2) Impact on minority's interest and owners' equity attributable to parent company

In RMB

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Other explanation

3. Equity in joint venture and cooperative enterprise

(1) Important joint venture and cooperative enterprise

Name	Main operation place	Registered place	Business nature	Share-holding ratio		Accounting treatment on investment for joint venture and
				Directly	Indirectly	

						cooperative enterprise
--	--	--	--	--	--	------------------------

Share-holding ratio or shares enjoyed different from voting right ratio:

Basis of the voting rights with 20% below but with major influence, or without major influence but with over 20% (20% included) voting rights hold:

(2) Main financial information of the important joint venture

In RMB

	Closing balance /Current Period	Opening balance /Last Period

Other explanation

(3) Main financial information of the important cooperative enterprise

In RMB

	Closing balance /Current Period	Opening balance /Last Period

Other explanation

(4) Summary of the financial information for those minor joint venture and affiliates

In RMB

	Closing balance /Current Period	Opening balance /Last Period
Joint venture:	--	--
Total of the items counted by share-holding ratio	--	--
Cooperative enterprise:	--	--
Total of the items counted by share-holding ratio	--	--

Other explanation

(5) Major limitation of the capital transfer to the Company from joint venture or affiliates

(6) Excess deficit arising from joint venture or affiliates

In RMB

Joint venture or affiliates	Accumulative loss un-confirmed previous	Loss un-confirmed in the Period (or net profit shared in the	Accumulative loss confirmed at period-end

		Period)	
--	--	---------	--

Other explanation

(7)Un-confirmed commitment with joint venture investment concerned

(8)Contingency with investment of joint venture investment concerned

4. Major co-management

Name	Main operation place	Registered place	Business nature	Share-holding ratio /shares enjoyed	
				Directly	Indirectly

Explanation on difference of the voting rights over share-holding or share enjoyed in co-management:

As for the independent entity, basis of co-management classification:

Other explanation

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

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

6. Other

X. The risk associated with financial instruments

XI. Disclosure of fair value

1. Ending fair value of the assets and liabilities measured by fair value

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
II. Non-persistent measure	--	--	--	--

2. Basis for determining the market price of the sustained and non-sustained first-level fair value measurement projects
3. The qualitative and quantitative information of the valuation techniques and important parameters adopted for the sustained and non-sustained second-level fair value measurement projects
4. The qualitative and quantitative information of the valuation techniques and important parameters adopted for the sustained and non-sustained third-level fair value measurement projects
5. The adjustment information about book value between the beginning and the end of the period and the unobservable parameter sensitivity analysis of the sustained third-level fair value measurement projects
6. The sustained third-level fair value measurement projects that conversion has occurred among various levels in the current period, the reasons for change and the policy determining the conversion point
7. Valuation techniques change occurred during the current period and the reasons for change
8. The fair value situations of the financial assets and financial liabilities not measured by the fair value
9. Other

XII. Related party and related transactions

1. Parent company of the enterprise

Parent company	Registration place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Shandong State-owned Assets Investment Holdings Co., Ltd.	Jinan Shandong	Investment and management, management and operation of assets, managed operations, investment advisory	RMB 4,500,000,000	33.07%	33.07%

Explanation on parent company of the enterprise

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

Other explanation:

2. Subsidiary of the Enterprise

Found more in Note IX. 1." Equity in subsidiary"

3. Cooperative enterprise and joint venture

Found more in Note.

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

Name	Relationship
------	--------------

Other explanation

4. Other related party

Other related party	Relationship with the Enterprise
Luxin Investment Holding Company Limited	Shareholders with over 5% shares held

Other explanation

5. Related transaction**(1) Goods purchasing, labor service providing and receiving**

Goods purchasing/labor service receiving

In RMB

Related party	Content	Amount of this period	Trading limit approved	Whether over the approved limited or not	Amount of last period
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Goods sold/labor service providing

In RMB

Related party	Content	Amount of this period	Amount of last period
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Explanation on goods purchasing, labor service providing and receiving

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

Statement of trusteeship management/contract:

In RMB

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

Entrusted management/outsourcing:

In RMB

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

(3) Related lease

As a lessor for the Company:

In RMB

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

In RMB

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

(4) Related guarantee

As the guarantor

In RMB

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

In RMB

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

(5) Related party's fund loan

In RMB

Related party	Fund loan	Start	End	Note
Borrowing				
Lending				

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

In RMB

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

In RMB

Items	Current Period	Last Period
Total compensation	1,055,088.00	1,671,777.00

(8) Other related transactions**6. Receivable/payable items of related parties****(1) Receivable item**

In RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt reserves	Book balance	Bad debt reserves

(2) Payable item

In RMB

Item	Related party	Ending book balance	Opening book balance
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7. Commitments of related party**8. Other****XIII. Share-based payment****1. Share-based payment**☐ Applicable ☒ Not applicable**2. Share-based payment settled by equity**☐ Applicable ☒ Not applicable**3. Share-based payment settled by cash**☐ Applicable ☒ Not applicable

4. Amendment and termination of the share-based payment**5. Other****XIV. Commitment or contingency****1. Important commitment**

Important commitment on balance sheet date

2. Contingency**(1) Contingency on balance sheet date****(2) if the Company has no contingency need to disclosed, explain reasons**

The Company has no important contingency that need to disclosed

3. Other**XV. Event occurring after balance sheet date****1. Important non-adjusting events**

In RMB

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

In RMB

3, Sales return**4. Other explanation on events occurring after the balance sheet date****XVI. Other important event****1. Error correction for previous period****(1) Retrospective restatement**

In RMB

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

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

3. Assets replacement

(1) exchange of non-monetary assets

(2) other assets replacement

4. Pension plan

5. Discontinuing operation

In RMB

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

6. Segment information

(1) determination basis and accounting policy for segment

Main business of the Company is distant fishing, aquatic product processing, vessel leasing and other business. The Company reporting the segment in line with the difference of business nature

(2) Financial information of the segment

In RMB

Item	Distant fishing	Vessel leasing	Aquatic product processing	Other	Offset between segment	Total
Main business revenue	45,250,683.75	44,798,845.07	314,998,531.08	7,123,591.66	9,269,492.00	402,902,159.56

Main business cost	46,794,762.32	36,488,600.44	303,284,131.24	4,055,585.60	9,269,492.00	381,353,587.60
Depreciation costs and amortization charge	5,021,059.69	5,658,680.09	2,966,895.00	962,938.13	2,439,319.22	17,048,892.13
Total profit	-4,683,676.48	8,732,198.69	10,526,533.61	-2,020,313.69	-0.01	12,554,742.14
Income tax expense			264,529.60			264,529.60
Net profit	-4,683,676.48	8,732,198.69	10,262,004.01	-2,020,313.69	-0.01	12,290,212.54
Total assets	382,117,304.86	213,392,224.29	329,139,309.74	402,632,069.82	-498,538,922.93	828,741,985.78
Total liabilities	128,025,387.71	37,118,151.69	177,939,483.89	159,180,061.95	-279,379,814.05	222,883,271.19

(3) If the Company has no segment reporting, or unable to disclosed the total assets and liabilities of the segment, explain reasons (4) Other explanation

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

8. Other

XVII. Principle notes of financial statements of parent company

1. Accounts receivable

(1)Category of account receivable

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual by portfolio	7,761,532.01	100.00%	5,689,018.01	73.30%	2,072,514.00	6,437,305.01	100.00%	5,689,018.01	88.38%	748,287.00
Total	7,761,532.01	100.00%	5,689,018.01	73.30%	2,072,514.00	6,437,305.01	100.00%	5,689,018.01	88.38%	748,287.00

Account receivable with major single amount and withdrawal bad debt provision single at period-end:

☐ Applicable ☒ Not applicable

Account receivable with bad debt provision withdrawal by method of account age in portfolio:

√ Applicable □ Not applicable

In RMB

Account age	Closing balance		
	Account receivable	Bad debt reserves	Accrual ratio
Sub-item of within one year			
Over three years	5,689,018.01	5,689,018.01	100.00%
Total	5,689,018.01	5,689,018.01	

Explanation on portfolio basis:

In combination, withdrawal proportion of bad debt provision based on balance proportion for account receivable:

□ Applicable √ Not applicable

In combination, withdrawal proportion of bad debt provision based on other methods for account receivable:

Portfolio	Ending			Opening		
	Book balance	Accrual ratio %	Bad debt reserves	Book balance	Accrual ratio %	Bad debt reserves
Risk-free portfolio	2,072,514.00			748,287.00		
Total	2,072,514.00			748,287.00		

(2) Bad debt provision accrual, switch-back or taken back in reporting period

Amount accrual in the Period; amount switch-back or taken back in the Period .

Including major amount of bad debt provision that switch-back or taken back in the Period:

In RMB

Company	Amount switch back or taken back	Way
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(3) Account receivables actually written-off during the reporting period

In RMB

Items	Amount verified
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Including major account receivables written-off:

In RMB

Company	Nature	Amount verified	Reasons	Verified procedures	Occurred due to related transaction (Y/N)
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Explanation on account receivable written-off :

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

Company	Ending balance	Ratio in total receivable (%)	Balance of bad debt provision
PANDA	3,600,962.12	46.39%	3,600,962.12
Shandong Zhonglu Oceanic (Yantai) Food Co., LTd.	2,072,514.00	26.70%	
Haifeng Company	430,625.10	5.55%	430,625.10
Han Xue	293,209.20	3.78%	293,209.20
Other	233,595.74	3.01%	233,595.74
Total	6,630,906.16	85.43%	4,558,392.16

(5)Account receivables derecognized due to financial assets transfer**(6)Transfer the account receivable and assets & liabilities arising from further involvement**

Other explanation:

2. Other accounts receivable**(1)Category of other account receivable**

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Other account receivable with bad debt provision accrual by portfolio	47,155,901.69	100.00%	3,709,759.93	7.87%	43,446,141.76	39,960,282.54	100.00%	3,709,759.93	9.28%	36,250,522.61
Total	47,155,901.69	100.00%	3,709,759.93	7.87%	43,446,141.76	39,960,282.54	100.00%	3,709,759.93	9.28%	36,250,522.61

Other account receivable with major single amount and withdrawal bad debt provision single at period-end:

☐ Applicable ☒ Not applicable

Other account receivable with bad debt provision withdrawal by method of account age in portfolio:

☒ Applicable ☐ Not applicable

In RMB

Account age	Closing balance
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	Other receivable	Bad debt reserves	Accrual ratio
Sub-item of within one year			
1-6 months	4,834,951.09	241,535.32	5.00%
6-12 months	135,876.74	13,587.67	10.00%
Subtotal of within one year	4,970,827.83	255,122.99	
1-2 years	371,322.88	111,396.86	30.00%
2-3 years	564,117.91	282,058.96	50.00%
Over three years	3,061,181.12	3,061,181.12	100.00%
Total	8,967,449.74	3,709,759.93	

Explanation on portfolio basis:

In combination, withdrawal proportion of bad debt provision based on balance proportion for other account receivable

☐ Applicable ☒ Not applicable

In combination, withdrawal proportion of bad debt provision based on other methods for other account receivable

☒ Applicable ☐ Not applicable

Portfolio	Ending			Opening		
	Book balance	Accrual ratio %	Bad debt reserves	Book balance	Accrual ratio %	Bad debt reserves
Risk-free portfolio	38,188,451.95			34,363,515.13		
Total	38,188,451.95			34,363,515.13		

(2)Bad debt provision accrual, switch-back or taken back in reporting period

Amount accrual in the Period; amount switch-back or taken back in the Period

Including major amount of bad debt provision that switch-back or taken back in the Period:

In RMB

Company	Amount switch-back or taken back	Way
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(3)Other receivables actually written-off during the reporting period

In RMB

Items	Amount verified
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Including major other account receivables written-off::

In RMB

Company	Nature of other receivables	Amount verified	Reasons	Verified procedures	Occurred due to related transaction (Y/N)
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Explanation on write-off of other receivables:

(4) Other receivables by nature

In RMB

Nature	Ending book balance	Opening book balance
Internal transactions in the Company	39,185,186.21	34,363,515.13
Pretty cash and other	1,467,693.69	4,787,781.27
Social insurance fee	4,268.82	
Employee's borrowing	764,865.94	
Intercourse funds	5,733,887.03	
Insurance company's claims settlement		808,986.14
Total	47,155,901.69	39,960,282.54

(5) top 5 other receivables collected by arrears party at ending balance

In RMB

Company	Nature	Ending balance	Account age	Proportion in total other receivables at year-end	Ending balance of bad debt provision
Shandong Zhonglu Fishery Shipping Co., Ltd.	Internal transactions in the Company	24,714,718.67	2-3 years, Over three years	52.41%	
YAWADDO FISHERIES COMPANY LIMITED	Internal transactions in the Company	9,403,493.98	2-3 years	19.94%	
PANDA	Intercourse funds	3,600,962.12	Over three years	7.64%	3,600,962.12
Ghana LAIF (USD account)	Intercourse funds	3,315,600.00		7.03%	
Daihatsu	Intercourse funds	288,896.39	Over three years	0.61%	288,896.39
Total	--	41,323,671.16	--	87.63%	3,889,858.51

(6) Account receivable involved government subsidies

In RMB

Company	Name	Ending balance	Ending account age	Time, amount and basis estimated to received
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(7)Other account receivables derecognized due to financial assets transfer**(8)Transfer the other account receivable and assets & liabilities arising from further involvement**

Other explanation:

3. Long-term equity investment

In RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	204,189,455.23		204,189,455.23	204,189,455.23		204,189,455.23
Total	204,189,455.23		204,189,455.23	204,189,455.23		204,189,455.23

(1) Investment for subsidiary

In RMB

The invested entity	Opening balance	Increase during the period	Decrease during this period	Closing balance	Impairment accrual	Ending balance of impairment provision
HABITAT INTERNATIONAL CORP.	12,476,145.60			12,476,145.60		
Shandong Zhonglu Fishery Shipping Co., Ltd.	22,869,513.38			22,869,513.38		
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	55,448,185.24			55,448,185.24		
Shandong Zhonglu Haiyan Oceanic Co., Ltd.	113,395,611.01			113,395,611.01		
Total	204,189,455.23			204,189,455.23		

(2) Investment for associates and joint venture

In RMB

Company	Opening balance	+,-								Closing balance	Ending balance
		Additiona	Capital	Investme	Other	Other	Cash	Impairme	Other		

		l investmen t	reduction	nt gains recognize d under equity	comprehe nsive income adjustmen t	equity change	dividend or profit announce d to issued	nt accrual			of impairme nt provision
I. Joint venture											
II. Associated enterprise											

(3) Other explanation**4. Operating income and cost**

In RMB

Items	Current Period		Last Period	
	Income	Cost	Income	Cost
Main business	11,269,475.74	16,789,134.08	60,142,948.45	79,680,568.10
Other business	2,873,525.90	843,405.00	3,422,883.22	845,220.71
Total	14,143,001.64	17,632,539.08	63,565,831.67	80,525,788.81

Other explanation:

5. Investment gains

In RMB

Items	Current Period	Last Period
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6. Other**XVIII. 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	2,672,766.60	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely	443,568.74	

relevant to enterprise's business)		
Other non-operating income and expenditure except for the aforementioned items	300,221.97	
Total	3,416,557.31	--

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

☐ Applicable ☒ Not applicable

2. REO and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profits belong to common stock stockholders of the Company	2.02%	0.043	0.043
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	1.43%	0.0306	0.0306

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

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

4. Other

Section X. Documents available for reference

- I. The financial statement of the Company with signature and seal from the person in charge of the Company, person in charge of the accounting works and person in charge of accounting;
- II. Original text of all documents of the Company as well as manuscript of the announcement that disclosed on website appointed by CSRC

Shandong Zhonglu Oceanic Fisheries Co., Ltd.
Chairman: Chi Weizhen
27 August 2016