



**Guangdong Haid Group Co., Limited**

**2022 Annual Report**

**April 2023**

## Section I. Important Notes, Table of Contents and Definitions

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

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

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

### 1. Periodical Fluctuations of Feed Industry due to Abnormal Weather Changes

The feed industry is mainly served for the downstream animal industry. The abnormal changes including extreme high or low temperature, storm, typhoons *et al* during the breeding production, and even large-scale outbreaks of diseases which may lead to fluctuations of the inventory of livestock or aquatic products. For example, the continuous high temperature weather in this year was followed by the rise of water temperature to exceed the appropriate growth temperature of aquatic products, leading to the decrease of dissolved oxygen saturation in the water, and the reduced intake of aquatic animals and passively reduced feeding. Some aquatic products cannot adapt to the rise of temperature or even die, therefore affecting short-term feed demand and there are adverse effects on the production and operation of feed enterprises.

Risk control methods include two aspects: (1) The company is currently fully deploying manufacturers and local markets in major areas in Southern China, Central China, Eastern China and Northern China and overseas markets in Southeast Asia. The expansion of regional distribution can effectively decrease the risk of weather anomalies and natural disasters in local areas. (2) Continuously improving the supports to farmers through the joint empowerment of feed, seedlings, and animal healthcare, providing scientific breeding plans and individual services from company's technical personnel to enhance the risk

resistance and competitiveness of farmers and reduce the adverse effects of abnormal weather.

## **2. Risks of company's production and operation due to the outbreak of epidemic diseases**

With the environmental changes and the development of large-scale breeding, animal epidemic diseases also occur from time to time, for instance, African swine fever had broken out across China since August 2018 and PRRSV-mediated pig diseases, shrimp-relevant EMS epidemic diseases and poultry-relevant “H7N9” diseases occurred cross country in recent years. The scale of animal production shrinks because of the outbreak of animal epidemic diseases, following the reduced demand for feed in the short term. The prevalence of major animal diseases can also easily affect consumers’ purchase intention, and then reduce the demand of end-consumers, leading to the downturn of the aquaculture and feed industry, giving rise to adverse effects on the production and operation of feed enterprises.

Risk control methods include two aspects: (1) The feed products cover the feeds of pig, chicken, duck, goose, fish, shrimp and other livestock and aquatic feeds. The variety of products and the well-balanced structure can effectively mitigate the risk of single species disease with strong comprehensive risk-relieve capability. (2) The company has established the strict epidemic prevention and control system in the production of feed products, utilizing the disease prevention and control from the source with technological advantages and professional capabilities.

## **3. Risk of Drastic Price Fluctuations of Major Ingredient Materials**

The feed ingredients consist of staple agricultural products including corn and soybeans (soybean meal) *et al.* In recent years, the domestic and international markets of agricultural product have been closely connected. There were great fluctuations in prices of agricultural products due to the change of the size in the planting area and the harvest amount in these major grain-producing countries, the purchasing and storage and subsidy policies, the import and export policies, the political conflicts between countries, the international trade relations, the fluctuations in logistics capacity and conditions of shipping and the exchange rates, bringing certain impact on the cost of feed and animal industry. With the strengthening of the international trade of agricultural products, the factors affecting the prices of agricultural products have become more complicated, and the price fluctuations therefore increased. Failing to understand the changes in the trade of feed raw materials in time and promptly implement strategic management, the company may face the risk of rising procurement costs.

Risk control methods include three aspects: (1) The materials were divided into different categories including centralized purchasing staple category and local procurement of regional varieties category. It not only guarantees the advantages of large-scale raw material procurement, but also makes best use of localization advantages from rapid response in respect of regional procurement. (2) The raw material procurement research system was continuously invested and constructed. The members of team are professional and familiar with raw material information. It can effectively control the procurement risk through real-time tracking, investigating, and judging the market trend in domestic and foreign bulk raw material, and manage the position risk of bulk raw materials through futures hedging, raw materials trade and other tools. (3) The company has strong research and development (R&D) team composed of nearly 2,000 employees with extensive experience in research on animal nutrition and feed formulation. A large amount of fund was invested on research and development each year, focusing on animal nutrition requirements, feed formulation technology, animal farming and genetic improvement, comprehensive investigation on healthy breeding strategies, and other research areas. The formula can be quickly adjusted to guarantee feed nutrient level and control the costs in copying with material price fluctuations based on the profound understanding of animal nutritional requirements and the expertise in making best use of raw materials.

#### **4. Risk of Environmental Protection Laws and Policies on the Scale and Structural Adjustment in Animal Industry**

In recent years, our government has introduced a series of environmental protection laws and policies such as the new Environmental Protection Law, the Regulations on Prevention and Control of Pollution from Large-Scale Livestock and Poultry Industry, the Plan for Prevention and Treatment of Contaminated Water, the Guiding Opinions on Adjusting the Layout of Pig Production in the Southern Water Network Region *et al.* These anti-pollution regulations stipulate the pollution prevention in animal industry, and especially limit the production scale in the regions of key water sources and their surrounding areas. According to the regulations and policies of the central government, the banned areas and restricted areas have been highlighted throughout the country, and pig farms in the prohibited areas are gradually relocated in the southern water-network area. The implementation of environmental protection policies not only further speeds up the withdrawal of individual pig farms to reduce the backward production model with unqualified environmental protection, but also expand the production capacity of large-scale farm with better breeding structure. In addition, the establishment of banned areas and restricted areas will enforce the adjustments of pig production capacity across the country. The adjustments of the scale composition of pig production and the relocation of pig production area will certainly have a profound impact on the existing capacity layout, market share,

pricing, and business model of feed industry. The impact of environmental protection policies on the pig industry and feed industry induces existing competitive enterprises at the risk of reshuffle.

Risk control measures included four aspects: (1) The company continually improves its service capability to farmers. In addition to feed products, the company is also engaged in the industrial fields of animal healthcare, vaccines, and finance, and connects closely with large-scale farmers. (2) The feed products of the company cover the field of livestock, poultry, and aquatic animals with abundant product lines. The producing lines for pig feed, chicken feed, duck feed and pelleted fish feed can be shared and switched. The company can rapidly shift the production layout according to the changes in the market through adjusting the production capacity in the manufacturers. (3) The company adopts multiple models to speed up the production layout in areas with abundant resources and permitted environment, and to obtain more market share in new animal farming areas. (4) The company continues to increase R&D investment, and the key technologies on microbial fermented feed and antibiotic alternatives have been effectively applied to foster the progress and development of the industry.

## 5. Risk of Exchange Rate Fluctuations

The global procurement of feed raw materials has become the norm. The scale of overseas investment and operations of the company is also rapidly expanded. The scale of cross-border fund settlement and the stock of overseas assets have grown substantially, involved in various currency types of different countries. The currency exchange rate fluctuations are subject to different influence factors. The exchange rate fluctuations in any currency put certain impact on the settlement cost and asset value of the regions.

Risk control methods include two aspects: (1) the company strictly controls the exchange rate risks, carefully selects settlement currencies to achieve relatively balanced regional fund inflow and outflow through structural arrangements of financing sources and financing types according to the scale, the model, and settlement characteristics of business in different regions and countries. (2) The expansion of two-way fluctuations in RMB exchange rate has become the new norm. The company increases its awareness of foreign exchange risk and arranges settlement models according to the procurement and sales strategies and the cycle characteristics of import and export operations, and flexibly used financial instruments such as forward foreign exchange settlement and sale, swaps, foreign exchange options and others to lock in exchange rate, control procurement and sales costs and the possible risks caused by exchange rate fluctuations.

The statements involving the company's future plans in this report do not

**constitute substantial commitment of the company to any investors or related parties. Investors are kindly advised to aware investment risks.**

**The proposed profit distribution plan of the Company was considered and passed by the Board: on the basis of the total number of shares on the date of record minus the repurchased shares when the plan is implemented in the future, the Company will distribute cash dividend of RMB 4.50 (tax inclusive) and 0 bonus share (tax inclusive) for every 10 existing shares held by all shareholders without capitalization of capital reserve.**

**In this report, certain total numbers may not be exactly equal to the summation of their sub-item numbers as a result of roundoff.**

**This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail. The complete published Chinese 2022 Annual Report is available at the media designated for information disclosure.**

## Table of Contents

Section I. Important Notes, Table of Contents and Definitions .....	1
Section II. Company Profile and Key Financial Indicators .....	9
Section III. Management Discussion and Analysis .....	15
Section IV. Corporate Governance .....	57
Section V. Environmental and Social Responsibility .....	90
Section VI. Material Matters .....	97
Section VII. Share Changes and Shareholder Information .....	115
Section VIII. Preferred Shares.....	122
Section IX. Bonds.....	123
Section X. Financial Statements.....	124

## **Documents Available for Reference**

1. The financial statements signed and sealed by the head of the Company, the head in charge of accounting work and the head of the accounting department (Accounting Officer).
2. The original copy of the Independent Auditor's Report signed and sealed by the CPAs, as well as sealed by the CPA firm.
3. The originals of all the Company's announcements and documents which were disclosed during the Reporting Period.
4. The annual report disclosed on other securities markets.

## Definitions

Item	Definition
Company, Group, Haid Group	Guangdong Haid Group Co., Limited
Board	the board of directors of Guangdong Haid Group Co., Limited
Supervisory Committee	the supervisory committee of Guangdong Haid Group Co., Limited
General Meeting of Shareholders	the general meeting of shareholders of Guangdong Haid Group Co., Limited
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Articles of Association	the Articles of Association of Guangdong Haid Group Co., Limited
RMB	Renminbi
reporting period, the period, the year	the period from 1 January 2022 to 31 December 2022
last year, the same period of last year	the period from 1 January 2021 to 31 December 2021
the end of the period	31 December 2022
the beginning of the period or the year	1 January 2022
CSRC	China Securities Regulatory Commission

## Section II. Company Profile and Key Financial Indicators

### I. Company profile

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

### II. Contact persons and contact methods

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

### III. Information disclosure and places for inspection

Stock exchange website where the Annual Report is disclosed	Securities Times, China Securities Journal, Securities Daily, Shanghai Securities News
Media and website where the Annual Report is disclosed	www.cninfo.com.cn

Places for inspection of the Company's Annual Report	Securities Department of the Company
--	--------------------------------------

#### IV. Change in registration

Unified social credit code	No change
Change of principal activities since its listing (if any)	No change
Change of the controlling shareholder (if any)	No change

#### V. Other relevant information

##### CPA firm engaged by the Company

Name of the CPA firm	Grant Thornton China (Special General Partnership)
CPA firm's address	5th Floor, Scitech Palace 22 Jianguomen Wai Avenue, Chaoyang District, Beijing
Name of the signing certified public accountants	Wenyuan Guan and Shuxia Zhang

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

Applicable  Not applicable

Name	Office address	Representative	Period of supervision
China Merchants Securities Co., Ltd.	111 Fuhua First Road, Futian Street, Futian District, Shenzhen	Ziqiang Kang and Xiaoliang Shen	The statutory period of supervision for the listed company was from April 2020 to December 2021, and the period of supervision for the raised funds was from January 2022 to July 2022
GF Securities Co., Ltd.	GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou	Jian Liu and Yuqing Zhang	The period of supervision for the raised funds is from July 2022

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

Applicable  Not applicable

#### VI. Major accounting data and financial indicators

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

Yes  No

##### Reasons for retrospective adjustment or restatement

Change of accounting policy

	2022	2021	Increase/decrease	2020
--	------	------	-------------------	------

				for the year as compared to the prior year		
		Before	Restated	Restated	Before	Restated
Operating income (RMB)	104,715,417,485.92	85,998,559,748.78	86,091,961,539.13	21.63%	60,323,862,405.94	60,323,862,405.94
Net profit for the year attributable to shareholders of the parent company (RMB)	2,954,142,403.34	1,596,046,173.08	1,636,237,735.85	80.54%	2,522,730,419.35	2,522,730,419.35
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss (RMB)	2,880,122,890.31	1,519,412,737.99	1,559,604,300.76	84.67%	2,459,587,964.11	2,459,587,964.11
Net cash flows from operating activities (RMB)	6,817,894,250.91	3,137,948,250.69	3,137,948,250.69	117.27%	485,259,232.03	485,259,232.03
Basic earnings per share (RMB per share)	1.79	0.96	0.98	82.65%	1.60	1.60
Diluted earnings per share (RMB per share)	1.79	0.96	0.98	82.65%	1.60	1.60
Rate of return on equity on weighted average basis	18.46%	11.46%	11.74%	6.72%	23.87%	23.87%
	As at the end of 2022	As at the end of 2021		Increase/decrease as at the end of the year compared to the end of the prior year	As at the end of 2020	
		Before	Restated	Restated	Before	Restated
Total assets (RMB)	44,237,781,732.31	35,648,579,800.09	35,695,097,401.96	23.93%	27,526,958,371.19	27,526,958,371.19
Total equity attributable to shareholders of the parent company (RMB)	17,824,906,815.87	14,461,135,509.32	14,501,327,072.09	22.92%	13,972,788,864.41	13,972,788,864.41

#### Reasons for change of accounting policy and correction of accounting error

In December 2021, the Ministry of Finance issued the Interpretation No. 15 for the Accounting Standards for Business Enterprises (《企业会计准则解释第 15 号》) (CK [2021] No. 35) (hereinafter referred to as “Interpretation No. 15”), which stipulates that where an enterprise sells products or by-products produced before a fixed asset is ready for its intended use or in the course of research and development (hereinafter collectively referred to as “Trial Sales”), it shall adopt the accounting treatments as stated in the Accounting Standard No. 14 for Business Enterprises—Revenue (《企业会计准则第 14 号——收入》) and the Accounting Standard No. 1 for Business Enterprises—Inventories (《企业会计准则第 1 号——存货》). These provisions are effective as of 1 January 2022. The Company has made retrospective adjustments for the impact of the accounting treatments for the aforementioned trial sales. For further information, see “III 38. Significant Changes in Accounting Policies

and Accounting Estimates” in “Section X. Financial Statements”.

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

Yes  No

Whether the lower of the net profit for the year attributable to shareholders of the parent company before and after deducting the non-recurring gain or loss was negative

Yes  No

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

## VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	19,953,219,403.77	26,372,292,309.49	32,629,430,328.87	25,760,475,443.79
Net profit for the year attributable to shareholders of the parent company	200,704,938.91	717,825,968.76	1,183,217,063.14	852,394,432.53
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss	184,262,785.31	720,846,597.66	1,175,028,164.93	799,985,342.41
Net cash flows from operating activities	-1,046,616,499.85	3,425,171,993.80	3,859,876,073.32	579,462,683.64

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

Yes  No

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

 Applicable  Not applicable

Unit: RMB

Item	Amount for 2022	Amount for 2021	Amount for 2020	Explanation
Gain or loss on disposal of non-current assets	-45,840,354.94	-21,381,178.37	-8,506,037.63	
Government grants charged to current profit or loss (excluding government grants consistently given in the Company's ordinary course of business at fixed quotas or amounts as per government's policies or standards)	125,600,697.83	91,417,497.06	123,628,058.53	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	812,610.97	40,510.51	1,749,131.53	
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading and financial liabilities held for trading, and investment income from disposal of financial assets held for trading, financial liabilities held for trading, and financial assets available for sale	39,455,335.15		292.58	
Reversal of provision for bad and doubtful debt where accounts receivable are individually tested for impairment	6,167,665.26	11,769,732.86	3,118,886.26	
Profits or losses from external entrusted loans	530,942.74		18,750.00	
Other non-operating incomes and expenses, except for the above	-34,643,762.69	12,478,800.92	-43,325,417.81	
Other gain or loss satisfied the definition of non-recurring gain or loss	5,936,636.84	3,713,581.31		
Less: impact of Income tax	17,625,340.80	15,798,527.34	9,094,660.10	
Less: impact of non-controlling interests (net of tax)	6,374,917.33	5,606,981.86	4,446,548.12	
Total	74,019,513.03	76,633,435.09	63,142,455.24	--

Particulars about other gain or loss that satisfied the definition of non-recurring gain or loss

 Applicable  Not applicable

The Company had no other gain or loss that satisfied the definition of non-recurring gain or loss.

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

 Applicable  Not applicable

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

## Section III. Management Discussion and Analysis

### I. Industry Situation during the reporting period

#### 1. Basic situation and development stage of the industry

The breeding industry is related to the national economy and citizen livelihood. It is the pillar industry of the agricultural and rural economy, the strategic industry that ensures food safety and quality of life for citizen, and the key industry to comprehensively promote rural revitalization and accelerate agricultural and rural modernization. As the core of animal husbandry, the breeding industry plays a role in linking the planting industry and the food industry. With the promotion of consumption upgrading, more strict environmental protection, green and high-quality and technological innovation, the trend of large-scale, intensive, and intelligent development of livestock and poultry breeding has accelerated, and the agglomeration effect of technology, talent and other factor resources has further been highlighted. At the same time, with the deepening of breeding scale-up and the improvement of technology, as well as the improvement of the demand for food safety, green and quality, the importance of upstream businesses around breeding industry including feed, seedling, animal healthcare et al are becoming increasingly prominent. The competition in the industry is accelerating, the integration continues to accelerate, and the degree of centralization is increasing.

#### 2. The situation of the industry in 2022

In 2022, the feed industry and breeding industry experienced one bottoming pick-up process. In the first half of the year, there was significant price rise of raw materials, leading to an increase production costs in breeding and feed industry. At the same time, the weak consumption intensified the losses of breeding industry, forming the situation of squeezing each other among the upstream, midstream, and downstream of feed industry. In the second half of the year, breeding stock stopped cutting capacity, and the prices of products have started to rise, and the profit of breeding industry improved to varying degrees, and the financial pressure of farmers has decreased. The confidence in farmers have recovered with the increasing breeding stock and the enthusiasm for feeding. Both the breeding industry and the feed industry have gradually recovered due to significantly less suppression of the demand and the prices for feed products. However, due to the steep decline in consumer demand during the Spring Festival, the circulation of farming products was broken, disrupting the pace of farmers' fish production, especially for aquaculture which was supposed to be the peak period of fish production before the Spring Festival, and the overall storage volume was relatively high.

More details as followings,

1. In terms of raw materials for bulk agricultural products, the prices fluctuated sharply due to the international situation, abnormal weather, and other factors, resulting in overall high-cost performance. According to the data from the Ministry of Agriculture and Rural Affairs, the annual average domestic price of corn is about 2,900 yuan/ton, maintaining the historical high. The annual domestic average price of wheat exceeds 3,300 yuan/ton, which is the highest in the past three years. The price of domestic soybean meal has experienced twice rapid increases throughout the year, rising from the peak of 3,700 yuan/ton at the beginning of the year to over 5,500 yuan/ton. The prices of rice, fish meal and other meal types increased in varying degrees. It was challenged to inform in time and effectively to downstream farming industry under circumstance of rapid, significant, and

widespread price increases in raw materials.

2. In terms of breeding industry: ① the profitability of poultry industry dropped in the first half of the year and was recovered in the second half of the year. The African swine fever virus resulted in the shortage of pig production, the poultry industry increased sharply driven by the substitution effect of poultry meat and price dividend. From the second half of 2020 to the first half of 2022, there had been a long period of loss in the poultry industry owing to the less impact of African swine fever virus, the high cost of poultry farming along with weak end-consumption of poultry, as a result, and the production capacity was decreased in all links. In the second half of the year, as production capacity decreased and end-consumption increased, the business of poultry farming chain became profitable, and the cash-flow of farmers was repaired. However, due to high prices of seedling and feed, and transportation concerns of policy, farmers were initially cautious about increasing their livestock stock. The pace of poultry breeding and restocking is gradually accelerating with the increasing of the supply of poultry seedlings in the later stage, as well as the enhancement of logistics certainty and other favorable factors. ② the pig production had further recovered, and its price had fluctuated sharply. Throughout the year of 2022, 699.95 million pigs were sold, an increase of 28.67 million or 4.3% compared to the previous year. The annual pork production was 55.41 million tons, an increase of 2.46 million tons or 4.6% compared to the previous year. At the end of the year, there were 452.56 million pigs, an increase of 0.7% year-on-year. Among them, 43.9 million sows can be bred, an increase of 1.4% year-on-year. The price of live pigs dropped first, and then went up from 12.29 yuan/kg in March to 27.09 yuan/kg in October with an average profit of over a thousand yuan per head, and quickly back to 20.01 yuan/kg at the end of the year. Although the market fluctuates sharply, farmers still kept good profit throughout the year owing to cost advantages, stable business, and high efficiency of production. ③ the trend of special aquaculture transformation in the aquaculture industry was promising, and the development of aquatic products in household consumption went well. The consumption upgrading and rising costs have led to the transformation from low gross profit species such as the four domestic fishes to special aquatic products such as snakehead, California perch, white-leg shrimp and monodon shrimp. The breeding model has also been explored and developed in the direction of specialization and high efficiency. Throughout the year, the prices of grass carp, carp, crucian carp, and tilapia were low, and the enthusiasm of farmers dropped to the bottom. The cultivation of grass carp and tilapia in Guangdong decreased by more than 30%. In terms of special aquaculture products, the demand for most species such as grouper and yellow catfish was sluggish throughout the year due to its highly depending on catering channels and circulation. Special aquatic products for household consumption, such as South American white shrimp, snakehead, crayfish, etc., had high enthusiasm among farmers and increased breeding capacity. However, the demand of fish at the end of the year suddenly decreased, resulting in the short-term pressure of low price due to excessive storage, slowing down the overall pace of aquaculture. Until later, when the fish consumption returned to normal, especially with the rapid rising demand of special fish, the prices came back the norm.

3. The feed industry had also experienced a bottoming pick-up process, many small and medium-sized feed enterprises faced further tightened cash-flow, worse debt ratio, and the catalyzing liquidation of production capacity. In the first half of the year, the rapid increasing in raw material costs, huge losses in the breeding industry, and the decreasing in market capacity led to exceptionally fierce industry competition. In the second half of the year, the pressure has been reduced with the recovered cash-flow in the breeding industry, but small and medium-sized feed manufacturers still faced enormous pressure. The domestic feed production increased slightly year-on-year throughout 2022. According to the China Feed Industry Association, the total industrial feed production in China was 302.234 million tons, a year-on-year increase of 3.7%, the significant decrease in growth compared to 2021. Among them, the total feed production in the first half of 2022 decreased by 4.3% year-on-year, with the

increase mainly in the second half of the year. Due to continuous losses and financial problem in the first half of the year in the livestock and poultry industry, farmers behaved more concerned about external factors such as feed prices and sell on credit quotas. In the face of the rapidly deteriorating external environment, most feed enterprises had reduced profitability to varying degrees, aiming to maintain market share and slow down the increase of feed products. In the first half of the year, the weighted average price of national formula feed products increased by 6.9% year-on-year, far lower than the increase in main raw materials such as corn, wheat, and soybean meal. In the second half of the year, with the recovery of profits in the aquaculture sector and the repair of cash-flow, the profits of feed enterprises showed signs of improvement. Until November 2022, the weighted average price of formula feed nationwide has increased by 13% year-on-year.

## **II. Main businesses of the company during the reporting period**

The company laid out the industrial chain with the aim of providing overall services to animal farming. It has formed a relatively complete aquatic product industrial chain, and the livestock and poultry industrial chain has also gradually been constructed. The main products include high-quality animal seedlings, feed, animal healthcare and pig breeding. The business operation has covered all business links such as R & D, designing, producing, sales and service of various products. Specifically, the company's products include feeds for chickens, ducks, geese, pigs, fish, shrimps, and crabs, breeding varieties such as pigs, shrimps, fish fry and chickens, as well as biological products, veterinary medicine, vaccines, and other products required for producing livestock, poultry, and aquaculture.

### **1. Main business and products**

(1) The business of feed seedling and animal healthcare were interacted to form Gold Tringle

Feed business is the core foundation of the company. Based on fully understanding the needs of farmers, the company has developed aquatic seedlings and animal healthcare products as supplements to facilitate the growth of the feed business over ten years relentless efforts. After more than 20 years of development, the company's feed business has accumulated a wide range of customer resources. Through providing customers with high-quality valuable seedlings and cost-effective feed products in the market, relying on breeding services to drive the development of vaccines, veterinary medicines, biological products and other animal healthcare products, the company can better support customers to achieve breeding success through the full set of services, and help customers realize that healthy farming at the same time, resulting in better controlling the breeding cost and obtaining the competitive advantage in respect of end products.

(2) the patient development of breeding industry under the premise of stability

Based on the healthy development of feed, seedling and animal healthcare business, the company has formed the core competitiveness in breeding industry, therefore in recent years, the company has begun the cultivate breeding and food processing business. In terms of livestock and poultry, the company mainly focuses on pig breeding, and promotes team capacities in poultry section. In terms of aquaculture, the company has started the cultivation and processing of special aquatic products such as raw fish and shrimp by using its own high-quality seedlings, feed and animal protection products. With the company's investment in aquatic product research and development and the presentation of achievements, the company will gradually expand the cultivation of other high-quality fish and shrimp products.

## 2. Major business model

The company started its development from the feed business. Due to the abundant customer resources, based on deeply understanding and excavating the needs of customers, the company continuously enriched and provided customers with products and services. From feed to seedling breeding, veterinary medicine and vaccine product R & D and manufacturing with higher technical and economic added value, the production and marketing scale of high value-added products gradually expanded, and the proportion of income structure also increased year by year. In recent years, through the extension of the industrial chain, the company has begun to gradually go further into the industrial links such as breeding and food processing. The business model has been orderly developed and extended with various industrial sectors supporting and developing each other.

### (1) Feeds, seedlings and animal healthcare products business

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

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

### (2) Animal breeding business mode

The company's pig farming segment adopts both the "self-breeding plus farming community" model and "company plus family farm" model. The "self-breeding plus farming community" model means that seedlings are introduced and bred to create a farming system of grandparent - parent - commercial pig, under which reproduction is separated from breeding to ensure that the farming process is safe and controllable. The "company plus family farms" model means that the company provides family farmers with products for farming including seedlings, feeds, and vaccines, and provides major technical supports for farming, in turn the farmers are responsible for animal raising and transfer the end- products back to the company for sales.

The aquatic animal farming and processing business has just started, and the primary aquatic products are fishes, prawns and other specialty products. With its strengths in high-quality seedlings, feeds, animal healthcare and technical advantages, the company carries out standardized and industrialized aquaculture, supplying sustainable, healthy, traceable aquatic products (processed products) to large catering enterprises and fresh food platforms.

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

### **III. Analysis of Core Competitiveness**

The products and services are centered on the needs of the animal production industry. Its core competitiveness is represented by the capability of creating values for customers while carrying out the mission of changing rural China. The comprehensive performance includes the rich and complete product configuration and industrial chain layout, outstanding single product power, leading R & D ability, comprehensive breeding technology service ability, fine management ability and perfect talent training and incentive growth system.

#### **1. Diverse and complete product configurations with strong anti-risk capacity to provide farmers with complete products and solutions covering the whole production process**

The company possesses a relatively abundant and complete product configuration after years of technical investment, the transformation of R & D achievements, product accumulation and production layout around the breeding chain, basically covering the needs of the whole process of breeding from feed, functional feed, seedlings, medicines, vaccines and biological products, and is still developing. Among feed products, the company is one of the few domestic enterprises that can produce and distribute fish, shrimp, pig, table poultry, egg poultry feed products at the same time. Its product line is complete with all kinds of highly competitive products and a high market share in key markets. Product configuration capability requires strong customer demand insight ability, R & D organization ability, achievement transformation ability, production base investment and construction ability, processing organization ability, marketing promotion ability and technical service ability.

The technical content of various feed varieties is different, the gross profit rate, the market characteristics and operation risks are also different. The company's product structure combination enables the company a higher gross profit than the general level of the industry, and better controls the market operation risks from animal diseases and imbalance between supply and demand, hence, the sales revenue of feed products of the company is stable and maintains a rapid growth rate far higher than the growth rate of the industry.

Over the years, the company has orderly arranged high-quality aquatic animal seedlings, aquatic animal protection products, livestock and poultry vaccines, veterinary drugs, livestock and poultry animal protection products, pig breeding, aquatic animal farming and other businesses. The core technology in the industrial chain have gradually obtained the advantages of technology, industrial layout and industrial synergy, cultivating more new business

growth and profit growth points for the company, and further amplifying the multiplier effect of the industrial chain and laying good foundation for building comparative competitive advantage.

## **2. Distinct and excellent product power is the most important competitive advantage of the company**

All series of products of the company are committed to building product power significantly ahead of competitors and put great efforts to strengthen the explicit expression of product power. High-quality products with high pricing have obvious advantages of ultimately better animal survival rate, growth effect and growth efficiency, and the brand effect is prominent. Based on then leading production efficiency, the pricing of terminal products is close to the pricing of competitors' products, pursuing outstanding product cost performance. With the support of farmers, the overall benefits of the company are significantly higher than those of similar products. In the case of the declining aquaculture benefits, the whole industry is at a loss, however, our customers only loss less or even no loss.

The embodiment of product power needs the support of professional abilities within the company including the R&D ability of animal nutrition and raw material utilization, the formula technology ability of products, the value procurement ability of raw materials, efficient internal operation ability and other professional abilities indispensable, for example, the support of value purchasing capacity. The company's procurement team has outstanding professional capacity. The team is young and specialized. The division of labor is carried out according to the classification of raw materials. The industry perspective is broad, and the amount of information collection and analysis is large. It can track, study and judge the market trend of large raw materials at home and abroad in real-time, and use futures tools to hedge bulk raw materials, and effectively control the price risk and financial risk of procurement. The team finds out many purchasing opportunities of raw materials with their outstanding purchasing capacity, making the cost advantage of feed products and raw material trade possible. The company is the first enterprise in the industry to successfully set up centralized procurement, with obvious advantages in scale procurement. Due to its rich experience in the application of spot, futures, options and other procurement tools, the application method is also relatively flexible. Long term value procurement and risk position management are also conducive to the company's acquisition of procurement cost advantages.

Another part is the company's efficient operation ability. By promoting the implementation of management software such as SAP, EPS and business sharing system, the company has a strong information system, and its internal operation is process oriented, standardized and data based. The function of digitization is to find out efficient and energy-saving operation methods by comparing the big data of each subsidiary company. The function of process and standardization is to greatly improve the internal replicability. The middle office management mechanism enables the production, R&D, procurement and manpower to respond to the market quickly and match the needs of the market and customers in a more flexible, fast and efficient way. Efficient operation capability has become an important support for effectively organizing the professional production of various products.

## **3. Technology R&D is the professional support of product creation, the foundation and driving force of the company's development, and the core advantage of the company**

At the beginning of its establishment, the company established the research center to build an industry-leading R&D system of the whole industry chain including breeding, nutrition, health, breeding and food. With the increasing of investment in application technology, the company has focused on strengthening the technical

platform construction of each business module in the industrial chain, forming a three-level R&D system from platform technology research to application technology development to system solution application. The company promotes the rapid transformation and application demonstration of scientific and technological achievements through the effective connection of the three-level R&D system and the operation mechanism of "Research Institute plus subsidiary company". The company carries out research on basic, forward-looking and key common problems in seven R&D directions: animal genetics and breeding, animal nutrition and feed, animal medicine and biopharmaceutical, microbial engineering, biochemical industry, protein engineering and healthy breeding, constantly improves the three-level R&D system, and comprehensively and effectively supports, drives and serves the needs of the rapid development of the whole industrial chain of the group.

The company has rich technical research reserves, has the R&D team of more than 3,300 people, and put huge investment in R&D every year. The R&D personnel include talents from animal nutrition, veterinary, breeding, breeding mode, bioengineering, biochemistry, machinery and other disciplines. The transformation speed of R&D results is fast, the investment supporting strategy can be implemented clearly and quickly, and the product allocation ability of the company is strong.

For example, for feed formula technology, through more than 20 years of continuous research and development, the company has established a huge animal nutrition demand database and stored a variety of raw material formula technology. Every year, thousands of groups of comparative experimental results are added to the animal core nutrition demand and raw material utilization database, to transform the technology into productivity. Therefore, the company has strong ability to organize and continuously optimize the product formula and strong adaptability. It can quickly adjust the formula when the price of raw materials fluctuates, so as to obtain cost competitive advantage.

The company's technical service marketing team, who knows the technology and is familiar with the products, can go into pond and farm to understand the breeding situation in real-time. Therefore, the company has detailed data sources for end-consumption habits, feed breeding effect, disease prevention, breeding mode and breeding demand, can accurately fulfill the needs of farmers and put forward clear technical requirements for product design, Support the company's technical resources to fully focus on the core needs of customers.

By providing farmers with complete breeding services such as seedling, breeding technology, disease prevention, breeding mode, health and environmental protection, it provides a strong support for the development of the company's core business products of seedling, feed and animal protection. At the same time, the development of business provides a deeper foundation for R&D and technological innovation and lays a more solid foundation for the further development of the industry.

#### **4. The comprehensive breeding technology service system is an important starting point for the company to coordinate the product chain, create value for customers, continuously obtain new customers and improve customer viscosity**

In 2006, the company took the lead in providing comprehensive technical services to farmers in the industry and established the company as a service-oriented enterprise and an enterprise providing overall breeding services to farmers. The company provides farmers with products and technical service support in the whole breeding process, such as seedling stocking mode - environmental control - epidemic prevention and control - feed - market information - financial support, to ensure that farmers can use the most advanced breeding technology to guarantee the success and profitability of farmers. The company has more than 9000 experienced and passionate technical

service teams in the industry; And accumulate a variety of advanced breeding modes in combination with local characteristics; There are hundreds of highly efficient service stations in intensive breeding areas across the country, which can provide technical services for tens of thousands of farmers at the same time. The company's relatively complete service system in the industry can give full play to the advantages of product power and provide the whole process technical service of breeding, which can effectively enlarge the income of customers and increase the loyalty of customers.

The company's farming technical service started from aquaculture service. After more than ten years of talent team and platform construction, the process and concept of aquaculture technical service system have penetrated into all links of products, technology, R & D, market and operation, driving the development of the company's aquatic feed and animal protection business, highlighting the effect, and the process and idea have been gradually promoted to poultry breeding and pig breeding. In recent years, the company has achieved remarkable results in promoting the development of livestock and poultry business by setting up livestock and poultry service stations. Comprehensive breeding technology service has become an important brand label of the company and an important starting point for the company to create value for customers, obtain and keep customers.

## **5. Continue to build an excellent operation and management team, fine management ability and promote the sustainable development of the company**

The company has the team with consistent faith, diligent and professional management. Most of the team members graduated from agricultural colleges and universities and have strong professional background. The management has the deep and comprehensive understanding of the feed industry and has accumulated rich practical experience. They have a grand and unified vision and goal, strong industry insight, leadership and execution, can adapt to the rapid change of feed industry and the company's higher and higher management requirements from their educational background, knowledge structure industry experience and age.

In recent years, the industry is in an era of drastic changes. Great changes have taken place in the development of the industry, the scale of farmers and the needs of customers. Emerging industries such as rural finance and Internet plus also continue to impact the industry, promote the reform and innovation of the industry, and create a corporate mechanism and culture that can quickly respond to changes, that is, the collective learning ability that enables the company to continuously create value for customers, which is the foundation of the company to keep a sustainable competitive advantage.

The company has developed from aquatic premix to various aquatic compound feeds such as freshwater fish, marine fish and shrimp, from the core advantages of aquatic feed to the advantages of livestock and poultry feed, from simple feed management to comprehensive service capabilities such as providing breeding, animal protection and breeding technical services for farmers, and has experienced many expansion from South China to central China, East China, North China, Southeast Asia and South America, The process of becoming stronger and bigger and leading the industry depends on the collective learning ability of the company's management and all employees. This ability and culture keep the company in learning progress and growing in learning.

## **6.The perfect talent training system and effective incentive mechanism have laid the foundation for the sustainable and stable development of the company**

The company continues to promote the establishment of an organizational atmosphere for talent training. Through Haida college and the human resources center, the company has built a three-way training system covering the

whole career of employees, the whole business of the company and the whole post of business, built a learning ecosystem combining universal education and elite training, matched with standardized skill training at all levels, and realized a standardized rapid endogenous talent training and output mechanism. With the continuous development of the company's business and the deep extension of the industrial layout, a number of young, enthusiastic, energetic young cadres with new ideas and new era labels have become the mainstay of the company's middle-level management and core technical backbone. Through the establishment of school enterprise cooperation and the integration of industry and education, the company attracts a large number of excellent college students to join the company every year, and establishes a reserve talent team to support the sustainable development of the company. Through the establishment of China Modern Fishery Vocational Education Group and the establishment of Rural Revitalization college, a large number of new farmers are attracted to participate in the construction of technical and industrial talents. The establishment of internal and external talent system has realized the talent system pattern of internal talent training and external industry empowerment and driven the overall progress of the industry.

Since its listing, the company has launched multi-stage equity incentive plan and employee stock ownership plan for core managers and technical members at different levels, established a unified incentive mechanism of long-term and short-term incentives and constraints consistent with the interests of all shareholders, and ensured the implementation of the company's development strategy and business objectives by setting performance objectives and incentives, ensuring the sustainable and stable development of the company.

## IV. Main business analysis

### 1. Overview

The company has sufficient understanding and judgment on the changes in the future industry, and has always been prepared for strategic layout, competitive differentiation, and internal capacity building. Throughout 2022, even though there were adverse factors such as the uncertainty of the macro environment and the phased deep losses in downstream breeding have brought enormous pressure to the entire feed industry, the company has responded promptly with significant changes in its situations and pursued more stable and high-quality development in an uncertain environment. While waiting for marginal improvement signals from the macro environment, downstream breeding, and end-consumption, the company strengthens core competitive advantages and team development, enhance organizational management capabilities and internal efficiency, and the innovation to create differentiated competitive advantages.

During the reporting period, the company achieved the revenue of 104.715 billion yuan, a year-on-year increase of 21.63%. The net profit to shareholders of the listed company was 2.954 billion yuan, an increase of 80.54% year-on-year.

#### Business Overview

##### 1. Feed sales have increased against the adverse trend, further increasing its market share

During the reporting period, the company achieved feed sales of 21.65 million tons (including 1.41 million tons of internal aquaculture consumption), a year-on-year increase of 10%, and further increased its market share. ① Aquatic feed achieved external sales of 5.12 million tons, a year-on-year increase of 10%, ranking first in the world in terms of sales volume. Among them, special aquatic feed sales (shrimp, crab, and high-end fish feed) increased by 23% year-on-year, mainly due to the excellent product strength of the company's aquatic feed,

comprehensive aquaculture solutions, customer-oriented service system, and dual empowerment of seedlings and animal protection. The sales of common fish remained flat, mainly due to the sluggish market of ordinary fish during the reporting period and the low interest of farmers to feed ordinary fish. ② Poultry feed exceeded the sales threshold of 10 million tons, achieving an external sales volume of 10.02 million tons, a year-on-year increase of 6%, and achieving a counter trend growth. The company subdivides the breeding varieties of poultry, seeking technological breakthroughs for each variety, creating differentiated products, and improving internal efficiency to expand market share with more competitive, stable, and reliable products. Simultaneously, the company carried out cooperation with large-scale breeding factories and one-stop breeding companies through various flexible cooperation methods. ③ Pig feed achieved an external sales volume of 4.94 million tons, a year-on-year increase of 7%, and the national production capacity layout of pig feed has basically been achieved. With strong technological research and development capabilities, pig feed research and development has made continuous progress, and the products have good competitiveness. Based on its own pig farming business, the company has started to build a service system and team for pig feed, providing technical support for farmers. ④ the company's ruminant materials are steadily advancing according to the strategic plan, and the production capacity layout is gradually implemented. In 2022, sales had achieved more than double growth.

2. The business of seedling and animal healthcare products continues to grow, and the company's reputation continues to improve

During the reporting period, the company's seedling business achieved the revenue of approximately 1.1 billion yuan, especially shrimp seedling revenue increasing by 26% and gross profit margin approaching 60%. The company has global leading technological advantages, resource reserves, and industrialization scale. The independently developed aquatic seedlings include five new national varieties, including Fanna Litopenaeus "Haixingnong 2" and "Changzhu Hybrid Mandarin Fish". The annual sales of shrimp and fish fry rank first in the world with core technological advantages and outstanding market effects. The company has established high-level breeding research team combining with Experts + Doctors + Masters + professional technical personnel, possessing globally leading research and development technologies for shrimp and fish fry, and taking the lead in building the commercial seedling industry system that integrates breeding and marketing.

In 2022, the company's animal healthcare products business achieved the revenue of 1.045 billion yuan, a year-on-year increase of 17.05%. In terms of aquatic animal husbandry, the upgrading of aquaculture varieties, the concept of prevention ahead treatment, and the increasing demand for green, environmentally friendly, and healthy aquaculture products, the reasonable investment in animal husbandry can effectively improve aquaculture efficiency and success rate. The demand for high-quality aquatic animal husbandry by farmers continues to increase. The high-quality aquatic animal husbandry products can not only reduce the risk of diseases in aquaculture products, at the same time, but also improve the extra value of health and safety of aquaculture products. The company's aquatic animal healthcare products are led by distinctive technology and research and development with a complete service system and mature breeding plans, and have strong market competitiveness and excellent market reputation. In terms of livestock and poultry healthcare, the company has significantly promoted the development of livestock and poultry business through the establishment of livestock and poultry protection service stations in recent years, becoming an important platform to tightly connect with customers. A number of livestock and poultry animal protection service stations has begun to take shape in 2022. After accumulating certain experience, the company will summarize, optimize and improve the ability of the management team, exploring the upgrading of the operating service system of livestock and poultry animal protection service stations, and continuously improving their competitive advantages.

### 3. Expanding downstream of aquaculture on the basis of specialization

Approximately 3.2 million pigs were sold throughout the year, a year-on-year increase of about 60%, benefiting from the increase of pig prices in the second half of the year and achieving profitability throughout the year. The company continues to focus on improving the capabilities of the pig breeding team and the breeding system. The team's management and professional abilities have been further improved, and multiple indicators such as survival rate and breeding efficiency are at leading position of the industry. At the same time, with the gradual formation of its own breeding system, combined with the research of feed and the scale advantages, the breeding cost has made significant progress. In the future, the company will continue to improve breeding expertise, optimize aquaculture costs, create the competitive advantages over the industry, and take effective measures to reduce profit volatility based on the actual operation of the pig market. With the continuous expansion of the competitive advantage, the value of pig business is becoming increasingly apparent. In addition to support the efficient operation of the business itself, it can also create technical service system for pig feed which provides breeding solutions, and service personnel with high professional literacy and rich breeding experience. The advantages of the aquatic industry in the company are obvious. Currently, the company mainly cultivates special aquatic products such as raw fish and shrimp and achieved a revenue of approximately 1.1 billion yuan during the reporting period. Among them, industrialized shrimp farming, through scientific design, circulating water system, biological feed technology, and strict biological prevention and control, has advantages such as safety, controllability, and stable quality compared to traditional farming models. In the future, the company will continue to focus on aquatic species with advantages and less breeding risks. With high-quality feed, seedling, and animal healthcare three body empowerment, refined management, and professional operation, the scale of breeding will be appropriately expanded based on the developing professional team.

### 4. Professional procurement capability driving the development of trade business

During the reporting period, the company showed significant advantages in large-scale procurement, and the procurement team had outstanding professional capabilities. They used various procurement tools such as trade, futures, and options for inventory management and risk management to reduce procurement risks.

#### Building modern agricultural industry system and enhancing own competitiveness

##### 1. Technology driving the development, talent and R&D fulfilling high-tech agriculture and animal husbandry enterprises

The company is the high-tech agricultural and animal husbandry enterprise with technology as its core competitiveness. In the fields of feed nutrition and aquatic breeding, the company's research and development system, innovative achievements, and technological reserves are all in the leading position in the world. Throughout 2022, the company invested 711 million yuan in research and development, a year-on-year increase of 17.56%. The company has established three-level R&D system, first level R&D system aimed at the future development, solving potential problems, and reserving sustainable development and innovation capabilities. The secondary R&D system is market-oriented, reduces product costs, and closely follows market demand. The third level R&D system directly faces end-consumers, improving their efficiency and creating value for them. The company has laid out seven research directions, including animal genetics and breeding, animal nutrition and feed, animal medicine and biopharmaceuticals, microbial engineering, biochemistry, protein engineering, and healthy aquaculture. The company focuses on the revision and improvement of animal nutrition and feed formula databases, the development and application of feed resources, especially protein resources, the treatment technology of raw material toxins, the development and application of precise nutrition, green environmental

protection, non-antibiotic feed, functional feed and feed additives et al. The focus of the breeding is to explore a healthy breeding model for livestock and poultry which is suitable for small-scale intensive breeding. In terms of breeding, we focus on the development of prawn, tilapia, bream, mandarin fish, raw fish et al. In terms of biological products, the focus is on disease prevention and control technologies for livestock, poultry, and aquatic animals, as well as the development of vaccines, testing kits, and disinfectant products.

## 2. Focusing on informatization, automation, and intelligence construction to improve production efficiency

Enhancing internal production and operation capabilities and creating an automated and intelligent production system was to cooperate with the company's market development and production capacity supply. As a strong part of the agricultural husbandry industry chain, the feed industry is developing towards mechanical automation production and intelligent manufacturing. With the rapid development of the company's scale, the production entities of the company have increased, the production areas have expanded synchronously, the feed varieties are fully covered, and the product series are numerous. The operational efficiency of each production entity has put forward higher requirements for the company's process technology, equipment management, and production operation efficiency. In addition, in recent years, the market development in the same region by different market teams have directly led to short-term expansion of the company's production capacity and the decrease in capacity utilization. During the reporting period, the company focused on the construction of a smart supply chain, continuously optimizing all aspects of the supply chain to gradually achieve standardization, streamline, lean, informatization, automation, and intelligence of the supply chain, solving the main contradictions of low-capacity utilization rate and tight market supply, different market team in the same market and the waste of production capacity in some existing production entities. The company utilizes modern mechanical equipment and technological means to pilot unmanned raw material supply, rationalized inventory, automated and flexible product production, and precise and informatization of customer demands. The company will validate existing methodologies, solidify, and optimize technical means, and continuously improve the management level and operational efficiency of various production entities in different product types and regions to enhance internal production and operation capabilities and improve capacity utilization to meet the company's market expansion supply and improve asset operation efficiency.

When the fierce competition comes, it will inevitably accelerate the elimination of backward production capacity, and the industry's concentration pace will rapidly increase. The company is confident in achieving the strategic goal of 40- million-ton feed in the future and will fully leverage the advantages of the entire industry to forge ahead on the path of accelerating the construction of an agricultural power.

## 2. Revenue and cost

### (1) Components of operating income

Unit: RMB

	2022		2021		Increase/decrease
	Amount	% of operating income	Amount	% of operating income	
Total operating income	104,715,417,485.92	100%	86,091,961,539.13	100%	21.63%
By industry					
Feed industry	92,259,788,044.27	88.11%	77,369,298,601.07	89.87%	19.25%
Farming industry	12,455,629,441.65	11.89%	8,722,662,938.06	10.13%	42.80%

	2022		2021		Increase/decrease
	Amount	% of operating income	Amount	% of operating income	
<b>By product</b>					
Feed	84,892,419,774.07	81.07%	69,825,872,761.95	81.11%	21.58%
Animal healthcare products	1,044,659,775.65	1.00%	892,463,422.53	1.04%	17.05%
Agricultural products	12,455,629,441.65	11.89%	8,722,662,938.06	10.13%	42.80%
Trade business	6,167,203,348.23	5.89%	6,389,973,548.31	7.42%	-3.49%
Other businesses	155,505,146.32	0.15%	260,988,868.28	0.30%	-40.42%
<b>By region</b>					
Southern China	63,200,713,601.52	60.35%	55,241,351,415.93	64.17%	14.41%
Eastern China	14,161,170,693.21	13.52%	10,648,037,268.13	12.37%	32.99%
Northern China	32,620,746,322.29	31.15%	26,902,001,964.34	31.25%	21.26%
Central China	28,901,065,227.88	27.60%	20,310,973,692.55	23.59%	42.29%
Overseas	8,578,402,746.94	8.19%	7,058,846,596.73	8.20%	21.53%
Combined offset	-42,746,681,105.92	-40.82%	-34,069,249,398.55	-39.57%	25.47%

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

Applicable  Not applicable

Unit: RMB

	Operating income	Operating costs	Gross profit margin	Increase/decrease of operating income as compared to the corresponding period of the prior year	Increase/decrease of operating costs as compared to the corresponding period of the prior year	Increase/decrease of gross profit margin as compared to the corresponding period of the prior year
<b>By industry</b>						
Feed industry	92,259,788,044.27	84,648,668,711.60	8.25%	19.25%	20.69%	-1.10%
Farming industry	12,455,629,441.65	10,354,911,388.63	16.87%	42.80%	19.65%	16.08%
<b>By product</b>						
Feed	84,892,419,774.07	78,060,758,981.95	8.05%	21.58%	22.96%	-1.03%
Animal healthcare products	1,044,659,775.65	535,805,808.94	48.71%	17.05%	22.15%	-2.14%
Agricultural products	12,455,629,441.65	10,354,911,388.63	16.87%	42.80%	19.65%	16.08%
Trade business	6,167,203,348.23	6,023,530,323.85	2.33%	-3.49%	-1.75%	-1.72%
<b>By region</b>						
Southern China	63,200,713,601.52	57,350,267,529.78	9.26%	14.41%	13.14%	1.02%
Eastern China	14,161,170,693.21	13,330,756,976.41	5.86%	32.99%	34.25%	-0.88%
Northern China	32,620,746,322.29	31,523,115,524.69	3.36%	21.26%	21.89%	-0.50%
Central China	28,901,065,227.88	27,301,990,389.82	5.53%	42.29%	39.22%	2.08%

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

the end of the reporting period in the latest year

Applicable  Not applicable

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

Yes  No

By industry	Item	Unit	2022	2021	Increase/ decrease
Feed industry	Sales volume (including internal farming volume)	10,000 tons	2,165.11	1,963.01	10.29%
	Production output	10,000 tons	2,179.47	1,968.72	10.70%
	Inventories	10,000 tons	38.70	24.34	58.99%

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

Applicable  Not applicable

The Company's inventories increased 58.99% during the reporting period compared with last year, primarily driven by the expansion of the Company's operating scale.

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

Applicable  Not applicable

### (5) Composition of operating costs

Unit: RMB

By industry	Item	2022		2021		Increase/decrease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed industry	Material costs	81,348,581,533.59	96.10%	66,949,873,406.58	95.45%	21.51%
Feed industry	Labor costs	901,705,904.44	1.07%	811,822,422.69	1.16%	11.07%
Feed industry	Manufacturing expenses	2,205,869,130.50	2.61%	2,125,642,816.64	3.03%	3.77%
Feed industry	Contract performance costs	163,938,546.21	0.19%	168,291,264.44	0.24%	-2.59%
Feed industry	Others	28,573,596.86	0.03%	83,020,525.57	0.12%	-65.58%
<b>Total of feed industry</b>		<b>84,648,668,711.60</b>	<b>100.00%</b>	<b>70,138,650,435.92</b>	<b>100.00%</b>	<b>20.69%</b>
Farming industry	Material costs	8,602,722,539.07	83.08%	7,392,664,891.74	85.42%	16.37%
Farming industry	Labor costs	1,094,517,161.31	10.57%	790,248,820.86	9.13%	38.50%
Farming industry	Manufacturing expenses	629,048,626.34	6.07%	448,867,372.92	5.19%	40.14%
Farming industry	Contract performance costs	28,623,061.91	0.28%	22,438,815.33	0.26%	27.56%

Total of farming industry	10,354,911,388.63	100.00%	8,654,219,900.85	100.00%	19.65%
---------------------------	-------------------	---------	------------------	---------	--------

Unit: RMB

By product	Item	2022		2021		Increase/dec rease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed	Material costs	74,869,360,421.56	95.91%	60,455,275,979.29	95.23%	23.84%
Feed	Labor costs	874,421,190.94	1.12%	785,254,553.85	1.24%	11.36%
Feed	Manufacturing expenses	2,172,776,439.83	2.78%	2,093,425,159.76	3.30%	3.79%
Feed	Contract performance costs	144,200,929.62	0.18%	151,888,871.26	0.24%	-5.06%
<b>Total feed</b>		<b>78,060,758,981.95</b>	<b>100.00%</b>	<b>63,485,844,564.16</b>	<b>100.00%</b>	<b>22.96%</b>
Animal healthcare products	Material costs	455,690,788.17	85.05%	363,472,970.68	82.86%	25.37%
Animal healthcare products	Labor costs	27,284,713.51	5.09%	26,567,868.84	6.06%	2.70%
Animal healthcare products	Manufacturing expenses	33,092,690.67	6.18%	32,217,656.88	7.34%	2.72%
Animal healthcare products	Contract performance costs	19,737,616.59	3.68%	16,402,393.18	3.74%	20.33%
<b>Total animal healthcare products</b>		<b>535,805,808.94</b>	<b>100.00%</b>	<b>438,660,889.58</b>	<b>100.00%</b>	<b>22.15%</b>
Agricultural products	Material costs	8,602,722,539.07	83.08%	7,392,664,891.74	85.42%	16.37%
Agricultural products	Labor costs	1,094,517,161.31	10.57%	790,248,820.86	9.13%	38.50%
Agricultural products	Manufacturing expenses	629,048,626.34	6.07%	448,867,372.92	5.19%	40.14%
Agricultural products	Contract performance costs	28,623,061.91	0.28%	22,438,815.33	0.26%	27.56%
<b>Total agricultural products</b>		<b>10,354,911,388.63</b>	<b>100.00%</b>	<b>8,654,219,900.85</b>	<b>100.00%</b>	<b>19.65%</b>
Trade business	Sales costs	6,023,530,323.85	100.00%	6,131,124,456.61	100.00%	-1.75%
Other businesses	Sales costs	28,573,596.86	100.00%	83,020,525.57	100.00%	-65.58%

Notes

None

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

 Yes  No

During the year, the scope of consolidation included 528 subsidiaries, increasing by 50 and reducing by 20 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" and the Note "VII. Interests in Other Entities" in Section X "Financial Statements".

**(7) Significant change in or adjustment of the businesses, products or services of the Company during the reporting period**
 Applicable  Not applicable

**(8) Sales to major customers and major suppliers**

## Sales to major customers of the Company

Total sales to top 5 customers (RMB)	1,810,005,058.86
Total sales to top 5 customers as a percentage of the total sales for the year	1.73%
Sales to top 5 customers who are related parties as a percentage of the total sales for the year	0.00%

## Information on top 5 customers of the Company

No.	Name of customer	Sales (RMB)	As a percentage of the total sales for the year (%)
1	No. 1	421,365,186.02	0.40%
2	No. 2	404,227,525.25	0.39%
3	No. 3	343,221,269.73	0.33%
4	No. 4	323,669,974.81	0.31%
5	No. 5	317,521,103.05	0.30%
Total	--	1,810,005,058.86	1.73%

## Other explanation of major customers

 Applicable  Not applicable

The top five customers of the Company are mainly customers of raw materials and poultry feed. The top five customers have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major customers. The top five customers accounted for 1.73% of total annual sales. The Company's sales revenue does not depend on single or top five customers.

## Major suppliers of the Company

Total purchases from top 5 suppliers (RMB)	10,179,148,619.52
Total purchases from top 5 suppliers as a percentage of the total purchases for the year	10.97%
Total purchases from top 5 suppliers who are related parties as a percentage of the total purchases for the year	0.00%

## Information on top 5 suppliers of the Company

No.	Name of supplier	Purchases (RMB)	As a percentage of the total purchases for the year (%)
1	No. 1	3,254,719,697.03	3.51%
2	No. 2	2,221,057,408.99	2.39%
3	No. 3	1,625,131,068.88	1.75%
4	No. 4	1,564,252,054.49	1.68%
5	No. 5	1,513,988,390.13	1.63%
Total	--	10,179,148,619.52	10.97%

Other explanation of major suppliers

Applicable  Not applicable

The top five suppliers of the Company have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major suppliers. The top five suppliers accounted for 10.97% of total annual purchases. The Company's purchases do not depend on single or top five suppliers.

### 3. Expenses

Unit: RMB

	2022	2021	Increase/ decrease	Reasons for material changes
Selling and distribution expenses	1,980,987,068.23	1,808,249,264.31	9.55%	Mainly due to the expansion of the Company's operating scale, and the increase in personnel and their remunerations
General and administrative expenses	2,583,815,226.76	2,228,521,838.59	15.94%	Mainly due to the expansion of the Company's operating scale, the increase in personnel and their remunerations, and the increase in office expenses
Financial expenses	596,764,082.61	402,888,653.32	48.12%	Mainly due to the expansion of the Company's operating scale, and the increased interest on acceptance notes issued for raw material suppliers
Research and development expenses	711,235,490.13	605,020,192.04	17.56%	Mainly due to the increase in R&D personnel and their remunerations

### 4. Research and development investments

Applicable  Not applicable

Name of major R&D project	Purpose	Progress	Specific objectives	Expected impact on the Company
The development of the specified animal feed for white-leg shrimp for wintering period	The development of functional animal feeds	The verification test for the effectiveness of dozens of formulas in the simulated market winter shed animal husbandry conditions has been carried out. In addition, the pilot test has been conducted on the terminal market of animal husbandry.	To develop functional mixed animal feeds for white-leg shrimp that can be commercially promoted to address the shortcomings of slow growth and longer animal husbandry period of white-leg shrimp for wintering period	To drive the advancement of the animal husbandry industry by the optimization of animal feed products and raise the influence of the Company's products on the industrial improvement
The effectiveness appraisal and application and promotion for the replacement of fish meal with new protein sources	The development of new protein sources	The appropriate additive amounts of new protein sources have been determined. With the use of crystalline amino acids, taurine, immunopotentiator, and enzymic preparations, the results have been improved.	To significantly reduce the costs of animal feeds and achieve better growth performance, stronger immunity and resistance to stress for shrimps	The consumption of fish meals can be reduced. The raw materials for animal feeds can be more diversified and environmentally friendly. Meanwhile, the operation costs of the Company can be significantly decreased, thus increasing the competitiveness of

Name of major R&D project	Purpose	Progress	Specific objectives	Expected impact on the Company
				shrimp feed products and creating additional value for customers.
The establishment and maintenance of the targeted nutrition database for shrimps	Targeted nutrition	The accurate nutrition demand for shrimps in multiple animal husbandry modes (higher-place pond, earth dike, shed, and industrial animal husbandry) at different phases (white water, winter shed, etc.) and under different animal husbandry environments (salinity, temperature, etc.)	To ensure more accurate nutrition of shrimps, save costs of animal feeds, avoid wastes of animal feeds, protect the environment, guarantee the more complete digestion and absorption of animal feeds for shrimps, and significantly improve the growth performance	The costs of the animal feeds can be significantly reduced and the animal husbandry costs for farmers can be magnificently decreased. The growth performance for shrimps can be higher, thus driving the green development of the shrimp farming industry.
The establishment of the nutrition system of the creep feeds and nursing feeds	Targeted nutrition	The research on the nutrition value evaluation of different raw materials, nutrition demand, feeding modes, and feed processing has been completed.	To choose raw materials that are easier to digest and absorb so that the gastrointestinal tract of piglets can better shred and digest. As a result, the piglets can be healthier and of higher survival rate due to the all-around and balanced nutrition. In addition, the piglets can have better intestinal development and less diarrhea. The animal feeds can be better chewed to make the nutrition absorption better and more balanced to make the piglets grow faster.	The good quality of creep feeds and nursing feeds can be created, thus making it the industrial benchmark.
The establishment of the disease-resistant nutrition system for the swine herd	The development of functional animal feeds and functional additives	The immunopotentiator has been developed to improve the resistance to bacterial and viral diseases in the swine herd.	In terms of the common diseases for piglets and breeding pigs, the immunopotentiator can effectively improve the disease resistance of the swine herd, thus providing a stronger guarantee for the healthy and effective production of the animal husbandry of the swine herd.	Centering on the core concept of creating values for customers, the animal husbandry efficiency can be raised and brand competitiveness can be given play.

#### Research and development personnel of the Company

	2022	2021	Percentage change
Research and development headcount	3,382	3,049	10.92%
Ratio of research and development personnel	9.39%	9.09%	0.30%
Educational background of research and development personnel			
Bachelor's degree	827	736	12.36%
Master's degree	763	636	19.97%

Doctoral degree	113	111	1.80%
Age structure of research and development personnel			
Below 30	1,844	1,701	8.41%
30~40	1,026	938	9.38%
40~50	330	266	24.06%
Over 50	182	144	26.39%

#### Research and development investments of the Company

	2022	2021	Percentage change
Research and development investments (RMB)	711,235,490.13	605,020,192.04	17.56%
Research and development investments as % of operating income	0.68%	0.70%	-0.02%
Capitalized amount of research and development investments (RMB)	5,081,480.58	14,561,385.46	-65.10%
Capitalized research and development investments as % of total research and development investments	0.71%	2.41%	-1.70%

Note: The 2021 data in the table above have been retrospectively adjusted upon audit.

Reasons for significant change in the composition of research and development personnel and the impact

Applicable  Not applicable

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

Applicable  Not applicable

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

Applicable  Not applicable

## 5. Cash flows

Unit: RMB

Item	2022	2021	Increase/ decrease
Sub-total of cash inflows from operating activities	106,959,926,011.77	88,764,663,792.04	20.50%
Sub-total of cash outflows for operating activities	100,142,031,760.86	85,626,715,541.35	16.95%
Net cash flows from operating activities	6,817,894,250.91	3,137,948,250.69	117.27%
Sub-total of cash inflows from investing activities	8,817,852,475.04	4,131,496,813.28	113.43%
Sub-total of cash outflows for investing activities	14,263,337,049.36	8,354,711,112.76	70.72%
Net cash flows from investing activities	-5,445,484,574.32	-4,223,214,299.48	-28.94%
Sub-total of cash inflows from financing activities	14,012,643,640.87	17,465,010,784.87	-19.77%
Sub-total of cash outflows for financing activities	14,942,687,770.42	16,686,344,678.54	-10.45%
Net cash flows from financing activities	-930,044,129.55	778,666,106.33	-219.44%
Net increase in cash and cash equivalents	441,039,279.27	-329,778,050.36	233.74%

Explanation on main effects of material changes

Applicable  Not applicable

1. Net cash flows from operating activities increased by 117.27% as compared to the corresponding period of the prior year mainly due to the increased cash received from sales of goods in the period.
2. Net cash flows from investing activities decreased by 28.94% as compared to the corresponding period of the prior year mainly due to the increased production capacity investment, cash management with idle own funds and hedges.
3. Net cash flows from financing activities decreased by 219.44% as compared to the corresponding period of the prior year mainly because bank loans increased considerably in the prior year while the balance of bank loans was almost flat in the period.

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

Applicable  Not applicable

## V. Analysis of Non-Principal Operations

Applicable  Not applicable

## VI. Analysis of Assets and Liabilities

### 1. Material changes of asset items

Unit: RMB

	As at the end of 2022		As at the beginning of 2022		Percentage change	Description of major changes
	Amount	As % of total assets	Amount	As % of total assets		
Cash at bank and on hand	2,260,586,666.69	5.11%	1,739,655,125.14	4.87%	0.24%	At the end of the period, the percentage in total assets increased by 0.24 percentage point; and the balance increased by 29.94% from the beginning of the period, which was mainly due to the increased cash from operating activities as a result of the expansion of the Company's business scale.
Accounts receivable	1,952,007,881.05	4.41%	1,293,328,829.38	3.62%	0.79%	At the end of the period, the percentage in total assets increased by 0.79 percentage point; and the balance increased by 50.93% from the beginning of the period, which was mainly due to the expansion of the Company's operating scale, and the slower pace of fish sales and payment by farmers in the November-December period as a result of transportation disruptions and weak

						consumption.
Contract assets	0.00	0.00%	0.00	0.00%	0.00%	N/A
Inventories	12,625,081,651.36	28.54%	8,970,187,858.27	25.13%	3.41%	At the end of the period, the percentage in total assets increased by 3.41 percentage points; and the balance increased by 40.74% from the beginning of the period, which was mainly due to the expansion of the Company's business scale and the general increase in raw material prices.
Investment properties	26,856,587.98	0.06%	26,941,013.33	0.08%	-0.02%	At the end of the period, the percentage in total assets decreased by 0.02 percentage point; and the balance decreased by 0.31% from the beginning of the period, almost flat with the beginning of the period.
Long-term equity investments	315,182,888.17	0.71%	301,076,512.33	0.84%	-0.13%	At the end of the period, the percentage in total assets decreased by 0.13 percentage point; and the balance increased by 4.69% from the beginning of the period, which was mainly due to the increased investment income from associates.
Fixed assets	14,933,452,189.00	33.76%	11,271,964,642.07	31.58%	2.18%	At the end of the period, the percentage in total assets increased by 2.18 percentage points; and the balance increased by 32.48% from the beginning of the period, which was mainly because the Company's projects under construction were transferred to fixed assets after completion and being put into production in the year, as well as due to the increase in purchase and construction of fixed assets.
Construction in progress	1,377,352,318.21	3.11%	1,531,493,842.31	4.29%	-1.18%	At the end of the period, the percentage in total assets decreased by 1.18 percentage points; and the balance decreased by 10.06% from the beginning of the period, which was mainly because the Company's projects under construction were transferred to fixed assets after completion and being put into production in the year.
Right-of-use assets	2,371,772,104.05	5.36%	2,331,346,912.43	6.53%	-1.17%	At the end of the period, the percentage in total assets decreased by 1.17 percentage points; and the balance increased by 1.73% from the beginning of the period, which was mainly due to the new business of leases conducted by the Company in a bid to expand its operating scale.
Short-term loans	2,910,809,252.56	6.58%	3,782,336,144.35	10.60%	-4.02%	At the end of the period, the percentage in total assets

						decreased by 4.02 percentage points; and the balance decreased by 23.04% from the beginning of the period, which was mainly due to the decreased loans as a result of the increased settlements with notes in the procurement of raw materials, and the adjustments to the debt structure.
Contract liabilities	1,720,519,173.21	3.89%	1,908,259,980.27	5.35%	-1.46%	At the end of the period, the percentage in total assets decreased by 1.46 percentage points; and the balance decreased by 9.84% from the beginning of the period, which was mainly due to the slower pace of fish sales and prepayment by farmers in the November-December period as a result of weak consumption.
Long-term loans	5,066,407,199.42	11.45%	4,411,107,883.25	12.36%	-0.91%	At the end of the period, the percentage in total assets decreased by 0.91 percentage point; and the balance increased by 14.86% from the beginning of the period, which was mainly due to the adjustments to the short- and long-term loan structure.
Lease liabilities	1,610,426,421.30	3.64%	1,578,746,388.19	4.42%	-0.78%	At the end of the period, the percentage in total assets decreased by 0.78 percentage point; and the balance increased by 2.01% from the beginning of the period, almost flat with the beginning of the period.
Held-for-trading financial assets	699,942,009.75	1.58%	2,507,784.13	0.01%	1.57%	At the end of the period, the percentage in total assets increased by 1.57 percentage points; and the balance increased by 27,810.78% from the beginning of the period, which was mainly due to the increased hedges for raw materials and pigs, as well as the increased cash management with idle funds.
Other receivables	1,322,999,051.80	2.99%	780,025,770.40	2.19%	0.80%	At the end of the period, the percentage in total assets increased by 0.80 percentage point; and the balance increased by 69.61% from the beginning of the period, which was mainly due to the increased futures margins and security deposits paid in the procurement of raw materials.
Other non-current assets	193,070,520.82	0.44%	450,825,044.08	1.26%	-0.82%	At the end of the period, the percentage in total assets decreased by 0.82 percentage point; and the balance decreased by 57.17% from the beginning of the period, which was mainly due to the decreased prepayments for equipment.
Notes payable	3,502,208,518.33	7.92%	407,090,978.58	1.14%	6.78%	At the end of the period, the

						percentage in total assets increased by 6.78 percentage points; and the balance increased by 760.30% from the beginning of the period, which was mainly due to the increased settlements with notes in the procurement of raw materials.
Accounts payable	5,341,179,436.25	12.07%	4,051,704,338.04	11.35%	0.72%	At the end of the period, the percentage in total assets increased by 0.72 percentage point; and the balance increased by 31.83% from the beginning of the period, which was mainly due to the increased procurement of raw materials.
Non-current liabilities due within one year	1,258,497,814.94	2.84%	563,923,844.74	1.58%	1.26%	At the end of the period, the percentage in total assets increased by 1.26 percentage points; and the balance increased by 123.17% from the beginning of the period, which was mainly due to the increase in long-term loans due within one year.
Other current liabilities	559,698,472.24	1.27%	398,722,254.96	1.12%	0.15%	At the end of the period, the percentage in total assets increased by 0.15 percentage point; and the balance increased by 40.37% from the beginning of the period, which was mainly due to the increase in utilities and commissioned farming expenses payable as a result of business development.

Overseas assets account for a larger proportion in total assets

Applicable  Not applicable

## 2. Assets and liabilities measured at fair value

Applicable  Not applicable

Unit: RMB

Item	Opening balance	Gain or loss from changes in fair value during the period	Cumulative fair value changes recognized in equity	Impairment provided during the period	Purchases during the period	Disposal during the period	Other changes	Closing balance
<b>Financial assets</b>								
1. Held-for-trading financial assets (exclusive of derivative financial assets)	2,507,784.13	10,921,635.79	343,105,696.10					439,630,197.91
Sub-total of financial assets	2,507,784.13	10,921,635.79	343,105,696.10					439,630,197.91

Others (note)	286,569,300.55	-4,425,454.46			1,961,200,000.00	1,723,552,490.79		527,256,565.96
Total of the above	289,077,084.68	6,496,181.33	343,105,696.10		1,961,200,000.00	1,723,552,490.79		966,886,763.87
Financial liabilities	44,174,431.17	-32,445,293.88						46,533,780.00

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

Contents of other changes

None

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

Yes  No

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

As at the end of the reporting period, the Company still had restricted assets of RMB 173,324,350.79, which were mainly land reclamation deposits, letter of credit deposits, guarantee deposits, deposits for bank guarantees, and futures margins.

## VII. Analysis of Investments

### 1. Overview

Applicable  Not applicable

Investments during the reporting period (RMB)	Investments during the corresponding period of prior year (RMB)	Change
5,001,931,119.51	4,659,257,785.73	7.35%

### 2. Material equity investments during the reporting period

Applicable  Not applicable

### 3. Material non-equity investments during the reporting period

Applicable  Not applicable

### 4. Financial investments

#### (1) Securities investments

Applicable  Not applicable

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

## (2) Derivatives investments

Applicable  Not applicable

### 1) Derivatives investments for hedging purposes in the reporting period

Applicable  Not applicable

Unit: RMB'0,000

Type of derivative investment	Initial investment amount	Gain or loss from changes in fair value during the period	Cumulative fair value changes recognized in equity	Purchased in the period	Sold in the period	Closing investment amount	Closing investment amount as % of the Company's closing net assets
Futures company	9,869.97	-2,829.53	36,234.61	720,576.36	677,602.19	48,631.02	2.51%
Commercial bank		677.16	-1,924.04				
<b>Total</b>	<b>9,869.97</b>	<b>-2,152.37</b>	<b>34,310.57</b>	<b>720,576.36</b>	<b>677,602.19</b>	<b>48,631.02</b>	<b>2.51%</b>
Explanation of significant changes in accounting policies and specific accounting measurement principles in respect of the hedges for the reporting period as compared to the previous reporting period	The Company conducted accounting processing of hedging business in accordance with the stipulations in the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (《企业会计准则第 22 号——金融工具确认和计量》), the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets (《企业会计准则第 23 号——金融资产转移》), the Accounting Standards for Business Enterprises No. 24 - Hedging Accounting (《企业会计准则第 24 号——套期会计》) and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (《企业会计准则第 37 号——金融工具列报》) as well as their guidelines. In 2022, no significant changes occurred to the accounting policies and measurements in respect of the hedges for the reporting period as compared to the previous reporting period.						
Explanation of the actual gains and losses in the reporting period	The Company conducts commodity futures hedges in order to hedge against fluctuations in the market prices of raw materials such as corn and meal, as well as the risk of fluctuations in expected future cash flows arising from the expected sales of pigs; and foreign exchange hedges in order to hedge against the operational risks posed to the Company by fluctuations in foreign exchange rates. During the reporting period, the Company's commodity and foreign exchange hedges were reflected in two financial statement line items, namely investment income and gains and losses from changes in fair value at a total amount of RMB 180 million.						
Explanation of the effect of hedges	The Company engaged in commodity futures hedges mainly for corn, meal and other raw materials related to production and operation as well as the sales of pigs. The risk of changes in the value of the hedged items was effectively hedged through changes in the value of the hedging instruments, with the expected risk management objectives basically achieved. The Company's foreign exchange hedges were carried out because the Company's overseas bank loans and procurement were exposed to the risk of exchange rate fluctuations. By carrying out forward foreign exchange settlement and sale, currency swaps, etc., the Company was able to lock in the exchange rate costs and effectively hedge the uncertainty risk arising from exchange rate fluctuations.						
Funding source	Self-funded						
Risk analysis of positions held in derivatives during the reporting period and explanation of control measures (Including but not limited to market risk, liquidity risk, credit risk,	1. The hedging business was compatible with the production and operation of the Company. The Company strictly controlled the positions of futures and options, conducted foreign exchange hedging transactions in strict accordance with its projected collection period, payment period and amount, and reasonably made use of futures, options, portfolios of the aforementioned products, foreign exchange hedging and other instruments to have a lock on the Company's costs and expenses of raw materials of animal feeds and other related products. 2. Relevant departments and personnel strictly controlled the scale of hedging funds, reasonably planned and used the margin, and gave operation instructions in strict accordance with the Company's futures trading management policies. No operation could be carried out unless it had been approved in light of related regulations. The Company will reasonably allocate funds for its hedging business. 3. In accordance with the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—the Standard Operation of Main Board Listed Companies (《深圳证券交易所上市公司自律监管指引第 1 号——主板上市公司规范运作》), the Futures Management Policy (《期货管理制度》), the Measures for Futures Management (《期货管理办法》), and the Management Measures for the Operation of						

operational risk, legal risk, etc.)	<p>Pig Futures (《生猪期货业务操作管理办法》) have been formulated, which clearly stipulate the approval authority, internal review process and risk handling procedures for hedging business. The Company has established a special team for commodity hedging operation and a monitoring team for commodity hedging operation, and developed corresponding business procedures. Relevant business and activities were controlled through the implementation of authorization, position restraint, internal audit and other measures.</p> <p>4. The Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》), which clearly stipulates the limit of foreign exchange hedging business, the scope of varieties, approval authority, internal review procedures, responsible departments and persons, information isolation measures, internal risk reporting policies and risk handling procedures. The Policy is in conformity with the relevant requirements of regulatory authorities, meets the needs of actual operation, and contains effective risk control measures.</p> <p>5. The Securities Department of the Company conducted regular and irregular inspections of the hedging transaction business, and supervised the implementation of risk management policies and risk management procedures by the personnel taking charge of the hedging transaction business, to timely prevent operational risks in the business.</p>
Changes in market prices or fair value of derivative products during the reporting period, specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives	<p>Since the Company's varieties of commodity hedging transactions were traded at futures exchanges, with transparent markets and active transactions, the transaction price and the settlement unit price of the day could fully reflect the fair value of the derivatives. The varieties of foreign exchange hedging transactions were measured at the fair value on the date of contract signing between the Company and commercial banks, and their fair value was subsequently measured based on the valuation notices issued by each commercial bank at the end of the period.</p>
Legal matters involved (if applicable)	N/A
Disclosure date of the announcement about the board's consent for the derivative investment (if any)	12 April 2022
Disclosure date of the announcement about the board's consent for the derivative investment (if any)	28 October 2022
Disclosure date of the announcement about the shareholders' general meeting's consent for the derivative investment (if any)	10 May 2022
Disclosure date of the announcement	8 November 2022

about the shareholders' general meeting's consent for the derivative investment (if any)	
Special opinions expressed by independent directors concerning the Company's derivatives investment and risk control	<p>1. The commodity hedging business of the Company was carried out in strict accordance with relevant policies. Therefore, the Company effectively controlled the cost of raw materials related to production and trade as well as related products, and effectively prevented and mitigated risks. The relevant approval procedures for the Company to use its own funds to carry out hedging business in commodity futures and options markets were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association (《公司章程》). The Company has established a sound organizational structure and developed the Futures Management Policy (《期货管理制度》) for commodity hedging. There is no circumstance where the interest of the Company and its entire shareholders has been damaged.</p> <p>2. The decision-making procedures of the Company for foreign exchange hedging business were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association. The Company made use of foreign exchange hedging instruments to reduce exchange rate risks and financial expenses and control operational risks on the basis of normal production and operation. There is no circumstance where the interest of the Company, its entire shareholders and especially, its minority shareholders has been damaged. At the same time, the Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》). By strengthening internal control and implementing risk prevention measures, specific operation standards have been developed for the Company's foreign exchange hedging business.</p> <p>In summary, it is approved that the Company and its majority-owned subsidiaries carry out commodity hedging business and foreign exchange hedging business within the limit approved by the Board of Directors.</p>

## 2) Derivatives investments for speculative purposes in the reporting period

Applicable  Not applicable

The Company did not make any derivatives investment for speculative purposes in the reporting period.

## 5. Use of raised funds

Applicable  Not applicable

### (1) Overall use of raised funds

Applicable  Not applicable

Unit: RMB'0,000

Year for fund-raising	Method of fund-raising	Total raised funds	Total raised funds that have been used in the current period	Total raised funds that have been used accumulatively	Total raised funds with altered purposes during the reporting period	Total accumulative raised funds with altered purposes	Proportion of total accumulative raised funds with altered purposes	Total raised funds that have not been used yet	Use and ownership change of unused raised funds	Raised funds that have been left unused for over two years
2020	Public offering of convertible corporate bonds	283,000	48,142.55	235,526.09	42,267	73,744.24	26.06%	47,379.98	In addition to temporary replenishment of working capital and	0

									cash management, the unused amount of raised funds was deposited in the special bank account for fund-raising projects.	
Total	--	283,000	48,142.55	235,526.09	42,267	73,744.24	26.06%	47,379.98	--	0

**Explanation of the overall use of raised funds**

Upon the approval of the CSRC through the issuance of the Approval on the Public Offering of Convertible Corporate Bonds by Guangdong Haid Group Co., Limited (《关于核准广东海大集团股份有限公司公开发行可转换公司债券的批复》) (Zheng Jian Xu Ke [2020] No. 205), the Company was allowed to issue convertible corporate bonds with a total face value of RMB 2,830 million to the public. Actually, the Company issued 28.30 million convertible corporate bonds with a face value of RMB 100 each to the public, and raised RMB 2,830,000,000.00 of funds in total. After deducting the fees related to the issuance, the actual net raised funds was RMB 2,810,854,230.16. The availability of the above-mentioned raised funds has been verified by Grant Thornton China (Special General Partnership), which issued the Capital Verification Report (《验资报告》) (Grant Thornton Yan Zi [2020] No. 440ZC0065) on 26 March 2020.

As at 31 December 2022, the Company used RMB 2,355.2609 million of raised funds, accrued RMB 18.2065 million of interest income (with banks' handling fees deducted), and temporarily replenished the working capital with RMB 447.8581 million of idle raised funds. The balance of its special account for raised fund deposit was RMB 25.9417 million.

**(2) Committed projects of raised funds**
 Applicable  Not applicable

Unit: RMB'0,000

Committed investment projects and investment of excessive raised funds	Whether projects have been altered (including partial alternation)	Total committed investment with raised funds	Adjusted total investment amount (1)	The investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3) = (2)/(1)	Date when the projects are ready for their intended use	Benefits recorded during the reporting period	Whether the estimated benefits are reached	Whether there are material changes in the project feasibility
<b>Committed investment projects</b>										
1. Animal feed project of Nantong Haid with an annual output of 240,000 tons (hereinafter referred to as the "Nantong Haid project")	No	7,144.21	7,144.21	0	7,200.25	100.78%	October 2021	427.33	No	No
2. Animal feed project of Qingyuan Haid with an annual output of 240,000 tons (hereinafter referred to as the "Qingyuan Haid project")	No	6,493.11	6,493.11	0	6,504.38	100.17%	September 2021	1,200.4	No	No
3. Animal feed project of Huai'an Hailong with an annual output of 200,000 tons (hereinafter referred to as the "Huai'an Hailong project")	Yes	16,123.49	11,177.39	1,455.23	11,081.21	99.14%	December 2022	441.38	No	No
4. Animal feed project of Nanning Haid with an annual output of 480,000 tons (hereinafter referred to as the "Nanning Haid project")	No	23,589.07	23,589.07	4,007.16	22,846.56	96.85%	October 2022	1,451.32	No	No
5. Animal feed project of Zhaoqing Gaoyao with an annual output of 240,000 tons (hereinafter referred to as the "Zhaoqing Gaoyao project")	No	4,679.43	4,679.43	0	4,679.43	100.00%	April 2020	1,019.45	No	No
6. Animal feed project of Fuzhou Haid with an annual output of 180,000 tons (hereinafter referred to as the "Fuzhou Haid project")	Yes	29,075.05	20,429.86	5,509.5	20,528.88	100.48%	December 2022	-1,753.55	No	No
7. Animal feed project of Qingyuan Haibei with an annual	Yes	15,053.58	2,176.01	0	2,176.01	100.00%	December 2022	0	Change of project	No

output of 30,000 tons (hereinafter referred to as the "Qingyuan Haibei project")									completed	
8. Animal feed project of Shaoguan Haid with an annual output of 400,000 tons (hereinafter referred to as the "Shaoguan Haid project")	No	13,964.32	13,964.32	0.06	14,036.65	100.52%	December 2021	1,861.76	Yes	No
9. Animal feed project of Qingyuan Hailong with an annual output of 720,000 tons (hereinafter referred to as the "Qingyuan Hailong project")	No	36,955.3	36,955.3	6,436.23	35,683.64	96.56%	December 2022	1,764.37	No	No
10. Animal feed project of Yicheng Haid with an annual output of 380,000 tons (hereinafter referred to as the "Yicheng Haid project")	Yes	16,509.88	10,389.94	1,177.07	10,173.44	97.92%	December 2022	320.03	No	No
11. Animal feed project of Hexian Haid with an annual output of 300,000 tons (hereinafter referred to as the "Hexian Haid project")	No	21,344.95	21,344.95	2,120.82	20,217.98	94.72%	June 2022	-306.82	No	No
12. Animal feed project of Kaifeng Haid with an annual output of 300,000 tons (hereinafter referred to as the "Kaifeng Haid project")	Yes	17,069.03	12,693.22	1,793.86	12,594.43	99.22%	December 2022	1,189.06	Yes	No
13. Animal feed project of Zhanjiang Haid with an annual output of 200,000 tons (hereinafter referred to as the "Zhanjiang Haid project")	Yes	20,380.33	0	0	0	0.00%	December 2022	0	Change of project completed	No
14. Animal feed project of Yulin Haid with an annual output of 450,000 tons (hereinafter referred to as the "Yulin Haid project")	Yes	31,186.61	17,483.66	6,456	17,562.16	100.45%	December 2022	75.41	No	No
15. Animal feed project of Sichuan Rongchuan with an annual output of 200,000 tons (hereinafter referred to as the "Sichuan Rongchuan project")	Yes	23,431.64	18,954.64	8,655.88	18,694.03	98.63%	December 2022	-724.45	No	No
16. Animal feed project of Jiangmen Rongchuan with an annual output of 270,000 tons (hereinafter referred to as the "Jiangmen Rongchuan project")	No	0	22,000	9,878.93	22,066.47	100.30%	December 2022	-1,109.88	No	No

17. Biological compound feed project of Huainan Haid with an annual output of 300,000 tons (hereinafter referred to as the "Huainan Haid project")	No	0	9,477.24	651.84	9,480.6	100.04%	July 2021	-657.7	No	No
18. Biological feed project of Yancheng Rongchuan Biotechnology Co., Ltd. with an annual output of 300,000 tons (hereinafter referred to as the "Yancheng Rongchuan project")	No	0	10,500	0	0	0.00%	December 2023	0	N/A	No
19. Biological compound feed project of Pingnan Haid Feed Co., Ltd. with an annual output of 300,000 tons (hereinafter referred to as the "Pingnan Haid project")	No	0	5,767	0	0	0.00%	June 2023	0	N/A	No
20. High-end aquatic feed project of Hexian Haid Biotechnology Co., Ltd. with an annual output of 150,000 tons (hereinafter referred to as the "Hexian High-end Aquatic Feed project")	No	0	12,500	0	0	0.00%	June 2024	0	N/A	No
21. Biological compound feed project of Enshi Haid Biotechnology Co., Ltd. with an annual output of 350,000 tons (hereinafter referred to as the "Enshi Haid project")	No	0	8,900	0	0	0.00%	December 2023	0	N/A	No
22. Feed mill construction project of Xingtai Haid Biotechnology Co., Ltd. (hereinafter referred to as the "Xingtai Haid project")	No	0	4,600	0	0	0.00%	December 2023	0	N/A	No
Subtotal of committed investment projects	--	283,000	281,219.35	48,142.55	235,526.09	--	--	5,198.11	--	--
Investment of excessive raised funds										
None										
Total	--	283,000	281,219.35	48,142.55	235,526.09	--	--	5,198.11	--	--
Explain project by project the reasons for failing to reach the planned progress or predicted returns (including the reasons for inputting "N/A" for "Whether the estimated benefits are reached")	1. Mainly due to the rising prices of raw materials, the impact of the economic downturn on consumption, etc., the Nantong Haid project, the Qingyuan Haid project, the Zhaoqing Gaoyao project and the Huainan Haid project failed to meet the objectives with respect to output and sales volume. As such, these projects failed to reach the predicted returns. 2. The Huai'an Hailong project, the Fuzhou Haid project, the Yicheng Haid project, the Yulin Haid project and the Sichuan Rongchuan project have been partly put into production but not yet entirely completed. As such, these projects failed to reach the predicted returns. In view of the overall business and market layout priorities of the Company, the remaining raised funds have been reallocated to other projects.									

	<p>3. The Qingyuan Hailong project was partly put into production in 2020 and entirely put into production in the second half of 2022. The Nanning Haid project, the Hexian Haid project and the Jiangmen Rongchuan project were entirely completed and put into production in the second half of 2022, indicating a short-term of operation. As such, these projects failed to reach the predicted returns.</p> <p>4. The Yancheng Rongchuan project, the Pingnan Haid project, the Hexian High-end Aquatic Feed project, the Enshi Haid project and the Xingtai Haid project are still under construction and not ready for production.</p>
Explanations of the material changes in the project feasibility	N/A
Amount, use, and use progress of excessive raised funds	N/A
Changes of implementation locations of the investment projects with the raised funds	Applicable
	<p>Occurred during the reporting period</p> <p>1. As reviewed at the 14<sup>th</sup> Meeting of the Fifth Board of Directors and the First Extraordinary General Meeting of Shareholders in 2021, it was approved to change the implementation entities and locations of the “Qingyuan Haibei project” and the “Zhanjiang Haid project”. To be specific, the implementation entities of “Qingyuan Haibei Biotechnology Co., Ltd.” and “Zhanjiang Haid Feed Co., Ltd.” were changed to “Jiangmen Rongchuan Feed Co., Ltd.” and “Huainan Haid Biological Feed Co., Ltd.” respectively, and the implementation locations of “Qingyuan City, Guangdong Province” and “Zhanjiang City, Guangdong Province” to “Duanfen Town, Taishan City, Guangdong Province” and “Shouxian County, Huainan City, Anhui Province” respectively.</p> <p>2. As reviewed at the Fifth Meeting of the Sixth Board of Directors and the Fifth Extraordinary General Meeting of Shareholders in 2022, it was approved to change the implementation entities and locations of the “Huai’an Hailong project”, the “Fuzhou Haid project”, the “Yicheng Haid project”, the “Kaifeng Haid project”, the “Yulin Haid project”, and the “Sichuan Rongchuan project”. To be specific, the implementation entities of “Huai’an Hailong Feed Co., Ltd.”, “Fuzhou Haid Feed Co., Ltd.”, “Yicheng Haid Biotechnology Co., Ltd.”, “Kaifeng Haid Feed Co., Ltd.”, “Yulin Haid Feed Co., Ltd.”, and “Sichuan Rongchuan Feed Co., Ltd.” were changed to “Yancheng Rongchuan Biotechnology Co., Ltd.”, “Pingnan Haid Feed Co., Ltd.”, “Hexian Haid Biotechnology Co., Ltd.”, “Enshi Haid Biotechnology Co., Ltd.”, and “Xingtai Haid Biotechnology Co., Ltd.” respectively, and the implementation locations of “Huai’an City, Jiangsu Province”, “Fuzhou City, Fujian Province”, “Yicheng City, Hubei Province”, “Tongxu County, Kaifeng City, Henan Province”, “Yulin City, Guangxi Zhuang Autonomous Region”, and “Meishan City, Sichuan Province” to “east of Zhubao and west of Hengyiming, Sheyang Port, Yancheng City, Jiangsu Province”, “Linjiang Industrial Park, Pingnan County, Guangxi Zhuang Autonomous Region”, “Taiwan Farmers’ Entrepreneurship Park in Hexian County, Anhui Province”, “Tukan Village, Changliang Town, Jianshi County, Hubei Province”, and “Nanhe District, Xingtai City, Hebei Province” respectively.</p>
Adjustments to the implementation methods of the investment projects with the raised funds	N/A
Early investment and replacement concerning the investment projects with the raised funds	Applicable
	<p>On 9 April 2020, Grant Thornton China issued the Verification Report on the Early Investment of Self-raised Funds in the Investment Projects with Raised Funds by Guangdong Haid Group Co., Limited (《关于广东海大集团股份有限公司以自筹资金预先投入募集资金投资项目的鉴证报告》) (Grant Thornton Zhuan Zi (2020) No. 440ZA4433). The Company invested RMB 393,920,200 of self-raised funds in the raised fund projects in the preliminary stage. On 18 April 2020, the Proposal on Replacing Self-raised Funds That Has Been Invested in Fund-raising Investment Projects with the Raised Funds (《关于以募集资金置换预先已投入募集资金投资项目的自筹资金的议案》) on the Ninth Meeting of the Fifth Board of Directors. The Company replaced the self-raised funds that had been invested with the raised funds of RMB 393,920,200. The interval between this replacement with raised funds and the arrival of raised funds is shorter than six months.</p>
Temporary replenishment of working capital with the idle raised funds	<p>Applicable</p> <p>The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》) was reviewed and approved on the Fifth Meeting of the Sixth Board of Directors on 12 December 2022. It was approved that the Company could temporarily replenish working capital with no more than RMB 450 million of idle raised funds. The use term should be less than 12 months upon the approval of the Board of Directors. As at 31 December 2022, the balance of the idle raised funds for temporary replenishment of working capital was</p>

	RMB 447.8581 million.
Surplus raised funds for project implementation and reasons for the surplus	N/A
Use and ownership change of unused raised funds	In addition to temporary replenishment of working capital and cash management, the unused amount of raised funds was deposited in the special bank account for fund-raising projects.
Problems in the use of raised funds and disclosure, or other cases	N/A

### (3) Altered projects of raised funds

Applicable  Not applicable

Unit: RMB'0,000

Project after alteration	Previous project	Total investment amount for the project after alteration (1)	The investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3) = (2)/(1)	Date when the projects are ready for their intended use	Benefits recorded during the reporting period	Whether the estimated benefits are reached	Whether there are material changes in the feasibility of the project after alteration
Jiangmen Rongchuan project	Qingyuan Haibei project and Zhanjiang Haid project	22,000	9,878.93	22,066.47	100.30%	December 2022	-1,109.88	No	No
Huainan Haid project		9,477.24	651.84	9,480.6	100.04%	July 2021	-657.7	No	No
Yancheng Rongchuan project	Huai'an Hailong project, Fuzhou Haid project, Yicheng Haid project, Kaifeng Haid project, Yulin Haid project and Sichuan Rongchuan project	10,500	0	0	0.00%	December 2023	0	N/A	No
Pingnan Haid project		5,767	0	0	0.00%	June 2023	0	N/A	No
Hexian Haid High-end Aquatic Feed project		12,500	0	0	0.00%	June 2024	0	N/A	No
Enshi Haid project		8,900	0	0	0.00%	December 2023	0	N/A	No
Xingtai Haid project		4,600	0	0	0.00%	December 2023	0	N/A	No
Total	--	73,744.24	10,530.77	31,547.07	--	--	-1,767.58	--	--
Reasons for the changes, decision-making procedure executed and information disclosed (by specific projects)		1. The Jiangmen Rongchuan project and the Huainan Haid project: (1) Decision-making procedure executed for the changes: According to the Proposal on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的议案》) approved at the First Extraordinary General Meeting of Shareholders in 2021 on 3 February 2021, it has been agreed to transfer the raised funds for the Qingyuan Haibei project and the Zhanjiang Haid project and the cash management income with the Guangzhou branch of HSBC Bank (China) Company Limited to the Jiangmen Rongchuan project and the Huainan Haid							

	<p>project.</p> <p>(2) Reasons for the changes:</p> <p>A. Previously, the Qingyuan Haibei project intended to build an annual capacity of 30,000 tons of aquatic premix with an investment of RMB 216.0009 million. Due to reasons such as the adjustments to the industry's farming scale and structure and production areas as well as the Company's constant refinement of its product portfolio, the Company changed the Qingyuan Haibei project to other feed projects so as to better meet market needs and further refine the existing production capacity structure.</p> <p>B. Previously, the Zhanjiang Haid project intended to build an annual capacity of 200,000 tons of aquatic compound feed with an investment of RMB 220.9288 million to increase its supply to West Guangdong Province and East Guangxi Province. However, the feed factory of Wuzhou Haid in East Guangxi Province has been completed, and construction accelerated for the raised funds investment project of Nanning Haid with an annual output of 480,000 tons of feed, which will help ease the supply pressure in the region to some degree. In view of the priority levels of the projects and the Company's capacity portfolio needs, the Company changed the Zhanjiang Haid project to other feed projects.</p> <p>To sum up, in view of market needs and the Company's capacity portfolio needs, and in order for better use of the raised funds, the Company has changed the construction arrangements for the Qingyuan Haibei project and the Zhanjiang Haid project and has decided to use the remaining raised funds for advance investment in the construction of the Jiangmen Rongchuan project and the Huainan Haid project.</p> <p>(3) Information disclosure:</p> <p>For further information, see the Announcement on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的公告》) (Announcement No. 2021-008), which has been disclosed on the media designated for information disclosure, namely, the Securities Times (《证券时报》), China Securities Journal (《中国证券报》), Shanghai Securities News (《上海证券报》), Securities Daily (《证券日报》), and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>.</p> <p>2. The Yancheng Rongchuan project, the Pingnan Haid project, the Hexian Haid High-end Aquatic Feed project, the Enshi Haid project, and the Xingtai Haid project:</p> <p>(1) Decision-making procedure executed for the changes: According to the Proposal on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的议案》) approved at the Fifth Extraordinary General Meeting of Shareholders in 2022 on 28 December 2022, it has been agreed to transfer part of the raised funds for the Huai'an Hailong project, the Fuzhou Haid project, the Yicheng Haid project, the Kaifeng Haid project, the Yulin Haid project and the Sichuan Rongchuan project to the Yancheng Rongchuan project, the Pingnan Haid project, the Hexian Haid High-end Aquatic Feed project, the Enshi Haid project, and the Xingtai Haid project.</p> <p>(2) Reasons for the changes: A. Previously, the Huai'an Hailong project intended to build an annual capacity of 200,000 tons of aquatic compound feed with an investment of RMB 271.0012 million. In order to quickly relieve the supply pressure around Huai'an City, the Company has purchased and immediately put into production an aquatic feed production base with an annual capacity of 200,000 tons through its majority-owned subsidiary, Jiangsu Haiwei Feed Co., Ltd. In view of its capacity portfolio needs, the Company reallocated the remaining raised funds of the Huai'an Hailong project to other feed projects. B. Previously, the Fuzhou Haid project intended to build an annual capacity of 180,000 tons of aquatic compound feed with an investment of RMB 345.4454 million. In the construction of the project, Fuzhou Haid adjusted the production capacity allocation standard to enhance the capacity utilization rate; at the same time, based on the Company's market strategy adjustments, the central Fujian market previously covered by Fuzhou Haid was shifted to Sanming Haid Feed Co., Ltd., making Fuzhou Haid basically able to meet the demand of the market with its existing production capacity. In view of the priority levels of the projects and the Company's capacity portfolio needs, the Company reallocated the remaining raised funds of the Fuzhou Haid project to other feed projects. C. Previously, the Yicheng Haid project intended to build an annual capacity of 380,000 tons of pig feed with an investment of RMB 170.0014 million. The Yicheng Haid project mainly serves the Company's local farming business and the export market</p>
--	--

	<p>within its radius. In recent years, the Company has improved the overall capacity utilization rate through regional capacity integration, special line technical reform of specialization and standardization and other measures; and the new construction and technical reform project of Anlu Haid in the peripheral market of the region has been put into operation, which has eased the supply pressure of the peripheral pig feed market. In view of the priority levels of the projects and the purpose to increase the utilization efficiency of raised funds, the Company reallocated the remaining raised funds of the Yicheng Haid project to other feed projects. D. Previously, the Kaifeng Haid project intended to build an annual capacity of 300,000 tons of animal, poultry and aquatic compound feed with an investment of RMB 180.0025 million. In order to quickly relieve the supply pressure, the Company's subsidiaries, Henan Haiding and Henan Mugaole, have added approximately 300,000 tons of feed production capacity in Kaifeng City and the surrounding areas through leasing and renovation and expansion of their own feed production lines respectively. In view of its capacity portfolio needs, the Company reallocated the remaining raised funds of the Kaifeng Haid project to other feed projects. E. Previously, the Yulin Haid project intended to build an annual capacity of 450,000 tons of animal, poultry and aquatic compound feed with an investment of RMB 311.8661 million, which fills the gap in the market from western Guangdong to eastern Guangxi, southern Guangxi and western Guangdong and can effectively relieve the Company's tight supply in the region. Given that the Company's feed mills built or acquired in the areas adjacent to Yulin, such as Nanning and Qin Zhou, have been gradually put into operation, the tight supply in the target project area has been alleviated. In view of its capacity portfolio needs and the purpose to increase the utilization efficiency of raised funds, the Company reallocated the remaining raised funds of the Yulin Haid project to other feed projects. F. With the implementation location being in Meishan City, Sichuan Province, the Sichuan Rongchuan project previously intended to build an annual capacity of 200,000 tons of aquatic compound feed with an investment of RMB 234.3164 million to increase the aquatic feed supply capacity in the southwest region. Given that the Company's expanded and new feed projects have been gradually put into operation in the areas around Meishan such as Chongqing, Chengdu and Deyang, effectively supplementing the supply capacity in the southwest region and the central Sichuan region. In view of its capacity portfolio needs and the purpose to increase the utilization efficiency of raised funds, the Company reallocated the remaining raised funds of the Sichuan Rongchuan project to other feed projects. To sum up, in view of market needs and the Company's capacity portfolio needs, and in order for better use of the raised funds, the Company has changed the construction arrangements for the Huai'an Hailong project, the Fuzhou Haid project, the Yicheng Haid project, the Kaifeng Haid project, the Yulin Haid project and the Sichuan Rongchuan project, and has decided to use the remaining raised funds for advance investment in the construction of the Yancheng Rongchuan project, the Pingnan Haid project, the Hexian Haid High-end Aquatic Feed project, the Enshi Haid project, and the Xingtai Haid project.</p> <p>(3) Information disclosure: For further information, see the Announcement on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的公告》) (Announcement No. 2022-099), which has been disclosed on the media designated for information disclosure, namely, the Securities Times (《证券时报》), China Securities Journal (《中国证券报》), Shanghai Securities News (《上海证券报》), Securities Daily (《证券日报》), and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>.</p>
Cases and reasons for failing to reach the planned progress or predicted returns (by specific projects)	<ol style="list-style-type: none"> <li>1. The Jiangmen Rongchuan project was entirely completed and put into production in the second half of 2022, indicating a short-term of operation. As such, this project failed to reach the predicted returns.</li> <li>2. Mainly due to the rising prices of raw materials, the impact of the economic downturn on consumption, etc., the Huainan Haid project failed to meet the objectives with respect to output and sales volume. As such, this project failed to reach the predicted returns.</li> <li>3. The Yancheng Rongchuan project, the Pingnan Haid project, the Hexian High-end Aquatic Feed project, the Enshi Haid project and the Xingtai Haid project are still under construction and not ready for production.</li> </ol>
Explanation of material changes in the feasibility of projects after alteration	N/A

## VIII. Disposal of Material Assets and Equity Interest

### 1. Disposal of material assets

Applicable  Not applicable

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

### 2. Disposal of material equity investments

Applicable  Not applicable

## IX. Analysis of major subsidiaries and investees

Applicable  Not applicable

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

Unit: RMB'0,000

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Qingyuan Haibei Biotechnology Co., Ltd.	Subsidiary	Production and sales of feed premix, additives and veterinary medicines	1,000.00	153,309.37	120,972.54	89,400.36	24,914.84	21,550.81

Acquisition and disposal of subsidiaries during the reporting period

Applicable  Not applicable

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Suixi Haihe Veterinary Medicine Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Yangchun Haihe Veterinary Medicine Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Luoding Haihe Veterinary Medicine Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Bobai Haihe Veterinary Medicine Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Changde Haide Veterinary Medicine Operation Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Shouguang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Newly established	No material effects on the results of the period
Qingdao Zhizhuxia Experimental Technology Co., Ltd.	Newly established	No material effects on the results of the period
Qianjiang Hailong Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Haid Egypt Aquatic Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Hairong Food Co., Ltd.	Newly established	No material effects on the results of the period
Pingjiang Bairuilai Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Baishengyuan Aquatic Seed Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Nansha Haishengyuan Aquaculture Technology Co., Ltd.	Newly established	No material effects on the results of the period

Guangzhou Nansha Haid Technology Co., Ltd.	Newly established	No material effects on the results of the period
Pt Haida Biotechnology Indonesia	Newly established	No material effects on the results of the period
Zhuhai Chenzhe Private Fund Management Co., Ltd.	Newly established	No material effects on the results of the period
Meizhou Yitun Pig Breeding Co., Ltd.	Newly established	No material effects on the results of the period
Tacheng Xiyu Haisheng Agricultural Development Co., Ltd.	Newly established	No material effects on the results of the period
Guiyang Haiyue Feed Technology Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Haiyi Investment Co., Ltd.	Newly established	No material effects on the results of the period
Dongying Haishengyuan Aquaculture Co., Ltd.	Newly established	No material effects on the results of the period
Leizhou Yuexiu Haishengyuan Shrimp Culture Technology Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Haifeng Breeding Service Co., Ltd.	Newly established	No material effects on the results of the period
Haixin Biological (Beijing) Technology Co., Ltd.	Newly established	No material effects on the results of the period
Nantong Fengmu Trade Co., Ltd.	Newly established	No material effects on the results of the period
Dalian Haixin Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Sichuan Haimufeng Agriculture Co., Ltd.	Newly established	No material effects on the results of the period
Inner Mongolia Haishan Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guangxi Haijingzhou Marine Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Heyuan Yifu Agricultural Development Co., Ltd.	Newly established	No material effects on the results of the period
Foshan Rongda Aquatic Seed Co., Ltd.	Newly established	No material effects on the results of the period
Weifang Haixin Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Yangling Haiqi Agricultural Technology Co., Ltd.	Newly established	No material effects on the results of the period
Yangling Huashite Testing Technology Co., Ltd.	Newly established	No material effects on the results of the period
Yangjiang Peiqi Breeding Service Co., Ltd.	Newly established	No material effects on the results of the period
Tangshan Haijingzhou Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Ronghai Seed Technology Co., Ltd.	Newly established	No material effects on the results of the period
Guangze Haisheng Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Hualaike Testing Technology Co., Ltd.	Newly established	No material effects on the results of the period
Weifang Yitun Ecological Agriculture Co., Ltd.	Newly established	No material effects on the results of the period
Qingdao Dinghao Fengying International Trade Co., Ltd.	Newly established	No material effects on the results of the period
Dachuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Shenzhen Haixin Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Huaibei Haid Bio-Feed Co., Ltd.	Newly established	No material effects on the results of the period
Wudi Haishengyuan Aquaculture Co., Ltd.	Newly established	No material effects on the results of the period
Sheng Long Biotech (Hai Duong) International Co., Ltd.	Newly established	No material effects on the results of the period

Pt Hisenor Genetics Indonesia	Newly established	No material effects on the results of the period
Hengyang Yunyi Biotechnology Co., Ltd.	Obtained in other ways	No material effects on the results of the period
Guangzhou Mingersi Biotechnology Co., Ltd.	Obtained in other ways	No material effects on the results of the period
Huizhou Haid Biotechnology Co., Ltd. (formerly known as “Boluo Changshun Feed Co., Ltd.”)	Obtained in other ways	No material effects on the results of the period
Lianzhou Yitun Ecological Agriculture Co., Ltd.	De-registered	No material effects on the results of the period
Jiaozuo Jinhuilong Biotechnology Co., Ltd.	De-registered	No material effects on the results of the period
Wengyuan Haifeng Ecological Agriculture Co., Ltd.	De-registered	No material effects on the results of the period
Qingyuan Haichuan Food Co., Ltd.	De-registered	No material effects on the results of the period
Yingde Haifeng Ecological Agriculture Co., Ltd.	De-registered	No material effects on the results of the period
Yangjiang Haihe Feed Co., Ltd.	De-registered	No material effects on the results of the period
Henan Haihe Houyi Agriculture and Animal Husbandry Technology Co., Ltd.	De-registered	No material effects on the results of the period
Chengnan Development Zone Hairong Livestock Farming Service Specialized Cooperative	De-registered	No material effects on the results of the period
Dancel Limited	De-registered	No material effects on the results of the period
Foshan Debao Feed Co., Ltd.	De-registered	No material effects on the results of the period
Qingdao Zhizhuxia Pig Raising Service Co., Ltd.	De-registered	No material effects on the results of the period
Zhangzhou Longwen Hairong Farming Service Specialized Cooperative	De-registered	No material effects on the results of the period
Jiyuan Haihe Jinyu Feed Co., Ltd.	De-registered	No material effects on the results of the period
Huai'an Haichang Feed Co., Ltd.	De-registered	No material effects on the results of the period
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	De-registered	No material effects on the results of the period
Hisenor Viet Nam Aquatic Breeding Co., Ltd.	De-registered	No material effects on the results of the period
Sheng Long Bio-Tech Co., Ltd. (Taiwan)	De-registered	No material effects on the results of the period
Xinxing Haifeng Agriculture and Animal Husbandry Co., Ltd.	De-registered	No material effects on the results of the period
Huaihua Hailong Biotechnology Co., Ltd.	De-registered	No material effects on the results of the period
Coreseed Aquaculture (Guam) Corporation	Exited	No material effects on the results of the period

#### Description of major subsidiaries and investees

Qingyuan Haibei Biotechnology Co., Ltd. is mainly engaged in feed premix, feed additives and veterinary medicines, and its products are mainly sold to internal companies, farmers and dealers. The gross margin level of Qingyuan Haibei's products is higher than that of the Company's compound feed products, and it achieved a net profit of RMB 216 million (including internal and external sales) during the reporting period.

#### X. Structured Entities Controlled by the Company

Applicable  Not applicable

## **XI. Prospects for the development of the company**

### **1. Industry landscape and trends**

The 14th Five Year Plan (2021-2025) is the first five years to embark on the new journey of comprehensively building a socialist modernized country. The Central Committee of the Communist Party of China and the State Council's Opinions on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization (hereinafter referred to as the Rural Revitalization Opinions) was proposed to enhance the supply guarantee capacity of grain and important agricultural products and to accelerate the construction of a modern aquaculture system. The aquaculture industry will develop towards standardization, industrialization and scaled. With the acceleration of intelligent, the feed industry will enter the stage of high-speed integration, and the advantages and position of the industry leaders are increasingly prominent.

#### **1. Structural Development of the Feed Industry**

The feed industry is expected to grow steadily, but the growth rate will decrease and there will be differences in the growth structure of different varieties. With the continuous growth of per capita disposable income, upgrading of consumption, improvement of urbanization level, and the transformation of consumption concepts, the demand for high-quality, distinctive, and high-standard meat products will increase, the consumption of special aquatic products and beef and mutton meat will increase significantly, and the consumption of meat and poultry/egg poultry will be stable. The consumption of pork will decrease, and various feed varieties will also show structural adjustments.

#### **2. Further intensification of industry integration and increasing international competitiveness**

The total growth of feed has slowed down, and the industry has entered the stock game stage with more intense competition among feed companies. Due to various factors such as overcapacity, meager profits, significant fluctuations in raw material prices, strict environmental regulations, and improved biological prevention and control safety in the feed industry, a large number of small and medium-sized feed enterprises will have to withdraw. For large enterprises with strong comprehensive strength, outstanding industrial chain product strength, and advantages in scale, management, technology, talent and other aspects, there will be more opportunities for integrating the market. At the same time, regional expansion and extension will become important development strategies. The leading enterprises will use their scale and technological advantages to rapidly expand into emerging markets such as Southeast Asia, Northeast Asia, and Africa, increasing their international competitiveness.

#### **3. Technology driving industry progress is more evident**

The differentiation and integrated development of the feed industry have made the role of technology increasingly important in industry competition. The global correlation of agricultural products is becoming increasingly close, and some regions' weather conditions and uncertainty in international trade relations can cause significant fluctuations in agricultural product prices. Animal nutrition demand, feed formula adjustment, and raw material substitution technology are all core areas of feed technology competition. The optimization and alternation of downstream aquaculture models, as well as the richness and diversity of aquaculture varieties, have put forward higher requirements for the adaptability of feed products. Technological research and development drive feed products in respond to the needs of farmers in a timely manner, becoming an important competitive point. At the same time, the innovation and development of feed products will also lead the upgrading of downstream aquaculture. For example, the flourishing development of biological feed technology, the increasing variety of feed microorganisms, enzyme preparations and other products, as well as the continuous expansion of functions, will show great potential in promoting the replacement of feed antibiotics and the efficient utilization of feed resources, which will become new competitive barriers in the industry.

#### **4. The seedling and animal protection industries will grow rapidly over a long period of time due to the technological progress and the upgrading of aquaculture**

The Ministry of Agriculture and Rural Affairs of China has proposed to deepen the implementation of the seed industry revitalization action, solidly promote the protection and utilization of germplasm resources and the innovation in the seed industry, upgrade the seed industry base, support seed industry enterprises, and purify the seed industry market, and accelerate the promotion of seed industry technology self-reliance and the controllability

of seed sources. High quality animal seedlings will have a huge demand for the development in the long term, and factors such as resources, technology, and talent will gather in key seed source advantage enterprises. With the upgrading of the aquaculture industry, the enhancement of farmers' discrimination ability, and the implementation of national aquatic seedling inspection and quarantine access, the seedlings will enter the process of industry integration and reshuffle. The demand for nationally recognized high-quality brand seedlings will rapidly increase, and the value of aquatic seedlings in the aquaculture industry chain will also become increasingly apparent, including production/disease resistance/aquaculture and other production and profit links. With the acceleration of the trend of large-scale and centralized aquaculture, corresponding to higher biological epidemic prevention costs, the space for animal healthcare industry is expanding upwards. At the same time, the industry implements the new version of GMP requirements, and large enterprises with advantages such as scale, technology, and talent will benefit from it, gradually gathering market share to top enterprises.

#### 5. The aquaculture industry will accelerate towards scale, efficiency, and intelligence

Due to factors such as land constraints, food safety, industrial technological progress, and increasingly young employees, the aquaculture industry will rapidly develop towards industrialization, scale, and intelligence. At present, the large-scale of poultry farming has been formed, and the threshold for the scale is constantly increasing. Pig farming is rapidly completing its large-scale process due to the impact of African swine fever. The scale of aquaculture is relatively slow due to difficulties in concentrating water resources. The overall funding of the aquaculture industry is short, and excellent listed companies in the industry are increasing their industrial expansion. Large real-estate and technology companies are also using their own advantages to enter the aquaculture field. Excellent enterprises are empowering automation, digitization, and intelligence in the process of bringing manpower, technology, and management to the aquaculture industry. Meanwhile, various funds have rushed into the aquaculture industry in recent years, leading to the sharp increase in aquaculture production capacity. The key points of competition have shifted to management, cost, and efficiency advantages during the aquaculture process.

#### 6. More comprehensive and in-depth development of the industrial chain

The demand for green and safe food will promote the construction of food traceability system and agricultural standardization system. Large and excellent enterprises with technology, talent, and financial advantages will gradually improve their industrial chain layout in connecting the industrial chain and have the ability to control full business processes, including seedlings, breeding, feed, animal protection, transportation, food processing et al, which will further reversely promote more efficient and in-depth industrial chain layout of large and excellent enterprises. Food safety also forces large-scale enterprises in the industry's production process to engage in professional docking, ensuring that every production process is safe, controllable and traceable, promoting more aggregation of industry chain business, and accelerating industry integration.

## 2.Future development prospects of the company

1. The company's development strategy is to become the leading and sustainable high-tech agricultural and animal husbandry company in China. The foundation of company development is based on "creating value for customers". The company focuses on the upstream and downstream of aquaculture, seedling, animal healthcare, feed, aquaculture, slaughtering, food processing and other links, building the leading industry to provide comprehensive solutions for farmers including feed, seedling, animal healthcare, and aquaculture technology services, as well as other needs of farmers and distributors, effectively improving the profitability of the company's farmers and distributors, and realizing the win-win development mode between the company and customers.

2. The basic strategy for the development of the company's industrial chain is to scale up based on specialization and extend the industrial chain based on core competitiveness. The company will focus on feed products as its core business, while actively developing businesses such as seedling, animal protection, aquaculture, circulation, and food processing to cultivate the company's professional capabilities throughout the entire industrial chain and build a comprehensive core competitiveness in the industrial chain.

3. The company's business development plan. The future development focus of the company will still revolve around the needs of the aquaculture sector, providing overall solutions for farmers, and further expanding the sales scale and profitability of the company's feed, seedlings, and animal healthcare products. At the same time, the company maintains an appropriate scale of pig and aquatic farming, and resolutely strengthens the professional

capacity of farming business.

(1) The feed business is the company's core business, and the company's feed sales target for the next few years is 40 million tons. In 2021, the company formulated an equity incentive plan that includes more than 4000 employees. The annual feed sales growth target is no less than 3.2 million tons and increases year by year, with the compound growth rate of about 20%, which is much higher than the growth rate of the feed industry and peer listed companies in the industry in recent years, and also significantly higher than the growth rate of the company in previous years. If the company's feed sales target can be successfully achieved, the company's market share will significantly increase, and the product competitive advantage will become more obvious. The company will have sustained and strong competitive advantages.

(2) Providing overall solutions for farmers must rely on seedlings and animal healthcare. At present, the company has become the leader in the industry of aquatic seedlings and aquatic healthcare, with sales scale and product effects leading the industry. Especially in recent years, the products of South American white shrimp seedlings have consistently performed well and have been widely recognized by farmers. This not only allows farmers to significantly increase their breeding profits, but also drives the growth of the company's feed sales. The company will continue to increase research and the development of seedlings and business cooperation, gradually expanding the advantages of seedlings to fish and pig varieties. In terms of animal healthcare business, the company will continue to upgrade and iterate the service model of existing animal healthcare service stations, providing not only high-quality animal healthcare products for farmers, but also comprehensive breeding technology services, and the actual needs of farmers with additional value-added products and services to create unique technology hosting platform.

(3) The aquaculture business adheres to scale based on specialization. Developing aquaculture business can deepen the company and team's understanding of aquaculture needs and provide a large number of high-quality service talents for feed, seedling, and animal healthcare businesses. At the same time, the aquaculture business is also required link for the company to further expand and develop the downstream of the industrial chain in the future, such as food processing business. In the future, the company hopes to provide healthy and traceable ingredients for the people. The professional abilities in the breeding process must be established, and the size can be controlled at an appropriate scale. The aquaculture business includes live pigs and aquatic products and will focus on aquaculture where the company has established system advantages, such as factory shrimp farming. The development of aquaculture business must adhere to scale based on specialization with mainly building the professional capabilities of the team.

## XII. Reception of research investigations, communications and interviews during the reporting period

Applicable  Not applicable

Date	Place	Reception method	Type of communication party	Communication party	Main discussions and information provided	Index to basic information on communication
12 April 2022	Company Conference Room	By phone	Institution	Bosera Funds, GF Securities, Harvest Fund, etc.	The Company's annual operating results	For details, please refer to the Table of Investor Relations Activity Records (2022-001) (《投资者关系活动记录表(2022-001)》) published on the website of www.cninfo.com.cn on 14 April 2022
20 April 2022	Company Conference Room	Other	Other	The investors participating in the interaction of "Panorama Road Show"	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records (2022-002) (《投资者关系活动记录表(2022-002)》) published on

						the website of www.cninfo.com.cn on 21 April 2022
27 May 2022	Company Conference Room	Other	Institution	Palace Asset Management, New Top-Founder, Fidelity, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records (2022-003) (《投资者关系活动记录表(2022-003)》) published on the website of www.cninfo.com.cn on 30 May 2022
30 August 2022	Company Conference Room	By phone	Institution	UBS SDIC Fund, Shanghai Orient Securities, CITIC Securities, etc.	The Company's interim operating results	For details, please refer to the Table of Investor Relations Activity Records (2022-004) (《投资者关系活动记录表(2022-004)》) published on the website of www.cninfo.com.cn on 31 August 2022
6 September 2022	Conference Room of Qingyuan Ronghai Breeding Technology Co., Ltd.	Field research	Institution	IDG Capital, Red Gate Asset Management, UBS, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records (2022-005) (《投资者关系活动记录表(2022-005)》) published on the website of www.cninfo.com.cn on 7 September 2022
22 September 2022	Company Conference Room	Other	Other	The investors participating in the interaction of "Panorama Road Show"	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records (2022-006) (《投资者关系活动记录表(2022-006)》) published on the website of www.cninfo.com.cn on 23 September 2022
22 September 2022	Company Conference Room	Other	Other	Guotai Junan Securities, Guangzhou Ruimin Private Securities Investment Fund, Shenzhen Qianhai Jiuchuang United Private Securities Investment Fund, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records (2022-007) (《投资者关系活动记录表(2022-007)》) published on the website of www.cninfo.com.cn on 26 September 2022
21 October 2022	Company Conference Room	By phone	Institution	GF Securities, CITIC Securities, Shanghai Orient Securities, etc.	The Company's Q3 operating results	For details, please refer to the Table of Investor Relations Activity Records (2022-008) (《投资者关系活动记录表(2022-008)》) published on the website of www.cninfo.com.cn on 25 October 2022

## Section IV. Corporate Governance

### I Overview

#### 1. The Establishment of the Company System

From the listing of the Company to the end of the Reporting Period, the Company strictly complied with the Company Law (《公司法》), the Securities Law (《证券法》), the Stock Listing Rules of Shenzhen Stock Exchange (《深圳证券交易所股票上市规则》), the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—the Standard Operation of Main Board Listed Companies (《深圳证券交易所上市公司自律监管指引第 1 号--主板上市公司规范运作》), and the laws and regulations and normative documents and the Articles of Association, continued to improve the Company's internal corporate governance structure, refine internal control environment, improve internal management policies, standardize corporate operation, and strive to improve the Company's capability of governance. The actual situation of the corporate governance conformed to the requirements of relevant normative documents issued by the China Securities Regulatory Commission (CSRC) and Shenzhen Stock Exchange on the governance of listed companies.

#### 2. Shareholders and General Meeting of Shareholders

During the reporting period, the Company strictly adhered to applicable laws and regulations such as the Company Law (《公司法》), the Articles of Association (《公司章程》), and the Rules of Procedure of the General Meeting of Shareholders (《股东大会议事规则》), as well as the Company's internal control rules, and standardized the convening, holding and voting procedures of the General Meeting of Shareholders to ensure that all shareholders could be equal, and fully exercise their rights. In addition, as witnessed by the hired lawyers, the legitimacy of the meeting's convening, holding and voting procedures could be guaranteed, and relevant legitimate rights and interests of the Company and its shareholders could be secured as well. In 2022, six general meetings of shareholders were convened and held by the Board in total; the convening, holding and voting procedures of such meetings were witnessed by the lawyers and all were legal and valid.

#### 3. Directors and the Board of Directors

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

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

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

#### 4. Supervisors and the Supervisory Committee

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

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

#### 5. Internal Audit System

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

#### 6. Stakeholders

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

#### 7. Information Disclosure and Transparency

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

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

#### 8. Investor Relations Management

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

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

#### 9. Insider Information Management

According to the Company Law (《公司法》), the Securities Law (《证券法》), the Stock Listing Rules of

Shenzhen Stock Exchange (《深圳证券交易所股票上市规则》), the Guidelines No. 5 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—Management of Information Disclosure Affairs (《深圳证券交易所上市公司自律监管指引第 5 号——信息披露事务管理》), the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—the Standard Operation of Main Board Listed Companies (《深圳证券交易所上市公司自律监管指引第 1 号--主板上市公司规范运作》), the Guidelines No. 5 for the Regulation of Listed Companies—Establishment of Insiders Registration and Management System by Listed Companies (《上市公司监管指引第 5 号——上市公司内幕信息知情人登记管理制度》) and other relevant laws, regulations, and the Articles of Association (《公司章程》), the Company has established the Management System for Information Insider Registration (《内幕信息知情人登记管理制度》). The Company properly carried out corresponding information insider registration and reporting works strictly according to relevant requirements and systems, and recorded and disclosed the list of all information insiders and material matter progress memorandums in all the links of reporting, transmitting, preparation, resolution-making and disclosure before any information was disclosed. During the Reporting Period, the Company notified all directors, supervisors, senior management and relevant information insiders that they were not allowed to buy and sell the Company's shares within the window period by means of SMS and e-mail 30 days before the disclosure of annual and interim reports and 10 days before the disclosure of quarterly reports, earnings forecast announcements and preliminary earnings estimate announcements, and conducted an internal audit on the buying and selling of the Company's shares by directors, supervisors, senior management and relevant information insiders. During the reporting period, no information insider was ever involved in the illegal buying and selling of the Company's shares, and no relevant personnel was suspected of being involved in insider trading and was imposed some supervision measures and administrative penalties by competent regulatory departments.

Indicate whether there is any material incompliance with the applicable laws, administrative regulations and regulations issued by the CSRC governing the governance of listed companies

Yes  No

No such incompliance.

## **II. The Company's Independence from the Controlling Shareholder and the Actual Controller in Asset, Personnel, Financial Affairs, Organizational Structure and Business**

The Company has independent and complete businesses and independent management capabilities. It is completely independent from the controlling shareholder in terms of asset, personnel, financial affairs, organizational structure and business.

1. Asset: The property rights relationship between the Company and the controlling shareholder is clear. The Company has independent land use rights and housing property. The Company's assets are independently registered, set up in accounting, accounted for, and managed so as to avoid the controlling shareholder's occupation for non-operating purposes and allocation of the Company's assets or the intervention of the operation and management of such assets.

2. Personnel: The Company has established an independent human resources system. The controlling shareholder exercises its rights and assumes corresponding obligations in accordance with the law, and does not affect the personnel appointment or dismissal of the listed Company, nor restricted the duty fulfillment of the directors, supervisors, senior management or other personnel of the listed Company by means other than exercising shareholder's rights specified in laws and regulations.

3. Financial affairs: The Company has set up a complete and independent financial institution with sufficient full-time personnel, established an independent accounting system and financial management system, set up independent bank accounts, independently paid taxes, allocated funds, and made financial decisions. As a result, the controlling shareholder cannot intervene in the Company's financial management;

4. Organizational structure: The Company's Board of Directors, Supervisory Committee, and internal functional departments can independently operate. There is no leader-member relation between the controlling shareholder and internal institutions. The controlling shareholder did not directly or indirectly intervene in the Company's

decision-making and business activities without the General Meeting of Shareholders.

5. Business: The business structure of the Company is independent and complete, which is of the business capability of independent market orientation and management. There is no competition in terms of the Company's business cope, business nature, customer objects, and product replaceability. In addition, the controlling shareholder cannot harness its controlling position to the Company to try to gain the Company's business opportunities. Moreover, the controlling shareholder cannot substitute the General Meeting of Shareholders and the Board of Directors to directly make major decisions for the listed company and intervene in the normal decision-making process of the listed company.

### III. Horizontal Competition

Applicable  Not applicable

## IV. Annual and Extraordinary General Meetings of Shareholders Convened during the Reporting Period

### 1. General Meetings of Shareholders Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Resolutions
2021 Annual General Meeting of Shareholders	Annual	64.32%	9 May 2022	10 May 2022	For details, see the Announcement on Resolutions of 2021 Annual General Meeting of Shareholders (《2021 年年度股东大会决议公告》) (No. 2022-027) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
First Extraordinary General Meeting of Shareholders of 2022	Extraordinary	73.18%	16 May 2022	17 May 2022	For details, see the Announcement on Resolutions of First Extraordinary General Meeting of Shareholders of 2022 (《2022 年第一次临时股东大会决议公告》) (No. 2022-030) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Second Extraordinary General Meeting of Shareholders of 2022	Extraordinary	65.00%	2 June 2022	3 June 2022	For details, see the Announcement on Resolutions of Second Extraordinary General Meeting of Shareholders of 2022 (《2022 年第二次临时股东大会决议公告》) (No. 2022-041) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Third Extraordinary General Meeting of Shareholders of 2022	Extraordinary	61.96%	19 August 2022	20 August 2022	For details, see the Announcement on Resolutions of Third Extraordinary General Meeting of Shareholders of 2022 (《2022 年第三次临时股东大会决议公告》) (No. 2022-063) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Fourth Extraordinary General Meeting of Shareholders of 2022	Extraordinary	64.27%	7 November 2022	8 November 2022	For details, see the Announcement on Resolutions of Fourth Extraordinary General Meeting of Shareholders of 2022 (《2022 年第四次临时股东大会决议公告》) (No. 2022-092) disclosed on Securities Times, China Securities

					Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Fifth Extraordinary General Meeting of Shareholders of 2022	Extraordinary	63.56%	28 December 2022	29 December 2022	For details, see the Announcement on Resolutions of Fifth Extraordinary General Meeting of Shareholders of 2022 (《2022年第五次临时股东大会决议公告》) (No. 2022-107) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn

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

Applicable  Not applicable

## V. Directors, Supervisors and Senior Management

### 1. General Information

Name	Office title	Incumbent /Former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in Reporting Period (share)	Decrease in Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)	Reasons for share changes
Hua Xue	Chairman of the Board	Incumbent	Male	53	6 June 2007	18 August 2025						
Hua Xue	President	Incumbent	Male	53	25 May 2010	18 August 2025						
Yingzhuo Xu	Vice Chairman of the Board	Incumbent	Male	55	6 June 2007	18 August 2025						
Qi Cheng	Director	Incumbent	Male	43	16 July 2019	18 August 2025	70,000		17,500		52,500	Personal financial needs
Qi Cheng	Executive Vice President	Incumbent	Male	43	16 July 2019	18 August 2025						
Xueqiao Qian	Director	Incumbent	Male	56	3 February 2021	18 August 2025	255,700				255,700	
Xueqiao Qian	Vice President	Incumbent	Male	56	16 July 2019	18 August 2025						
Xueqiao Qian	Chief Engineer	Incumbent	Male	56	6 June 2007	18 August 2025						
Jianfang Gui	Independent Director	Incumbent	Male	67	16 July 2019	18 August 2025						
Jianguo He	Independent Director	Incumbent	Male	61	16 July 2019	18 August 2025						
Yunguo Liu	Independent	Incumbent	Male	57	16 July 2019	18 August 2025						

	Director											
Zhenxiang Qi	Supervisor	Incumbent	Male	53	6 June 2007	18 August 2025						
Hua Wang	Supervisor	Incumbent	Male	36	16 November 2020	18 August 2025						
Yongfang Mu	Supervisor	Incumbent	Female	34	16 November 2020	18 August 2025						
Guoxiang Liu	Vice President	Incumbent	Male	54	16 July 2019	18 August 2025	202,670		50,600		152,070	Personal financial needs
Shaolin Yang	Vice President	Incumbent	Male	49	16 July 2019	18 August 2025	330,900				330,900	
Shaolin Yang	Chief Financial Officer	Incumbent	Male	49	22 October 2012	18 August 2025						
Xiewu Jiang	Vice President	Incumbent	Male	55	16 July 2019	18 August 2025	66,780		16,600		50,180	Personal financial needs
Guoche Mi	Vice President	Incumbent	Male	51	16 July 2019	18 August 2025	242,800		60,700		182,100	Personal financial needs
Zhongzhu Chen	Vice President	Incumbent	Male	53	16 July 2019	18 August 2025	188,670		47,100		141,570	Personal financial needs
Mingzhong Chen	Vice President	Incumbent	Male	58	6 June 2007	18 August 2025						
Jiantao Yang	Vice President	Incumbent	Male	54	19 August 2022	18 August 2025						
Jing Wang	Vice President	Incumbent	Female	44	19 August 2022	18 August 2025	8,700				8,700	
Zhijian Huang	Vice President	Incumbent	Male	45	26 July 2012	18 August 2025	412,244				412,244	
Zhijian Huang	Board Secretary	Incumbent	Male	45	26 July 2012	18 August 2025						
Total	--	--	--	--	--	--	1,778,464	0	192,500	0	1,585,964	--

Note: The opening shareholdings of Mr. Jiantao Yang and Ms. Jing Wang both refer to their shareholdings on 19 August 2022 when they were appointed as the sixth senior management of the Company.

Indicate whether any director, supervisor or senior management resigned before the expiry of their tenures during the reporting period

Yes  No

Change in directors, supervisors and senior management

Applicable  Not applicable

Name	Office title	Type of change	Date	Reason
Jiantao Yang	Vice President	Appointed	18 August 2022	Appointed by the Board of Directors
Jing Wang	Vice President	Appointed	18 August 2022	Appointed by the Board of Directors

## 2. Brief Biographies

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

### (1) Directors

Mr. Hua Xue, born in 1970, holds a master's degree and is an engineer. He graduated from College of Fisheries of Huazhong Agricultural University in 1992 with a major in special aquaculture; in 1995, he obtained the master's degree in zoology from School of Life Sciences of Sun Yat-Sen University. He was/is the Chairman of China Vocational Education Group of Modern Fishery, Vice Chairman of China Association of Young Rural Entrepreneurial Leaders (CAYREL), Chairman of Guangdong Hi-tech Enterprise Association (GDHTEA), Vice President of Guangdong Feed Industry Association, Vice Chairman of Guangdong Antibiotic-Free Feed Industry Alliance, the NPC Member of the 16th National Congress of the Communist Party of Guangzhou, a member of the 11th Chinese People's Political Consultation Conference Guangzhou Committee, Vice Chairman of the 15th Executive Committee of Guangzhou Federation of Industry and Commerce, and Honorary Chairman of Guangzhou Feed Profession Association (GZFPA). Meanwhile, he is recognized as "Leading Entrepreneur in China's Feed Industry" by the Ministry of Agriculture, and "Top 30 Excellent Entrepreneurs in China" by China Feed Industry Association (CFIA). As one of the founders of the Company, he now serves as the Chairman of the Board and President (General Manager) of the Company, as well as an Executive Director of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. Mr. Hua Xue holds 39.75% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. and is the actual controller of the Company.

Mr. Yingzhuo Xu, born in 1968, is a livestock specialist. He graduated from South China Agricultural University in 1991 with a bachelor's degree in animal husbandry, and then received a master's degree in business administration from HEC Paris. As one of the founders of the Company, he now serves as the Company's Vice Chairman of the Board, as well as the General Manager of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd.

Mr. Qi Cheng, born in 1980, holds a master's degree. He graduated from the major of Automation of Huazhong University of Science and Technology in 2002; studied the major of World Economy in Sun Yat-sen University from 2005 to 2008 and obtained the Master's degree; studied EMBA in CEIBS from 2013 to 2015 and obtained MBA. From 2002 to 2010, he served as Process Engineer, Operation Manager, Supply Chain Manager and Director of Technology in Guangzhou Procter & Gamble Co., Ltd.; from 2010 to 2017, he served as Operation Director of East Asia-Pacific Region and Global Supply Chain Director in Essel Propack Co., Ltd. Joining the Company in March 2017, he currently serves as a Director, an Executive Vice President (Deputy General Manager) (assisting the President/General Manager in the overall operations of the Company), as well as the General Manager of the South China Region of the Company.

Dr. Xueqiao Qian, born in 1967, holds a doctorate degree. He successively presided over or participated in the Hubei Provincial Natural Science Fund Project -- Development and Utilization of Feather Proteins in Fishery Feeds, the development projects of the State Key Laboratory of Freshwater Ecology and Biotechnology -- Effects of Nutrition Levels and Nutritional History on Fish's Growth and Activities, Research on the Feeding Behavior and Chemical Sensation of Allogynogenetic Crucian Carp, and Studies on the Utilization of Plant Protein by Main Cultured Freshwater Fish, the NSFC Project -- Studies on the Comparative Nutritional Energetics of Feed Protein Requirements of Carnivorous Fish and Omnivorous Fish, and the MOA's 948 project -- Artificial Propagation and Large-scale Aquaculture of Paddlefish etc.. Further, he has published more than 20 papers, of which, three papers were published in international publications and included in SCI. He joined the Company in 2004 and is mainly engaged in the aquatic animal nutrition and feed research and the development of new feed additives. Now, he is a Director, Deputy General Manager (Vice President) (responsible for technology research and development and the animal healthcare business), as well as the Chief Engineer of the Company. He is also a Supervisor in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd.

Dr. Jianfang Gui, born in 1956, holds a doctorate degree. He is a doctoral supervisor as well as an academician of the Chinese Academy of Sciences and of The World Academy of Sciences. He graduated from the major of Cytobiology of Wuhan University and obtained the Bachelor's degree in January 1982; obtained the Master's degree in Genetics from Wuhan University in December 1984 and joined in Institute of Hydrobiology, Chinese Academy

of Sciences in the same year and has since worked there. In 1995, he obtained the Doctor's degree of science from Institute of Hydrobiology, Chinese Academy of Sciences. From 1991 to 1994, he paid work visits and conducted postdoctoral research in Medical College of Ohio and US San Diego. From 1995, he served as Researcher and Doctoral Supervisor in Institute of Hydrobiology, Chinese Academy of Sciences. He served as Executive Deputy Director and Director of Hydrobiology from 1999 to 2007, Director of State Key Laboratory of Freshwater Ecology and Biotechnology from 2001 to 2011, and Independent Director of the 1st and 2nd sessions of the Board of the Company from 2007 to 2013. Currently he serves as a research fellow of the Institute of Hydrabiology, Chinese Academy of Sciences, and a Vice President of China Society of Fisheries. He is an Independent Director of the Company.

Dr. Jianguo He, born in 1962, holds a doctorate degree. He is a professor, winner of "The National Science Fund for Distinguished Young Scholars" and Chief Scientist of the State Shrimp and Crab Industry Technology System. He graduated from the major of Zoology of Sun Yat-sen University and obtained the Doctor's degree of science in 1990. He has been working in Sun Yat-sen University since 1991. He served as Deputy Director of College of Life Sciences, Sun Yat-sen University from 2000 to 2008, and Director of College of Marine Science, Sun Yat-sen University from 2008 to 2018. His current positions include Professor of Sun Yat-sen University, Director of State Key Laboratory of Aquatic Animal Disease Prevention and Control and Healthy Farming, Director of China-ASEAN Mariculture Technology "Belt and Road" Joint Laboratory, Deputy Director of Aquacultural Disease Control Expert Commission of MARA, and Vice President of the Crustacean Branch of China Zoological Society. He is an Independent Director of the Company.

Dr. Yunguo Liu, born in 1966, holds a doctorate degree in accounting from Xiamen University. He is a visiting scholar at the University of Houston in the U.S., a National Baosteel Outstanding Teacher and a Guangdong Province (Undergraduate) Teaching Master. His current positions and titles include Professor of Accounting and Doctoral Supervisor in Sun Yat-sen Business School (SYSBS), Director of School of Accountancy in Guangzhou Xinhua University (a private university), Senior Research Fellow of China Enterprise Reform and Development Society, Member of Management Accounting Professional Committee of Chinese Accounting Society, Executive Director of Cost Research Society of China, a management, accounting and consultancy expert of the Ministry of Finance, Member of CGMA North Asian 100 Think Tank Leaders, Member of IMA Academic Consultation Commission, Vice Chairman of the Advisory Branch of the China Association of Chief Financial Officers, Vice Chairman of Guangdong Association of Management Accountants, Editorial Board Member of China Management Accounting Studies, and Editorial Board Member of China Management Accounting Review. He has been selected for the Accounting Masters Development Program (2019) of the Ministry of Finance, the Third Batch for the Special Support Program of the Ministry of Finance, and the Leading Accounting Talent Program (Phase I) of the Ministry of Finance. He is also an Independent Director of Guangzhou Haige Communications Group Incorporated Company. He is an Independent Director of the Company.

## (2) Supervisors

Dr. Zhenxiong Qi, born in 1970, is a senior engineer. He successively participated in a key program of National Natural Science Foundation of China, the National Key Technologies R & D Program of China during the 8th Five-Year Plan Period, National Climb—B Plan, and programs of the Shandong and Guangdong Provincial Natural Science Funds. Meanwhile, he has also published many research papers, applied for multiple invention patents and been granted a State Technological Invention Award (Second Prize). Since he joined the Company in 2004, he has been mainly engaged in researches on animal nutrition and feed, aquatic farming and disease control. He is now the Chief Engineer for the Company's Functional Ingredients Development Platform Product Line, and the Chairman of the Company's Supervisory Committee.

Mr. Hua Wang, born in 1987, holds a master's degree and is an economist. He majored in politics and administration and graduated from Southwest Jiaotong University in 2009. He obtained a professional master's degree in political theory from Wuhan University in 2011. Hua Wang worked for China Tunnel Construction Co. Ltd. Guangdong from July 2011 to March 2017, and worked for Guangdong Cinda Real Estate Co., Ltd. from June 2017 to March 2019. He joined the Company in April 2019, and currently serves as the Assistant to the Head of the Group's Secretary Office, as well as a Supervisor of the Company.

Ms. Yongfang Mu, born in 1989, holds a bachelor's degree and is an intermediate accountant. Yongfang Mu graduated from Henan University of Economics and Law in June 2012, majoring in accounting. Joining the

Company in July 2012, she used to hold positions related to cost accounting, budget management and financial management for the Company. She currently serves as the Financial Manager and a Supervisor of the Company.

### (3) Senior Management

Mr. Guoxiang Liu, born in 1969, holds a bachelor's degree and is a Vice Chairman of Hubei Province Feed Industry Association. He graduated from the Aquaculture Department of Huazhong Agricultural University in 1992, majoring in special aquaculture professionalism. Joining the Company in 2004, he is now a Vice President (Deputy General Manager) (responsible for the investment, construction and operation of the Company's investment projects), as well as the Central China General Manager of the Company.

Mr. Shaolin Yang, born in 1974, holds a master's degree and is a senior accountant, certified public accountant, and certified tax accountant. He graduated from Sun Yat-sen University with a major in Business Administration. From 2008 to 2012, he served as Executive Director, CFO and Joint Secretary of KEE Holdings Company Limited (HK.02011). He has been selected for the high-tech enterprise review expert pool of the Department of Science and Technology of Guangdong Province, and is a Vice Chairman of Guangdong Association of Management Accountants. Since June 2016, he has acted as an extramural tutor for master's degree students in accounting of Sun Yat-sen Business School. Since 2021, he has been a tutor for master's degree students in accounting of Guangdong University of Foreign Studies. In 2012, he joined the Company and is currently the Company's Vice President (Deputy General Manager) (responsible for the Company's finance, business finance and risk control) and CFO.

Mr. Xiewu Jiang, born in 1968, holds a bachelor's degree and is an aquacultural engineer. He graduated from the major of Special Aquaculture of College of Fisheries, Huazhong Agricultural University in 1992. He is Vice Chairman of China Fisheries Association, Executive Chairman of the First Board of Directors of the Aquatic Seed Branch of China Fisheries Association, Vice Chairman of Guangdong Ocean Association, Vice Chairman of the Marine Animal Branch of Guangdong Ocean Association, and Honorary Chairman of Weifang Fisheries Association. Currently, he serves as a Vice President (Deputy General Manager) (responsible for the aquatic seed and aquaculture business) and General Manager of the Premix Division of the Company.

Mr. Guocheng Mi, born in 1972, holds a bachelor's degree. He graduated from the major of Freshwater Fishery of Southwest Agricultural University. He joined the Company in 2010 and currently serves as a Vice President (Deputy General Manager) (responsible for the pig farming business) and the General Manager of the Pig Farming Division of the Company.

Mr. Zhongzhu Chen, born in 1970, holds a master's degree. He joined the Company in 2004 and currently serves as a Vice President (Deputy General Manager) (responsible for the aquaculture business) and the General Manager of the Shrimp Feed Division of the Company.

Mr. Mingzhong Chen, born in 1965, holds a master's degree. His current social titles include Vice President of Guangzhou Municipal Agricultural Leading Enterprises Association, Vice President of the Standing Committee of Panyu District Federation of Industry and Commerce of Guangzhou, Vice President of the three federations of Guangzhou (including Guangzhou Industrial Economy Federation) and Executive Vice President of Nancun General Chamber of Commerce of Panyu District, Guangzhou. He has won a number of honors and titles, such as "Excellent Entrepreneur for Caring for Employees in Panyu District, Guangzhou". He joined the Company in 2004 and currently serves as a Vice President (Deputy General Manager) of the Company, who is responsible for public relations, brand image and promotion.

Mr. Jiantao Yang, born in 1969, holds an MBA degree from Hong Kong Baptist University. He joined the Company in 2004 and currently serves as a Vice President (Deputy General Manager) of the Company, who is responsible for raw material processing, sourcing & trading and supply chain management.

Ms. Jing Wang, born in 1979, graduated from the University of Science and Technology of China in 2001 with a degree in Management Science and studied for an MBA at Cheung Kong Graduate School of Business from 2006 to 2008. From 2001 to 2006, she worked at Iflytek Co., Ltd., Shenzhen Bohua Consulting Co., Ltd., and Tencent Technology Co., Ltd. From early 2008 to 2010, she worked as a consultant for IBM China. She joined the Company in February 2012 and currently serves as a Vice President (Deputy General Manager) of the Company, who is responsible for human resource management.

Mr. Zhijian Huang, born in 1978, is an accountant and holds a bachelor's degree. He joined the Company in 2004 and is now a Vice President (Deputy General Manager) (responsible for securities affairs, investment and financing and M&As), as well as the Board Secretary of the Company.

Posts concurrently held in shareholding entities

Applicable  Not applicable

Name	Shareholding entity	Post held in shareholding entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from shareholding entity
Hua Xue	Guangzhou Haihao Investment Co., Ltd.	Executive director	27 September 2006		No
Yingzhuo Xu	Guangzhou Haihao Investment Co., Ltd.	General Manager	1 December 2021		Yes
Xueqiao Qian	Guangzhou Haihao Investment Co., Ltd.	Supervisor	1 December 2021		No
Note	N/A				

Posts held concurrently in other entities

Applicable  Not applicable

Name	Other entity	Post held in other entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from the entity
Hua Xue	Guangdong Aerocity Holding Co., Ltd.	Director	21 January 2015		No
Hua Xue	Guangzhou Huading Investment Holding Co., Ltd.	Supervisor	19 May 2022		No
Hua Xue	Guangzhou Huayu Investment Co., Ltd.	Executive Director	14 December 2021		No
Hua Xue	Zhuhai Fuheyan Enterprise Management Co., Ltd.	Supervisor	3 August 2022		No
Yingzhuo Xu	Zhuhai Haihao Industrial Investment Co., Ltd.	Chairman of the Board	22 July 2020		No
Yingzhuo Xu	Guangdong Haihaowan Development Co., Ltd.	Executive Director	22 April 2020		No
Yingzhuo Xu	Guangzhou Haihao Biotechnology Co., Ltd.	Executive Director	29 April 2020		No
Yingzhuo Xu	Guangzhou Haoyue Biotechnology Development Co., Ltd.	Executive Director	29 May 2020		No
Yingzhuo Xu	Guangzhou Zhuoling Investment Development Co.,	Executive Director and Manager	2 June 2021		No

	Ltd.				
Yingzhuo Xu	Guangzhou Zhuoyi Investment Development Co., Ltd.	Supervisor	4 June 2021		No
Yingzhuo Xu	Guangzhou Zhuosheng Investment Holding Co., Ltd.	Executive Director and Manager	8 June 2021		No
Yingzhuo Xu	Guangzhou Huayu Investment Co., Ltd.	Manager	14 December 2021		No
Yingzhuo Xu	Guangzhou Haihaowan Business Management Co., Ltd.	Executive Director	27 July 2022		No
Xueqiao Qian	Guangzhou Huayu Investment Co., Ltd.	Supervisor	14 December 2021		No
Xueqiao Qian	Guangzhou Qingyuan Investment Co., Ltd.	Executive Director	25 February 2022		No
Jianfang Gui	Institute of Hydrobiology, Chinese Academy of Sciences	Research fellow	1 August 1995		Yes
Jianguo He	Sun Yat-Sen University	Professor	1 December 1994		Yes
Jianguo He	Bainong Guochuang (Beijing) Technology Co., Ltd.	Director	23 July 2019		Yes
Yunguo Liu	Sun Yat-Sen University	Professor	1 December 1999		Yes
Yunguo Liu	Guangzhou Haige Communications Group Incorporated Company	Independent Director	1 December 2022		Yes
Guoxiang Liu	Guangzhou Qingyuan Investment Co., Ltd.	Supervisor	25 February 2022		No
Shaolin Yang	Sun Yat-Sen University	Extramural Tutor for master's degree students	5 June 2016	5 June 2028	Yes
Shaolin Yang	Guangdong University of Foreign Studies	Tutor for master's degree students	1 January 2021	1 January 2025	Yes
Shaolin Yang	Guangdong Association of Management Accountants	Vice Chairman	1 October 2021	1 October 2027	No
Xiewu Jiang	Guangzhou Haishengyuan Investment Co., Ltd.	Executive Director	27 January 2022		No
Jiantao Yang	Wujiaqu Tycoon Plant Protein Co., Ltd.	Director	19 October 2020		No
Jiantao Yang	Alaer Ruiliheng Biological Protein Co., Ltd.	Director	26 October 2016		No

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

Applicable  Not applicable

### 3. Remuneration of Directors, Supervisors and Senior Management

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

The Company has formulated the Remuneration and Appraisal Management System for Directors, Supervisors and Senior Management (《董事、监事和高级管理人员薪酬与考核管理制度》) in accordance with national laws and regulations and taking into account its actual situation. The general meeting of shareholders, as the highest authority of the Company, is responsible for considering and approving the implementation, changes and termination of the remuneration and appraisal system.

The Company has formulated the Remuneration Plan for Directors and Senior Management (《公司董事和高级管理人员薪酬方案》) and the Allowance Plan for Supervisors (《公司监事津贴方案》): non-independent directors do not receive director's allowance in the Company; independent directors adopt an annual allowance system with an allowance of RMB 180,000/year; senior management remuneration consists of basic remuneration, floating annual performance bonuses and other incentives, and senior management who also serve as directors are remunerated in accordance with the senior management remuneration standards; supervisor's allowance is RMB 60,000/year, and supervisors who also serve in other positions in the Company are remunerated by a combination of post remuneration and supervisor's allowance.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Remuneration from related party
Hua Xue	Chairman of the Board and General Manager	Male	53	Incumbent	292.04	No
Yingzhuo Xu	Vice Chairman of the Board	Male	55	Incumbent	-	Yes
Qi Cheng	Director and Executive Vice President (Deputy General Manager)	Male	43	Incumbent	203.12	No
Xueqiao Qian	Director, Vice President (Deputy General Manager) and Chief Engineer	Male	56	Incumbent	209.88	No
Jianfang Gui	Independent Director	Male	67	Incumbent	18	No
Jianguo He	Independent Director	Male	61	Incumbent	18	No
Yunguo Liu	Independent Director	Male	57	Incumbent	18	No
Zhenxiong Qi	Supervisor	Male	53	Incumbent	106.68	No
Hua Wang	Supervisor	Male	36	Incumbent	52.21	No
Yongfang Mu	Supervisor	Female	34	Incumbent	63.99	No
Guoxiang Liu	Vice President (Deputy General Manager)	Male	54	Incumbent	212.23	No
Shaolin Yang	Vice President (Deputy General Manager) and Chief Financial Officer	Male	49	Incumbent	199.11	No
Xiewu Jiang	Vice President (Deputy General Manager)	Male	55	Incumbent	192.8	No
Guocheng Mi	Vice President (Deputy General Manager)	Male	51	Incumbent	200.65	No

Zhongzhu Chen	Vice President (Deputy General Manager)	Male	53	Incumbent	156.14	No
Mingzhong Chen	Vice President (Deputy General Manager)	Male	58	Incumbent	65.67	No
Jiantao Yang	Vice President (Deputy General Manager)	Male	54	Incumbent	88.99	No
Jing Wang	Vice President (Deputy General Manager)	Female	44	Incumbent	95.58	No
Zhijian Huang	Vice President (Deputy General Manager) and Board Secretary	Male	45	Incumbent	147.28	No
Total	--	--	--	--	2,340.37	--

Notes: 1. Yingzhuo Xu, Vice Chairman of the Board of the Company, has acted as General Manager of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. (hereinafter referred to as "Haihao Investment") since December 2021, and has been paid by Haihao Investment since 1 December 2021. He was not remunerated by the Company in 2022.

2. The table above is exclusive of a total of RMB 32.8397 million of share of the operating profit of the last three years and special bonuses that were granted in 2022 to Deputy General Managers Qi Cheng, Xueqiao Qian, Guoxiang Liu, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen, Jiantao Yang, Jing Wang and Zhijian Huang. The aforesaid amounts have been given to their personal accounts after deducting the individual income tax as required.

## VI. Performance of Duties by Directors in the Reporting Period

### 1. Board Meetings Convened in the Reporting Period

Meeting	Date of the meeting	Disclosure date	Resolutions
The 25 <sup>th</sup> Meeting of the Fifth Board of Directors	10 April 2022	12 April 2022	The following proposals were approved: 1. The Proposal on the 'Report on the Work of the Board of Directors for 2021' (《关于<公司 2021 年度董事会工作报告>的议案》); 2. The Proposal on the 'Report on the Work of the General Manager of the Company for the Year 2021' (《关于<公司 2021 年度总经理工作报告>的议案》); 3. The Proposal on the 'Annual Report of the Company for 2021' and its Abstract (《关于<公司 2021 年年度报告>及其摘要的议案》); 4. The Proposal on the 'Financial Final Report for 2021 of the Company' (《关于<公司 2021 年度财务决算报告>的议案》); 5. The Proposal on the Profit Appropriation Plan in 2021 (《关于 2021 年度利润分配预案的议案》); 6. The Proposal on the 'Internal Control Self-assessment Report of the Company in 2021' (《关于<公司 2021 年度内部控制自我评价报告>的议案》); 7. The Proposal on the 'Special Report on Deposit and Usage of Raised Funds of the Company in 2021' (《关于<公司 2021 年年度募集资金存放与使用情况的专项报告>的议案》); 8. The Proposal on the 'Corporate Social Responsibility Report 2021 of the Company' (《关于<公司 2021 年社会责任报告>的议案》); 9. The Proposal on Routine Related-party Transactions in 2022 (《关于 2022 年日常关联交易的议案》); 10. The Proposal on the External Guarantee (《关于对外提供担保的议案》); 11. The Proposal on the Application for Comprehensive Credit Line from Banks in 2022 (《关于 2022 年向银行申请综合授信额度的议案》); 12. The Proposal on Conducting Hedging Business in 2022 (《关于 2022 年开展套期保值业务的议案》); 13. The Proposal on the Cash Management of Part of Idle Funds Raised and Self-owned Funds (《关于使用部分闲置募集资金及自有资金进行现金管理的议案》); 14. The Proposal on Capital Increase to Majority-owned Subsidiary & the Related-party Transaction (《关于向控股子公司增资暨关联交易的议案》); 15. The Proposal on the Lease of Office Space & the Related-party Transaction (《关于租赁办公场地暨关联交易的议案》); 16. The Proposal on the Adjustment to Independent Director's Allowance (《关于调整独立董事津贴的议案》); 17. The Proposal on the 'Dividend Distribution Plan of Guangdong Haid Group Co., Limited for the Next Three Years (2022-2024)' (《关于<广东海大集团股份有限公司未来三年(2022-2024 年)分红回报规划>的议案》); 18. The Proposal on the 'First Quarter Report for 2022 of the Company' (《关于<公司 2022 年第一季度报告>的议案》); and 19. The Proposal on Convening the 2021 Annual General

			Meeting of Shareholders (《关于召开 2021 年年度股东大会的议案》).
The 26 <sup>th</sup> Meeting of the Fifth Board of Directors	19 April 2022	20 April 2022	The following proposals were approved: 1. The Proposal on the Company being Eligible for Private Placement of Shares (《关于公司符合非公开发行股票条件的议案》); 2. The Proposal on the Plan for Private Placement of A-stock Shares in 2022 (《关于公司 2022 年度非公开发行 A 股股票方案的议案》); 3. The Proposal on the 'Preliminary Plan of Guangdong Haid Group Co., Limited for Private Placement of A-stock Shares in 2022' (《关于<广东海大集团股份有限公司 2022 年度非公开发行 A 股股票预案>的议案》); 4. The Proposal on the Company and Certain Entity Signing a 'Conditional Share Subscription Agreement' & the Related-party Transaction (《关于公司与特定对象签署<附条件生效的股份认购协议>暨关联交易的议案》); 5. The Proposal on the 'Feasibility Analysis Report on the Use of Funds Raised in the Private Placement of A-stock Shares in 2022 of Guangdong Haid Group Co., Limited' (《关于<广东海大集团股份有限公司 2022 年度非公开发行 A 股股票募集资金使用可行性分析报告>的议案》); 6. The Proposal on the 'Report on the Use of the Previously Raised Funds of Guangdong Haid Group Co., Limited' (《关于<广东海大集团股份有限公司前次募集资金使用情况报告>的议案》); 7. The Proposal on the Impact of the Dilution of Immediate Returns as a Result of the Private Placement of A-stock Shares in 2022 on the Company's Key Financial Indicators and the Compensation Measures and the Undertakings of the Relevant Entities (《关于公司 2022 年度非公开发行 A 股股票摊薄即期回报对公司主要财务指标的影响与填补措施以及相关主体承诺的议案》); 8. The Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Relating to the Company's Private Placement of A-stock Shares in 2022 on a Discretionary Basis (《关于提请股东大会授权董事会全权办理公司 2022 年度非公开发行 A 股股票相关事宜的议案》); and 9. The Proposal on Convening the First Extraordinary General Meeting of Shareholders in 2022 (《关于召开 2022 年第一次临时股东大会的议案》).
The 27 <sup>th</sup> Meeting of the Fifth Board of Directors	16 May 2022	18 May 2022	The following proposals were approved: 1. The Proposal on the External Guarantee (《关于对外提供担保的议案》); 2. The Proposal on Changes to Accounting Policies and Estimates (《关于会计政策及会计估计变更的议案》); 3. The Proposal on the Adjustment to the Exercise Price for the 2021 Share Option Incentive Plan (《关于调整公司 2021 年股票期权激励计划行权价格的议案》); 4. The Proposal on Matters in Relation to the Grant of Reserved Share Options under the 2021 Share Option Incentive Plan (《关于公司 2021 年股票期权激励计划预留股票期权授予相关事项的议案》); 5. The Proposal on Applying for the Filing of an Open Debt Financing Plan (《关于申请备案挂牌债权融资计划的议案》); 6. The Proposal on Amendments to the 'Articles of Association' (《关于修订<公司章程>的议案》); 7. The Proposal on Amendments to the 'Rules of Procedure for General Meeting of Shareholders' (《关于修订<股东大会议事规则>的议案》); and 8. The Proposal on Convening the Second Extraordinary General Meeting of Shareholders in 2022 (《关于召开 2022 年第二次临时股东大会的议案》).
The 28 <sup>th</sup> Meeting of the Fifth Board of Directors	3 August 2022	4 August 2022	The following proposals were approved: 1. The Proposal on the Re-election of the Board of Directors (《关于董事会换届选举的议案》); 2. The Proposal on Adjustments to the Plan for the Private Placement of A-stock Shares in 2022 (《关于调整公司 2022 年度非公开发行 A 股股票方案的议案》); 3. The Proposal on the 'Preliminary Plan (Revised) of Guangdong Haid Group Co., Limited for Private Placement of A-stock Shares in 2022' (《关于<广东海大集团股份有限公司 2022 年度非公开发行 A 股股票预案 (修订稿)>的议案》); 4. The Proposal on the Company and Certain Entity Signing a 'Supplementary Agreement to the Conditional Share Subscription Agreement' & the Related-party Transaction (《关于公司与特定对象签署<附条件生效的股份认购协议之补充协议>暨关联交易的议案》); 5. The Proposal on the Impact of the Dilution of Immediate Returns as a Result of the Private Placement of A-stock Shares in 2022 on the Company's Key Financial Indicators and the Compensation Measures (Revised) (《关于公司 2022 年度非公开发行 A 股股票摊薄即期回报对公司主要财务指标的影响与填补措施 (修订稿) 的议案》); and 6. The Proposal on Convening the Third Extraordinary General Meeting of Shareholders in 2022 (《关于召开 2022 年第三次临时股东大会的议案》).
The First Meeting of the Sixth Board of Directors	19 August 2022	20 August 2022	The following proposals were approved: 1. The Proposal on the Election of the Chairman and Vice Chairman for the Sixth Board of Directors (《关于选举公司第六届董事会董事长及副董事长的议案》); 2. The Proposal on the Election of

			Members for the Specialized Committees under the Sixth Board of Directors (《关于选举公司第六届董事会专门委员会委员的议案》); 3. The Proposal on the Appointment of Senior Management (《关于聘任公司高级管理人员的议案》); 4. The Proposal on the Appointment of Securities Affairs Representative (《关于聘任公司证券事务代表的议案》); and 5. The Proposal on the Appointment of Head for Internal Audit (《关于聘任公司内审负责人的议案》).
The Second Meeting of the Sixth Board of Directors	26 August 2022	30 August 2022	The following proposals were approved: 1. The Proposal on the 'Semi-Annual Report of the Company for 2022' and its Abstract (《关于<公司 2022 年半年度报告>及其摘要的议案》); 2. The Proposal on the 'Special Report on Deposit and Usage of Raised Funds of the Company in the First Half of 2022' (《关于<公司 2022 年半年度募集资金存放与使用情况的专项报告>的议案》); and 3. The Proposal on Amendments to the Company's Certain Rules (《关于修订公司部分制度的议案》).
The Third Meeting of the Sixth Board of Directors	19 October 2022	21 October 2022	The following proposals were approved: 1. The Proposal on the 'Third Quarter Report for 2022 of the Company' (《关于<公司 2022 年第三季度报告>的议案》); 2. The Proposal on the Renewal of Appointment of Grant Thornton China (LLP) as the Audit Institution for 2022 of the Company (《关于续聘致同会计师事务所(特殊普通合伙)为公司 2022 年度审计机构的议案》); 3. The Proposal on the Routine Related-party Transactions (《关于日常关联交易的议案》); and 4. The Proposal on Convening the Fourth Extraordinary General Meeting of Shareholders in 2022 (《关于召开 2022 年第四次临时股东大会的议案》).
The Fourth Meeting of the Sixth Board of Directors	27 October 2022	28 October 2022	The following proposal was approved: 1. The Proposal on Adjusting the Foreign Exchange Hedging Business (《关于调整外汇套期保值业务的议案》).
The Fifth Meeting of the Sixth Board of Directors	12 December 2022	13 December 2022	The following proposals were approved: 1. The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》); 2. The Proposal on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的议案》); 3. The Proposal on the Provision of Guarantee for Subsidiary (《关于为子公司提供担保的议案》); 4. The Proposal on the External Guarantee (《关于对外提供担保的议案》); 5. The Proposal on the Application for Comprehensive Credit Line from Financial Institutions in 2023 (《关于 2023 年向金融机构申请综合授信额度的议案》); 6. The Proposal on the Formulation of the 'Rules for the Management of the Remunerations of Directors, Supervisors and Senior Management' (《关于制定<董事、监事和高级管理人员薪酬管理制度>的议案》); and 7. The Proposal on Convening the Fifth Extraordinary General Meeting of Shareholders in 2022 (《关于召开 2022 年第五次临时股东大会的议案》).

## 2. Attendances of Directors at Board Meetings and General Meetings

Attendances of directors at board meetings and general meetings							
Director	Due attendances at board meetings in Reporting Period	Attendances at board meetings on site	Attendances at board meetings by telecommunication	Attendances at board meetings through a proxy	Absences at board meetings	Not attending board meetings in person for twice in a row	Attendances at general meetings
Hua Xue	9	9	0	0	0	No	6
Yingzhuo Xu	9	8	1	0	0	No	2
Xueqiao Qian	9	9	0	0	0	No	2
Qi Cheng	9	9	0	0	0	No	2
Jianfang Gui	9	1	8	0	0	No	1
Jianguo He	9	6	3	0	0	No	2
Yunguo Liu	9	5	4	0	0	No	3

Explanation for any independent director not attending board meetings in person for twice in a row  
 None of the directors failed to attend board meetings in person for twice in a row in the reporting period.

### 3. Objections Raised by Directors on Matters of the Company

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

Yes  No

No such cases in the reporting period.

### 4. Other Information about Performance of Duties by Directors

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

Yes  No

Suggestions of directors adopted or not adopted by the Company

During the reporting period, all the directors of the Company carried out their work diligently and conscientiously in strict accordance with the Company Law (《公司法》), the Stock Listing Rules of the Shenzhen Stock Exchange (《深圳证券交易所股票上市规则》), the Articles of Association (《公司章程》), the Rules of Procedure for General Meetings of Shareholders (《股东大会议事规则》), and the Rules of Procedure of the Board of Directors (《董事会议事规则》). Based on the Company's reality, they put forward relevant opinions on the Company's major governance and operation decisions and reached consensuses through full communication and discussion. They resolutely supervised and promoted the implementation of the resolutions of the Board of Directors to ensure scientific, timely, and efficient decision-making and safeguard the legitimate rights and interests of the Company and all of its shareholders.

## VII. Performance of Duties by Specialized Committees under the Board of Directors in the Reporting Period

Committee	Members	Meetings convened	Date of the meeting	Topics of the meeting	Substantial opinion and recommendations put forward	Other activities	Details of objections (if any)
The Audit Committee	Yunguo Liu, Jianguo He and Jianfang Gui	7	10 April 2022	Communicated about the first draft of the 2021 Independent Auditor's Report	Discussed audit procedures carried out in the 2021 annual audit and the identification of key audit matters	None	None
			10 April 2022	The financial statements and the internal audit report for Q1 2022	None	None	None
			11 May 2022	Changes to accounting policies and estimates	Discussed the reasonableness, compliance and necessity of the changes to accounting policies and estimates	None	None
			16 August 2022	The financial statements and the internal audit report for Q2 2022, and nominated Mr. Wei Zeng as the Head for Internal Audit	Agreed to the appointment of Mr. Wei Zeng as the Head for Internal Audit	None	None
			13 October 2022	Appointed Independent Auditor for 2022	Agreed to re-appoint Grant Thornton China as the Independent Auditor for 2022	None	None

			13 October 2022	The financial statements and the internal audit report for Q3 2022	None	None	None
			14 December 2022	Changes to accounting policies	Discussed the changes to the accounting treatments for the sales of products or by-products produced in the course of research and development as stated in the Interpretation No. 15 for the Accounting Standards for Business Enterprises (《企业会计准则解释第15号》)	None	None
The Nomination Committee	Jianguo He, Yunguo Liu and Qi Cheng	3	18 July 2022	Nominated members for the Sixth Board of Directors	None	None	None
			13 August 2022	Reviewed the sixth senior management	None	None	None
			31 August 2022	Nominated core/key members of the Company	None	None	None
The Remuneration and Appraisal Committee	Yunguo Liu, Jianguo He and Yingzhuo Xu	2	31 March 2022	The post system and the remuneration system and plans, and adjusted the independent director's allowance	None	None	None
			11 May 2022	Discussed the adjustment to the price of the 2021 Share Option Incentive Plan and the grant of reserved share options to awardees	Discussed the legitimacy and eligibility of awardees for the reserved share options	None	None
	Yunguo Liu, Jianguo He and Xueqiao Qian	2	7 December 2022	Formulated the Rules for the Management of the Remunerations of Directors, Supervisors and Senior Management (《董事、监事和高级管理人员薪酬管理制度》)	Discussed the reasonableness of the remuneration system for directors and supervisors	None	None
			30 December 2022	Confirmed the second vesting under the Fourth Employee Stock Ownership Plan for Core Team	None	None	None
The Strategy Committee	Hua Xue, Yingzhuo Xu and Xueqiao Qian	3	31 March 2022	Discussed the plan for hedges in 2022 and factory-based aquaculture	Focused on the feasibility and risks of derivative investments	None	None
			10 April 2022	Discussed the private placement of shares to specific parties	Focused on the legitimacy and necessity of the private placement of shares to specific parties	None	None
			11 May 2022	Discussed the application for the	None	None	None

				filing of an open debt financing plan			
	Hua Xue, Yingzhuo Xu and Jianfang Gui	1	22 October 2022	Discussed adjustments to the plan for hedges in 2022	Focused on the necessity of adjustments to the limit of derivatives investment	None	None

## VIII. Performance of Duties by the Supervisory Committee

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

Yes  No

The Supervisory Committee raised no objections in the reporting period.

## IX Employees

### 1. Numbers, Functions and Educational Backgrounds of Employees

Number of in-service employees of Parent Company (Haid Group exclusive of subsidiaries) at the end of the period	2,355
Number of in-service employees of major subsidiaries at the end of the period	33,663
Total number of in-service employees at the end of the period	36,018
Total number of paid employees in Reporting Period	36,018
Number of retirees to whom Parent Company or its major subsidiaries need to pay retirement pension	0
<b>Functions</b>	
Function	Employees
Production	16,912
Sales	9,619
Technical	3,382
Financial	1,826
Administrative	3,403
Procurement	876
Total	36,018
<b>Educational backgrounds</b>	
Educational background	Employees
Doctoral degree	133
Master's degree	1,615
Bachelor's degree	7,426
Junior college	7,124
Senior high school, technical secondary school and below	19,720
Total	36,018

### 2. Employee Remuneration Policy

While strictly abiding by the Labor Law of the People's Republic of China (《中华人民共和国劳动法》), the Labor Contract Law of the People's Republic of China (《中华人民共和国劳动合同法》) and other national and local related laws, regulations, department rules and regulatory documents, the Company implements the following principles according to the characteristics of the industry and the Company's operations: persist in the principle of labor-based distribution combining duties, power and interests; implement the principle of linking income levels

with the Company's performance and work goals; implement the principle of integrating individual remuneration with the Company's long-term interests to ensure sustained and sound growth in main business, prevent short-term behaviors and promote the Company's sustained operations and development; stick to the principle of linking remuneration with performance appraisal with equal emphasis on incentive and restraint; give comprehensive consideration to market changes and market remuneration levels. The Company has established a reasonable post and remuneration system to provide employees with competitive salaries in the industry, link performance with remuneration, align employees' and the Company's interests, enhance staff awareness for team work and give full play to every employee's enthusiasm and creativity.

### 3. Employee Training Plans

The Company always emphasizes the development of human resources and talents with a firm belief that staff development is an important power and resource for the Company's continuous development. Haid College, the Company's functional department for talent development, has always closely followed the Group's strategies and the guidelines of the Group's business at the heart of talent development. It remains committed to the values of "All for your growth" and follows the principle of elite training and inclusive education to solve key problems for the development of the organization. Through the combination of online and offline working methods, it has kept exploring new modes for talent development.

In 2022, Haid College created a learning organization centering on creating value for customers. It continued to carry out the EDP Future Pilot Program, the IDP Core Executive Development Program, and the CFO Class. It has focused on its efforts to cultivate a team of managerial staff with cultural strategies, business operation, and leadership. Moreover, it has continuously strengthened and standardized cultural education for recruits from universities and society.

With increasing learning resources, the Company's platform for online learning, namely, "Haiwei", has accelerated the formation of the learning ecosystem. It has more than 8,000 online course resources, with approximately 30,000 online learners and a total of nearly 1,000,000 learning hours in the year.

The Company sees a lively atmosphere of talent development. It has put in place a resource system for talent development, and gradually improved the learning roadmaps of professional centers. The training systems for professional lines and divisions have gradually taken shape, which have become the performance highlights of HR and business managers. Executive development is in full swing and learning resources are increasing, creating a sound ecosystem of learning in Haid.

### 4. Labor Outsourcing

Applicable  Not applicable

## X. Profit Distribution and Capitalization of Capital Reserve

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

Applicable  Not applicable

According to the Proposal on the Preliminary Plan for the 2021 Profit Distribution (《关于2021年度利润分配预案的议案》) as approved at the 2021 Annual General Meeting of Shareholders convened on 9 May 2022, the distribution plan is as follows: The Company proposed to distribute RMB 1.50 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the company (parent company) available for distribution to shareholders as at 31 December 2021. The retained earnings will be carried forward to the following year. On 7 July 2022, the equity distribution was completed.

During the reporting period, the Company has formulated the Dividend Distribution Plan of the Company for the

Next Three Years (2022-2024) (《未来三年(2022-2024年)分红回报规划》) in accordance with the Guidelines No. 3 for the Regulation of Listed Companies—Cash Dividend of Listed Companies (《上市公司监管指引3号—上市公司现金分红》) and the Articles of Association (《公司章程》), among others.

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

Particulars of Cash Dividend Policy	
Whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting:	Yes
Whether the basis and ratio of the distribution of dividends are well-defined and clear:	Yes
Whether the relevant decision making procedure and system are sound:	Yes
Whether the independent directors have duly performed their duties and functions:	Yes
Whether there are enough opportunities for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc:	Yes
Whether the conditions and procedures are legal and transparent in respect of cash dividend policy with adjustments and changes:	N/A

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

Applicable  Not applicable

Proposals on profit distribution and capitalization of capital reserve during the reporting period

Applicable  Not applicable

Number of bonus share per 10 shares (share(s))	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	4.50
Share base of the distribution proposal (shares)	Total number of shares exclusive of the repurchased shares on the registration date when the plan is implemented in the future
Amount of cash dividend (RMB) (tax inclusive)	744,064,416.90
Amount of cash dividend distribution through other means (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other means) (RMB)	744,064,416.90
Distributable profits (RMB)	4,008,324,416.01
Total amount of cash dividends (including other means) as % of total profit distribution	100%

#### Cash dividend policy

For profit distribution of companies which are in the growth period with significant capital expenditure arrangement, the percentage for cash dividend shall represent at least 20% of the profits distribution for the current year

#### Particulars of profit distribution and capitalization of capital reserves

According to the audit report issued by Grant Thornton China (Special General Partnership), the Company (parent company) achieved a net profit of RMB 1,344,935,081.43 and made provision for statutory surplus reserves of RMB 84,149,723.65 as required by the Company Law (《公司法》), without allocation to discretionary revenue reserve in 2022. As at 31 December 2022, the profit available for distribution to shareholders amounted to RMB 4,008,324,416.01.

Based on the operating results of the Company in 2022, as well as the Company's business scale and future growth, the legitimate

demands of investors and continuous return to shareholders, the Company formulated the 2022 annual profit distribution plan as follows: The Company proposed to distribute RMB 4.50 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the Company (parent company) available for distribution to shareholders as at 31 December 2022. The retained earnings will be carried forward to the following year.

Where any change occurs to the Company's total share capital during the period from the disclosure of the distribution plan to its implementation due to reasons such as conversion of convertible corporate bonds to shares, share repurchases, exercise of equity incentives, and new offering of shares for re-financing, the dividend per 10 shares shall remain the same while the total amount of dividend shall be adjusted accordingly.

In order to look after the shareholders' immediate and long-term interests in a better way on the premise of guaranteeing the Company's normal operations and long-term development, the Company put forward the above-mentioned profit distribution plan. The preparation of the above-mentioned profit distribution plan is in line with the Company Law (《公司法》) and the Articles of Association (《公司章程》), and the Dividend Distribution Plan of the Company for the Next Three Years (2022-2024) (《未来三年(2022-2024年)分红回报规划》). The distribution plan is legal, compliant and reasonable and in line with the Company's distribution policy.

The independent directors of the Company expressed their independent opinions that the Company's 2022 profit distribution plan gives full consideration to the returns to investors and is in line with the actual situation of the company without any prejudice to the interests of shareholders, in particular minority shareholders. Therefore, they agreed to the 2022 profit distribution plan.

This proposal will be submitted to a general meeting of shareholders for final approval.

## XI. Implementation of the Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures of the Company

Applicable  Not applicable

### 1. Equity Incentives

#### ● Decision-making procedures and approval

On 6 April 2021, the Company convened the 17<sup>th</sup> Meeting of the Fifth Board of Directors to consider and approve the Proposal on the 2021 Share Option Incentive Plan (Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司2021年股票期权激励计划(草案)>及其摘要的议案》), the Proposal on the Management Methods for the Implementation and Appraisal for the 2021 Share Option Incentive Plan of Guangdong Haid Group Co., Limited (《关于<广东海大集团股份有限公司2021年股票期权激励计划实施考核管理办法>的议案》), and the Proposal on Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2021 Share Option Incentive Plan (《关于提请股东大会授权董事会办理公司2021年股票期权激励计划有关事项的议案》). On the same day, the Company convened the 13<sup>th</sup> Meeting of the Fifth Supervisory Committee to consider and approve the Proposal on the 2021 Share Option Incentive Plan (Draft) and Its Summary (《关于<公司2021年股票期权激励计划(草案)>及其摘要的议案》), the Proposal on the Management Methods for the Implementation and Appraisal for the 2021 Share Option Incentive Plan of Guangdong Haid Group Co., Limited (《关于<广东海大集团股份有限公司2021年股票期权激励计划实施考核管理办法>的议案》), and the Proposal on the Examination of the List of Awardees for the 2021 Share Option Incentive Plan (Draft) (《关于核查公司2021年股票期权激励计划(草案)激励对象名单的议案》).

On 29 April 2021, the Company convened the 19<sup>th</sup> Meeting of the Fifth Board of Directors to consider and approve the Proposal on the 2021 Share Option Incentive Plan (Revised Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司2021年股票期权激励计划(草案修订稿)>及其摘要的议案》), and the Proposal on Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2021 Share Option Incentive Plan (《关于提请股东大会授权董事会办理公司2021年股票期权激励计划有关事项的议案》). On the same day, the Company convened the 15<sup>th</sup> Meeting of the Fifth Supervisory Committee to consider and approve the Proposal on the 2021 Share Option Incentive Plan (Revised Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司2021年股票期权激励计划(草案修订稿)>及其摘要的议案》), and the Proposal on the Examination of the List of Awardees for the 2021 Share

Option Incentive Plan (Revised Draft) (《关于核查公司2021年股票期权激励计划（草案修订稿）激励对象名单的议案》).

On 7 April 2021 and 30 April 2021, the Company disclosed the List of Awardees for the First Grant under the 2021 Share Option Incentive Plan (Draft) (《2021年股票期权激励计划（草案）首次授予激励对象名单》) and the List of Awardees for the First Grant under the 2021 Share Option Incentive Plan (Revised Draft) (《2021年股票期权激励计划（草案修订稿）首次授予激励对象名单》) respectively on the website designated by China Securities Regulatory Commission (CSRC) for information disclosure. The Company publicized internally the names and positions of the awardees on the Company website for the period from 30 April 2021 to 13 May 2021, during which the Supervisory Committee received no objections regarding the publicized information. On 14 May 2021, the Company disclosed the Statement of the Supervisory Committee on the Examination and Publication Results of the List of Awardees for the 2021 Share Option Incentive Plan (《监事会关于2021年股票期权激励计划激励名单核查及公示情况的说明》). The Supervisory Committee was of the opinion that the awardees for the first grant under the incentive plan were all eligible, legitimate and valid according to the applicable laws, regulations and regulatory documents, as well as the awardee scope and conditions of the incentive plan.

On 20 May 2021, the Company convened the 2020 Annual General Meeting to consider and approve the 2021 Share Option Incentive Plan (Revised) (《2021年股票期权激励计划（修订稿）》), the Management Methods for the Implementation and Appraisal for the 2021 Share Option Incentive Plan (《2021年股票期权激励计划实施考核管理办法》) (hereinafter referred to as the “Appraisal and Management Methods” (《公司考核管理办法》)), and the Proposal on Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2021 Share Option Incentive Plan (《关于提请股东大会授权董事会办理公司2021年股票期权激励计划有关事项的议案》).

On 10 June 2021, the Company convened the 20<sup>th</sup> Meeting of the Fifth Board of Directors and the 16<sup>th</sup> Meeting of the Fifth Supervisory Committee to consider and approve the Proposal on Adjustments to the List of Awardees and the Numbers of Equities to Be Granted to Them in the First Grant under the 2021 Share Option Incentive Plan (《关于调整公司2021年股票期权激励计划首次授予激励对象名单及授予权益数量的议案》), and the Proposal on the Grant of Share Options to the Awardees for the First Grant under the 2021 Share Option Incentive Plan (《关于向公司2021年股票期权激励计划首次授予激励对象授予股票期权的议案》). As such, the list of awardees for the first grant under the incentive plan and the numbers of equities to be granted to them were adjusted. Meanwhile, it was decided that a total of 47,953,200 share options were to be granted to 4,003 eligible awardees on 10 June 2021 in the first grant under the incentive plan. The registration formalities with respect to the first grant under the 2021 Share Option Incentive Plan were completed on 28 June 2021.

Upon the completion of the 2020 annual equity distribution on 8 July 2021, the exercise price for the first grant and the reserve grant under the 2021 Share Option Incentive Plan would be adjusted from RMB 59.68/share to RMB 59.36/share, and the said adjustment is subject to final approval by the Board of Directors.

On 16 May 2022, the Company convened the 27<sup>th</sup> Meeting of the Fifth Board of Directors and the 23<sup>th</sup> Meeting of the Fifth Supervisory Committee to consider and approve the Proposal on the Adjustment to the Exercise Price for the 2021 Share Option Incentive Plan (《关于调整公司2021年股票期权激励计划行权价格的议案》) and the Proposal on Matters in Relation to the Grant of Reserved Share Options under the 2021 Share Option Incentive Plan (《关于公司2021年股票期权激励计划预留股票期权授予相关事项的议案》). As such, due to the implementation of the 2020 annual equity distribution, the exercise price for the first grant and the reserve grant under the 2021 Share Option Incentive Plan was adjusted from RMB 59.68/share to RMB 59.36/share; and it was agreed that a total of 6.8251 million reserved share options should be granted to 1,044 eligible awardees at the exercise price of RMB 59.36/share on 16 May 2022 under the 2021 Share Option Incentive Plan. The registration formalities with respect to the grant of reserved share options under the 2021 Share Option Incentive Plan were completed on 24 June 2022.

- Implementation during the reporting period

During the reporting period, due to the implementation of the 2020 annual equity distribution, the exercise price for the first grant and the reserve grant under the 2021 Share Option Incentive Plan was adjusted from RMB 59.68/share

to RMB 59.36/share; and a total of 6.8251 million reserved share options were granted to 1,044 eligible awardees at the exercise price of RMB 59.36/share on 16 May 2022. The registration formalities with respect to the grant of reserved share options under the 2021 Share Option Incentive Plan were completed on 24 June 2022.

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

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

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

Equity incentives for directors and senior management

Applicable  Not applicable

Unit: share

Name	Office title	Share options held at the beginning of the reporting period	Share options granted in the reporting period	Exercisable share options for the reporting period	Exercised share options in the reporting period	Exercise price for exercised share options in the reporting period (RMB / share)	Share options held at the end of the reporting period	Market price at the end of the reporting period (RMB / share)	Restricted shares held at the beginning of the reporting period	Shares unlocked in the reporting period	Restricted shares granted in the reporting period	Grant price of the restricted shares (RMB/share)	Restricted shares held at the end of the reporting period
Qi Cheng	Director and Executive Vice President	100,000.00					100,000.00	61.73					
Xueqi Qian	Director, Vice President and Chief Engineer	90,000.00					90,000.00	61.73					
Guoxiang Liu	Vice President	80,000.00					80,000.00	61.73					
Shaolin Yang	Vice President and CFO	90,000.00					90,000.00	61.73					
Xiewu Jiang	Vice President	80,000.00					80,000.00	61.73					
Guocheng Mi	Vice President	80,000.00					80,000.00	61.73					
Zhongzhu Chen	Vice President	100,000.00					100,000.00	61.73					

Jing Wang	Vice President	70,000.00					70,000.00	61.73					
Zhijian Huan	Vice President and Board Secretary	90,000.00					90,000.00	61.73					
Total	--	780,000.00	0	0	0	--	780,000.00	--	0	0	0	--	0
Notes (if any)	The share options held at the beginning and the end of the reporting period by the directors and senior management in the table above were all granted under the 2021 Share Option Incentive Plan for which the exercise conditions were unmet as of the end of the reporting period.												

### Appraisal mechanism and incentives for senior management

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

## 2. Employee stock ownership plans

Applicable  Not applicable

Outstanding employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total shares held	Change	As a percentage of the Company's total share capital	Funding source
The awardees for the Third Employee Stock Ownership Plan are key personnel that play a significant role in the Company's operating performance and mid- and long-term development.	No more than 30	888,500.00	None	0.05%	The special fund established by the Company for the employee stock ownership plan
The awardees for the Fourth Employee Stock Ownership Plan are key personnel that play a significant role in the Company's operating performance and mid- and long-term development.	No more than 30	1,194,582.00	None	0.07%	The special fund established by the Company for the employee stock ownership plan

Shares held by directors, supervisors and senior management under employee stock ownership plans during the reporting period

Name	Office title	Shares held at the beginning of the reporting period	Shares held at the end of the reporting period	As a percentage of the Company's total share capital
Qi Cheng	Director and Executive Vice President (Deputy General Manager)	1,428,500.00	800,000.00	0.05%
Xueqiao Qian	Director, Vice President (Deputy General Manager) and Chief Engineer			
Guoxiang Liu	Vice President (Deputy General Manager)			
Shaolin Yang	Vice President (Deputy General Manager) and CFO			

Xiewu Jiang	Vice President (Deputy General Manager)			
Guocheng Mi	Vice President (Deputy General Manager)			
Zhongzhu Chen	Vice President (Deputy General Manager)			
Jing Wang	Vice President (Deputy General Manager)			
Zhijian Huang	Vice President (Deputy General Manager) and Board Secretary			

Change of asset management organizations during the reporting period

Applicable  Not applicable

Equity changes incurred by disposal of shares by holders, etc. during the reporting period

Applicable  Not applicable

As of 29 December 2022, all the shares held under the Third Employee Stock Ownership Plan (888,500 shares, accounting for 0.05% of the Company's total share capital at the end of the reporting period) had been sold on the open market. For further information, see the Announcement on the Sale of the Shares under the Third Employee Stock Ownership Plan for Core Team & the Early Termination of the Plan (《关于核心团队员工持股计划之三期计划出售完毕暨提前终止的公告》) (Announcement No. 2022-109), which has been disclosed on the media designated for information disclosure, namely, the Securities Times (《证券时报》), China Securities Journal (《中国证券报》), Shanghai Securities News (《上海证券报》), Securities Daily (《证券日报》), and <http://www.cninfo.com.cn> dated 31 December 2022.

Exercise of shareholder rights during the reporting period

During the reporting period, the awardees under the Third and Fourth Employee Stock Ownership Plans attended the First Extraordinary General Meeting of Shareholders in 2022 and exercised their rights as shareholders through online voting. All of them voted in favour of the proposals considered at the meeting.

Other information about employee stock ownership plans during the reporting period

Applicable  Not applicable

Changes in members of the management committees for employee stock ownership plans

Applicable  Not applicable

Financial impact of employee stock ownership plans on the Company during the reporting period and the relevant accounting treatments

Applicable  Not applicable

According to relevant provisions under the Accounting Standards for Business Enterprises No. 11 - Share-based Payments (《企业会计准则第 11 号——股份支付》), for equity-settled share-based payments in exchange for employee services that are exercisable upon completion of the service within the vesting period or upon achievement of prescribed performance conditions, the services acquired during the period should be charged to the relevant cost or expense and capital reserve at each balance sheet date within the vesting period, based on the best estimate of the number of exercisable equity instruments and at the fair value of the equity instruments at the date of grant. The amortisation of expenses for the employee stock ownership plan implemented by the Company in 2022 stood at RMB 28.8805 million and was charged to the relevant expense account and capital reserve.

Termination of employee stock ownership plans during the reporting period

Applicable  Not applicable

During the reporting period, all the shares held under the Third Employee Stock Ownership Plan were sold. As per

the CSRC's Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans in Listed Companies (《关于上市公司实施员工持股计划试点的指导意见》), the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—the Standard Operation of Main Board Listed Companies (《深圳证券交易所上市公司自律监管指引第1号——主板上市公司规范运作》), and the Company's Third Employee Stock Ownership Plan for Core Team (《核心团队员工持股计划之三期计划》), the Company convened a meeting of the holders under the Third Employee Stock Ownership Plan on 9 February 2023, at which the Proposal on the Liquidation Report for the Third Employee Stock Ownership Plan for Core Team (《关于〈核心团队员工持股计划三期计划清算报告〉的议案》), and the Proposal on the Termination of the Third Employee Stock Ownership Plan (《关于终止三期持股计划的议案》). As such, the early termination of the Third Employee Stock Ownership Plan was approved upon the completion of the implementation of the plan.

Other information

None.

### 3. Other Employee Incentive Measures

Applicable  Not applicable

## XII. Establishment and Implementation of the Internal Control System during the Reporting Period

### 1. Establishment and Implementation of the Internal Control System

#### (I) Control environment

The Company has set up a favorable governance structure and organization structure and relevant control systems. It attaches great importance to the favorable corporate culture and has formed a relatively complete internal control system in terms of business management, capital management, accounting information system management, human resources and compensation management, information communication, and disclosure management.

#### (1) Governance structure

According to the requirements of relevant laws, regulations, and the Articles of Association (《公司章程》), the Company has set up the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee (hereinafter referred to as the "Three Meetings") and the Senior Management. Furthermore, it has specified their rights and obligations in the Articles of Association and formulated the rules of procedure to ensure the explicit division of labor and the fulfillment of their duties and responsibilities.

The General Meeting of Shareholders is the high authority of the Company, which enjoys the legal rights stipulated by laws and regulations and the Articles of Association. It shall, strictly by the law, exercise its right to vote for major events such as the management principle of the Company, fund-raising, investment, and profit appropriation.

During the Reporting Period, the Company can hold "Three Meetings" on schedule according to the provisions of relevant laws, regulations, and the Articles of Association. The documents for "Three Meetings" are complete and filed. The decision-making process for major investment and financing has fulfilled the rules of procedure of the Articles of Association and relevant rules. All the directors have attended the meetings with a diligent and responsible attitude and practically fulfilled their obligations. The Supervisory Committee has played its role by adopting certain ways of supervision. The Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee of the Board of Directors have driven the Board of Directors to make scientific and efficient decisions. Moreover, the resolutions of "Three Meetings" are well implemented. The General Manager regularly organized and held manager meetings, conducted production and business operations, instructed, coordinated, managed, and supervised the Company's functional departments and holding subsidiaries, ensuring the normal business operation of the Company.

## (2) Organizational structure

Based on the demand of principal business and management, the Company set up the President's Room, Procurement Center, Haid College, Haid Research Institute, Marketing Center, Human Resource Center, Financial Center, Operation and Development Center, Process and Information Management Center, Securities Department, the President's Office, Party Working Committee Office, Project Management Office, Audit Center and other functional departments. Each functional department has its specific division of labor. They fulfill their duties and responsibilities while they mutually counterbalance and supervise. Based on the Company's business progress, the Company continues to fully research and improve the core and key work tasks of each functional department so as to improve the efficiency of the organization and refine the management and control mechanism.

## (3) Development strategy

The Strategy Committee of the Board of Directors is responsible for the formulation of the Company's development strategies to instruct the Company's long-term and robust development. The Strategy Committee held meetings regularly or irregularly to deliberate major strategic plans for the Company's development and adjust the Company's development objectives properly. The Company's business management team will formulate corresponding objectives according to the strategic plans determined by the Strategy Committee and the divisions, branches, and subsidiaries will formulate their development objectives accordingly.

## (4) Corporate culture

The Company attaches great importance to the development of corporate culture. It fosters positive values and a sense of social responsibility, advocates honesty, trustworthiness, dedication, and innovation, highlights customer value, and focuses on employee growth and the spirit of teamwork. It adopts many approaches, such as regular internal meetings, internal newspapers and publications, the Company's website, forum, the campaign of rationalization proposal, and employee training, to penetrate the Company's values into the Company. In addition, it has proactively arranged various themed activities to enhance employees' cohesion and team spirit, thus promoting the development of corporate culture. Corporate culture has gradually become the value guidance for the Company's operating and management activities.

## (5) Procedures and systems

The Company formulates tailored systematic systems and procedures for the professional work of specialized departments, implements them throughout the Company, and improves the Company's duplicating and controlling capability of management. For instance, the Company has developed and continued to improve policies, such as talent recruitment, talent development, talent promotion, appraisal, remuneration, and incentive. In terms of internal control, it has set up and refined the capital plan management system, comprehensive budget management system, accounts receivable management system, fixed asset management system, expense management system, contract management system, future foreign exchange settlement management system, and internal audit system, etc. The management systems are annually reviewed, discussed, and upgraded by the Company so as to make them more adaptable to the Company's business and play the role in guiding and restraining the Company's business.

## (6) Internal supervision

Under the leadership of the Board of Directors and the Audit Committee, the Company sets up the Audit Center, which is independent of other departments of the Company. The Audit Center conducts internal audits of the internal control and financial situation of the Company and its holding subsidiaries through a combination of continuous and special supervision and inspections. The internal audits can inspect and supervise the establishment and implementation of the Company's internal control systems, the authenticity and integrity of financial information, and the efficiency and effectiveness of operating activities.

## (7) Information communication

The Company has set up an information and communication system to clarify the procedures for collecting, processing, and transmitting relevant information of internal control so as to ensure the timely communication of such information, thus promoting the effective operation of internal control.

A. The unblocked information collection channels. Internal information can be accessed by the Company through many channels, including financial and accounting data, operation management data, investigation reports, special information, internal publications, EPS, ERP/SAP, and financial sharing system. In addition, the Company can access external information through trade associations and organizations, social intermediary organizations, customers and suppliers, market surveys, letters and visits, network media, and relevant regulatory authorities.

B. The timely information transmission procedures. The Company can communicate and feedback relevant information on internal control among internal management hierarchies, responsible departments, business links, internal and external investors, creditors, customers, suppliers, intermediary agencies, and regulatory authorities promptly. In case of any problems identified from the course of information communication, the Company can timely report and solve such problems. Important information can be reported timely to the Board of Directors, the Supervisory Committee, and the Management.

C. The safe operation of information systems. The Company has set up control systems related to the development and maintenance, access and change, data input and output, document storage, and cyber security of information systems so as to ensure the safe and stable operation of such systems. The Company also monitors and reviews the logistics and capital flow of branches and subsidiaries through the information system. All data of branches and subsidiaries are dually duplicated. The Process and Information Management Center will cross-examine the data of the Group, branches, and subsidiaries regularly and irregularly. In addition, the Financial Center has assigned dedicated personnel to conduct random inspections for data of information systems of branches and subsidiaries in real-time.

#### (8) Human resources management

In accordance with the provisions of the Labor Law (《劳动法》) and relevant laws and regulations, the Company has established complete management systems in terms of the recruitment, allocation, compensation, training, performance management, and promotion of human resources. The Company adheres to the people-oriented principle and signs labor contracts with all employees. The employees' sense of belonging and sense of mission has been enhanced through the implementation of the performance appraisal system, motivating their enthusiasm for work. The stable growth of the Company's operating results and employees' income has been achieved, laying a foundation for the Company's sustainable development.

#### (II) Risk assessment

##### (1) Risk identification and analysis

The Company has a strong sense of risk prevention. It attaches great importance to the identification of risks in advance. It solicits extensive opinions of relevant parties on all major business decisions. Furthermore, the Company conducts comprehensive assessments of operating, financial, industrial, and market risks through legal assessment and contract review, and joint signature. It also develops corresponding risk management measures, thus forming a relatively refined risk management mechanism.

Meanwhile, the Company continues to collect information related to risk change based on the market situation and business expansion for risk identification and analysis so as to adjust risk response strategies in time.

##### (2) Risk control

The Company has developed relatively complete provisions of risk control management to carry out the pre-event assessment, in-event supervision, and post-event appraisal for the determination of the Company's financial structure, the arrangement of financing structure, the estimation of financing cost, and the repayment plan for financing. Feasible research must be conducted for all kinds of investments and the approval authority is determined according to the project size and the amount required. Contingency plans are formulated to cope with any negative factors that might occur in the course of investment. The early warning system of financial risks and management system of business contracts have been established to enhance the assessment and control over credit risks and contract risks.

#### (III) Control activities

In order to reasonably guarantee the realization of all objectives, the Company has set up relevant control policies and procedures, which mainly include: The approval control of transaction authorization, separate control of incompatible duties, voucher and record control, property preservation control, independent inspection control, electronic information system control, complete budgetary control, external guarantee control, information disclosure control, and the monitoring of control.

#### (1) The approval control of transaction authorization

It has specified the scope, authority, procedures, responsibilities, and other relevant contents of the authorized approval. All internal Management levels of the Company must exercise their functional authorities within their authorized scope and the handling personnel must handle businesses with their authorities as well.

Based on the amount and nature of transactions, the Company has categorized the transaction authorization into two levels, which are, general authorization and special authorization. In terms of general transactions, such as purchase and sale and the reimbursement of routine expenses, the Company adopts the hierarchical approval system involving the responsible accountant, department head, financial manager, general manager, and chairman so as to ensure that all businesses are approved according to procedures. In terms of non-conventional transactions, such as related party transactions, major acquisitions, significant capital expenditure, stock issuance, bond issuance, and other major transactions, must be approved by the Board of Directors or the General Meeting of Shareholders. The hierarchical authorization has been conducted for transactions in different natures, thus effectively controlling risks.

#### (2) The separate control of incompatible duties

It has set up the system of assigning responsibility by position and internal check system and formulated the position responsibilities of each constituent department and its personnel through the division of authorities and responsibilities, thus avoiding mistakes and corrupt practices. Based on reasonable labor of division and scientific division of responsibilities and authorities, the incompatible duties can be separated and each person can automatically check the work of the other person or multiple persons, thus taking shape of the mechanism of mutual check and balance. The incompatible duties mainly include: Authorized approval, business handling, accounting record, property preservation, supervision, and inspections.

#### (3) Voucher and record control

The Company strictly reviews original vouchers and reasonably formulates the transfer procedures of vouchers. Vouchers of transactions must be formulated and submitted to the accounting department for recording in time. The registered vouchers must be filed orderly.

#### (4) Property preservation control

Unauthorized personnel is strictly restrained from direct access to properties. Measures, such as periodic inventory, property record, reconciliation of book balance and actual amount, and property insurance, are adopted to ensure the security and integrity of various properties.

#### (5) Independent inspection control

A dedicated internal audit institution has been set up. The responsibilities and authorities of the internal supervision for the internal audit institution and other internal institutions have been clarified. Meanwhile, the procedures, methods, and requirements of internal supervision and the scope and frequency of daily supervision and special supervision have been specified. The nature and cause of deficiencies in internal control identified from supervision can be analyzed in time. Furthermore, remediation plans can be put forward in time. Such deficiencies and corresponding remediation plans can be promptly reported to the Board of Directors, the Supervisory Committee, or the Management in proper form.

#### (6) Electronic information system control

The Company has developed stricter policies for electronic information system control. Greater efforts have been made in terms of the development and maintenance of electronic information systems, data input and output, and

document storage.

(7) Complete budgetary control

The Company has carried out the complete budgetary management to strictly control the off-budget capital expenditure. The financial sharing system and dedicated personnel will supervise, analyze, and appraise the implementation of the budget. All divisions/branches and subsidiaries/business departments will formulate budgetary plans annually, which will be regularly analyzed by the financial department so as to restrain such budget.

(8) External guarantee control

The Company controls the external guarantee in accordance with the law-based, prudent, mutually beneficial, and safe principle so as to strictly prevent risks caused by the guarantee. The Company has formulated relevant management systems to reasonably ensure the authenticity and integrity of guarantee business and the legitimacy and compliance of review procedures.

(9) Information disclosure control

The Company has developed the Information Disclosure System (《信息披露制度》), the Internal Reporting System of Material Information (《重大信息内部报告制度》), and the Accountability Policy for Material Errors in Information Disclosure of the Annual Report (《年报信息披露重大差错责任追究制度》). The systems have specified the responsible person, principle, and main contents of information disclosure, the disclosure, working procedure, management, and accountability mechanism of major events, and the measures to deal with employees violating rules.

The Company has strictly fulfilled the information disclosure obligations according to relevant laws, regulations, and rules to disclose information truthfully, accurately, completely, and timely, thus ensuring that all shareholders have an equal opportunity to obtain information.

(10) The monitoring of control

The Company checks the implementation of internal control systems regularly and irregularly, which mainly includes: The inspection of the Board of Directors of the Company, the inspection of the Audit Committee, and the inspection of internal audit departments. All these inspections can ensure the effective operation of internal control activities.

Through the inspection and supervision activities of internal control and the effective measures for the problems identified from the inspection of regulatory authorities, the Company continues to supervise and inspect business activities and the implementation of main internal control systems and continuously puts forward opinions and suggestions on improvement. All these efforts have effectively prevented the risks of internal control and safeguarded the normal operation of business management activities. It has played important roles in guiding and driving the enhancement of standardized operation, refinement of corporate governance, and improvement of management level.

## 2. Material Internal Control Deficiencies Identified for the Reporting Period

Yes  No

### XIII. The Company's Management and Control of Subsidiaries during the Reporting Period

Company name	Consolidation plan	Consolidation progress	Problems arising in consolidation	Solutions taken	Solution implementation progress	Subsequent solutions
Bobai Haihe Veterinary Medicine Co.,	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the	Completed	N/A	N/A	N/A	N/A

Ltd.	Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.					
Changde Haide Veterinary Medicine Operation Co., Ltd.	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.	Completed	N/A	N/A	N/A	N/A
Suixi Haihe Veterinary Medicine Co., Ltd.	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.	Completed	N/A	N/A	N/A	N/A
Yangchun Haihe Veterinary Medicine Co., Ltd.	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.	Completed	N/A	N/A	N/A	N/A
Luoding Haihe Veterinary Medicine Co., Ltd.	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.	Completed	N/A	N/A	N/A	N/A

#### XIV. Self-Assessment Report or Independent Auditor's Report on Internal Control

##### 1. Internal Control Self-Assessment Report

Disclosure date of internal control self-assessment report	25 April 2023	
Index to disclosed internal control self-assessment report	www.cninfo.com.cn	
Assessed entities' combined assets as a percentage of consolidated total assets	100.00%	
Assessed entities' combined operating income as a percentage of consolidated operating income	100.00%	
Internal control deficiency identification standards		
Type	Financial-reporting related	Non-financial-reporting related
Nature standard	A material deficiency refers to a deficiency or a deficiency group that consists of multiple deficiencies that may cause a great deviation from the control objective. It is considered a material financial-reporting internal control	Material deficiencies: (1) The internal control environment is invalid; (2) Any leak of insider information about any investment in external parties, asset restructuring, etc. against regulations

	<p>deficiency if any of the following cases occurs: (1) Any of the Company's directors, supervisors or senior management is involved in a serious fraud; (2) The Company corrects its disclosed financial statements for multiple times; (3) certified public accountants identifies a material misstatement in the current financial statements which the Company has failed to identify during its internal control process; or (4) The Company's Audit Committee and internal audit organ maintain invalid supervision over internal control.</p> <p>A serious deficiency refers to a single deficiency or a deficiency group including other deficiencies that is less serious than a material deficiency but may still cause a deviation from the control objective. It is considered a serious financial-reporting internal control deficiency if any of the following cases occurs: (1) The Company does not select and adopt its accounting policies as per the generally accepted accounting standards; (2) The Company does not formulate anti-fraud procedures or control measures; (3) The Company has no control systems for the accounting treatment of non-conventional or special transactions; or (4) There are one or multiple deficiencies in controls over the financial reporting process and there is no reasonable assurance that the financial statements prepared are truthful and accurate.</p> <p>An ordinary deficiency refers to any deficiency that is neither a material deficiency nor a serious deficiency.</p>	<p>causes any severe fluctuations in the Company's stock price or any materially adverse impact on the Company's image; (3) The violation of the Company's decision-making procedure in any significant event causes a significant economic loss to the Company; or (4) The independent auditor identifies any other material deficiencies in the Company.</p> <p>Serious deficiencies: (1) The Company provides any guarantee or conducts any derivative financial instrument transaction without due authorization or performance of the corresponding information disclosure duty; (2) A severe loss of key talent occurs; (3) The Company is punished or a materially adverse impact is made to its image due to deviation from governing policies, measurement errors, etc.; (4) The independent auditor identifies any other serious deficiencies in the Company.</p> <p>An ordinary deficiency refers to any deficiency that is neither a material deficiency nor a serious deficiency.</p>
Quantitative standard	<p>Material deficiency: misstated amount &gt; 3% of profit before income tax, misstated amount &gt; 3% of net asset value.</p> <p>Serious deficiency: 1% of profit before income tax &lt; misstated amount ≤ 3% of profit before income tax, 1% of net asset value &lt; misstated amount ≤ 3% of net asset value.</p> <p>Ordinary deficiency: misstated amount ≤ 1% of profit before income tax, misstated amount ≤ 1% of net asset value.</p>	<p>Material deficiency: Direct loss caused to the Company (hereinafter referred to as "loss amount") &gt; 3% of profit before income tax, loss amount &gt; 3% of net asset value.</p> <p>Serious deficiency: 1% of profit before income tax &lt; loss amount ≤ 3% of profit before income tax, 1% of net asset value &lt; loss amount ≤ 3% of net asset value.</p> <p>Ordinary deficiency: loss amount ≤ 1% of profit before income tax, loss amount ≤ 1% of net asset value.</p>
Number of material financial-reporting internal control deficiencies	0	
Number of material non-financial-reporting internal control deficiencies	0	
Number of serious financial-reporting internal control deficiencies	0	
Number of serious non-financial-reporting internal control deficiencies	0	

## 2. Independent Auditor's Report on Internal Control

Applicable  Not applicable

Opinion paragraph
The Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2022, based

on the Basic Rules on Enterprise Internal Control (《企业内部控制基本规范》) and other applicable regulations.	
Report disclosed or not	Disclosed
Disclosure date	25 April 2023
Index to the disclosed report	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
Type of opinion	Unmodified unqualified opinion
Material defects in internal control not related to financial reporting	No

Indicate whether any modified opinion is expressed in the Independent Auditor's Report on Internal Control

Yes  No

Indicate whether the Independent Auditor's Report on Internal Control is consistent with the internal control self-assessment report issued by the Company's Board of Directors

Yes  No

## **XV. Remediation of Problems Identified by Self-inspection in the Special Action on the Governance of Listed Companies**

Not applicable.

## Section V. Environmental and Social Responsibility

### I. Material Environmental Issues

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

Yes  No

Policies and industry standards on environmental protection

The Company has been in strict compliance with the applicable laws, regulations, policies and industry standards, including the Law of the People's Republic of China on Environmental Protection (《中华人民共和国环境保护法》), the Law of the People's Republic of China on Prevention and Control of Water Pollution (《中华人民共和国水污染防治法》), the Law of the People's Republic of China on Prevention and Control of Air Pollution (《中华人民共和国大气污染防治法》), the Law of the People's Republic of China on Prevention and Control of Noise Pollution (《中华人民共和国噪声污染防治法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中华人民共和国固体废物污染环境防治法》), the Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》), the Integrated Emission Standard of Air Pollutants (《大气污染物综合排放标准》), the Emission Standards for Odor Pollutants (《恶臭污染物排放标准》), the Standard for Fugitive Emission of Volatile Organic Compounds (挥发性有机物无组织排放控制标准), and the Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水污染物排放标准》).

Administrative licenses of environmental protection

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

Industry discharge standards and discharge of pollutants in production and operation

Name of the company or subsidiary	Types of major pollutants and characteristic pollutants	Names of major pollutants and characteristic pollutants	Discharge method	The number of discharge outlets	Distribution of discharge outlets	The concentration/intensity of the discharge	Pollutant discharge standards	Total discharge	Total discharge approved	Excess discharge
Guangzhou Haiwei Feed Co., Ltd.	Waste gas; Waste water	Waste gas: Particulate matter; SO <sub>2</sub> ; NO <sub>x</sub> ; Mercury and its compounds; Flue gas blackness; Waste water: BOD; COD; Suspended matter; Ammonia nitrogen; Animal	Waste gas from boilers discharged after being treated with a bagged pulse dust collector, production odour gas through an odour treatment system (pre-spraying + biofilter +	Waste gas: 4; Waste water: 1	Boiler chimney; Canteen chimney; Workshop waste gas treatment plant outlet; Waste water: External sewer	Particulate matter: 20mg/m <sup>3</sup> ; SO <sub>2</sub> : 35mg/m <sup>3</sup> ; NO <sub>x</sub> : 150mg/m <sup>3</sup> ; Mercury and its compounds: 0.05 mg/m <sup>3</sup> ; Flue gas blackness: 1; BOD: 20mg/L; COD:	Emission Standard of Air Pollutants for Boilers (Guangdong Province) (《锅炉大气污染物排放标准 (广东省)》) (DB-44/765-2019); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (GB 13271-2014); Emission Limits	SO <sub>2</sub> : 0.118t/a; NO <sub>x</sub> : 1.769t/a; Particulate matter: 0.393t/a; COD: 0.087 t/a; BOD: 0.019 t/a; Ammonia nitrogen: 0.010 t/a; Animal	SO <sub>2</sub> : 0.118t/a; NO <sub>x</sub> : 1.769t/a; Particulate matter: 0.393t/a; COD: 0.087 t/a; BOD: 0.019 t/a; Ammonia nitrogen: 0.010 t/a; Animal	None

		and vegetable oils	absorption tower), kitchen fumes treated by electrostatic fume treatment devices and discharged from the exhaust pipe Waste water: discharged into the municipal network upon meeting the standard through three levels of treatment ponds			90mg/L; Suspended matter: 60 mg/L; Ammonia nitrogen: 15mg/L; PH: 6-9mg/L; Animal and vegetable oils: 10mg/L	of Air Pollutants (《大气污染物排放值》)(DB-44/27-2001); Discharge Limits of Water Pollutants of Guangdong Province (广东省水污染排放限值)(DB-44/26-2001)	0.058 t/a; Ammonia nitrogen: 0.010 t/a; Animal and vegetable oils: 0.010t/a	vegetable oils: 0.010t/a	
Fujian Haisheng Feed Co., Ltd.	Waste gas; Waste water	Waste water: Total phosphorus; Total nitrogen; COD; Ammonia nitrogen; PH; Suspended matter Waste gas: Particulate matter; SO <sub>2</sub> ; NO <sub>x</sub> ; Flue gas	Waste gas from boilers discharged after being treated with a bagged pulse dust collector, production odour gas through two odour treatment systems (acid + alkali spray scrubbing)	3	Boiler chimney; Waste gas treatment plant outlet in Workshop 1; Waste gas treatment plant outlet in Workshop 3	Particulate matter: 20mg/m <sup>3</sup> ; SO <sub>2</sub> : 0.6mg/m <sup>3</sup> ; NO <sub>x</sub> : 150mg/m <sup>3</sup> ; Mercury and its compounds: 0.05 mg/m <sup>3</sup> ; Flue gas blackness: 1	Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》)(GB13271-2001); Emission Limits of Air Pollutants (《大气污染物排放值》)(GB13223-2011)	COD: 3.14t/a; Suspended matter: 1.82t/a; Ammonia nitrogen: 0.2t/a; Total nitrogen: 2.52t/a; Total phosphorus: 0.11t/a	COD: 3.14t/a; Suspended matter: 1.82t/a; Ammonia nitrogen: 0.2t/a; Total nitrogen: 2.52t/a; Total phosphorus: 0.11t/a	None
Sichuan Hailinger Biopharmaceutical Co., Ltd.	Waste gas; Waste water	Waste gas: Odour concentration; Ammonia/Ammonia gas; Hydrogen sulphide; SO <sub>2</sub> ; Particulate matter; NO <sub>x</sub> ; Flue gas blackness Waste water: PH; Ammonia nitrogen; COD; Total phosphorus	Low nitrogen combustion device; activated carbon adsorption device; low nitrogen combustion device; high efficiency + activated carbon adsorption device Waste water treatment station, adopting a hydrolysis acidification + anoxic + aerobic process, discharged	5	Boiler outlets; animal house outlets; sewage treatment station outlets	Odour: 131 (dimensionless); Ammonia/Ammonia gas: 0.52mg/m <sup>3</sup> ; Hydrogen sulphide: <0.01mg/m <sup>3</sup> ; SO <sub>2</sub> : <3; Particulate matter: < 1.2mg/m <sup>3</sup> ; NO <sub>x</sub> : 28mg/m <sup>3</sup> ; Flue gas blackness: <Level 1; PH: 7.24; Ammonia nitrogen: 10.41mg/L; COD: 11.3mg/L; Total phosphorus	Emission Standards for Odor Pollutants GB14554-93 (《恶臭污染物排放标准 GB14554-93》); Emission Standard of Air Pollutants for Boilers for Chengdu DB51/2672-2020 (《成都市锅炉大气污染物排放标准 DB51/2672-2020》); Standard for Fugitive Emission of Volatile Organic Compounds GB 37822-2019 (《挥发性有机物无组织排放控制标准 GB 37822-2019》); Discharge Standards of	NO <sub>x</sub> : 0.0981t/a; SO <sub>2</sub> : 0.096t/a; Smoke and dust: 0.0576t/a; COD: 0.51t/a; Ammonia nitrogen: 0.036t/a; Total phosphorus: 0.0029t/a	NO <sub>x</sub> : 0.0981t/a; SO <sub>2</sub> : 0.096t/a; Smoke and dust: 0.0576t/a; COD: 9.06t/a; Ammonia nitrogen: 0.453t/a; Total phosphorus: 0.092t/a	None

			to the park's sewage network upon meeting the standard through treatment			s: 0.17 mg/L	Water Pollutants for Pharmaceutical Industry-Bio-pharmaceutical Category GB 21907-2008 (《生物工程类制药工业水污染物排放标准 GB 21907-2008》)			
Gaozhou Sanhe Animal Husbandry Co., Ltd.	Waste water	Waste water: Total phosphorus; Total nitrogen; COD; Ammonia nitrogen; PH; Suspended matter	Discharged to Xiaodong River upon meeting the standard through treatment	1	Within the waste water treatment area	COD: 86mg/L; Suspended matter: 50mg/L; Ammonia nitrogen: 5.6mg/L; Total nitrogen: 69mg/L; Total phosphorus: 2.9mg/L; PH: 6-9	Level-1 standards for the 2nd time interval of the Discharge Limits of Water Pollutants of Maoming City (《茂名市水污染物排放限值》); Pollutant Discharge Standards for Livestock and Poultry Farming Industry (《畜禽养殖业污染物排放标准》)	COD: 3.14t/a; Suspended matter: 1.82t/a; Ammonia nitrogen: 0.2t/a; Total nitrogen: 2.52t/a; Total phosphorus: 0.11t/a	COD: 3.14t/a; Suspended matter: 1.82t/a; Ammonia nitrogen: 0.2t/a; Total nitrogen: 2.52t/a; Total phosphorus: 0.11t/a	None
Yiyuan Haiying Food Co., Ltd.	Waste gas; Waste water	Waste gas: SO <sub>2</sub> ; NO <sub>x</sub> ; Ringelman emittance; Particulate matter; Odour concentration; Hydrogen sulphide; Ammonia Waste water: COD; Ammonia nitrogen; Total phosphorus; Total nitrogen; PH; Suspended matter; Animal and vegetable oils; Fecal coliform; Chromaticity	Waste water: discharged continuously; Waste gas: discharged in an organized way; Fugitive discharge	10	3 workshop outlets, 4 boiler outlets, 3 sewage outlets	Waste gas: NO <sub>x</sub> : 100mg/Nm <sup>3</sup> ; Odour concentration: 2000 Waste water: PH: 6-8.5; Animal and vegetable oils: 50mg/L; Suspended matter: 300mg/L; Ammonia nitrogen: 45mg/L; Total nitrogen: 70mg/L; COD: 500mg/L; Total phosphorus: 8mg/L; Fecal coliform: 10000; Five-day BOD: 250mg/L; Chromaticity: 64	Emission Standards for Odor Pollutants (《恶臭污染物排放标准》) (GB14554-1993); Emission Standard of Air Pollutants for Boilers of Shandong Province (《山东省锅炉大气污染物排放标准》) (DB37/2374-2018); Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水污染排放标准》) (GB13457-92); Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城镇下水道水质标准》) (GB/T31962-2015)	COD: 801.36t/a; Ammonia nitrogen: 53.15t/a; SO <sub>2</sub> : 0.2248t/a; NO <sub>x</sub> : 0.315t/a; Particulate matter: 0.0674t/a	COD: 801.36t/a; Ammonia nitrogen: 53.15t/a; SO <sub>2</sub> : 0.2248t/a; NO <sub>x</sub> : 0.315t/a; Particulate matter: 0.0674t/a	None
Linxi Haiying Food Co., Ltd.	Waste gas; Waste water	Waste gas: SO <sub>2</sub> ; NO <sub>x</sub> ; Flue gas blackness; Particulate matter; Odour concentration	Waste water: discharged into the municipal network upon meeting the	6	5 waste gas outlets (2 boiler outlets, 3 production waste gas outlets); 1 waste water outlet	Waste gas: SO <sub>2</sub> : 10mg/m <sup>3</sup> NO <sub>x</sub> : 30mg/m <sup>3</sup> ; Particulate matter: 5mg/m <sup>3</sup> ; Ammonia:	Level-2 standards of Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水	COD: 5.24t/a; Ammonia nitrogen: 0.128t/a; Total phosphorus: 0.0	COD: 6.97t/a; Ammonia nitrogen: 0.67t/a; Total phosphorus: 0.021t/a; Total	None

		ion; Hydrogen sulphide; Ammonia Waste water: COD; BOD; Ammonia nitrogen; Total phosphorus; Total nitrogen; PH; Suspended matter; Animal and vegetable oils; Fecal coliform; Anionic surfactants	standard through treatment Waste gas: discharged in an organized way			4.9kg/h; Hydrogen sulphide: 0.33kg/h; Odour concentration (dimensionless): 2000 Waste water: COD: 100mg/L; BOD: 40mg/L; Suspended matter: 100mg/L; Ammonia nitrogen: 20mg/L; Total nitrogen: 40mg/L; Total phosphorus: 3mg/L; PH: 6-9; Animal and vegetable oils: 20mg/L;	污染物排放标准》) (GB13457-1992); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》)(GB13271-2014); Emission Standards for Odor Pollutants (《恶臭污染物排放标准》)(GB14554-1993)	71 t/a; Total nitrogen 2.811t/a; SO2.144t/a; NOx0.732t/a	nitrogen0.716t/a; SO20.288t/a; NOx1.464t/a	
Jiaxiang Haiying Food Co., Ltd.	Waste gas; Waste water	Waste water: COD; Ammonia nitrogen; Total phosphorus; Total nitrogen; pH Waste gas: Odour concentration; Hydrogen sulphide; Ammonia	Waste gas: discharged in an organized way; Fugitive discharge Waste water: discharged into the municipal network upon meeting the standard through treatment	7	5 waste gas outlets 1 waste water outlet 1 rain water outlet	COD: 28.4mg/L; Ammonia nitrogen 16.3 mg/L; Total nitrogen 49.1 mg/L; Total phosphorus 0.522mg/L; pH7.45	Table-2 standards of Emission Standards for Odor Pollutants (GB14554-93) (《恶臭污染物排放标准》(GB14554-93)); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》)(DB37/2374-2018); Level-3 standards in Table 3 of Discharge Standard of Water Pollutants for Meat Packing Industry (GB13457-92) (《肉类加工工业水污染排放标准(GB13457-92)》); Grade-B standards in Table 1 of Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015) (《污水排入城镇下水道水质标准	COD: 0.951t/a; Ammonia nitrogen: 0.0346t/a; Total nitrogen: 1.23t/a Total phosphorus: 0.186t/a	COD: 0.951t/a; Ammonia nitrogen: 0.0346t/a; Total nitrogen: 1.23t/a Total phosphorus: 0.186t/a	None

							(GB/T31962-2015) )			
--	--	--	--	--	--	--	--------------------	--	--	--

### Treatments of pollutants

During the reporting period, all key pollutant discharging subsidiaries of the Company have been equipped with pollution control facilities, which are maintained regularly to ensure their effective operation. Specifically: (1) Exhaust gas: It is discharged after being reduced the concentration and content of ammonia, hydrogen sulfide, and offensive smell through many processes including wet dust removal, activated carbon, deodorization of spray tower, and light and oxygen purification; (2) sewage (wastewater): It is discharged after being treated to reach the standard through A/O process, AAO process, solid-liquid separation + cover lagoon anaerobic + two-stage AO + Fenton treatment process; (3) solid wastes: Relevant facilities and equipment are equipped to realize harmless and resource-based treatment.

### Self-monitoring program for environment

The aforesaid subsidiaries have formulated environmental self-monitoring plans in accordance with the requirements of local environmental protection authorities and contacted qualified monitoring units to conduct self-monitoring on a regular basis. Besides, they disclosed relevant information or filed with local environmental protection authorities as required. Furthermore, some subsidiaries engaged external professional agencies to carry out phased environmental monitoring. The supervision of the Company on environmental protection has been intensified by the combination of the Company's self-monitoring and the third-party professional monitoring.

### Emergency plan for emergent environmental incidents

During the Reporting Period, in order to implement the Emergency Response Law of the People's Republic of China (《中华人民共和国突发事件应对法》), other relevant laws, regulations and documents, and to prevent, prepare for and respond to environmental emergencies, as well as to protect the lives and reduce property losses, all branches and subsidiaries have formulated contingency plans for environmental protection in accordance with the requirements of local environmental protection authorities and have carried out drills under the contingency plans. Meanwhile, in accordance with the requirements in the Management Measures of Haid Group for Safety and Environmental Protection Emergency Preparation and Response (《海大集团安全环保应急准备和响应管理办法》), the above-mentioned subsidiaries have established a top-down organizational structure for emergency response and allocated personnel and resources to enhance the response to risks and events of different degrees, and strengthen the collaboration between various departments.

### Spending on environmental protection and payment of environmental protection tax

During the reporting period, the Company spent over RMB 70 million in environmental management and protection and paid environmental protection tax in full in accordance with the law.

### Measures taken to reduce carbon emissions during the reporting period and the results

Applicable  Not applicable

The Company has proactively explored energy conservation technologies and processes to reduce energy consumption and the relevant emissions leading to climate change. Meanwhile, in recent years, the Company has continued to push forward the energy transformation plans. Clean energies have been utilized in operating sites to reduce the dependence on conventional fossil fuels. For current projects, the Company has widely carried out the phaseout program of coal-fired boilers. So far, the Company has preliminarily realized the conversion to natural gas boilers and biomass vaporizers. For newly-built projects, the Company has allocated natural gas boilers, biomass boilers, and other environmental protection equipment during the construction phase of these projects. And photovoltaic power generation equipment have been installed as a pilot program to increase the use of clean energy.

### Administrative penalties imposed for environmental issues during the reporting period

Name of the company or subsidiary	Reason for penalty	Regulation violated	Penalty	Impact on the Company	Remediation measures
Linxi Haiying Food Co., Ltd.	It violated the provisions of Article 45 of the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》)	The filter cotton in the treatment facilities is heavily clogged and not replaced in time, and the pollution control facilities cannot achieve the treatment effect	It was instructed to correct the unlawful act and fined RMB 50,000	No significantly adverse impact	Pay fines in full and on time, install activated carbon adsorption bins and turn on waste gas treatment equipment; strengthen personnel education, training and supervision; conduct occasional monitoring and inspection of volatile organic compounds waste gas
Linxi Haiying Food Co., Ltd.	It violated the provisions of Item 2 of Article 83 and Article 10 of the Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中华人民共和国水污染防治法》)	Discharge of water pollutants was in excess of the total emission control targets for key water pollutants	It was instructed to correct the unlawful act and fined RMB 200,000	No significantly adverse impact	Purchase total sewage disposal and enhance sewage treatment capacity

Other environmental information that should be disclosed

None

Other information on environmental protection

None

## II. Fulfillment of Social Responsibility

Please refer to the "Haid Group: Social Responsibility Report 2022" (《海大集团：2022年度社会责任报告》) disclosed by the Company on the media designated for information disclosure.

## III. Efforts in Poverty Alleviation and Rural Revitalization

As a responsible company focused on agriculture, rural areas, and farmers and rooted in agriculture and animal husbandry, Haid Group has exerted well the business, technology, service, model, talent, and capital advantages to promote the organic integration of agricultural industry chain construction and rural revitalization, laying a foundation for revitalizing the rural economy. In 2022, the Company was awarded the "Annual Rural Revitalization Pioneer Enterprise" by Guangzhou Daily, the Golden Cup of Guangdong Poverty Alleviation and Relief Cotton Tree Cup by Guangdong Poverty Alleviation and Development Taskforce, and the 2022 Dream Maker Public Welfare Conference - Annual Contribution to Rural Revitalization by Southern Weekend.

With hundreds of technical service stations for rural revitalization, more than 9,000 service engineers, and a number of reputable animal healthcare brands, for more than 20 years, over ten thousand Haid people have been dedicating themselves to agricultural technology popularization, shuttling through the ponds and pens in the countryside. Leveraging the advantages of a complete industrial chain covering seedlings, feed, biopharmaceuticals, animal farming, etc., as well as the strong R&D and innovation capabilities, Haid Group uses advanced farming concepts, technologies and products to effectively help millions of farmers in a scientific way and increase their income. Through providing agricultural science and technology services for the "last mile", as well as promoting the

industrialization of agriculture, the professionalization of farmers and the popularization of agricultural technology, Haid plays its part for rural revitalization with its advanced technologies.

For further information, please refer to the “Haid Group: Social Responsibility Report 2022” (《海大集团：2022 年度社会责任报告》) disclosed by the Company on the media designated for information disclosure.

## Section VI. Material Matters

### I. Performance of Undertakings

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

Applicable  Not applicable

Undertaking	Party involved in undertaking	Types of undertaking	Details of undertaking	Undertaking date	Term of undertaking	Compliance with undertaking
Undertaking made on initial public offering or refinancing	Hua Xue	Undertaking on horizontal competition, related party transaction and capital occupation	1. Mr. Hua Xue guarantees no prejudice to the interests of Haid Group and its other shareholders by virtue of his capacity as the actual controller. 2. Mr. Hua Xue guarantees that, as long as he serves as the actual controller of Haid Group, he and his wholly-owned subsidiaries, controlled subsidiaries and actually controlled companies (except Haid Group) will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment, acquisition or merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.	27 November 2009	Long term	In strict compliance
Undertaking made on initial public offering or refinancing	Guangzhou Haihao Investment Co., Ltd.	Undertaking on horizontal competition, related party transaction and capital occupation	1. It guarantees no prejudice to the interests of Haid Group and other shareholders of Haid Group by virtue of its capacity as the controlling controller. 2. Guangzhou Haihao guarantees that, as long as it is the controlling shareholder of Haid Group, it and its wholly-owned subsidiaries, controlled subsidiaries (except Haid Group) and actually controlled companies will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment, acquisition or merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.	27 November 2009	Long term	In strict compliance
Undertakings related to equity incentives	Guangdong Haid Group Co., Limited	Other undertakings	The Company guarantees no provision of loans, loan guarantees, or financial assistance in other forms to the awardees for acquisition of relevant interests under the 2021 Share Option Incentive Plan of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司2021年股票期权激励计划》).	20 May 2021	From 20 May 2021 to 27 June 2027	In strict compliance
Undertakings made to minority shareholders of	Guangdong Haid Group Co., Limited	Dividend undertaking	Specific conditions, proportions and intervals of cash dividends: The following conditions shall be satisfied when the company makes distribution of cash dividends: (1) The profits	6 May 2019	From 6 May 2019 to 9	Expired

the Company			<p>and the accumulative distributable profit (i.e., tax after the Company makes up losses and make allocation to reserves) realized by the company in the year or half year is positive in value and the cash flow is sufficient. The distribution of cash dividend will not affect the Company's subsequent operations; (2) The auditor has issued a standard unqualified audit report on the Company's annual financial report (if the Company distributes the interim dividend, the auditor shall have issued a standard unqualified audit report on the Company's financial report for the previous year); (3) The Company has no plan on material external investment or major cash outlays within the next twelve months (except proceeds-financed investment projects). A major investment plan means that the accumulated expenditure of the Company to be used for external investment and purchase of assets or equipment within the next twelve months will reach or exceed 30% of the Company's latest audited net assets. (4) Other circumstances in which the Board considers it is not suitable for distribution of cash dividends. In compliance with the above conditions, the Company will, in principle, make a distribution of cash dividend once a year. The Board of the Company may propose interim cash dividends based on the profitability of the Company when the relevant regulations allow. In principle, the Company's profits accumulated in cash every three years should not be less than 30% of the annual average distributable profit realized in the three years.</p>		May 2022	
Undertakings made to minority shareholders of the Company	Guangdong Haid Group Co., Limited	Dividend undertaking	<p>The following conditions must be met when the Company implements cash dividends:                      (1) The Company achieves a profit for the year or half-year and the accumulated distributable profit (i.e. the after-tax profit after making up for losses and setting aside reserve) is positive, the cash flow is sufficient, and the implementation of the cash dividend will not affect the Company's going-concern ability;                      (2) The auditor issues a report with an unmodified unqualified audit opinion on the Company's financial statements for the year (if the Company implements an interim dividend, the auditor shall have issued a report with an unmodified unqualified audit opinion on the Company's financial statements for the prior year);                      (3) The Company has no significant external investment plan or significant cash expenditure within the next 12 months (except for fund-raising projects). A significant investment plan or significant cash expenditure means that the cumulative expenditure on the Company's intended external investment, acquisition of assets or purchase of equipment within the next 12 months reaches or exceeds 30% of the Company's latest audited equity; and                      (4) There are no other circumstances that the Board of Directors considers inappropriate for cash dividends.</p>	9 May 2022	From 9 May 2022 to 8 May 2024	In strict compliance
Undertakings	Hua Xue,	Undertaking	In compliance with the laws and regulations	27	Long	In strict

made to minority shareholders of the Company	Yingzhuo Xu, Qi Cheng, Jianfang Gui, Jianguo He, Yunguo Liu, Zhenxiong Qi, Hua Wang, Yongfang Mu, Guoxiang Liu, Xueqiao Qian, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen, Jiantao Yang, Jing Wang, Zhijian Huang, Li Tian, and Jia Chen	on reduction of shareholding	governing shareholding reductions by directors, supervisors and senior management	November 2009	term	compliance
Undertakings made to minority shareholders of the Company	Li Tian	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	27 November 2009	16 January 2023	In strict compliance
Undertakings made to minority shareholders of the Company	Jia Chen	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	21 August 2013	16 January 2023	In strict compliance
Whether undertakings performed on time	Yes					
Specific reasons why undertakings were not performed on time and next steps	N/A					

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

Applicable  Not applicable

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

Applicable  Not applicable

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

## III. External Guarantees against the Rules and Regulations

Applicable  Not applicable

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

## IV. Opinions of the Board Regarding the Latest "Modified Audit Report"

Applicable  Not applicable

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

Applicable  Not applicable

## VI. Reason for Changes in Accounting Policies and Accounting Estimates as well as Correction of Major Accounting Errors as Compared to the Financial Report for the Prior Year

Applicable  Not applicable

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

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

Applicable  Not applicable

During the year, the scope of consolidation included 528 subsidiaries, increasing by 50 and reducing by 20 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" and the Note "VII. Interests in Other Entities" in Section X "Financial Statements".

## VIII. Engagement or Dismissal of Accounting Firm

Current accounting firm engaged

Name of the domestic accounting firm	Grant Thornton China (Special General Partnership)
Remuneration of the domestic accounting firm (RMB' 0,000)	480
Continued term of service of the domestic accounting firm	4 years
Name of certified public accountants of the domestic accounting firm	Wenyuan Guan, Shuxia Zhang
Continued term of service of certified public accountants of the domestic accounting firm	Wenyuan Guan: 4 years Shuxia Zhang: 5 years
Name of the overseas accounting firm (if any)	N/A

Remuneration of the overseas accounting firm (RMB' 0,000) (if any)	0
Continued term of service of the overseas accounting firm (if any)	N/A
Name of certified public accountants of the overseas accounting firm (if any)	N/A
Continued term of service of certified public accountants of the overseas accounting firm (if any)	N/A

Whether to appoint another accounting firm during the current period

Yes  No

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

Applicable  Not applicable

During the reporting period, the Company engaged Grant Thornton China (Special General Partnership) as the internal control auditor and paid a total of RMB 1.2 million for the internal control audit.

### **IX. Delisting Upon Publication of Annual Report**

Applicable  Not applicable

### **X. Matters Related to Bankruptcy and Reorganisation**

Applicable  Not applicable

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

### **XI. Material Litigation and Arbitration**

Applicable  Not applicable

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

### **XII. Punishment and Rectification**

Applicable  Not applicable

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

### **XIII. Credibility of the Company, Its Controlling Shareholder and Actual Controller**

Applicable  Not applicable

## XIV. Significant Related Party Transactions

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

Applicable  Not applicable

Related party	Related party relationship	Types of the related party transactions	Subject matter of the related party transactions	Pricing basis of the related party transactions	Price of related party transactions	Amount of related party transactions (RMB'0,000)	Percentage as the amount of similar transactions	Amount of transactions approved (RMB'0,000)	Whether exceeding approved cap	Settlement of related party transactions	Market price of available similar transaction	Disclosure date	Disclosure index
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd. and its branch companies and subsidiaries	Associate	Sales of commodities to the related party	Sales of feed and other products	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	9,302.26	0.09%	10,500	No	On normal commercial terms or in accordance with relevant agreements	N/A	12 April 2022	Announcement on Day-to-day Related Party Transactions in 2022 (《关于 2022 年日常关联交易的公告》) (Announcement No. 2022-008) published on 12 April 2022 on the media designated for information disclosure
Wujiaqu Tycoon Plant Protein Co., Ltd.	Associate	Purchase of raw materials from or rendering of services to the related party	Purchase of raw materials or rendering of services	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price	17,000.94	0.18%	20,036	No	On normal commercial terms or in accordance with relevant agreements	N/A	12 April 2022 and 21 October 2022	Announcement on Day-to-day Related Party Transactions in 2022 (《关于 2022 年日常关联交易的公告》) (Announcement No. 2022-008) and Announcement on Day-to-day Related Party Transactions (《关于日常关联交

					as quoted externally by the seller at the time of transaction.								易的公告》) (Announcement No. 2022-085) published on 12 April 2022 and 21 October 2022 respectively on the media designated for information disclosure
Alaer Ruiliheng Biological Protein Co., Ltd.	Associate	Purchase of raw materials from or rendering of services to the related party	Purchase of raw materials or rendering of services	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	16,106.38	0.17%	20,036	No	On normal commercial terms or in accordance with relevant agreements	N/A	12 April 2022 and 21 October 2022	Announcement on Day-to-day Related Party Transactions in 2022 (《关于 2022 年日常关联交易的公告》) (Announcement No. 2022-008) and Announcement on Day-to-day Related Party Transactions (《关于日常关联交易的公告》) (Announcement No. 2022-085) published on 12 April 2022 and 21 October 2022 respectively on the media designated for information disclosure
Vietnam Haid Yingtaogu Farm Co., Ltd. and its branch companies and subsidiaries	Associate	Sales of commodities to the related party	Sales of feed and other products	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	6,457.72	0.06%	7,800	No	On normal commercial terms or in accordance with relevant agreements	N/A	12 April 2022 and 21 October 2022	Announcement on Day-to-day Related Party Transactions in 2022 (《关于 2022 年日常关联交易的公告》) (Announcement No. 2022-008) and Announcement on Day-to-day Related Party Transactions (《关于日常关联交易的公告》) (Announcement No. 2022-085) published on 12 April 2022 and 21 October 2022

													respectively on the media designated for information disclosure
Vietnam Haid Yingtaogu Farm Co., Ltd. and its branch companies and subsidiaries	Associate	Purchase of raw materials from the related party	Purchase of raw materials	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	278.82	0.0029 %	400	No	On normal commercial terms or in accordance with relevant agreements	N/A	12 April 2022 and 21 October 2022	Announcement on Day-to-day Related Party Transactions in 2022 (《关于 2022 年日常关联交易的公告》) (Announcement No. 2022-008) and Announcement on Day-to-day Related Party Transactions (《关于日常关联交易的公告》) (Announcement No. 2022-085) published on 12 April 2022 and 21 October 2022 respectively on the media designated for information disclosure
Total				--	--	49,146.12	--	58,772	--	--	--	--	--
Particulars on refund of bulk sale				N/A									
Actual performance of day-to-day transactions to be conducted in the period for which the total transaction amount is estimated by categories during the reporting period (if any)				N/A									
Reasons for large differences between transaction prices and market reference prices (if applicable)				N/A									

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

Applicable  Not applicable

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

## 3. Related party transactions connected to joint external investment

Applicable  Not applicable

Joint investor	Relationship with the Company	Name of the investee	Principal operations of the investee	Registered capital of the investee	Total assets of the investee (RMB'0,000)	Equity of the investee (RMB'0,000)	Net profit of the investee (RMB'0,000)
Guangdong Hisenor Group Co., Ltd., Guangzhou Haishengyuan Industrial Investment Partnership (Limited Partnership), and Guangzhou Haizhiyuan Industrial Investment Partnership (Limited Partnership)	Guangdong Hisenor Group Co., Ltd. is a majority-owned subsidiary of the Company. Guangzhou Haishengyuan Industrial Investment Partnership (Limited Partnership), and Guangzhou Haizhiyuan Industrial Investment Partnership (Limited Partnership) both have a general partner that is a limited company controlled by directors and senior management of the Company, with the directors and senior management holding limited partnership shares.	Guangdong Haizhihui Aquaculture Technology Co., Ltd.	Principally investing in factory- and facility-based aquaculture business with own funds	RMB 100 million	57,573.53	9,980.73	2,135.00
Progress (if any) on significant projects under construction of the investee		N/A					

## 4. Related creditors' rights and debts transactions

Applicable  Not applicable

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

## 5. Transactions with related finance companies

Applicable  Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any of its related parties.

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

Applicable  Not applicable

No related parties made deposits in, received loans or credit from or was involved in any other finance business

with any finance company controlled by the Company.

## **7. Other significant related party transactions**

Applicable  Not applicable

There were no other significant related party transactions of the Company during the reporting period.

## **XV. Material Contracts and Implementation**

### **1. Custody, contracting and leasing**

#### **(1) Custody**

Applicable  Not applicable

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

#### **(2) Contracting**

Applicable  Not applicable

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

#### **(3) Leasing**

Applicable  Not applicable

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

## 2. Significant guarantees

Applicable  Not applicable

Unit: RMB'0,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Customers (such as farmers and dealers) of seven controlled subsidiaries including Hunan Haid Bio-Feed Co., Ltd.	28 June 2018	2,000	15 April 2020	6	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	3 years	No	No
Customers (such as farmers and dealers) of eleven controlled subsidiaries including Guangxi Haid Feed Co., Ltd.	16 April 2019	1,500	9 March 2020	15	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	3 years	No	No
Customers (such as farmers and dealers) of subsidiary	17 March 2020	38,450	14 May 2020	54			The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	3 years	No	No
Customers (such as farmers and dealers) of subsidiary	19 January 2021	91,400	30 March 2021	30.17	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right	1-3 years	No	No

							to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.			
Customers (such as farmers and dealers) of subsidiary	27 July 2021	23,000	1 January 2022	32,050.7	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	1 year	Yes	No
			5 January 2022	4,225.76	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	1 year	No	No
		1,000								
Customers (such as farmers and dealers) of subsidiary	12 April 2022	235,000	9 May 2022	48,465.07	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	Within 1 year	Yes	No
			9 May 2022	76,081.83	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	1-3 years	No	No
		2,000	9 May 2022	1,437.07	Joint liability guarantee		The spouse of the borrower, any of the adult children of the borrower and his/her spouse, and/or any third party provide counter-guarantees; and the Company has the right to withhold the relevant funds (including but not limited to remaining payments for goods and discounts) of the customer for repaying the principal and interest of the customer's overdue loan.	1 year	No	No
Total external guarantees approved during the reporting period (A1)		237,000		Total actual external guarantees during the reporting period (A2)		162,365.6				
Total external guarantees approved at the end of the reporting period (A3)		394,350		Total balance of actual external guarantees at the end of the reporting period (A4)		81,429.51				
Guarantees between the Company and its subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Haid International Group Limited	27 October 2017	33,557	13 June 2018	27,161.94	Joint liability guarantee		N/A	7 years	No	No
	20 April 2021	268,456	10 September 2021	278,584	Joint liability guarantee			3 years	No	No
Haid Feed Co., Limited	19 January 2021	6,851	26 January 2022	2,195.07	Joint liability guarantee		N/A	Within 1 year	Yes	No

					ce					
	12 April 2022	14,111	13 May 2022	1,434.55	Joint liability guarantee			Within 1 year	Yes	No
	18 May 2022	-11,311								
Shenglong Bio-Tech (India) Private Limited	19 January 2021	8,973	7 February 2022	1,203.07	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	Within 1 year	Yes	No
	20 April 2021	2,055	3 March 2022	1,850.77	Joint liability guarantee			Within 1 year	Yes	No
	12 April 2022	17,536	22 June 2022	799.2	Joint liability guarantee			Within 1 year	Yes	No
			29 July 2022	487.94	Joint liability guarantee			1 year	No	No
	18 May 2022	-6,481								
Hai Duong Haid Company Limited	19 January 2021	6,166	10 January 2022	3,345.86	Joint liability guarantee		N/A	Within 1 year	Yes	No
	12 April 2022	16,166	11 May 2022	1,988.12	Joint liability guarantee			Within 1 year	Yes	No
	18 May 2022	-9,666								
China Haida Feed Group (HK) Limited	12 April 2022	97,400								
	18 May 2022	-15,700								
Pt.Haida Agriculture Indonesia	19 January 2021	10,277	13 January 2022	8,311.27	Joint liability guarantee		N/A	Within 1 year	Yes	No
	12 April 2022	10,277	6 June 2022	4,003.19	Joint liability guarantee			Within 1 year	Yes	No
	18 May 2022	-925								
Guangzhou Yitun Pig Industry Investment Co., Ltd. and its subsidiaries	29 June 2019	100,000	28 November 2019	49,166.18	Joint liability guarantee		N/A	10 years	No	No
	28 July 2020	55,000	10 September 2020	41,527.19	Joint liability guarantee			10 years	No	No
	19 January 2021	180,000	24 November 2020	22,378.58	Joint liability guarantee			10 years	No	No
	19 January 2021	131,146	20 January 2022	16,631.01	Joint liability guarantee			Within 1 year	Yes	No
	20 April 2021	50,000	8 January 2022	49,472.13	Joint liability guarantee			10 years	No	No
	20 April 2021	18,854	9 February 2022	14,665.31	Joint liability guarantee			Within 1 year	Yes	No
	12 April 2022	200,000	12 August 2022	19,611.98	Joint liability guarantee			Within 1 year	Yes	No
			2 August 2022	1,666.58	Joint liability guarantee			1 year	No	No

	18 May 2022	-57,519								
Shandong Haiding Agriculture and Animal Husbandry Co., Ltd.	12 April 2022	10,000								
	18 May 2022	-10,000								
Guangdong Haid International Trade Co., Ltd.	12 April 2022	59,010								
	18 May 2022	-4,520								
Chaozhou Haid Biotechnology Co., Ltd.	12 April 2022	25,000								
Qingyuan Haibei Biotechnology Co., Ltd.	12 April 2022	20,000	29 June 2022	10,216.22	Joint liability guarantee		N/A	2-10 years	No	
	18 May 2022	149	2 June 2022	149	Joint liability guarantee			1 year	No	
Qingyuan Hailong Biotechnology Co., Ltd.	28 July 2020	350	17 August 2020	373	Joint liability guarantee		N/A	2-3 years	No	No
	12 April 2022	350								
	18 May 2022	173	2 June 2022		Joint liability guarantee		N/A	1 year	No	No
Sihui Haifeng Biological Agriculture Co., Ltd.	12 April 2022	50	25 July 2022	50	Joint liability guarantee		N/A	1 year	No	No
Zigong Hailong Biotechnology Co., Ltd.	12 April 2022	100	8 June 2022	64	Joint liability guarantee		N/A	1 year	Yes	No
Jiangxi Jiabo Biological Engineering Co., Ltd.	18 May 2022	6,000								
Pt Haida Biotechnology Indonesia	18 May 2022	9,800								
Wholly- and majority-owned subsidiaries	12 April 2022	300,000	9 May 2022	88,104.41	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Total amount of guarantee provided for subsidiaries approved during the reporting period (B1)			670,000	Total amount of guarantee provided for subsidiaries during the reporting period (B2)						678,440.57
Total amount of guarantee provided for subsidiaries approved as at the end of the reporting period (B3)			1,541,685	Total balance of guarantee provided for subsidiaries as at the end of the reporting period (B4)						447,429.34
Guarantees between subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Sheng Long Bio-Tech International Co.,Ltd	19 January 2021	109,305	26 January 2022	20,925.56	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	Within 1 year	Yes	No
	12 April 2022	110,884	4 July 2022	14,475.08	Joint liability guarantee			Within 1 year	Yes	No

					ce					
			7 July 2022	11,503.99	Joint liability guarantee			1 year	No	No
	18 May 2022	15,435	5 September 2022	9,631.93	Joint liability guarantee			1 year	No	No
Hai Duong Haid Company Limited	12 April 2022	2,735	2 June 2022	371.82	Joint liability guarantee		N/A	Within 1 year	Yes	No
	18 May 2022	6,865			Joint liability guarantee			Within 1 year	Yes	No
Haid Feed Co., Limited	19 January 2021	3,426	15 April 2022	2,705.44	Joint liability guarantee		N/A	Within 1 year	Yes	No
	12 April 2022	8,680								
	18 May 2022	5,120	5 July 2022	1,896.23	Joint liability guarantee		N/A	Within 1 year	Yes	No
			23 December 2022	653.7	Joint liability guarantee		N/A	1 year	No	No
Shenglong Bio-Tech (India) Private Limited	19 January 2021	9,999	13 January 2022	1,884.91	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	Within 1 year	Yes	No
	12 April 2022	14,120								
	18 May 2022	7,300	1 July 2022	1,413.68	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	Within 1 year	Yes	No
			8 July 2022	4,375.68	Joint liability guarantee			1 year	No	No
Pt. Haida Agriculture Indonesia	19 January 2021	3,426	27 January 2022	1,377.48	Joint liability guarantee		N/A	Within 1 year	Yes	No
	12 April 2022	17,585	7 July 2022	1,154.81	Joint liability guarantee			Within 1 year	Yes	No
	18 May 2022	16,400	1 August 2022	9,006.57	Joint liability guarantee			Within 1 year	Yes	No
			16 September 2022	7,172.54	Joint liability guarantee			1 year	No	No
Vinh Long Hai Dai Co., Ltd	12 April 2022	6,396	9 September 2022	3,400.29	Joint liability guarantee		N/A	1 year	No	No
	18 May 2022	7,380								
China Haida Feed Group (HK) Limited	12 April 2022	13,000								
	18 May 2022	6,600								
Thang Long (Vinh Long) Biotech Co., Ltd	12 April 2022	6,600	9 May 2022	478.85	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	Within 1 year	Yes	No
	18 May 2022	24,400	7 July 2022	9,374.31	Joint liability guarantee			1 year	No	No

Binh Dinh Hai Long Co.,Ltd	18 May 2022	10,500	22 December 2022	448.82	Joint liability guarantee		N/A	1 year	No	No
Jiangxi Jiabo Biological Engineering Co., Ltd.	18 May 2022	6,000								
Nantong Haid Biotechnology Co., Ltd.	12 April 2022	1,800	12 April 2022	1,800	Joint liability guarantee		N/A	3 years	No	No
Wholly- and majority-owned subsidiaries	18 May 2022	60,000								
Total amount of guarantee between subsidiaries approved during the reporting period (C1)		347,800		Total amount of guarantee between subsidiaries during the reporting period (C2)		104,051.69				
Total amount of guarantee between subsidiaries approved as at the end of the reporting period (C3)		473,956		Total balance of guarantee between subsidiaries as at the end of the reporting period (C4)		47,152.21				
Total amount of guarantee provided (i.e. sum of the above three guarantee amounts)										
Total amount of guarantee approved during the reporting period (A1+B1+C1)		1,254,800		Total amount of guarantee approved during the reporting period (A1+B1+C1)		944,857.86				
Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)		2,409,991		Total amount of guarantee approved as at the end of the reporting period (A3+B3+C3)		576,011.06				
Total amount of guarantee provided (i.e. A4+B4+C4) as % of the equity of the Company				32.31%						
Of which:										
Balance of guarantee provided for shareholders, beneficial controllers and its related parties (D)				0						
Balance of guarantee directly or indirectly provided for obligors with gearing ratio over 70% (E)				52,416.21						
Total amount of guarantee provided in excess of 50% of the equity (F)				0						
Total amount of the three kinds of guarantees above (D+E+F)				52,416.21						
Explanations on liability to guarantee occurred during the reporting period or possible joint liability for satisfaction for undue guarantee contracts (if any)				During the reporting period, the Company paid a total of RMB 16.0655 million for overdue loans with its guarantee, of which RMB 107 thousand was collected while it is trying to collect the rest.						
Explanations on provision of guarantee in violation of established procedures				N/A						

- Notes: 1. The “guarantee provided” in the table above refers to the cumulative guarantee amount on a rolling basis.  
 2. The guarantee amounts provided by subsidiaries for external parties are calculated according to the equity-holding percentages of the Company in those subsidiaries.  
 3. The foreign-currency guarantees in the table above are converted at the middle rate of exchange at the end of the reporting period.

### 3. Entrusted cash and asset management

#### (1) Entrusted wealth management

Applicable  Not applicable

Entrusted wealth management during the reporting period

Unit: RMB'0,000

Type	Fund source for entrusted wealth management	Amount of entrusted wealth management	Undue balance	Overdue outstanding amount	Impairment allowances for the overdue outstanding amount
Wealth management products of banks	Own funds	150,000	26,000	0	0
<b>Total</b>		<b>150,000</b>	<b>26,000</b>	<b>0</b>	<b>0</b>

Particulars of high risk wealth management products with individual significant amount or low security or poor liquidity

Applicable  Not applicable

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

Applicable  Not applicable

#### (2) Entrusted loans

Applicable  Not applicable

Overview of entrusted loans during the reporting period

Unit: RMB'0,000

Total entrusted loans	Source	Undue balance	Overdue outstanding amount
2,250	Own funds	1,400	0

Particulars of high risk wealth entrusted loans with individual significant amount or low security or poor liquidity

Applicable  Not applicable

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

Applicable  Not applicable

### 4. Other material contracts

Applicable  Not applicable

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

### XVI. Other Matters of Significance

Applicable  Not applicable

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

## **XVII. Matters of Significance of Subsidiaries of the Company**

Applicable  Not applicable

## Section VII. Share Changes and Shareholder Information

### I Share Changes

#### 1. Share Changes

Unit: share

	Before		Increase/decrease in the reporting period (+/-)					After	
	Shares	Percentage (%)	New issue	Shares as dividend converted from retained earnings	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	2,812,247	0.17%				150	150	2,812,397	0.17%
1.1 Shares held by the state									
1.2 Shares held by state-owned juridical persons									
1.3 Shares held by other domestic investors	2,812,247	0.17%				150	150	2,812,397	0.17%
Of which: shares held by domestic juridical persons									
Shares held by domestic natural persons	2,812,247	0.17%				150	150	2,812,397	0.17%
1.4 Shares held by foreign investors									
Of which: shares held by foreign juridical persons									
Shares held by foreign natural persons									
2. Non-restricted shares	1,658,348,814	99.83%				-150	-150	1,658,348,664	99.83%
2.1 RMB ordinary shares	1,658,348,814	99.83%				-150	-150	1,658,348,664	99.83%
2.2 Domestically listed foreign									

shares									
2.3 Overseas listed foreign shares									
2.4 Other									
3. Total shares	1,661,161,061	100.00 %				0	0	1,661,161,061	100.00%

## Reasons for share changes

 Applicable  Not applicable

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

## Approval of share changes

 Applicable  Not applicable

## Transfer of share ownership

 Applicable  Not applicable

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

 Applicable  Not applicable

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

 Applicable  Not applicable

## 2. Change in Restricted Shares

 Applicable  Not applicable

Unit: share

Shareholder	Opening restricted shares	Increased in Reporting Period	Unlocked in Reporting Period	Closing restricted shares	Reason for lockup	Date of unlocking
Certain directors and senior management of the Company	2,812,247	150	0	2,812,397	Shares of senior management that were in lockup	N/A
Total	2,812,247	150	0	2,812,397	--	--

## II. Issuance and Listing of Securities

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

 Applicable  Not applicable

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

Applicable  Not applicable

## 3. Existing Staff-Held Shares

Applicable  Not applicable

## III. Shareholders and Actual Controller

### 1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Ordinary shareholders at the period-end	17,975	Ordinary shareholders at the month-end prior to the disclosure of this Report	23,741	Preferred shareholders with resumed voting rights at the period-end (if any) (see note 8)	0	Preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any) (see note 8)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Change during Reporting Period	Restricted shares	Non-restricted shares	Pledged, marked or frozen shares	
							Status	Shares
Guangzhou Haihao Investment Co., Ltd.	Domestic non-state-owned juridical person	54.82%	910,589,359	12,961,800	0	910,589,359	Pledged	42,383,000
Hong Kong Securities Clearing Company Ltd.	Foreign juridical person	4.99%	82,901,154	13,144,610	0	82,901,154		
Industrial and Commercial Bank of China – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	Other	2.59%	42,999,933	-	0	42,999,933		
Norges Bank – Proprietary Fund	Foreign juridical person	1.23%	20,454,705	2,458,024	0	20,454,705		
Bank of China – Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	Other	0.96%	15,999,899	-	0	15,999,899		
National Social Security Fund Portfolio 104	Other	0.69%	11,520,298	2,991,210	0	11,520,298		

Abu Dhabi Investment Authority	Foreign juridical person	0.67%	11,063,069	2,581,855	0	11,063,069		
Rosefinch Fund – Shaanxi Coal Industry Company Limited – Shaanxi Coal Rosefinch New Economy Single Asset Management Plan	Other	0.58%	9,643,065	1,355,432	0	9,643,065		
Tianan Life Insurance Co., Ltd. – Universal Product	Other	0.49%	8,060,619	1,546,242	0	8,060,619		
National Social Security Fund Portfolio 106	Other	0.46%	7,671,332	-	0	7,671,332		
Strategic investor or general juridical person becoming top-10 shareholder due to placing of new shares (if any) (see note 3)	N/A							
Related or acting-in-concert parties among shareholders above	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Administrative Measures On Acquisition Of Listed Companies (《上市公司收购管理办法》) or any related party.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special securities account for repurchased shares among the top 10 shareholders (if any)	At the end of the reporting period, the balance of the special securities account for repurchased shares of Guangdong Haid Group Co., Limited was 10,272,100 shares, which was not among the top 10 shareholders.							
Top 10 non-restricted shareholders								
Name of shareholder	Non-restricted shares held at period-end	Type of shares						
		Type	Shares					
Guangzhou Haihao Investment Co., Ltd.	910,589,359	RMB ordinary stock	910,589,359					
Hong Kong Securities Clearing Company Ltd.	82,901,154	RMB ordinary stock	82,901,154					
Industrial and Commercial Bank of China – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	42,999,933	RMB ordinary stock	42,999,933					
Norges Bank – Proprietary Fund	20,454,705	RMB ordinary stock	20,454,705					
Bank of China – Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	15,999,899	RMB ordinary stock	15,999,899					
National Social Security Fund Portfolio 104	11,520,298	RMB ordinary stock	11,520,298					
Abu Dhabi Investment Authority	11,063,069	RMB ordinary stock	11,063,069					
Rosefinch Fund – Shaanxi Coal Industry Company	9,643,065	RMB ordinary stock	9,643,065					

Limited—Shaanxi Coal Rosefinch New Economy Single Asset Management Plan			
Tianan Life Insurance Co., Ltd.—Universal Product	8,060,619	RMB ordinary stock	8,060,619
National Social Security Fund Portfolio 106	7,671,332	RMB ordinary stock	7,671,332
Related or acting-in-concert parties among top 10 non-restricted ordinary shareholders, as well as between top 10 non-restricted ordinary shareholders and top 10 ordinary shareholders	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Measures for Administration of Takeover of Listed Companies (《上市公司收购管理办法》) or any related party.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	During the reporting period, the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. took back 12,961,800 shares (not a shareholding increase as ownership of these shares had not been transferred) in its refinancing business. At the end of the reporting period, the top 10 ordinary shareholders were not engaged in margin trading.		

Indicate whether any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conducted any promissory repo during the reporting period

Yes  No

No such cases in the reporting period.

## 2. Controlling Shareholder

Nature of controlling shareholder: Controlled by a natural person

Type of controlling shareholder: Juridical person

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

Change of the controlling shareholder during the reporting period

Applicable  Not applicable

No such cases in the reporting period.

## 3. Actual Controller

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

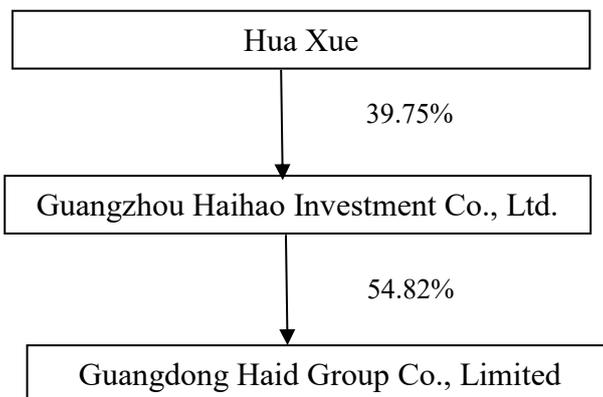
Name of actual controller	Relationship with actual controller	Nationality	Right of residence in other countries or regions
Hua Xue	Himself	Chinese	None
Main office titles	Chairman of the Board, and President (General Manager)		
Used-to-be-holding listed companies at home and abroad in past 10 years	N/A		

Change of the actual controller during the reporting period

Applicable  Not applicable

No such cases in the reporting period.

Ownership and control relations between the actual controller and the Company



Indicate whether the actual controller controls the Company via trust or other ways of asset management

Applicable  Not applicable

**4. Indicate whether the cumulative shares of the controlling shareholder or the largest shareholder and their acting-in-concert parties that are in pledge account for 80% or greater of their shareholdings in the Company**

Applicable  Not applicable

**5. Other 10% or Greater Juridical-Person Shareholders**

Applicable  Not applicable

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

Applicable  Not applicable

#### IV. Share Repurchases during the Reporting Period

Implementation progress of any share repurchase

Applicable  Not applicable

Implementation progress of any reduction of the repurchased shares on the open market

Applicable  Not applicable

## Section VIII. Preferred Shares

Applicable  Not applicable

No preferred shares in the reporting period.

## Section IX. Bonds

Applicable  Not applicable

## Section X. Financial Statements

### Independent Auditors Report

Audit Opinion	Unmodified unqualified audit opinion
Audit Report Sign-off Date	April 21 <sup>st</sup> , 2023
Audit Institution Name	Grant Thornton China (Special General Partnership)
Audit Report Number	GTCNSZ (2023) NO. 440A013782
Name of Certified Public Accountant	Wenyuan Guan, Shuxia Zhang

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

#### I. Opinion

We have audited the financial statements of Guangdong Haid Group Co., Limited (the “Company”), which comprise the consolidated balance sheet as at December 31, 2022, and the consolidated income statement, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company’s financial position as at December 31, 2022, and the consolidated and the Company’s financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

#### II. Basis for Opinion

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

#### III. Key audit matters

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

##### (I) Revenue Recognition

Please refer to Note III. 28 and Note V. 50 in the Notes to the Financial Statements for the disclosure of revenue recognition.

## 1. Description

Haid Group is mainly engaged in feed production and sales. In 2022, the Company's operating revenue was RMB104,715.42 million. We identified revenue recognition as a key audit matter because operating revenue is one of the Company's key performance indicators, and there is an inherent risk that management may manipulate the timing of revenue recognition to achieve specific goals or expectations.

## 2. How Our Audit Addressed the Key Audit Matter

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

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

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

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

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

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

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

## (II) Expected Credit Losses on Accounts Receivable

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

## 1. Description

As of December 31, 2022, the balance of the Company's accounts receivable was RMB1,952.01 million, including provision of bad and doubtful debts of RMB264.84 million. The Company's management assessed the expected credit losses on accounts receivable individually and collectively based on the consideration of past events, current situations and predictions of future economic conditions. Except for accounts receivable with provision of bad and doubtful debts made individually, the management classified the accounts receivable into corresponding portfolios based on similar credit risk characteristics. For accounts receivable classified into portfolios, the management prepared comparison table of the accounts receivable aging and expected credit loss rate based on the historical credit losses in conjunction with the current situation and predictions of future economic conditions, and calculated the expected credit losses.

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

## 2. How Our Audit Addressed the Key Audit Matter

(1) We understood and evaluated the design effectiveness of internal controls related to expected credit losses on

accounts receivable. We tested the operation effectiveness of key internal controls.

(2) For accounts receivable that were measured expected credit losses based on portfolio of credit risk characteristics, we evaluated the appropriateness of portfolio classification, reviewed the appropriateness of the historical losses rate and prospective adjustment calculated based on the migration rate model, reviewed if the expected credit losses were adequate.

(3) We selected samples based on the distribution of accounts receivable as at balance sheet date and the revenue in the current year to perform confirmation procedure on accounts receivable. We compared the confirmation result against the Company's book records.

(4) For accounts receivables with significant balance as at balance sheet date or long aged, we selected samples to examine customers' operation situation, historical payment records and subsequent payments after the balance sheet date.

### (III) Inventory Provision

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

#### 1. Description

As of December 31, 2022, the balance of the Company's inventory was RMB12,641.57 million, which accounted for 28.54% of the total assets, with an inventory provision of RMB16.49 million. The Company measured its inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs to completion, estimated selling expenses and relevant tax expenses. The Company used the conclusive evidence obtained as the basis, in conjunction with the consideration of the purpose of holding the inventories and the impact of subsequent events after the balance sheet date to determine the net realizable value.

We identified inventory provision as a key audit matter because the inventory balance was significant as at December 31, 2022 and it involved management's significant judgment in determining the net realizable value.

#### 2. How Our Audit Addressed the Key Audit Matter

(1) We understood, evaluated and tested the design and operation effectiveness of internal controls related to inventory.

(2) We performed inventory observation procedures to inspect the inventory quantity and condition.

(3) We obtained the inventory provision calculation schedule, tested for inventory provision and analyzed if the inventory provision was adequate.

(4) We obtained the inventory list as at December 31, 2022. We performed analytical review on inventories with long aging in conjunction with the inventory condition and evaluated the appropriateness of inventory provision.

(5) For inventory provision accrued in prior year, we inspected its movement in the current period.

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

## IV. Other Information

The Company's management is responsible for the other information. The other information comprises all of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's

report thereon.

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

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

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

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

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

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

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

## **VI. Auditor's Responsibilities for Audit of Financial Statements**

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

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

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

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

(4) Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

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

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

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

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

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

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

**Consolidated and Company Balance Sheet**

As at December 31, 2022

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	As at 31/12/2022		As at 1/1/2022	
	Consolidated	Company	Consolidated	Company
Current assets:				
Cash at bank and on hand	2,260,586,666.69	940,680,982.06	1,739,655,125.14	608,829,404.62
Held-for-trading financial assets	699,942,009.75	140,046,696.58	2,507,784.13	-
Notes receivable	6,901,604.04	-	9,902,395.11	-
Accounts receivable	1,952,007,881.05	11,689.37	1,293,328,829.38	17,219.37
Accounts receivable financing	-	-	-	-
Prepayments	1,787,282,249.33	579,408.35	2,550,853,738.02	1,177,163.76
Other receivables	1,322,999,051.80	13,125,884,408.71	780,025,770.40	13,207,220,849.29
Including: Interest receivables	-	-	-	-
Dividend receivables	-	-	900,009.00	900,009.00
Inventories	12,625,081,651.36	73,105,356.19	8,970,187,858.27	52,078,490.09
Contract assets	-	-	-	-
Assets held-for-sale	-	-	-	-
Non-current assets due within one year	14,925,889.24	-	9,645,605.89	-
Other current assets	547,868,773.12	17,978,079.59	794,339,839.32	15,832,844.29
<b>Total current assets</b>	<b>21,217,595,776.38</b>	<b>14,298,286,620.85</b>	<b>16,150,446,945.66</b>	<b>13,885,155,971.42</b>
Non-current assets:				
Debt investments	1,137.46	-	14,501,072.58	-
Loans and advances to	1,866,871.63	-	4,397,461.24	-

customers				
Other debt investments	-	-	-	-
Long-term receivables	122,919,270.52	4,057,623.02	86,932,591.35	2,494,068.21
Long-term equity investments	315,182,888.17	9,503,410,059.09	301,076,512.33	6,331,184,148.05
Investments in other equity instruments	-	-	-	-
Other non-current financial assets	266,944,754.12	234,323,404.12	286,569,300.55	255,147,950.55
Investment properties	26,856,587.98	16,451,045.11	26,941,013.33	18,516,515.82
Fixed assets	14,933,452,189.00	349,536,896.34	11,271,964,642.07	270,269,433.52
Construction in progress	1,377,352,318.21	10,974,762.07	1,531,493,842.31	21,971,207.85
Productive biological assets	508,797,577.91	-	508,486,715.64	-
Right-of-use assets	2,371,772,104.05	78,994,932.58	2,331,346,912.43	75,059,956.05
Intangible assets	1,619,499,215.41	108,467,858.26	1,490,419,035.61	112,961,029.65
Development costs	18,906,101.80	11,249,408.77	5,953,762.00	-
Goodwill	334,221,712.90	-	364,614,702.18	-
Long-term deferred expenses	183,399,413.62	56,545,699.61	134,993,772.59	31,863,128.22
Deferred tax assets	745,943,292.33	166,584,689.10	734,134,076.01	242,767,571.78
Other non-current assets	193,070,520.82	2,305,492.36	450,825,044.08	26,973,605.46
<b>Total non-current assets</b>	<b>23,020,185,955.93</b>	<b>10,542,901,870.43</b>	<b>19,544,650,456.30</b>	<b>7,389,208,615.16</b>
<b>Total assets</b>	<b>44,237,781,732.31</b>	<b>24,841,188,491.28</b>	<b>35,695,097,401.96</b>	<b>21,274,364,586.58</b>
Current liabilities:				
Short-term loans	2,910,809,252.56	1,980,915,497.76	3,782,336,144.35	2,569,087,753.67
Held-for-trading financial liabilities	46,533,780.00	-	44,174,431.17	38,923,761.17
Notes payable	3,502,208,518.33	3,483,994,854.13	407,090,978.58	696,404,396.50
Accounts payable	5,341,179,436.25	82,730,889.60	4,051,704,338.04	41,622,240.49

Advances from customers	3,922,795.42	-	69,917.84	-
Contract liabilities	1,720,519,173.21	2,502.68	1,908,259,980.27	-
Employee benefits payable	1,409,612,399.69	237,317,153.86	1,212,811,083.04	189,613,686.92
Taxes payable	210,828,446.34	1,727,986.15	241,421,008.19	480,338.96
Other payables	468,736,318.76	5,550,345,198.70	427,912,490.76	6,922,399,128.52
Including: Interest payables	-	-	-	-
Dividend payables	3,279,944.00	-	21,827,574.34	-
Liabilities held-for-sale	-	-	-	-
Non-current liabilities due within one year	1,258,497,814.94	408,932,927.51	563,923,844.74	216,252,005.11
Other current liabilities	559,698,472.24	44,795,850.36	398,722,254.96	21,269,289.31
<b>Total current liabilities</b>	<b>17,432,546,407.74</b>	<b>11,790,762,860.75</b>	<b>13,038,426,471.94</b>	<b>10,696,052,600.65</b>
Non-current liabilities:				
Long-term loans	5,066,407,199.42	1,686,643,333.29	4,411,107,883.25	565,000,000.00
Debentures payable	-	-	-	-
Lease liability	1,610,426,421.30	53,395,046.47	1,578,746,388.19	51,426,577.63
Long-term payables	53,910,873.61	-	53,886,898.67	-
Long-term employee benefits payable	192,958,628.79	25,570,358.38	168,352,908.90	19,633,044.09
Provisions	-	-	-	-
Deferred income	299,528,716.40	13,692,868.54	286,411,601.04	10,174,804.63
Deferred tax liabilities	231,742,064.98	48,638,602.94	184,588,950.76	14,158,114.77
Other non-current liabilities	145,885.76	-	-	-
<b>Total non-current liabilities</b>	<b>7,455,119,790.26</b>	<b>1,827,940,209.62</b>	<b>6,683,094,630.81</b>	<b>660,392,541.12</b>
<b>Total liabilities</b>	<b>24,887,666,198.00</b>	<b>13,618,703,070.37</b>	<b>19,721,521,102.75</b>	<b>11,356,445,141.77</b>
Share capital	1,661,161,061.00	1,661,161,061.00	1,661,161,061.00	1,661,161,061.00
Other equity instruments	-	-	-	-
Capital reserve	5,300,061,077.97	5,514,740,565.56	5,127,738,338.63	5,307,476,327.94
Less: Treasury stock	792,321,152.16	792,321,152.16	792,321,152.16	792,321,152.16

Other comprehensive income	300,049,768.45	-	-144,698,175.60	-
Specific reserve	-	-	-	-
Surplus reserve	830,580,530.50	830,580,530.50	746,430,806.85	746,430,806.85
General risk provision	4,834,904.00	-	9,005,028.55	-
Retained earnings	10,520,540,626.11	4,008,324,416.01	7,894,011,164.82	2,995,172,401.18
Total equity attributable to shareholders of the parent company	17,824,906,815.87	11,222,485,420.91	14,501,327,072.09	9,917,919,444.81
Non-controlling interests	1,525,208,718.44	-	1,472,249,227.12	-
<b>Total shareholders' equity</b>	<b>19,350,115,534.31</b>	<b>11,222,485,420.91</b>	<b>15,973,576,299.21</b>	<b>9,917,919,444.81</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,237,781,732.31</b>	<b>24,841,188,491.28</b>	<b>35,695,097,401.96</b>	<b>21,274,364,586.58</b>

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person

in charge of accounting department: Shaolin Yang

### Consolidated and Company Income Statement

For the year ended December 31, 2022

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	2022		2021	
	Consolidated	Company	Consolidated	Company
<b>I. Operating income</b>	<b>104,715,417,485.92</b>	<b>2,753,351,923.94</b>	<b>86,091,961,539.13</b>	<b>2,039,969,398.54</b>
Less: Operating costs	95,003,580,100.23	1,294,200,413.90	78,792,870,336.77	892,832,929.79
Taxes and surcharges	123,268,230.68	3,189,607.60	103,114,300.28	2,863,641.90
Selling and distribution expenses	1,980,987,068.23	-	1,808,249,264.31	-
General and administrative expenses	2,583,815,226.76	575,656,719.91	2,228,521,838.59	530,685,944.80
Research and development expenses	711,235,490.13	255,946,726.08	605,020,192.04	188,572,442.20

Financial expenses	596,764,082.61	146,949,767.09	402,888,653.32	131,344,861.78
Including: Interest expenses	493,321,918.85	305,062,363.63	319,824,182.96	221,337,729.86
Interest income	47,519,969.08	169,978,618.36	29,932,608.81	114,907,837.95
Add: Other income	143,078,404.03	12,420,501.60	90,871,598.32	11,384,679.18
Investment income ("-" for losses)	267,121,175.54	999,748,728.07	384,851,154.17	833,556,750.22
Including: Income from investment in associates and joint ventures	47,855,406.41	1,276,430.90	-1,557,102.23	219,125.44
Income from derecognition of financial assets measured at amortized cost ("-" for losses)	-1,262,095.66	-	-1,432,052.45	-
Net exposure hedge income ("-" for losses)	-	-	-	-
Gains from changes in fair value ("-" for losses)	-25,949,112.55	- 18,020,717.76	47,106,002.17	- 2,669,641.98
Credit losses ("-" for losses)	-151,825,135.93	- 602,942.23	-87,397,171.55	1,584,131.30
Impairment losses ("-" for losses)	-51,868,678.48	- 633,989.93	-72,194,585.99	-
Gains from assets disposal ("-" for losses)	6,722,883.81	131,366.61	647,470.97	943.99
<b>II. Operating profit ("-" for losses)</b>	<b>3,903,046,823.70</b>	<b>1,470,451,635.72</b>	<b>2,515,181,421.91</b>	<b>1,137,526,440.78</b>
Add: Non-operating	43,855,867.05	338,059.83	42,373,960.51	713,166.80

income				
Less: Non-operating expenses	124,178,162.07	28,775,531.93	48,501,004.55	4,541,364.44
<b>III. Profit before income tax ("-" for losses)</b>	<b>3,822,724,528.68</b>	<b>1,442,014,163.62</b>	<b>2,509,054,377.87</b>	<b>1,133,698,243.14</b>
Less: Income tax expenses	658,278,689.76	97,079,082.19	657,772,217.77	56,019,178.66
<b>IV. Net profit for the year ("-" for losses)</b>	<b>3,164,445,838.92</b>	<b>1,344,935,081.43</b>	<b>1,851,282,160.10</b>	<b>1,077,679,064.48</b>
(I) Classification according to operation continuity				
Including: Net profit from continuing operations ("-" for net loss)	3,164,445,838.92	1,344,935,081.43	1,851,282,160.10	1,077,679,064.48
Net profit from discontinued operations ("-" for net loss)	-	-	-	-
(II) Attributable to:				
Including: Shareholders of the parent company ("-" for net loss)	2,954,142,403.34	1,344,935,081.43	1,636,237,735.85	1,077,679,064.48
Non-controlling interests ("-" for net loss)	210,303,435.58	-	215,044,424.25	-
<b>V. Other comprehensive income, net of tax</b>	<b>435,781,170.46</b>	<b>-</b>	<b>-37,081,918.64</b>	<b>-</b>

Other comprehensive income (net of tax) attributable to shareholders of the parent company	444,747,944.05	-	-38,211,827.53	-
(I) Items that will not be reclassified to profit or loss	-	-	-	-
(II) Items that may be reclassified to profit or loss	444,747,944.05	-	-38,211,827.53	-
1. Translation differences arising from translation of foreign currency financial statements	444,747,944.05	-	-38,211,827.53	-
Other comprehensive income (net of tax) attributable to non-controlling interests	-8,966,773.59	-	1,129,908.89	-
<b>VI. Total comprehensive income for the year</b>	<b>3,600,227,009.38</b>	<b>1,344,935,081.43</b>	<b>1,814,200,241.46</b>	<b>1,077,679,064.48</b>
Attributable to shareholders of the parent company	3,398,890,347.39	1,344,935,081.43	1,598,025,908.32	1,077,679,064.48
Attributable to non-controlling interests	201,336,661.99	-	216,174,333.14	-
<b>VII. Earnings per share</b>				
1. Basic earnings per share	1.79		0.98	
2. Diluted earnings per share	1.79		0.98	

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person

in charge of accounting department: Shaolin Yang

### Consolidated and Company Cash Flow Statement

For the year ended December 31, 2022

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	2022		2021	
	Consolidated	Company	Consolidated	Company
<b>I. Cash flows from operating activities</b>				
Cash received from sales of goods and rendering of services	105,515,366,873.92	1,611,001,116.36	87,156,308,826.61	64,099,598.56
Cash received from interest, handling fee and commission	52,471,775.44	-	52,398,783.61	-
Refund of taxes	46,778,969.55	27,784.87	28,552,067.44	2,018.26
Net decrease in loans and advances to customers	273,826,418.39	-	-	-
Cash received from other operating activities	1,071,481,974.47	129,205,998,725.34	1,527,404,114.38	94,344,720,105.45
Sub-total of cash inflows from operating activities	106,959,926,011.77	130,817,027,626.57	88,764,663,792.04	94,408,821,722.27
Cash paid for goods and services	91,539,931,901.86	532,862,166.40	77,942,873,205.55	585,113,729.02
Net increase in loans and advances to customers	-	-	120,656,045.94	-
Cash paid to and on behalf of employees	5,028,206,028.20	577,404,969.85	4,247,371,433.26	503,103,566.29
Taxes payments	951,951,549.79	4,884,596.67	842,752,484.72	6,300,961.42
Cash paid for other operating activities	2,621,942,281.01	127,287,775,456.69	2,473,062,371.88	89,949,434,656.19
Sub-total of cash outflows				91,043,952,912.92

for operating activities	100,142,031,760.86	128,402,927,189.61	85,626,715,541.35	
<b>Net cash flows from operating activities</b>	<b>6,817,894,250.91</b>	<b>2,414,100,436.96</b>	<b>3,137,948,250.69</b>	<b>3,364,868,809.35</b>
<b>II. Cash flows from investing activities</b>				
Cash received from disposal of investments	8,533,382,387.16	1,345,367,699.62	3,746,774,708.37	366,348,722.88
Cash received from investment gains	252,221,284.89	1,002,634,156.19	362,775,819.58	821,023,044.31
Cash received from disposal of fixed assets, intangible assets and other long-term assets	21,674,298.08	120,297.04	15,390,950.11	324,334.20
Net proceeds from disposal of subsidiaries and other business units	-	-	-	-
Cash received from other investing activities	10,574,504.91	-	6,555,335.22	-
Sub-total of cash inflows from investing activities	8,817,852,475.04	2,348,122,152.85	4,131,496,813.28	1,187,696,101.39
Payment for acquisition of fixed assets, intangible assets and other long-term assets	5,001,931,119.51	146,524,106.56	4,659,257,785.73	135,919,979.73
Payment for acquisition of investments	9,199,535,576.31	4,357,429,815.40	3,535,622,590.51	2,157,226,931.75
Net payments for acquisition of subsidiaries and other business units	4,936,376.84	-	145,778,584.48	-
Cash paid for other investing activities	56,933,976.70	6,000.00	14,052,152.04	-
Sub-total of cash outflows for investing activities	14,263,337,049.36	4,503,959,921.96	8,354,711,112.76	2,293,146,911.48
<b>Net cash flows from investing activities</b>	<b>-5,445,484,574.32</b>	<b>2,155,837,769.11</b>	<b>4,223,214,299.48</b>	<b>-1,105,450,810.09</b>
<b>III. Cash flows from</b>				

<b>financing activities</b>				
Cash received from investors	69,933,021.63	-	418,241,406.00	-
Including: Proceeds from non-controlling shareholders of subsidiaries	69,933,021.63	-	418,241,406.00	-
Cash received from borrowings	13,925,695,034.50	11,211,276,748.16	17,029,202,863.80	11,530,201,972.64
Cash received from other financing activities	17,015,584.74	2,869,914.56	17,566,515.07	5,996,166.86
Sub-total of cash inflows from financing activities	14,012,643,640.87	11,214,146,662.72	17,465,010,784.87	11,536,198,139.50
Repayments of borrowings	13,494,122,760.15	10,503,170,726.06	14,557,113,635.09	12,419,698,614.75
Payment for dividends, profit distributions or interests	951,057,561.84	616,834,697.75	941,106,454.09	729,053,571.15
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries	205,146,501.52	-	121,478,678.04	-
Cash paid for other financing activities	497,507,448.43	19,580,462.79	1,188,124,589.36	720,664,327.03
Sub-total of cash outflows for financing activities	14,942,687,770.42	11,139,585,886.60	16,686,344,678.54	13,869,416,512.93
<b>Net cash flows from financing activities</b>	<b>-930,044,129.55</b>	<b>74,560,776.12</b>	<b>778,666,106.33</b>	<b>-2,333,218,373.43</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>-1,326,267.77</b>	<b>4,046,174.03</b>	<b>-23,178,107.90</b>	<b>-13,655,242.35</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>441,039,279.27</b>	<b>336,869,618.00</b>	<b>-</b>	<b>-87,455,616.52</b>
Add: Cash and cash equivalents at the beginning of the period	1,681,109,971.07	603,811,349.57	2,010,888,021.43	691,266,966.09
<b>VI. Cash and cash</b>	<b>2,122,149,250.34</b>	<b>940,680,967.57</b>	<b>1,681,109,971.07</b>	<b>603,811,349.57</b>

<b>equivalent at the end of the period</b>				
--	--	--	--	--

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person

in charge of accounting department: Shaolin Yang

**Consolidated Statement of Changes in Shareholders' Equity**

For the year ended December 31, 2022

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2022												
	Attributable to shareholders' equity of the parent company											Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk provision	Retained earnings		
Preference share		Perpetual debt	Others										
<b>I. Balance at the end of last year</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,127,738,338.63</b>	<b>792,321,152.16</b>	<b>144,698,175.60</b>	-	<b>746,430,806.85</b>	<b>9,005,028.55</b>	<b>7,894,011,164.82</b>	<b>1,472,249,227.12</b>	<b>15,973,576,299.21</b>
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for business combinations involving enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the year</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,127,738,338.63</b>	<b>792,321,152.16</b>	<b>144,698,175.60</b>	-	<b>746,430,806.85</b>	<b>9,005,028.55</b>	<b>7,894,011,164.82</b>	<b>1,472,249,227.12</b>	<b>15,973,576,299.21</b>

<b>III. Changes in equity during the year ("-" for decrease)</b>	-	-	-	-	<b>172,322,739.34</b>	-	<b>444,747,944.05</b>	-	<b>84,149,723.65</b>	<b>4,170,124.55</b>	<b>2,626,529,461.29</b>	<b>52,959,491.32</b>	<b>3,376,539,235.10</b>
(I) Total comprehensive income	-	-	-	-	-	-	444,747,944.05	-	-	-	2,954,142,403.34	201,336,661.99	3,600,227,009.38
(II) Shareholders' contributions and decrease of capital	-	-	-	-	181,968,175.69	-	-	-	-	-	-	38,221,700.51	220,189,876.20
1. Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	-	-	-	69,933,021.63	69,933,021.63
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	211,328,660.37	-	-	-	-	-	-	9,519,865.89	220,848,526.26
4. Others	-	-	-	-	29,360,484.68	-	-	-	-	-	-	41,231,187.01	70,591,671.69
(III) Appropriation of profits	-	-	-	-	-	-	-	-	84,149,723.65	4,170,124.55	327,612,942.05	186,598,871.18	434,232,214.13
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	84,149,723.65	-	84,149,723.65	-	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	4,170,124.55	4,170,124.55	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	247,633,342.95	186,598,871.18	434,232,214.13
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-

(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	9,645,436.35	-	-	-	-	-	-	-	9,645,436.35
<b>IV. Balance at the end of the year</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,300,061,077.97</b>	<b>792,321,152.16</b>	<b>300,049,768.45</b>	-	<b>830,580,530.50</b>	<b>4,834,904.00</b>	<b>10,520,540,626.11</b>	<b>1,525,208,718.44</b>	<b>19,350,115,534.31</b>

Item	Year ended 31/12/2021
------	-----------------------

	Attributable to shareholders' equity of the parent company										Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk provision			Retained earnings
		Preference share	Perpetual debt	Others									
<b>I. Balance at the end of last year</b>	<b>1,661,210,751.00</b>	-	-	-	<b>5,041,921,064.80</b>	<b>165,350,332.65</b>	<b>106,486,348.07</b>	-	<b>638,662,900.40</b>	<b>7,814,011.67</b>	<b>6,895,016,817.26</b>	<b>985,903,096.95</b>	<b>14,958,691,961.36</b>
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for business combinations involving enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the year</b>	<b>1,661,210,751.00</b>	-	-	-	<b>5,041,921,064.80</b>	<b>165,350,332.65</b>	<b>106,486,348.07</b>	-	<b>638,662,900.40</b>	<b>7,814,011.67</b>	<b>6,895,016,817.26</b>	<b>985,903,096.95</b>	<b>14,958,691,961.36</b>

<b>III. Changes in equity during the year ("-" for decrease)</b>	<b>-49,690.00</b>	-	-	-	<b>85,817,273.83</b>	<b>626,970,819.51</b>	<b>38,211,827.53</b>	-	<b>107,767,906.45</b>	<b>1,191,016.88</b>	<b>998,994,347.56</b>	<b>486,346,130.17</b>	<b>1,014,884,337.85</b>
(I) Total comprehensive income	-	-	-	-	-	-	38,211,827.53	-	-	-	1,636,237,735.85	216,174,333.14	1,814,200,241.46
(II) Shareholders' contributions and decrease of capital	-49,690.00	-	-	-	181,248,150.10	626,970,819.51	-	-	-	-	-	410,777,209.68	34,995,149.73
1. Contribution by ordinary shareholders	-49,690.00	-	-	-	312,567.20	362,257.20	-	-	-	-	-	418,241,406.00	418,241,406.00
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	262,778,762.42	80,958,259.20	-	-	-	-	-	11,540,405.47	355,277,427.09
4. Others	-	-	-	-	81,218,045.12	708,291,335.91	-	-	-	-	-	19,004,601.79	808,513,982.82

(III) Appropriation of profits	-	-	-	-	-	-	-	-	-	107,767,906.45	1,191,016.88	- 637,243,388.29	- 140,605,412.65	- 668,889,877.61
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	-	107,767,906.45	-	- 107,767,906.45	-	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	1,191,016.88	- 1,191,016.88	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	- 528,284,464.96	- 140,605,412.65	- 668,889,877.61
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	95,430,876.27	-	-	-	-	-	-	95,430,876.27
<b>IV. Balance at the end of the year</b>	<b>1,661,161,061.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,127,738,338.63</b>	<b>792,321,152.16</b>	<b>144,698,175.60</b>	<b>-</b>	<b>746,430,806.85</b>	<b>9,005,028.55</b>	<b>7,894,011,164.82</b>	<b>1,472,249,227.12</b>	<b>15,973,576,299.21</b>

### Company Statement of Changes in Shareholders' Equity

For the year ended December 31, 2022

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2022										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
<b>I. Balance at the end of last year</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,307,476,327.94</b>	<b>792,321,152.16</b>	-	-	<b>746,430,806.85</b>	<b>2,995,172,401.18</b>	<b>9,917,919,444.81</b>
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,307,476,327.94</b>	<b>792,321,152.16</b>	-	-	<b>746,430,806.85</b>	<b>2,995,172,401.18</b>	<b>9,917,919,444.81</b>

year	61.00				27.94	.16			.85	01.18	44.81
<b>III. Changes in equity during the year ( "-" for decrease)</b>	-	-	-	-	<b>207,264,237.62</b>	-	-	-	<b>84,149,723.65</b>	<b>1,013,152,014.83</b>	<b>1,304,565,976.10</b>
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	1,344,935,081.43	1,344,935,081.43
(II) Shareholders' contributions and decrease of capital	-	-	-	-	220,848,526.28	-	-	-	-	-	220,848,526.28
1. Contribution by ordinary shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	220,848,526.28	-	-	-	-	-	220,848,526.28
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-	-	-	84,149,723.65	331,783,066.18	247,633,342.81

										65	.60	.95
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	-	84,149,723.65	-84,149,723.65	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-247,633,342.95	-247,633,342.95
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-

4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	13,584,288.66	-	-	-	-	-	13,584,288.66
<b>IV. Balance at the end of the year</b>	<b>1,661,161,061.00</b>	-	-	-	<b>5,514,740,565.56</b>	<b>792,321,152.16</b>	-	-	<b>830,580,530.50</b>	<b>4,008,324,416.01</b>	<b>11,222,485,420.91</b>

Item	Year ended 31/12/2021										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
<b>I. Balance at the end of last year</b>	<b>1,661,210,751.00</b>	-	-	-	<b>5,136,265,883.82</b>	<b>165,350,332.65</b>	-	-	<b>638,662,900.40</b>	<b>2,553,545,708.11</b>	<b>9,824,334,910.68</b>
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>II. Balance at the beginning of the year</b>	<b>1,661,210,751.00</b>	-	-	-	<b>5,136,265,883.82</b>	<b>165,350,332.65</b>	-	-	<b>638,662,900.40</b>	<b>2,553,545,708.11</b>	<b>9,824,334,910.68</b>
<b>III. Changes in equity during the year ("-" for decrease)</b>	<b>-49,690.00</b>	-	-	-	<b>171,210,444.12</b>	<b>626,970,819.51</b>	-	-	<b>107,767,906.45</b>	<b>441,626,693.07</b>	<b>93,584,534.13</b>
(I) Total comprehensive	-	-	-	-	-	-	-	-	-	1,077,679,064.48	1,077,679,064.48

income												
(II) Shareholders' contributions and decrease of capital	-49,690.00	-	-	-	274,006,600. 69	626,970,81 9.51	-	-	-	-	-	- 353,013,908. 82
1. Contribution by ordinary shareholders	-49,690.00	-	-	-	-312,567.20	- 362,257.20	-	-	-	-	-	-
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	274,319,167. 89	- 80,958,259. 20	-	-	-	-	-	- 355,277,427. 09
4. Others	-	-	-	-	-	708,291,33 5.91	-	-	-	-	-	- 708,291,335. 91
(III) Appropriation of profits	-	-	-	-	-	-	-	-	107,767,90 6.45	- 636,052,371. 41	- 528,284,464. 96	
1. Appropriation	-	-	-	-	-	-	-	-	107,767,90	- 107,767,906.	-	

for surplus reserves										6.45	45	
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into	-	-	-	-	-	-	-	-	-	-	-	-

retained earnings											
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	102,796,156.57	-	-	-	-	102,796,156.57
<b>IV. Balance at the end of the year</b>	<b>1,661,161,061.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,307,476,327.94</b>	<b>792,321,152.16</b>	<b>-</b>	<b>-</b>	<b>746,430,806.85</b>	<b>2,995,172,401.18</b>	<b>9,917,919,444.81</b>

## Notes to the Financial Statements

### I. Company Profile

#### 1. Company's profile

Guangdong Haid Group Co., Limited (formerly known as “Guangdong Haid Industrial Co., Ltd.” or “Guangdong Haid Group Limited”, and hereinafter referred to as the “Company”) is a share limited company registered in Guangdong Province, which listed on the Shenzhen Stock Exchange in November 2009.

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

The financial statements and notes have been approved by the 10th meeting of the sixth Board of Directors of the Company on April 21, 2023.

#### 2. Scope of consolidated financial statements

A total of 528 subsidiaries were included in the scope of the consolidated financial statements in current year. 50 entities were added into and 20 entities were removed from the consolidation scope for the current year when compared to prior year. For further information, please refer to the disclosures in Note VI. Changes in Consolidation Scope and Note VII. Interests in Other Entities.

### II. Basis of preparation

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

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

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

### III. Significant accounting policies and accounting estimates

The Group determines fixed assets appreciation and revenue recognition policy according to the characteristics of its production and operation and relevant requirements in Accounting Standards for Business Enterprises. For more information on the accounting policies, please refer to Note III. 16 and Note III. 28.

#### 1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises. These financial statements have truly and completely presented the consolidated financial position and financial position of the Group as at December 31, 2022 and their operating results and cash flows for the year ended December 31, 2022.

## 2. Accounting Period

The accounting period of the Group is from 1 January to 31 December.

## 3. Operating Cycle

The operating cycle of the Group is 12 months.

## 4. Functional currency

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

The joint ventures and associates of the Group determine their functional currency according to the primary economic environment where they operate and the financial statements have been prepared in RMB.

## 5. Accounting treatments for business combinations involving enterprises under common control and business combinations involving enterprises not under common control

### (1) Business combinations involving enterprises under common control

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

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

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

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

### (2) Business combinations involving enterprises not under common control

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

Where the combination cost exceeds the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the difference is recognized as goodwill, and subsequently measured based on its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer’s interest in the

fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after reassessment.

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

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

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

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

### (3) Transaction costs for business combination

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

## 6. Consolidated financial statements

### (1) Scope of consolidated financial statements

The scope of consolidated financial statements is based on control. Control exists when the Company has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. A subsidiary is an entity that is controlled by the Company (including enterprise, a portion of an investee as a deemed separate component, and structured entity controlled by the enterprise).

### (2) Basis of preparation of consolidated financial statements

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

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

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries or business are included in the scope of consolidation from the date that control commences.

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

### (3) Purchase of subsidiaries' non-controlling interests

The difference between the cost of long-term equity investment newly acquired due to the purchase of non-controlling interest and the share of net assets of the subsidiary continuously calculated from the purchase date or merger date according to the newly increased shareholding ratio, and the difference between the disposal price obtained as a result of partial disposal of the equity investment in the subsidiary without loss of control and the share of net assets continuously calculated since the purchase date or the merger date corresponding to the disposal of the long-term equity investment of the subsidiary, should be adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

### (4) Disposal of subsidiaries

When the Group loses control over a subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when the control is lost. A gain or loss is recognised in the current period and is calculated by the aggregate of consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of net assets in proportion to previous shareholding percentage in the former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

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

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

- ① The transactions are entered into at the same time or in contemplation of each other;
- ② The transactions are considered as a single transaction to achieve an overall commercial effect;
- ③ The occurrence of one transaction dependent on the occurrence of at least one other transaction;

- ④ A transaction is not economically justified when considered on its own, but it is economically justified when considered together with other transactions.

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

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

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

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

## 7. Joint arrangement classification and accounting treatment for joint operation

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

### (1) Joint operations

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

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

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

### (2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Group adopts equity method under long-term equity investment in accounting for its investment in joint venture.

#### 8. Cash and cash equivalents

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

#### 9. Foreign currency transactions and translation of foreign currency financial statements

##### (1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Group at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss or other comprehensive income according to the nature of non-monetary items.

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

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

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

Cash flow statement of foreign operation is translated to Renminbi at the rates determined under a systematic and rational method that approximate the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as “Effect of foreign exchange rate changes on cash and cash equivalents” in the cash flow statement.

The resulting translation differences are recognised in other comprehensive income in shareholders’ equity of balance sheet.

The translation differences accumulated in shareholders’ equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

#### 10. Financial instruments

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

##### (1) Recognition and derecognition of financial instruments

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

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

- ① The contractual rights to the cash flows from the financial asset expire; or

- ② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in “Transfer of financial assets”.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Group (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized.

If the financial assets are traded regularly, the financial assets are recognized and derecognized at the transaction date.

## (2) Classification and measurement of financial assets

The Group classifies financial assets as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss at initial recognition on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

### **Financial assets measured at amortized cost**

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

- The Group's business model of managing the financial assets aims at collecting contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the financial assets are derecognized, amortized according to the effective interest method or impaired.

### **Financial assets measured at fair value through other comprehensive income**

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

- The Group's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, this type of financial assets are subsequently measured at fair value. The interest, loss allowance or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

### **Financial assets measured at fair value through profit or loss**

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Group classifies all other financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Group irrevocably designates some financial assets that should have been measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After the initial recognition, this kind of financial asset is subsequently measured at fair value, and the gains or losses (including interest and dividend income) generated are recorded into the current profit or loss, unless the financial asset is part of the hedging relationship.

However, for non-trading equity instrument investment, the Group irrevocably designates it as a financial asset measured at fair value through other comprehensive income at initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Qualified dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

The business model of managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the cash flow from the financial assets under management of the Group is derived from the receipt of contractual cash flows, the sale of financial assets or a combination of both. The Group determines its business model for managing financial assets on the basis of objective facts and the specific business objectives for the management of financial assets determined by key management personnel.

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of financial assets at initial recognition. Interest includes consideration for the time value of money, the credit risk associated with the amount of principal outstanding over a given period, and other basic lending risks and costs, as well as a profit margin. In addition, the Group assesses contractual terms that may cause a change in the time distribution or amount of the contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

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

Financial assets are measured at fair value at the time of initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recorded into current profit or loss; for other classes of financial assets, the relevant transaction costs are included in the initial recognition amount. For accounts receivable arising from the sale of products or provision of services, which do not contain or do not take into account the material financing component, the Group is entitled to collect the consideration amount as expected as the initial recognition amount.

### (3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Group are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognized amounts.

#### **Financial liabilities measured at fair value through profit or loss**

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into current profit or loss.

#### **Financial liabilities measured at amortized cost**

For other financial liabilities, the effective interest rate method shall be adopted, the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into current profit or loss.

#### Financial guarantee contract

Financial guarantee contracts do not belong to financial liabilities measured at fair value through profit or loss. They are measured at fair value at initial recognition and are subsequently measured at the higher of the amount of the loss allowance determined in accordance with the expected credit loss model and the amount initially recognized less the cumulative amortisation.

### **The distinction between financial liabilities and equity instruments**

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

- ① A contractual obligation to deliver cash or other financial assets to other parties.
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ A non-derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.
- ④ A derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

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

If a financial instrument has to be settled with or can be settled with the Group's own equity instruments in the future, consideration needs to be given to whether the Group's own equity instruments used to settle the instrument is to be used as a substitute for cash or other financial assets, or to give the holder of the instrument the remaining interest in the issuer's assets after deduction of all liabilities. If it is the former, the instrument is a financial liability of the Group; if it is the latter, the instrument is an equity instrument of the Group.

#### (4) Derivative financial instruments and embedded derivative instruments

The Group's derivative financial instruments include forward foreign exchange contracts, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange options contracts, etc. .The initial measurement is based on the fair value of the date of signing the derivative transaction contract, and the subsequent measurement is based on its fair value. A derivative with a positive fair value is recognised as an asset; a negative fair value is recognized as a liability. Any gains or losses resulting from changes in fair value that do not conform to the provisions of hedge accounting shall be directly recorded into the current profit or loss.

For a hybrid instrument containing an embedded derivative instrument, if the host is a financial asset, the hybrid instrument as a whole shall be subject to the relevant provisions on the classification of financial assets. If the host is not a financial asset, the embedded derivative instrument shall be separated from the hybrid instrument and accounted for as a separate derivative instrument if all of the following conditions are met: the hybrid instrument is not measured at fair value through profit or loss; the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If it is not possible to measure the embedded derivative separately at the time of acquisition or on

the subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, see Note III.11.

(6) Impairment of financial assets

On the basis of expected credit losses, the Group conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and debt investments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 - Revenue;
- Lease receivables;
- Financial guarantee contracts (except for financial assets measured at fair value through profit or loss, transfer of financial assets that do not meet the conditions for derecognition or those caused by continuing involvement in transferred financial assets).

**Measurement of expected credit losses**

The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Group calculates the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received and recognizes the expected credit loss, taking into account reasonable and supportable information concerning past events, current conditions and forecast of future economic conditions, with the respective risks of a default occurring as the weights.

The Group separately measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the financial instrument is in the first stage and the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses; if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit losses have occurred, the financial instrument is in the second stage and the Group shall measure the loss allowance at an amount equal to lifetime expected credit losses; if credit losses have occurred to a financial instrument since its initial recognition, it is in the third stage and the Group shall measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial instruments with low credit risk at the balance sheet date, the Group assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss allowance at an amount equal to 12-month expected credit losses.

The term "lifetime expected credit losses" refers to the expected credit losses resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit losses within the next 12 months refer to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the balance sheet date (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of lifetime expected credit losses.

When measuring expected credit losses, the Group shall take into account the longest contract period (including the option to renew the contract) for which it is exposed to credit risk.

The Group calculates interest income on the basis of the Book value before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the third stage, the interest income is calculated on the basis of the amortized cost of the Book value less the impairment provision and the effective interest rate.

- **Bills receivable, accounts receivable and contract assets**

For bills receivable, accounts receivable and contract assets, regardless of whether there is a material financing component, the Group always measures its loss allowance at an amount equal to lifetime expected credit losses.

When an individual financial asset cannot assess the information of expected credit loss at a reasonable cost, the Group divides the bills receivable and accounts receivable into groups according to the credit risk characteristics, calculates the expected credit losses based on the groups which are determined as follows:

A. Notes receivable

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

B. Accounts receivable

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

For the bills receivable divided into groups, the Group calculates the expected credit loss through default risk exposure and the lifetime expected credit loss rate by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the accounts receivable divided into groups, the Group refers to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the age of receivables/overdue days and the lifetime expected credit loss rate and to calculate the expected credit loss.

- **Other receivables**

The Group divides other receivables into several groups according to the credit risk characteristics, and calculates the expected credit losses on the basis of the groups which are determined as follows:

- Group 1 of other receivables: Security deposits
- Group 2 of other receivables: Futures margin
- Group 3 of other receivables: Receivables due from external parties
- Group 4 of other receivables: Advance social security and provident fund
- Group 5 of other receivables: Petty cash

- Group 6 of other receivables: Other receivables due from related parties within the scope of consolidation
- Group 7 of other receivables: Others

For other receivables divided into groups, the Group calculates the expected credit losses by default risk exposure and the expected credit losses rate over the next 12 months or the entire duration.

- **Loans and advances to customers**

For loans and advances to customer, the Group calculates the expected credit loss through the exposure at default and the expected credit loss rate within the next 12 months or the entire duration.

- **Long-term receivables**

The Group's long-term receivables include financial lease receivables, security deposit receivables, etc.

According to the credit risk characteristics, the Group divides financial lease receivables, security deposit receivables into several groups. The expected credit loss is calculated on the basis of the groups which are determined as follows:

A. Finance lease receivables

- Group 1 of finance leases: Receivable due from related parties within the scope of consolidation.
- Group 2 of finance leases: Receivable due from other customers

B. Other long-term receivables

- Group 1 of long-term receivables: Security deposit receivables
- Group 2 of long-term receivables: Other receivables

For security deposit receivables, the Group refers to historic credit losses experience, combined with the current situation and forecast for the future economic situation, to calculate the expected credit losses by default risk exposure and the lifetime expected credit loss rate.

For other receivables and long-term receivables in addition to security deposit receivables, the expected credit losses are calculated by default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

- **Debt investment and other debt investment**

For debt investment and other debt investment, the Group calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

- **Assessment of a significant increase in credit risk**

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Group determines the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Group considers reasonable and supportable information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Group includes:

- The debtor fails to pay the principal and interest as due under the contract;

- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected to occur;
- A serious deterioration of the debtor's business results occurred or is expected to occur;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Group.

According to the nature of financial instruments, the Group evaluates whether credit risk increases significantly on the basis of individual financial instruments or a group of financial instruments. When assessing on the basis of a group of financial instruments, the Group may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If overdue for more than 30 days, the Group determines that the credit risk of the financial instrument has increased significantly.

- **Credit-impaired financial assets**

On the balance sheet date, the Group evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When one or more events which have an adverse effect on the expected future cash flows of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Group, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

- **Presentation of expected credit losses**

In order to reflect the change of the credit risk of financial instruments since the initial recognition, the Group re-measures the expected credit losses on each balance sheet date, and the increase or recovered amount of the loss allowance thus formed shall be recorded into the current profit or loss as a loss allowance or gain. For a financial asset measured at amortized cost, the loss allowance shall offset the carrying amount of the financial asset as stated in the balance sheet; for the debt investment measured at fair value through other comprehensive income, the Group recognizes its loss allowance in other comprehensive income and does not offset the carrying amount of the financial asset.

- **Write-off**

If the Group no longer reasonably expects that the contractual cash flows of a financial asset can be recovered in its entirety or a portion thereof, the carrying amount of the financial asset shall be directly written-off. Such a write-off constitutes a derecognition of the relevant financial asset. This usually occurs when the Group determines that the debtor does not have assets or sources of income that generate sufficient cash flows to repay the amount to be written-off. However, in accordance with the Group's procedures for recovering amounts due, the financial assets that have been written-off may still be affected by the execution activities.

If a financial asset that has been written-off is recovered later, a reversal of loss allowance shall be recorded in profit or loss of the current period.

#### (7) Transfer of financial assets

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

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

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

#### (8) Offset between financial assets and financial liabilities

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

### 11. Fair value measurement

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

The Group measures related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market; in the absence of a principal market, assuming the assets or liabilities are exchanged in an orderly transaction in the most advantageous market. Principal market (or the most advantageous market) is the market that the Group can normally enter into a transaction on measurement date. The Group adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities with active markets, the Group uses the quoted prices in active markets as their fair value. Otherwise, the Group uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits using the asset in its best way or by selling it to another market participant that would best use the asset.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

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

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

### 12. Inventories

(1) Classification

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

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. If the inventories are managed by batch at the time of receipt and delivery, these inventories shall be carried forward at batch cost. Otherwise, inventories are calculated by using weighted average method.

(3) Basis for determining the net realisable value and method for provision for obsolete inventories

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

Any excess of the cost over the net realisable value of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss. The Group usually recognises provision for decline in value of inventories by a single or a type of inventory item. If the factors caused the value of inventory previously written-down have disappeared, the provision for decline in value of inventories previously made is reversed.

(4) Inventory count system

The Group maintains a perpetual inventory system.

13. Assets held for sale and discontinued operations

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

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

Non-current assets mentioned above do not include investment properties subsequently measured with the fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

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

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

Non-current assets or disposal groups held for sale are initially and subsequently measured at the lower of carrying amount and fair value less costs to sell. Any excess of the carrying amount over the fair value less costs to sell is recognised as a loss allowance in profit or loss. The loss allowance recognised for a disposal group firstly reduces the carrying amount of goodwill allocated to the disposal group, and then reduces the

carrying amount of other non-current assets pro rata on the basis of the carrying amount of each non-current asset in the disposal group.

The Group recognises a gain for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative loss allowance that has been recognised after classified as held for sale. The reduced carrying amount of goodwill is not recovered.

The Group does not depreciate (or amortise) a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. If an investment or a part of investment in an associate or a joint venture is classified as held for sale, equity method is not used for the part classified as held for sale, while equity method is used for the rest part (the part not classified as held for sale) continually. When the Group does not have material impact on an associate or a joint venture due to the sale transaction, it stops using equity method.

The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

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

## (2) Discontinued operations

The Group classifies a component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- ① It represents a separate major line of business or a separate geographical area of operations;
- ② It is part of a single coordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired exclusively with a view to resale.

## (3) Presentation

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

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

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

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

#### 14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Group has significant influence.

##### (1) Determination of initial investment cost

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

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

##### (2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

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

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

Under the equity method, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Group becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Group uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. If the original equity is classified as non-trading equity instrument investment measured at fair value and its changes are included in other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for

using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of the loss of joint control or significant influence. Any other comprehensive income previously recognised under the equity method shall be accounted for on the same basis as would have been required if the Group had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to original equity investment is transferred to profit or loss for the current period.

When the Group can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control of or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control of or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

When the Group can no longer exercise control over an investee due to new capital injection by other investors, and the Group can exercise joint control of or significant influence over an investee, the Group recognizes its share of the investee's new added net assets using new shareholding percentage. The difference between its new share of the investee's new added net assets and its decreased shareholding percentage of the original investment is recognized in profit or loss. And the Group adjusts to the equity method using the new shareholding percentage as if it uses the equity method since it obtains the investment.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

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

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Group can exercise joint control over an investee, the Group first considers whether no single participant party is in a position to control the investee's related activities unilaterally, and then considers whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Group can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Group or other parties that are currently exercisable or convertible shall be considered.

When the Group, directly or indirectly through subsidiaries, owns 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Group cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Group owns less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Group can participate in the production and business decisions of the investee so as to form a significant influence.

### (4) Equity investments held for sale

Accounting for an entity investment, or a portion of an equity investment, in an associate or a joint venture that is classified as held for sale refers to Note III.13.

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

When an equity investment in an associate or a joint venture previously classified as held for sale no longer meets the criteria to be so classified, it is accounted for using the equity method retrospectively as from the date of its classification as held for sale.

(5) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III. 22 for the Group's method of asset impairment.

15. Investment property

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

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note III.22.

Gains or losses arising from the sale, transfer, retirement or disposal of an item of investment property are determined as the difference among the net disposal proceeds, the carrying amount of the item, related taxes and surcharges, and are recognised in profit or loss for current period.

16. Fixed assets

(1) Recognition of fixed assets

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

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

Fixed asset are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Group and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Category	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and buildings	5-40 (Note)	5	19.00-2.38

Category	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Machinery and equipment	3-12	5	31.67-7.92
Motor vehicles	5	5	19.00
Electronic equipment	3-5	5	31.67-19.00
Others	3-5	5	31.67-19.00

Note:

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

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

- (3) For the impairment of the fixed assets, please refer to Note III. 22.
- (4) Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

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

- (5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its carrying value and relevant taxes is recorded into the current profit or loss.

17. Construction in progress

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

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

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

18. Borrowing costs

- (1) Capitalisation criteria

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying

asset shall be capitalised as part of the cost of that asset. Other borrowing costs are expensed in profit or loss as incurred. The capitalisation of borrowing costs shall commence only when the following criteria are met:

- ① Capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;
- ② Borrowing costs have been incurred;
- ③ The activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period

The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognised in profit or loss for the current period.

Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(3) Capitalisation rate of borrowing costs and calculation basis of capitalised amount

For interest expense actually incurred on specific borrowings, the eligible capitalised amount is the net amount of the borrowing costs after deducting any investment income earned before some or all of the funds are used for expenditures on the qualifying asset. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset, the capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings specifically for the purpose of obtaining a qualifying asset.

In the capitalisation period, exchange differences of specific borrowings in foreign currency shall be capitalised; exchange differences of general borrowings in foreign currency is recognised in profit or loss for the current period.

## 19. Biological Assets

(1) Recognition criteria for biological assets

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

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

## (2) Classification of biological assets

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

### ① Consumptive biological assets

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

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

### ② Productive biological assets

Productive biological assets are the biological assets held for the purpose of producing agricultural products, providing services or leasing, including livestock production. Productive biological assets are initially measured at cost. The cost of productive biological asset by self-growing or propagating is the necessary expenditure directly attributable to the asset incurred before the asset reaches its intended production and operation purpose, including capitalized borrowing costs.

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

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

At the end of each year, the Group reviews the useful lives, estimated net residual values and depreciation methods of productive biological assets. If there is any change, it is treated as a change in accounting estimates.

The proceeds on disposal of productive biological asset for the sales, inventory loss, dead or damage less the carrying amount and related taxes are recognized in profit or loss for the current period.

### ③ Impairment of biological assets

When the net realizable value of a consumptive biological asset is lower than its carrying amount, the difference is recognized as the impairment provision and the corresponding impairment loss is recognized in profit or loss for the current period. If the previous factors caused the decline in value of consumptive biological asset have disappeared at the balance sheet date, the previously recognized provision for decline in value of consumptive biological assets is reversed, to the extent of provision recognized in the past, the reversal amount is recognized in profit or loss for the current period.

For the impairment of productive biological assets, please refer to Note III. 22.

## 20. Intangible assets

Intangible assets include land use rights, patent rights, software use rights, trademarks, and non-patent, etc.

Intangible asset is initially measured cost and its useful life is determined at the time of acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

At the end of each year, the Group reviews the useful life and amortization method of intangible assets with finite useful life. If there is any change, adjustment made to original estimates and it shall be treated as the change of accounting estimate.

On the balance sheet date, an intangible asset shall be derecognized in profit or loss for the current period when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III. 22.

## 21. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalised if the product or process is technically and commercially feasible; the Group intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognised as an expense in the period in which it is incurred.

Research and development projects of the Group will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalised expenditure on the development phase is presented as “development costs” in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

## 22. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured by the cost model, fixed assets, construction in progress, productive biological assets measured by the cost model, intangible assets, goodwill, etc. (excluding inventories, investment properties measured by the fair value model, deferred tax assets and financial assets) are determined as follows:

At the balance sheet date, the Group assesses whether there is any indication of impairment. If any indication exists, the Group will estimate the recoverable amount and test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that are not ready for use are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less disposal costs and the present value of expected future cash flows. The Group estimates the recoverable amount based on each individual asset. If it is impossible to estimate the recoverable amount of each individual asset, the Group determines the recoverable amount for the asset group to which the asset belongs. An asset group is determined based on whether the main cash inflow generated by the asset group is independent of the cash inflow of other assets or asset groups.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly.

For the impairment test of goodwill, the carrying amount of goodwill arising from a business combination shall be allocated to the relevant asset groups by using a reasonable method from the date of acquisition. If the carrying amount of goodwill is unable to be allocated to the asset group, it shall be allocated to the relevant set of asset groups. Relevant asset group or set of asset groups is the asset group or group of asset groups, that is expected to benefit from the synergies of the combination and not greater than the reportable segment of the Group.

If any impairment indication exists in asset group or set of asset groups related to goodwill, the Group shall perform an impairment test for the asset group or set of asset groups which does not contain goodwill first, the recoverable amount is calculated and recognized the corresponding impairment losses. Then the Group shall perform an impairment test for the asset group or set of asset groups that contain goodwill by comparing its carrying amount and recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it cannot be reversed in a subsequent period.

## 23. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Group recognized its amortised cost in profit or loss for the current period.

## 24. Employee benefits

### (1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee

benefits. Benefits provided to the Group's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

According to liquidity, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the current period, the Group has accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognised as liabilities and corresponding costs in the profit or loss.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans which an entity pays a fixed amount of fee to an independent fund and has no further payment obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

The contribution amount calculated according to the define contribution plan is recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the projected unit credit method. The Group recognizes the following components of employee benefits cost arising from defined benefit plan:

① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.

② net interest on the net defined benefit plan liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.

③ changes as a result of re-measurement of the net defined benefit liabilities or assets.

Item①and item②above should be recognized in profit or loss for the current period unless another accounting standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item ③shall be recognized in other comprehensive income and shall not reclassified to profit or loss in a subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

The Group provides termination benefits to employees, the employee liabilities arising from the termination benefits shall be recognized with a corresponding charge to profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal; when the Group recognizes the costs or expenses related to a restructuring plan involving the payment of termination benefits.

When the Group implements an internal retirement plan, the economic compensation before the formal retirement date is attributable to the termination benefits. The salaries and social insurance payment to be paid for the early-retired employee are recognized as one-off expense in profit or loss for the current period between the date when the employee stops rendering service and formal retirement. Economic compensation after the date of formal retirement (such as normal pension) shall be accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Group to the employees satisfied the conditions for classifying as a defined contribution plan; those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefit plan, it shall be accounted for in accordance with the above requirements relating to defined benefit plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan shall be recorded in profit or loss for the current period or cost of relevant assets.

25. Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied:

- (1) The Group has a present obligation;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) The amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

26. Share-based Payment and Equity Instruments

(1) Types of share-based payment

The Group's share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

(2) Recognition method of the fair value of equity instruments

If an active market exists for the equity instruments such as stock option granted by the Group, the fair value of the equity instrument shall be determined according to the quoted price in the active market. If an active market does not exist, the fair value of the equity instrument shall be determined by using the option pricing model. The Group considers the following factors when selecting the model: A) the exercise price of the option; B) the validity period of the option; C) current price of underlying stock; D) expected volatility of the stock price; E) expected dividend of the stock; F) risk-free interest rate within the validity period of the option.

### (3) Basis for the best estimate of exercisable equity instruments

At each balance sheet date of the waiting period, the Group revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

### (4) Accounting treatments for the implementation, modification and termination of share-based payment plans

Equity-settled share-based payment is measured by the fair value of the equities instruments granted to employees. As to an equity-settled share-based payment that the right may be exercised immediately after the grant, the fair value of the equity instruments shall, on the date of the grant, be charged to the relevant cost or expense and the capital reserves shall be adjusted accordingly. As to an equity-settled share-based payment that the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be charged to the relevant costs or expenses at the fair value of the equities instruments on the date of the grant, and the capital reserves shall be adjusted accordingly. After the vesting date, the confirmed related costs or expenses and the total owner's equity will not be adjusted.

Cash-settled share-based payments is measured by the fair value of liability undertaken by the Group at the mean of share or other equity instruments. As to a cash-settled share-based payment instruments that the right may be exercised immediately after the grant, the fair value of the liability undertaken by the Group shall, on the date of the grant, be charged to the relevant costs or expenses, and the liabilities shall be increased accordingly. As to a cash-settled share-based payment that the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, on each balance sheet date within the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the vesting conditions, be charged to the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Group. On each balance sheet date and settlement date before the settlement of related liabilities, the fair value of liabilities is re-measured, and the changes are included in the current profit and loss.

When the Group modifies the share-based payment plan, if the fair value of the distributed equity instrument is increased due to the modification, the increment of the obtained services shall be recognized accordingly; if the quantity of the distributed equity instrument is increased due to the modification, the increment of obtained services shall be recognized accordingly. The increase in the fair value of equity instruments refers to the difference between the fair value of equity instruments before and after modification on the modification date. If the modification decreases the fair value of equity instruments granted or adopt other terms and conditions unfavorable to the employees, the accounting treatment for the services obtained will continue, and be deemed that the change has never occurred unless the Group cancelled some or all of the granted equity instruments.

If the granted equity instruments are canceled or settled within the vesting period (except that canceled due to failure to meet the vesting conditions), the Group shall regard the canceling or settlement as acceleration of the vest, and immediately recognize the amount supposed to be recognized within the residual vesting period in the current profit and loss and capital reserves. If employees or other parties can choose to meet the conditions of unfeasible rights but fail to meet them within the waiting period, the Group will take it as the cancellation of the instrument for granting rights and interests.

## 27. Other Financial Instruments such as Preference Shares, Perpetual Bonds

### (1) Distinction between financial liabilities and equity instruments

The Group classifies the financial instrument or its components as a financial asset, financial liabilities or equity instruments at initial recognition, according to the contract terms of the financial instrument issued and its economic substance, not only in legal form, and in conjunction with the definition of financial assets,

financial liabilities and equity instruments.

## (2) Accounting treatment for preference shares, perpetual bonds

The Group initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Group, and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost, and gains or losses arising from the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

When the Group issues financial instrument, the relevant transaction costs such as handling charges and commission are recognized the initial amount of issued instrument if it is classified as debt instrument measured at amortized cost. The transaction costs are deducted against equity if it is classified as equity instrument.

## 28. Revenue

### (1) General principles

The Group recognizes the revenue when it satisfied its performance obligation stated in the contract, that is, when the control of the good or service is transferred to the customer.

If the contract comprises two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the proportion of sales price for the goods or service committed by each performance obligation at the commencement date of the contract. Revenue is recognized the allocated transaction for each performance obligation.

If one of the following conditions is satisfied, the Group satisfies its performance obligation over time; Otherwise, the performance obligation is satisfied at a point in time.

- ① The customer simultaneously receives and consumes the economic benefits provided by the Group's performance as the Group's performs its obligation;
- ② The Group's performance produces good that the customer control as the good is created;
- ③ The Group's performance produces goods without an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group shall recognize the revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the progress cannot be reasonably measured and the Group is expected to be compensated for the costs already incurred, revenue shall be recognized to the extent of the costs that have been incurred until the progress can be reasonably measured.

For performance obligation satisfied at a point in time, the Group recognizes revenue at the time when the control of good or service is transferred to the customer. The Group considers the following indications when determining whether the control of good or service is transferred to the customer:

- ① The Group has a present right to payment for good or service, i.e. the customer has a present payment obligation for the good
- ② The Group has transferred the legal title of the good to the customer, i.e. the customer has the legal title.
- ③ The Group has transferred the physical good to the customer, i.e. the customer has physical possession.
- ④ The Group has transferred the significant risks and rewards of ownership of the good to the customer, i.e., the customer has the significant risks and rewards of ownership.
- ⑤ The customer has accepted the good.
- ⑥ Other indications that the customer has the control of the good.

Contract asset is recognized when the Group has the right to consideration in exchange for goods or services that the Group has transferred to a customer (such right is conditional other than the passage of time). Impairment of contract assets is calculated based on the expected credit losses (please refer to Note III. 10 (6)). The Group presented the right to consideration is unconditional if only the passage of time is required before payment of that consideration is due, as accounts receivable.

Contract assets and contract liabilities under the same contract shall be presented as a net amount. The net amount is presented as Contract assets or Other non-current assets according to liquidity if it has a debit balance. While the net amount is presented as Contract liabilities or Other non-current liabilities according to liquidity if it has a credit balance.

## (2) Specific methods

The specific recognition method for the Group's sales of goods is as follows:

The Group recognizes the revenue when the customers collect the goods by door or the goods have been delivered to the designated location, and the customers accept the goods and obtain the control of goods.

For the sale of goods with sales return clauses, revenue recognition is limited to extent of cumulative recognized revenue that is unlikely to be materially reversed. The Group recognizes a liability according to the expected refund. The carrying amount of the returned goods less than the estimated cost to recover the goods (including the decline in value for the returned goods) is recognized as an asset at the same time.

## 29. Contract costs

Contract costs include the incremental costs of obtaining a contract and costs to fulfill a contract.

Incremental costs of obtaining a contract are the cost only incurred if the contract is obtained (i.e. commission). The Group expects to recover these costs and recognized as an asset of incremental costs of obtaining a contract. Other expenditures of obtaining a contract except for the incremental costs expected to be recovered, are recognized in profit or loss for the current period when incurred.

The Group recognizes the costs to fulfill a contract as an asset if the costs are incurred for fulfilling the performance obligation of the contract, do not fall within the scope of other accounting standards, such as inventory, and meet the following criteria:

- ① The costs directly related to a contract or an anticipated contract that can specifically identify, including

direct labor, direct materials, manufacturing overheads (or similar expenses), costs explicitly chargeable to the customer and other costs incurred solely for the contract;

- ② The costs generate or enhance resources of Group that will be used in satisfying performance obligations in the future.
- ③ The cost is expected to be recovered.

Assets recognized from costs of obtaining a contact and costs to fulfill a contract (hereinafter referred to as "assets related to contract cost") shall be amortized in the profit or loss for the current period on the same basis as revenue recognition of goods or services related to such assets. If the amortization period does not exceed one year, it is recognized in profit or loss for the current period when it occurs.

When the carrying amount of the assets related to the contract cost is greater than the difference between the following two items. The Group shall make provision for impairment of the excess amount and recognize as impairment loss:

- ① The remaining consideration that the Group is expected to be received as a result of the transfer of the goods or services related to the asset;
- ② Costs probably incurred for transferring of the relevant goods or services

When the costs to fulfill the contract is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Inventories. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

When the costs of obtaining a contact is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Other current assets. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

### 30. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Group for expenses or losses already incurred is recognized in profit or loss or offset against related expenses directly. A grant that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in profit or loss or offset against related expenses in the periods in which the expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in the profit or loss for the current period. The Group applies the same method to the same or similar government grant.

A grant related to ordinary activities is recognized as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income.

For repayment of a government grant, if the government grant is offset against the carrying amount of the related asset at the time of recognition, the carrying amount of the related asset shall be adjusted. If there is related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the current period. Otherwise, the repayment is recognized immediately in profit or loss for the current period.

If the government directly appropriates the interest subsidy to the lending bank, the Group recognized the loan as the amount received, and interest expense is calculated using the loan principal and policy-related preferential interest rate. If the government directly appropriates the interest subsidy to the Group, the interest subsidy is offset against interest expense.

### 31. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are both recognized in current profit or loss except for the adjusted goodwill arising from business combination or the deferred tax related to the transactions or events directly included in the owner's equity.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;
- (2) taxable temporary differences associated with investments in the Group, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes a deferred tax asset for the deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;
- (2) deductible temporary differences associated with investments in the Group, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, the Group measures the deferred tax assets and deferred tax liabilities according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are settled, and reflect the income tax impact of the expected asset recovery or liability settlement method on the balance sheet date.

At the balance sheet date, the Group reviews the carrying amount of any deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

## 32. Leases

### (1) Identification of leases

At inception of a contract, the Group, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has the right to direct the use of the identified asset during the period of use. The Group considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

### (2) The Group acts as the lessee

At the commencement date, the Group recognizes the right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low value assets that are accounted for according to the simplified method.

For the accounting policy of the right-of-use assets, see Note III.33.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

#### **Short-term leases**

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Group records the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method

#### **Leases of Low-value assets**

Leases of low value assets refer to lease of a single leased asset whose value is less than RMB40,000 when it is a brand-new asset.

The Group includes the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method

For low-value asset leases, the Group chooses to apply the above simplified treatment depending on the specific circumstances of each lease.

#### **Lease modifications**

A lessee shall account for a lease modification as a separate lease if both: (i) the lease modifies the scope of the lease by adding the right to use one or more underlying assets; and (ii) the increase in consideration must be commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Group reallocates the consideration in the modified lease, redetermines the lease term, and remeasures the present value of lease liability according to the revised lease payments and revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying amount of the right-of-use asset accordingly and recognizes the gain or loss related to partial termination or full termination of the lease in profit or loss for the current period.

If all other lease modifications result in the remeasurement of the lease liabilities, the Group makes a corresponding adjustment to the carrying amount of right-of-use asset.

### (3) The Group acts as the lessor

When the Group acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases are recognized as operating leases.

#### **Finance leases**

In the case of finance leases, the Group takes the net investments in the lease as the carrying amounts of finance lease receivables at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date discounted at the implicit interest rate. The Group, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Group as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

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

#### **Operating lease**

For the rent in the operating lease, the Group shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

#### **Lease modifications**

Except for contract modifications applying the simplified method under the circumstances specified in Caikuai [2022] No. 13, if an operating lease is modified, the Group will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

Except for contract modifications applying the simplified method under the circumstances specified in Caikuai [2022] No. 13, the Group will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Group will deal with the modified

lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Group will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Group will conduct accounting treatment in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments” concerning the modification or renegotiation of the contract.

(4) Subleases

When the Group acts as a sublease lessor, it classifies the sublease based on the right-of-use assets generated from the original lease. If the original lease is a short-term lease and the Group uses the simplified method to account for the original lease, the sublease shall be classified as an operating lease.

(5) Rent concessions accounted for according to provisions in Caikuai [2022] No. 13

For rent concessions such as rent remission or deferred payment reached between the lessee and the lessor on existing lease contracts accounted for according to provisions in Caikuai [2022] No. 13, the lease consideration after the concession is reduced or basically unchanged compared with that before the concession. In addition, the simplified method is adopted for leases that are determined to have no significant changes in other terms and conditions of the leases after comprehensive consideration of qualitative and quantitative factors.

The Group does not evaluate whether a lease modification has occurred.

When the Group is the lessee, the Group will continue to calculate the interest expense of the lease liability at the same discount rate as before the concession and record it into the current profit or loss, and continue to carry out depreciation and other subsequent measurements on the right-of-use assets in the same way as before the concession. In case of rent remission, the Group will take the remitted rent as the variable lease payment amount. When the original rent payment obligation is terminated by reaching a concession agreement, the Group will deduct the relevant asset cost or expense by the amount discounted at the undiscounted or pre-concession discount rate, and adjust the lease liability accordingly. In case of deferred rent payment, the Group shall write off the lease liabilities confirmed earlier when actually paying the rent. For short-term leases and leases of low-value assets accounted for according to the simplified method, the Group continues to record the rent under the original contract as the cost or expense of the relevant assets in the same manner as before the concession. In case of rent remission or reduction, the Group shall treat the remission or reduction of rent as variable lease payment and write off the cost or expense of relevant assets during the remission or reduction period. If the rent is delayed in payment, the Group shall recognize the rent payable during the original payment period as the payable amount, and deduct the payable amount confirmed earlier when the actual payment is made.

When the Group acts as the lessor, for the operating lease, the Group continues to recognize the original contract rent as lease income in the same way as before the concession. In case of rent concession or reduction, the Group shall treat the remission or reduction as variable lease payment and deduct the lease income during the remission or reduction period. If the rent collection is delayed, the Group will recognize the rent collected as receivable during the original collection period, and deduct the receivable recognised in the earlier period when the rent is actually received. For finance leases, the Group continues to calculate interest and recognize it as lease income at the same discount rate as before the concession. In case of rent remission or reduction, the Group will take the rent remitted or reduced as the variable lease payment amount. When the right to charge the original rent is waived by reaching a concession agreement, the Group will deduct the original recognised lease income by the amount of discount before the concession or at the discount rate before the concession, and record the insufficient write-off into investment income, and adjust the finance lease receivable accordingly. In case of delayed payment of rent, the Group shall write off the finance lease receivable recognised in the earlier period when it actually receives the rent.

33. Right-of-use assets

#### (1) Criteria for recognition of right-of-use assets

A right-of-use asset represents the right of the Group, as a lessee, to utilize the leased assets over the duration of an agreed-upon lease term.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Group as the lessee; the costs which the Group, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Group, as the lessee, shall recognize and measure the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - "Contingencies". Subsequent adjustments are made for any remeasurement of the lease liability.

#### (2) Depreciation method of the right-of-use assets

The Group uses the straight line method of depreciation. Where the Group, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

#### (3) See Note III. 22 for the impairment test method of the right-of-use assets and the loss allowance.

### 34. Repurchase Shares

When the Group repurchase its own shares, those shares are treated as treasury stock before they are cancelled or transferred. All the expenditures relating to the repurchased shares are recorded as the cost of treasury stock. The consideration and transaction costs paid in share repurchase reduce the shareholders' equity. No profit or loss is recognized when repurchasing, transferring or canceling the Group's shares.

When the treasury stock is transferred, the difference between the actual amount received and the carrying amount of treasury stock is recognized in capital reserve. Any excess is recognized in surplus reserve and retained earnings. When the treasury stock is cancelled, the share capital should be reduced to the extent of the total par value and the number of shares cancelled. The difference between the carrying amount and par value of the treasury stock cancelled is recognized in capital reserve. Any excess is recognized in surplus reserve and retained earnings.

### 35. Restricted Stock

Under the share incentive plan, the Group grants restricted share to its employees, and the employees subscribe the share first. If the unlocking conditions specified in the share incentive plan are not met subsequently, the Group will repurchase the shares at the agreed price. When the procedures of the increase in capital completed such as registration in accordance with the relevant regulations, the Group recognizes the share capital and capital reserve (share premium) according to the subscription payment received from the employees on the date of grant. Treasury stock and other payables relating to the obligation of repurchase are recognized accordingly.

### 36. Hedge Accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of the hedging instrument.

The Group assesses on an ongoing basis to determine that the hedging instrument actually have been highly effective throughout the financial reporting periods for which they were designated. The hedge relationship is ceased if it is unsatisfactory. Hedging accounting should meet the following requirements for the effectiveness of hedging:

- ① There is an economic relationship between hedged items and hedging instruments.
- ② The impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments.
- ③ The hedging ratio of the hedging relationship should be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of corresponding hedging instruments. It should not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance will cause the hedge to be invalid and may give accounting results that are inconsistent with objectives of the hedge accounting.

The Group ceases the use of hedge accounting if one of the following situation is exist:

- ① The hedging relationship is no longer meets the risk management objectives due to changes in risk management objectives.
- ② The hedging instrument is expired, sold, the contract is terminated or has been exercised.
- ③ The economic relationship between the hedged item and the hedging instrument is no longer existed, or the impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments.
- ④ The hedging relationship is no longer satisfied other conditions for using hedging accounting.

### **Fair value hedge**

Fair value hedge refers to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk. This change in fair value would affect the Group's profit or loss, or other comprehensive income.

Any gain or loss arising from fair value hedge is recognized in profit or loss for the current period. Gain or loss of hedged item arising from the exposure of risk is recognized in profit or loss for the current period, and adjusted the carrying amount of hedged items not measure at fair value accordingly.

If the hedged item is a financial instrument (or its component) measured at amortized cost, any adjustment to the carrying amount of the hedged item is amortized to profit or loss. The amortization is based on a recalculated effective interest rate at the date that amortization begins.

When unrecognized firm commitment is designated as a hedged item, the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss for the current period. When an asset is obtained or a liability is committed through the fulfillment of confirmed commitment, the initial amount of such asset or liability is adjusted according to the cumulative change in the fair value of recognized hedged item.

### **Cash flow hedging**

Cash flow hedge refers to a hedge of exposure from cash flow changes. This variability in cash flows is attributable to a particular risk associated with a recognized asset or liability or a highly probably forecast transaction and can affect profit or loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized as cash flow hedging reserve in other comprehensive income. Any remaining gain or loss on the

hedging instrument that is hedged ineffective is recognized in profit or loss for the current period.

For cash flow hedging, when the hedged item is an expected transaction, and a non-financial asset or non-financial liability arising from the expected transaction, or fair value hedge accounting is applicable to a commitment arising the expected transaction of non-financial assets or non-financial liability, the Group transfers the cash flow hedging reserve previously recognized in the other comprehensive income to the initial recognition amount of such asset or liability.

For cash flow hedges that do not fall into the above situations, the Group transfers cash flow hedging reserve previously recognized in the other comprehensive income to profit or loss for the period when the profit or loss is impacted by the expected cash flow being hedged.

If the cash flow hedging reserve recognized in the other comprehensive income is a loss, the entire or part of the loss is not expected to be recovered in the future accounting period, the Group transfers the unrecovered portion from the other comprehensive income to profit or loss.

When the Group ceases the use of hedging accounting for cash flow hedges, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained if the hedged cash flow is expected to occur in the future. The cash flow hedging reserve is treated in accordance with the accounting policies of cash flow hedging mentioned above when the expected transaction has occurred. The cumulative cash flow hedging reserve recognized in the other comprehensive income is transferred to profit or loss for the current period if the hedged cash flow is not expected to be occurred in the future. If the hedged cash flow is no longer probable to be occurred in the future but it may still be expected to be occurred, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained until the expected transaction has occurred, it is then treated in accordance with the accounting policies of cash flow hedging mentioned above.

### 37. Significant accounting judgments and estimates

The Group assesses the significant accounting estimates and key assumptions on an ongoing basis, based on the historical experience and other factors, including reasonable expectation of future events.

It is probable that the significant adjustment risk to the carrying amount of assets and liability in the next accounting period will arise from the following significant accounting judgments and key assumptions:

#### Measurement of expected credit losses on accounts receivable

The Group calculates the expected credit loss of accounts receivable through the default risk exposure of accounts receivable and the expected credit loss rate of accounts receivable. The Group determines the expected credit loss rate based on the probability and loss rate of default. When determining the expected credit loss rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data in conjunction with current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, changes in the external market environment, technological environment and customer situation. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses.

#### Impairment of goodwill

The Group assesses the impairment of goodwill at least once a year. The Group shall evaluate the value in use for the cash-generating units to which goodwill has been allocated. When assessing the value in use, the Group requires to estimate the expected future cash flows from the cash-generating unit and select an appropriate discount rate to calculate the present value.

#### Deferred tax asset

To the extent that there is likely that there will be sufficient profits to offset losses, deferred tax assets should be recognized for all unutilized tax losses. The management requires using many judgments to estimate the time and amount of future taxable profits, in conjunction with tax planning strategies, to determine the

amount of deferred tax assets that should be recognized.

38. Changes in significant accounting policies, accounting estimates and correction of errors in prior periods

(1) Significant changes in accounting policies

① Rent concessions accounted for according to provisions in Caikuai [2022] No. 13

In May 2022, the Ministry of Finance issued Caikuai [2022] No. 13. For concessions of the lease payments payable after June 30, 2022, the lessee and the lessor can continue to choose the simplified method regulated by Caikuai [2020] No. 10.

If the Group has adopted the simplified method for lease contracts that meet the conditions before the adjustment of the scope of application, the simplified method will continue to be adopted for similar lease contracts that meet the conditions after the adjustment of the scope of application. During the period of remission or when the relevant rights and obligations are relieved and waived through the concession agreement, the relevant rent concession shall be included into profit or loss.

② Interpretation of Accounting Standards for Business Enterprises No. 15

The Ministry of Finance issued Interpretation of Accounting Standards for Business Enterprises No. 15 (Caikuai [2021] No.35) (hereinafter referred to as Interpretation No. 15) in December 2021.

Interpretation No. 15 stipulates that when determining a onerous contract, the cost of an enterprise to perform the contract includes the incremental cost of performing the contract and the allocation amount of other costs directly related to the performance of the contract. Among them, the incremental cost of performing the contract includes direct labor, direct materials, etc; the allocation amount of other costs directly related to the performance of the contract includes the allocation amount of depreciation expenses of fixed assets used to perform the contract, etc. The regulation came into effect on January 1, 2022. Enterprises shall implement the regulation for contracts that have not fulfilled all obligations by January 1, 2022. Retained earnings and other related financial statements items at the beginning of the year shall be adjusted by the cumulative impact, adjustments shall not be made for the previous comparative financial statements data.

According to the provisions of Interpretation No. 15, if an enterprise sells the products or by-products produced before the fixed asset reaches its intended use or during the research and development process (hereinafter referred to as the trial sales), it shall, account for the transactions in accordance with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenue and Accounting Standards for Business Enterprises No. 1 - Inventory, etc.

The regulation came into effect on January 1, 2022, and enterprises should retroactively adjust the trial sales that occurred between the beginning of the earliest period for the presentation of financial statements and January 1, 2022.

The effect of the implementation of the above accounting treatment for trial sales on the consolidated balance sheet at December 31, 2021 and the consolidated income statement for the year 2021 is as follows:

Consolidated items	Before adjustment	Adjustment	After adjustment
Inventories	8,922,903,666.78	47,284,191.49	8,970,187,858.27
Deferred tax assets	734,900,665.63	-766,589.62	734,134,076.01
Deferred tax liabilities	178,262,911.66	6,326,039.10	184,588,950.76
Surplus reserve	745,996,406.06	434,400.79	746,430,806.85
Retained earnings	7,854,254,002.84	39,757,161.98	7,894,011,164.82
Operating income	85,998,559,748.78	93,401,790.35	86,091,961,539.13

Consolidated items	Before adjustment	Adjustment	After adjustment
Operating costs	78,698,777,631.10	94,092,705.67	78,792,870,336.77
Research and development expenses	652,995,298.85	-47,975,106.81	605,020,192.04
Income tax expenses	650,679,589.05	7,092,628.72	657,772,217.77

Company items	Before adjustment	Adjustment	After adjustment
Inventories	46,967,892.60	5,110,597.49	52,078,490.09
Deferred tax assets	243,534,161.40	-766,589.62	242,767,571.78
Surplus reserve	745,996,406.06	434,400.79	746,430,806.85
Retained earnings	2,991,262,794.10	3,909,607.08	2,995,172,401.18
Operating income	2,024,047,232.85	15,922,165.69	2,039,969,398.54
Operating costs	866,481,873.15	26,351,056.64	892,832,929.79
Research and development expenses	204,111,930.64	-15,539,488.44	188,572,442.20
Income tax expenses	55,252,589.04	766,589.62	56,019,178.66

The implementation of the accounting treatment of the above has no material impact on the financial position and financial performance of the Group other than the list items.

### ③ Interpretation of Accounting Standards for Business Enterprises No. 16

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 16 (Cai Kuai [2022] No. 31) (hereinafter referred to as "Interpretation No. 16") in November 2022.

Interpretation No. 16 stipulates that for financial instruments such as perpetual bonds, which are classified as equity instruments, an enterprise should recognize the income tax impact related to dividends when recognizing dividends payable. For transactions or events where the distributed profit is derived from previous profit or loss, the income tax impact of the dividends should be included into current profit or loss; if the distributed profit is derived from transactions or events previously recognized in the owners' equity, the income tax impact of the dividends shall be included into the owners' equity item.

For financial instruments classified as equity instruments, if the Group recognizes the dividends payable in the current year, the income tax impact is accounted for in accordance with the provisions of Interpretation No. 16 above. For transactions or events that occurred before January 1, 2022 and the financial instruments have not been derecognized on January 1, 2022, the income tax impact is retroactively adjusted.

Interpretation No. 16 stipulates that if an enterprise modifies the terms and conditions of the cash-settled share-based payment agreement to make it an equity-settled share-based payment, on the date of modification, the enterprise shall measure the equity-settled share-based payment at the fair value on the date of the equity instrument granted, record the services obtained into the capital reserves, and derecognize the recognized liabilities of the cash-settled share-based payment on the date of modification, with the difference between the two included in the current profit or loss. If the waiting period is extended or shortened due to the modification, the enterprise shall carry out the above accounting treatment according to the modified waiting period (and the Group has no need to consider accounting method regarding to unfavorable modification).

The adoption of Interpretation No. 16 has no material impact on the Group's financial position and financial performance.

### ④ Change of measurement method of cost of inventories

Details of changes in accounting policies	Approving procedures	Note
<p>(1) Change of policy</p> <p>Change of measurement method of cost of inventories</p> <p>Before change: Inventories are calculated by using weighted average method.</p> <p>After change: If the inventories are managed by batch at the time of receipt and delivery, these inventories shall be carried forward at batch cost. Otherwise, inventories are calculated by using weighted average method.</p> <p>(2) Reasons for changing</p> <p>The Group continues to strengthen the refined management of various business sectors, and inventory cost accounting in some business sectors has now met the requirements for batch accounting management. To improve the level of internal management and assessment, shorten the cost settlement cycle, accelerate market reaction speed, and better provide accurate and detailed data to investors, the Company plans to make changes to inventory accounting policies.</p>	<p>The company held the 27th meeting of the 5th Board of Directors and the 22nd meeting of the 5th Board of Supervisors on May 16, 2022 in which the participants reviewed and passed the "Proposal on Changes in Accounting Policies and Accounting Estimates". The independent directors of the company expressed their independent opinions in agreement with the proposal. The changes in the company's accounting policies and estimates do not need to be submitted to the shareholders' meeting for review</p>	

This accounting policy change does not affect the company's business scope. According to Accounting Standards for Business Enterprises No. 28- Changes in Accounting Policies, Accounting Estimates, and Correction of Errors, this change belongs to a change in accounting policies. Due to the fact that the change in accounting policy is not feasible for determining the cumulative impact of previous periods, the future application method is adopted. This accounting policy change will not retroactively adjust the disclosed financial reports and will not have an impact on the Company's previous financial statements. The change of accounting policy will be implemented from January 1, 2022, anticipating to improve the level of internal management and assessment, shorten the cost settlement cycle, accelerate market reaction speed, and better provide accurate and detailed data to investors. However, it will not affect the company's net profit and owner's equity for 2021 and it will not have a significant impact on the net profit for 2022 either.

(2) Changes in significant accounting estimates

As the Company gradually improves its pig breeding technic and breeding system, the Company's pig herds has begun to diversify. Because different pig herds have different production and usage cycles, the company plans to differentiate depreciation years based on the nature of the pig herds. Meanwhile, to better improve production efficiency and the quality of self bred piglets, and reduce the cost of pig breeding, the Company plans to increase the renewal rate of breeding pigs, thereby shortening the production and use cycle of breeding pigs. In addition, although the cost and the estimated useful life of different breeding pigs varies, the actual value difference at the time of dispose is not significant. Therefore, the Company has changed from using net residual rate to a unified net residual value.

Accounting estimates before change:

Type	Estimated useful life	Net residual rate	Depreciation method
Breeding pigs	3 years	10%	Straight line method

Accounting estimates after change:

Type	Estimated useful life	Net residual value	Depreciation method
Breeding pigs	1.00-2.50 years	RMB 1200 per pig	Straight line method

This change of accounting estimate will be implemented from January 1, 2022. There is no significant

difference compared to other listed companies in the same industry in accounting estimates for the depreciation of breeding pigs after the Company's change.

Due to the changes in accounting estimates mentioned above, the depreciation of the Group's productive biological assets increased by RMB 28.21 million in the current period, productive biological assets increased by RMB 23.12 million at the end of the period, and net profit attributable to the parent company decreased by RMB 5.09 million..

#### IV. Taxation

##### 1. Main types of taxes and corresponding tax rates

Tax	Tax base	Statutory tax rate
Value-added tax (VAT)	Taxable value-added amount	Exemption, 3%, 5%, 6%, 9%, 10%, 13%
Corporate income tax	Taxable income	Please refer to Note IV. 1 Note
City maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Educational surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Note: Except for the following tax entity who are subjected to different corporate income tax rates, all other tax entity within the scope of consolidation uses 25% corporate income tax rate.

Taxpayer	Income tax rate (%)
Guangdong Haid Group Co., Limited	15
Enping Fengwo Agriculture and Animal Husbandry Co., Ltd.	Exempt from income tax
Yangxi Fengwo Ecological Agriculture Co., Ltd.	Exempt from income tax
Yangjiang Yangdong Fengwo Agriculture and Animal Husbandry Co., Ltd.	Exempt from income tax
Enping Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Gaozhou Sanhe animal husbandry co., ltd.	Exempt from income tax
Yingde Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Hunan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Hengyang Jisheng Agriculture and Animal Husbandry Development Co., Ltd.	Exempt from income tax
Yueyang Yitun Agriculture and Animal Husbandry Co., Ltd.	Exempt from income tax
Guigang City Tandang district Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Pingnan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Pingguo Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Guiping Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Hengyang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Hengyang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Guigang City Gangbei District Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Duyun Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Rongjiang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Binyang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Yicheng Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Zixing Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Changning Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Guigang Dongqiang Breeding Co., Ltd.	Exempt from income tax
Shaoguan City Zhenjiang District Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Shandong Yitun Ecological Agriculture Co., Ltd.	20
Laizhou Zhizhuren Animal Husbandry Co., Ltd.	Exempt from income tax
Qinzhou Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Feicheng Heruifeng Agricultural Technology Co., Ltd.	Exempt from income tax
Weifang Xuheng Agricultural Technology Co., Ltd.	Exempt from income tax
Gaotang Huayu Pig Raising Co., Ltd.	Exempt from income tax
Jianong (Lianyungang) Animal Husbandry Technology Co., Ltd.	Exempt from income tax
Guizhou Aikexin Pig Breeding Co., Ltd.	25、Exempt from income tax
Binyang Heji Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Qinzhou Qinnan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Huayuan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Baojing Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Yingde Yitun Pig Breeding Co., Ltd.	Exempt from income tax
Hengnan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Longan Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Youxian Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Wengyuan Yitun Pig Breeding Co., Ltd.	Exempt from income tax
Fufeng Yitun Ecological Agriculture Co., Ltd.	25、Exempt from income tax
Linyou Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Laibin Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Yantai Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Yantai Zhizhuren Animal Husbandry Co., Ltd.	Exempt from income tax
Guiyang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Gaozhou Haiyuan Agriculture Co., Ltd.	Exempt from income tax
Ruyuan Yitun Pig Breeding Co., Ltd.	Exempt from income tax
Luoding Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Wugang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax
Hunan Yitun Technology Co., Ltd.	Exempt from income tax
Meizhou Yitun Pig Breeding Co., Ltd.	Exempt from income tax
Heyuan Yitun Agriculture Development Co., Ltd.	Exempt from income tax
Yangjiang Peilin Breeding Service Co., Ltd.	Exempt from income tax
Weifang Yitun Ecological Agriculture Co., Ltd.	Exempt from income tax

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Guangdong Heyinte Biotechnology Group Co., Ltd.	15
Guangzhou Haishengyuan Biotechnology Co., Ltd.	20
Guangzhou Haiyiyuan Biotechnology Co., Ltd.	20
Shanxi Haid Agriculture and Animal Husbandry Co., Ltd.	Exempt from income tax
Yangling Haid Feed Co., Ltd.	15
Gansu Haid Feed Co., Ltd.	15、Exempt from income tax
Weinan Haid Feed Co., Ltd	20
Hunan Haid Biological Feed Co., Ltd	25、12.5
Liaocheng Haixin Enterprise Management Consulting Co., Ltd.	20
Zoucheng Haiyue Enterprise Management Consulting Co., Ltd.	20
Yinan Haiyue Biotechnology Co., Ltd.	20
Foshan Haipu Feed Co., Ltd.	20
Qingyuan Haibei Biotechnology Co., Ltd.	15
Jiangmen Haid Feed Co., Ltd.	15
Taizhou Haid Biological Feed Co., Ltd.	25、12.5
KINGHILL HOLDINGS PTE.LTD.	17
KINGHILL PTE.LTD.	17
Haid Egypt Co.,Ltd	22.5
Haid Egypt Aquatic Co.,Ltd	22.5
KINGHILL RESOURCES PTE.LTD.	17
VINH LONG HAILIANKE BIOTECHNOLOGY CO., LTD	Exempt from income tax
KINGHILL AGRI PTE.LTD.	17
PT.HAIDA AGRICULTURE INDONESIA	22
PT.HAIDA SURABAYA TRADING	22
PT HISENOR TECHNOLOGY INDONESIA	22
HAID FEED BANGLADESH LIMITED	15、10、3
PT HAIDA BIOTECHNOLOGY INDONESIA	22
Dachuan Biotechnology Co., Ltd.	27.5
PT HISENOR GENETICS INDONESIA	22
Guangdong Haixingnong Group Co., Ltd.	12.5
Zhanjiang Haixingnong Marine Biotechnology Co., Ltd.	12.5
Zhanjiang Haijingzhou Marine Biotechnology Co., Ltd.	12.5
Hainan Haixingnong Marine Biotechnology Co., Ltd.	12.5
Zhangzhou Haijingzhou Marine Biotechnology Co., Ltd.	12.5
Changyi Haijingzhou Biotechnology Co., Ltd.	12.5
Jingtai Haijingzhou Fishery Technology Co., Ltd.	12.5
Yongji Haijingzhou Fishery Technology Co., Ltd.	20
Yuncheng Haishengyuan Fishery Technology Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Nantong Haijingzhou Biotechnology Co., Ltd.	12.5
Shanwei Haijingzhou Marine Biotechnology Co., Ltd.	12.5
Guangzhou Hailingxian Food Co., Ltd.	20
Dongying Haijingzhou Biotechnology Co., Ltd.	12.5
Shanwei Haizenong Marine Biotechnology Co., Ltd.	12.5
Guangxi Haijingzhou Marine Biotechnology Co., Ltd.	12.5
Tangshan Haijingzhou Biotechnology Co., Ltd.	12.5
Rongcheng Yandunjiao Fish Meal Co., Ltd	25、Exempt from income tax
Fujian Haisheng Feed Co., Ltd.	25、Exempt from income tax
Zhenyuan Haisheng Protein Feed Co., Ltd.	20
Guangze Haisheng Biotechnology Co., Ltd.	20
Pucheng Haisheng Feed Co., Ltd.	25、Exempt from income tax
Sanya Fengmu Agricultural Development Co., Ltd.	15
Xiyu Haisheng (Guangzhou) Supply Chain Co., Ltd.	20
Sihui Haifeng Ecological Agriculture Co., Ltd.	Exempt from income tax
Zhuhai Rongchuan Feed Co., Ltd.	15
Zhuhai Ronghai Aquaculture Technology Co., Ltd.	12.5
Haid International Group Limited	8.25、Exempt from income tax
China Haida Feed Group(HK)Limited	16.5、Exempt from income tax
Rickworth Investments Limited	Exempt from income tax
Hong Kong Longreat Trading Co.,Limited	16.5
HAID FEED COMPANY LIMITED	15
DONG NAI HAID FARM COMPANY LIMITED	15
PANASIA TRADING RESOURCES LIMITED	Exempt from income tax
SHENG LONG INTERNATIONAL LTD.	Exempt from income tax
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD	20、17、15、10、Exempt from income tax
SHENG LONG BIOTECH (HAI DUONG) INTERNATIONAL CO., LTD	20
LONG SHENG INTERNATIONAL CO.,LTD	20、15
Hisenor International Limited	Exempt from income tax
HISENOR VIET NAM AQUATIC BREEDING CO.,LTD	Exempt from income tax
KEMBANG SUBUR INTERNATIONAL LTD.	24
NAMDUONG VIETNAM AQUATIC HATCHERY CO.,LTD.	Exempt from income tax
SHENG LONG BIO TECH(M)SDN.BHD.	24
PRIME WORLD CO., LTD.	24
SHENG LONG AQUA TECHNOLOGY (M) SDN. BHD.	24
THANG LONG(VINH LONG)BIOTECH CO.,LTD	Exempt from income tax
Nano South Limited	Exempt from income tax

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Oceanic Forward Ventures Limited	Exempt from income tax
Power Spring Investments Limited	Exempt from income tax
Link Tide Limited	Exempt from income tax
Changzhou Haid Biological Feed Co., Ltd.	25、12.5
Zhuhai Hailong Biotechnology Co., Ltd.	15
Yunnan Haid Biotechnology Co., Ltd.	15
Guangzhou Hailong Feed Co., Ltd.	20
Wuhan Shuijiyuan Biotechnology Co., Ltd.	20
LANKING PTE.LTD.	17
Haid Lanking International Trading Inc.	Note 1
LANKING NEMO(SG) PTE.LTD.	17
SHENGLONG BIO-TECH(INDIA)PRIVATE LIMITED	25
LANKING RICKWORTH PTE.LTD.	17
HAIDMARINO CIA.LTDA.	Exempt from income tax
Lanking Nano PTE.LTD.	17
HAI DUONG HAID COMPANY LIMITED	8.5
HAI DAI COMPANY LIMITED	15
VINH LONG HAI DAI CO.,LTD	Exempt from income tax
BINH DINH HAI LONG CO.,LTD	Exempt from income tax
Guangzhou Cangyouliang Trading Co., Ltd.	20
Guangzhou Danong Enterprise Management Co., Ltd.	20
Suixian Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Yuncheng Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Shan County Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Xinxiang Hairuida Feed Co., Ltd.	20
Heze Haiding Feed Technology Co., Ltd.	15
Heze Dingxin Veterinary Service Co., Ltd.	Exempt from income tax
Jining Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Jining Sishui Dingxin Veterinary Service Co., Ltd.	Exempt from income tax
Feixian Hairuida Veterinary Service Co., Ltd.	Exempt from income tax
Yinan Dingxin Veterinary Services Limited	Exempt from income tax
Tengzhou Fengcheng Feed Co., Ltd.	20
Binzhou Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Jining Fengcheng Feed Co., Ltd.	20
Dongge Dingxin Aquaculture Service Co., Ltd.	Exempt from income tax
Heze Haiding Ecological Breeding Co., Ltd.	Exempt from income tax
Junan Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Linyi Dingxin Culture Co., Ltd.	Exempt from income tax

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Linyi Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Liaocheng Haiding Veterinary Service Co., Ltd.	Exempt from income tax
Henan Haiding Feed Co., Ltd.	20
Qinggang Fengcheng Baizun Feed Co., Ltd.	20
Suihua Fengcheng Baizun Feed Co., Ltd.	20
Chengwu Fengcheng Feed Co., Ltd.	20
Linyi Dinghao Culture Co., Ltd.	Exempt from income tax
Dongying Dinghao Culture Co., Ltd.	Exempt from income tax
Guangzhou Heshengtang Biotechnology Co., Ltd.	20
Henan Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	20
HAID (ECUADOR) FEED CIA.LTDA.	Exempt from income tax
Guangdong Bairong Aquatic Breeding Group Co., Ltd.	12.5
Zhaoqing Bairong Aquatic Breeding Co., Ltd.	12.5
Yangxin Bairong Aquatic Breeding Co., Ltd.	20
Jingzhou Bairong Aquatic Breeding Co., Ltd.	12.5
Shandong Bairong Aquatic Breeding Co., Ltd.	20
Hainan Bairong Aquatic Breeding Co., Ltd.	12.5
Zhaoqing Baishengyuan Aquatic Breeding Co., Ltd.	12.5
Guangdong Baishengyuan Aquatic Breeding Co., Ltd.	12.5
Qingyuan Baishengyuan Aquatic Breeding Co., Ltd.	12.5
Hunan Innovation Biotechnology Co., Ltd.	15
Shijiazhuang Weike Biotechnology Co., Ltd.	15
Shenyang Haid Feed Co., Ltd.	15
Wuhan Zeyi Investment Co., Ltd.	20
Jiaxiang Haiying Food Co., Ltd.	Exempt from income tax
Linxi Haiying Food Co., Ltd.	Exempt from income tax
Yiyuan Haiying Food Co., Ltd.	Exempt from income tax
Zouping Haiying Food Co., Ltd.	Exempt from income tax
Binzhou Haiying Food Co., Ltd.	Exempt from income tax
Dezhou Haiying Food Co., Ltd.	Exempt from income tax
Weifang Daxin Feed Co., Ltd.	20
Gaomi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	20
Shouguang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	20
Qingdao Zhizhuxia Experimental Technology Co., Ltd.	Exempt from income tax
Linyi Zhizhuxia Breeding Technology Service Co., Ltd.	20
Hunan Jinhuilong Technology Co., Ltd.	15
Huaian Huilong Feed Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Guangdong Haid Biotechnology Co., Ltd.	20
Guangzhou Nansha Haid Technology Co., Ltd.	20
Guangzhou Ronghai Aquaculture Technology Co., Ltd.	20
Zhongshan Ronghai Aquaculture Co., Ltd.	12.5
Guangzhou Rongda Aquaculture Technology Co., Ltd.	12.5
Jiangmen Ronghai Aquaculture Technology Co., Ltd.	12.5
Zhongshan Yugezi Food Co., Ltd.	Exempt from income tax
Guangxi Ronghai Fishery Co., Ltd.	12.5、 Exempt from income tax
Zhongshan Rongda Aquatic Fingerlings Co., Ltd	20
Guangzhou Hairong Food Co., Ltd.	12.5
Foshan Rongda Aquatic Fingerlings Co., Ltd	12.5
Guangzhou Ronghai Seedling Technology Co., Ltd.	12.5
Yichang Zhihai Agriculture and Animal Husbandry Co., Ltd.	20
Mianyang Zhonggui Feed Co., Ltd.	20
Dali Haizhi Trading Co., Ltd.	20
Chongqing Haizhi Feed Co., Ltd.	20
Chongqing Hainong Veterinary Service Co., Ltd.	Exempt from income tax
Yibin Yucan Veterinary Service Co., Ltd.	20
Ezhou Haifeng Ecological Agriculture Co., Ltd.	Exempt from income tax
Qingyuan Ronghai Aquaculture Technology Co., Ltd.	12.5、 Exempt from income tax
Zhaoqing Ronghai Aquaculture Technology Co., Ltd.	12.5
Guangdong Qingyuan Guanghong Feed Co., Ltd.	20
Hainan Haid Aquatic Seed Industry Development Co., Ltd.	12.5
Yancheng Runchuan Agricultural Technology Co., Ltd.	20
Foshan Lianduoli Feed Co., Ltd.	20
Guangdong Haifulai Biotechnology Co., Ltd.	20
Liupanshui Haid Biotechnology Co., Ltd.	20
Guangdong Haiqi Investment Co., Ltd	20
Heze Haibo Youmei Technology Service Co., Ltd.	20
Kaifeng Haiqi Technology Service Co., Ltd.	20
Sichuan Haiqi Technology Service Co., Ltd.	20
Xishui Haiqi Technical Service Co., Ltd.	20
Kunming Haiqi Technology Service Co., Ltd.	20
Mianyang Haiqi Culture Technology Co., Ltd.	20
Ya an Haiqi Culture Technology Co., Ltd.	20
Nanchang Haiqi Veterinary Medicine Co., Ltd.	20
Hengyang Haiqi Technology Service Co., Ltd.	20
Jingzhou Haiqi Technology Service Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Jingshan Haiqi Technology Service Co., Ltd.	20
Huaihua Haiqi Technology Service Co., Ltd.	20
Jieshou Haiqi Technology Service Co., Ltd.	20
Changde Haide Veterinary Drug Operation Co., Ltd.	20
Meizhou Haiqi Technology Co., Ltd.	20
Zhangzhou Haiqi Veterinary Medicine Co., Ltd.	20
Maoming Haiqi Technology Co., Ltd.	20
Yangjiang Haiqi Technology Co., Ltd.	20
Qingyuan Haiqi Technology Co., Ltd.	20
Gansu Muqi Agricultural Technology Co., Ltd.	20
Raoping Haide Biotechnology Co., Ltd.	20
Yulin Haiqi Biotechnology Co., Ltd.	20
Qinzhou City Pubei County Haiqi Biotechnology Co., Ltd.	20
Xingtai Haiqi Aquaculture Technology Service Co., Ltd.	20
Suixi Haihe Veterinary Drug Co., Ltd.	20
Yangchun Haihe Veterinary Medicine Co., Ltd.	20
Luoding Haihe Veterinary Medicine Co., Ltd.	20
Yangling Haiqi Agricultural Technology Co., Ltd.	20
Bobai Haihe Veterinary Drug Co., Ltd.	20
Guangzhou Haifeng Aquaculture Service Co., Ltd.	Exempt from income tax
Taishan Debao Feed Co., Ltd.	20
Maoming Debao Agriculture and Animal Husbandry Co., Ltd.	20
Shaoguan Dachuan Biotechnology Co., Ltd.	20
Guizhou Hailongwang Biological Technology Co., Ltd.	20
Ningguo Haid Biotechnology Co., Ltd.	20
Nantong Fengmu Trading Co., Ltd.	20
Guangzhou Nansha Haishengyuan Aquaculture Technology Co., Ltd.	12.5
Leizhou Yuexiu Haishengyuan Shrimp Culturing Technology Co., Ltd.	20
Dongying Haishengyuan Aquaculture Co., Ltd.	12.5
Weifang Haixin Biotechnology Co., Ltd.	12.5
Wudi Haishengyuan Aquaculture Co., Ltd.	12.5
Hubei Haid Breeding Technology Co., Ltd.	12.5
Inner Mongolia Haishan Feed Co., Ltd.	20
Huizhou Haid Biotechnology Co., Ltd.	20
Zigong Hailong Biotechnology Co., Ltd.	20
Zhuhai Chenzhe Private Equity Fund Management Co., Ltd.	20
Zhaoqing Haid Feed Co., Ltd.	20
Yunnan Zhonggui Feed Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Yunnan Hairui Biotechnology Co., Ltd.	20
Yueyang Fengtun Ecological Agriculture Co., Ltd.	20
Yueyang Jinhuilong Biotechnology Co., Ltd.	20
Yongzhou Haid Biotechnology Co., Ltd.	20
Yingkou Dachuan Feed Technology Co., Ltd.	20
Yibin Zhihai Feed Co., Ltd.	20
Yangling Huashite Testing Technology Co., Ltd.	20
Yantai Zhizhuren Pig Farm Feed Co., Ltd.	20
Xuchang Haihe Feed Co., Ltd.	20
Xuzhou Hairuida Feed Co., Ltd.	20
Xuzhou Haidahe New Feed Co., Ltd.	20
Xingtai Haid Biotechnology Co., Ltd.	20
Xinjiang Xiyu Haihua Products Co., Ltd.	20
Wuwei Haimu Biotechnology Co., Ltd.	20
Wuwei Haid Feed Co., Ltd.	20
Weifang Binhai Haiding Feed Co., Ltd.	20
Tongliao Haida Biotechnology Co., Ltd.	20
Sihong Haiding Feed Co., Ltd.	20
Sichuan Haimufeng Agriculture Co., Ltd.	20
Sichuan Hailong Biotechnology Co., Ltd.	20
Shijiazhuang Huilong Feed Co., Ltd.	20
Shaoyang Haid Feed Co., Ltd.	20
Shandong Daxin Agriculture and Animal Husbandry Technology Co., Ltd.	20
Qujing Zhihai Feed Co., Ltd.	20
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	20
Qingdao Huaxin Feed Co., Ltd.	20
Qingdao Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	20
Qianjiang Hailong Biotechnology Co., Ltd.	20
Pingnan Haid Feed Co., Ltd.	20
Pingjiang Bairuilai Biotechnology Co., Ltd.	20
Inner Mongolia Haid Feed Co., Ltd.	20
Nanning Dachuan Biotechnology Co., Ltd.	20
Mianyang Hailong Feed Co., Ltd.	20
Meishan Haid Zhihai Feed Co., Ltd.	20
Liuzhou Haid Feed Co., Ltd.	20
Liaoning Haid Biotechnology Co., Ltd.	20
Lianyungang Haihe Feed Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Leizhou Hailong Biotechnology Co., Ltd.	20
Jiangsu Haihe Agriculture and Animal Husbandry Co., Ltd.	20
Jiangsu Haid Biotechnology Co., Ltd.	20
Huaibei Haid Biological Feed Co., Ltd.	20
Hubei Haiqi Technology Service Co., Ltd.	20
Hengyang Yunyi Biotechnology Co., Ltd.	20
Heshan Ronghai Feed Co., Ltd.	20
Heshan Haiwei Feed Co., Ltd.	20
Henan Haid Jiuzhou Biotechnology Co., Ltd.	20
Hebei Haimu Biotechnology Co., Ltd.	20
Handan Huilong Feed Co., Ltd.	20
Haixin Biological (Beijing) Technology Co., Ltd.	20
Haixin (Tianjin) Biotechnology Co., Ltd.	20
Haile (Luliang) Biotechnology Co., Ltd.	20
Haid Pet Food Co., Ltd.	20
Haid Pet Food (Weihai) Co., Ltd.	20
Guilin Haid Biotechnology Co., Ltd.	20
Guiyang Haiyue Feed Technology Co., Ltd.	20
Guiyang Haida Zhihai Feed Co., Ltd.	20
Guiyang Haida Biotechnology Co., Ltd.	20
Guiyang Dachuan Biotechnology Co., Ltd.	20
Guangzhou Changsheng Logistics Co., Ltd.	20
Guangzhou Zecan Investment Management Co., Ltd.	20
Guangzhou Yuannong Investment Management Co., Ltd.	20
Guangzhou Xingnong Ecological Agriculture and Animal Husbandry Development Co., Ltd.	20
Guangzhou Shunkang Aquaculture Co., Ltd.	20
Guangzhou Haifengchang Enterprise Management Co., Ltd.	20
Guangzhou Debao Nongshan Feed Co., Ltd.	20
Guangzhou Punong Investment Management Co., Ltd.	20
Guangzhou Nongzhidao Feed Co., Ltd.	20
Guangzhou Haiyou Trading Co., Ltd.	20
Guangzhou Haiqi Technology Co., Ltd.	20
Guangzhou Haijian Investment Co., Ltd.	20
Guangzhou Haihan Financial Technology Co., Ltd.	20
Guangzhou Anan Logistics Co., Ltd.	20
Guangxi Rongchuan Feed Co., Ltd.	20
Guangdong Shunde Haid Biotechnology Co., Ltd.	20

<b>Taxpayer</b>	<b>Income tax rate (%)</b>
Guangdong Huashite Testing Technology Co., Ltd.	20
Guangdong Hairuike Biotechnology Co., Ltd.	20
Guangdong Hairuite Pet Nutrition Technology Co., Ltd.	20
Guangdong Haid Poverty Alleviation Investment Development Co., Ltd.	20
Guangdong Haid Animal Husbandry and Veterinary Research Institute Co., Ltd	20
Gaotang Haiding Agriculture and Animal Husbandry Co., Ltd.	20
Gansu Fengying Technology Co., Ltd.	20
Foshan Dazhi Biotechnology Co., Ltd.	20
Enshi Haid Biotechnology Co., Ltd.	20
Dongguan Haiqi Feed Co., Ltd.	20
Dalian Haixin Biotechnology Co., Ltd.	20
Dali Haiwang Feed Co., Ltd.	20
Chaozhou Haid Biotechnology Co., Ltd	20
Anshan Dachuan Feed Technology Co., Ltd.	20
Anyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	20

## 2. Tax preferential treatments and approval documents

### (1) Value-added tax (VAT)

In accordance with document Caishui [2001] No. 121 jointly issued by the Ministry of Finance and the State Administration of Taxation, the Company and its subsidiaries are exempted from VAT on their feed products, which has been filed with the competent tax authorities.

According to Interim Regulation of People's Republic of China on Value-Added Tax Article 16, agricultural producers are exempted from value-added tax when selling self-produced agricultural products. The Company and its subsidiaries are eligible for value-added tax exemption when selling self-produced products.

According to Application of the Low VAT Rate and the Simple VAT Collection Policy on Some Goods, Caishui [2009] No. 9 and Notice on the Degenerate VAT Collection Rate Policy Caishui [2014] No. 57, both issued by the Ministry of Finance and State Taxation Administration, sales of self-produced biological products made of microorganisms, microbial metabolites, animal toxins, human or animal blood or tissues are subject to VAT at a simple rate of 3%.

According to Announcement on Clarifying the VAT Exemption Policy for Small-scale VAT Taxpayers Announcement No. 11 in 2021, issued by Ministry of Finance of State Taxation Administration, from April 1, 2022 to December 31, 2022, small-scale value-added tax taxpayers are exempt from value-added tax by applying a 3% rate on taxable sales income.

According to the relevant regulations on value-added tax in the Socialist Republic of Vietnam, the feed and feed related industries will be exempted from value-added tax from 2016, and the rental income of the Company's cold storage in Vietnam will be subject to value-added tax at 10%.

### (2) Corporate income tax

According to the provisions of Article 28 of the Enterprise Income Tax Law of People's Republic of China (PRC), the enterprise income tax shall be levied at a reduced rate of 20% for eligible small and low-profit

enterprises; The enterprise income tax will be levied at the reduced rate of 15% for high-tech enterprises that the state needs to give priority support. If the Company and its subsidiaries meet the above conditions, the enterprise income tax shall be levied at preferential tax rates.

According to the Announcement of the General Administration of Taxation of the Ministry of Finance on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses (General Administration of Taxation of the Ministry of Finance Announcement 2021 No. 12) and Announcement of State Taxation Administration of The People's Republic of China on Relevant Matters Concerning Implementation of Preferential Income Tax Policies in Support of Small-scale Low-profit Enterprises and Individual Businesses, No.8 in 2021, provides that from January 1, 2021 to December 31, 2022, the portion of the annual taxable income of small and micro enterprises not exceeding RMB 1 million shall be reduced by 12.5% of the taxable income and subject to corporate income tax rate of 20%. If the subsidiary complies with the provisions of the aforesaid announcement, the enterprise income tax shall be calculated and paid at the preferential tax rate.

According to the provisions of the Notice of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policy for Small and Micro Enterprises (Notice of the Ministry of Finance and the State Administration of Taxation No.13 of 2022), from January 1, 2022 to December 31, 2024, the portion of the annual taxable income of small and micro-profit enterprises that exceeds RMB 1 million but does not exceed RMB 3 million is included in the taxable income at a reduced rate of 25%, and the enterprise income tax is paid at a rate of 20%. If the subsidiary complies with the provisions of the aforesaid announcement, the enterprise income tax shall be calculated and paid at the preferential tax rate.

In accordance with Article 27 of the Corporate Income Tax Law of the People's Republic of China and Article 86 of the Regulation on the Implementation of the Corporate Income Tax Law of the People's Republic of China, Enterprise income from livestock and poultry raising shall be exempted from enterprise income tax; Enterprise income tax will be levied on the income of enterprises engaged in mariculture and inland aquaculture by half. The above income earned by the Company and its subsidiaries is subject to corporate income tax under preferential policies.

In accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149) and Supplementary notice on the scope of primary processing of agricultural products enjoying preferential enterprise income tax (Caishui [2011] No. 26), if the primary processed products produced by enterprises fall within the scope of primary processing of agricultural products that enjoy the preferential policies of enterprise income tax, enterprises shall be exempted from enterprise income tax. The above income earned by the Company and its subsidiaries is subject to corporate income tax under preferential policies.

In accordance with the Announcement on the Renewal of the Enterprise Income Tax Policy for the Western Development (Ministry of Finance Announcement 2020 No. 23), from January 1, 2021 to December 31, 2030, the enterprise income tax will be levied at a reduced rate of 15% on enterprises with encouraged industries located in the western region. Subsidiaries of the Group established in the western region to which the announcement belongs are subject to corporate income tax at the rate of 15%.

According to the provisions of the Notice of the Ministry of Finance and the State Administration of Taxation and the Ministry of Science and Technology on Strengthening Pre-tax Deduction in Support of Science and Technology Innovation (Ministry of Finance and the State Administration of Taxation and the Ministry of Science and Technology Announcement No.28 of 2022), enterprises currently applying 75% of pre-tax deductions for research and development expenses will have their pre-tax deductions increased to 100% from October 1, 2022 to December 31, 2022. If the Company and its subsidiaries meet the requirements of the aforesaid announcement, the enterprise income tax shall be calculated and paid in accordance with the preferential policies.

In accordance with Notice of the Ministry of Finance on Enterprise Income Tax Preferential Policies of Hainan Free Trade Port. (Caishui [2020] No. 31), from January 1, 2020 to December 31, 2024, the enterprise

income tax is levied at a reduced rate of 15% on the encouraged industrial enterprises registered in Hainan Free Trade Port and operating substantially. Subsidiaries of the Group established within the territory covered by the above policy are subject to corporate income tax at the rate of 15%.

Subsidiary of the Group registered in the British Virgin Islands, is exempted from corporate income tax according to the local tax law.

Under the Hong Kong Tax Ordinance, the Group's locally incorporated subsidiaries are subject to profits tax at 16.50%. Plus, the offshore income of HKIH is declared exempt from profits tax. Non-locally registered subsidiaries which have their actual operations and management offices located in Hong Kong and are engaged in qualified finance business, are Hong Kong tax resident enterprises, enjoying the preferential policy of halving the profits tax of treasury center business (8.25%).

Subsidiaries of the Company registered in Malaysia subject to a corporate income tax rate of 24% in accordance with the Malaysian tax law.

Subsidiaries of the Company registered in Singapore subject to a corporate income tax rate of 17% in accordance with the Singaporean tax law.

According to the local tax laws of Ecuador, enterprises enjoy a tax exemption period of 12 years from the issuance of the first invoice, and the tax rate after the tax exemption period is 25%. Subsidiaries of the Company registered in Ecuador is still within tax exempt period as of the end of 2022.

Subsidiaries of the Company registered in Indonesia subject to a corporate income tax rate of 22% in accordance with the Indonesian tax law.

Subsidiary of the Company registered in Egypt subject to a corporate income tax rate of 22.5% in accordance with the Egyptian tax law.

Subsidiary of the Company registered in Bangladesh subject to multi-level tax rate according to the local tax laws of Bangladesh. As of the end of 2022, Bangladesh Haid is at a deficit and is not subject to income tax.

Subsidiary of the Company registered in Vietnam subject to a corporate income tax rate following the beneath income tax policy:

①Corporate income tax exempts for the first two year from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in according to the preferential tax policy. HAI DUONG HAID COMPANY LIMITED profits in 2018; HAID FEED COMPANY LIMITED profits in 2019 and half the income tax. VINH LONG HAI DAI CO.,LTD profits in 2021; THANG LONG(VINH LONG)BIOTECH CO.,LTD profits in 2022; VINH LONG HAILIANKE BIOTECHNOLOGY CO., LTD has not begun to profit and the above enterprises are exempted from income tax.

②In accordance with the preferential policies of the Vietnamese government on new investment and industries in difficult areas, Sheng Long Bio-Tech enjoyed a preferential corporate income tax rate at 10% and 15% for different factories in different areas, rental income for cold storage and sales of raw materials were subject to tax rate at 10%. Sales of raw material is taxed at 20%. Animal insurance is taxed at 17%. Other income was subject to a tax rate at 20%.

③In accordance with the Vietnam's Local Income Tax Policy, LONG SHENG INTERNATIONAL LTD. Is taxed at 15% for sales from Self-produced feed and 20% from trading.

④In accordance with the Vietnam's Local Income Tax Policy, NAMDUONG VIETNAM AQUATIC HATCHERY CO.,LTD. is exempted from income tax from selling cultured shrimps.

⑤HAI DAI COMPANY LIMITED, DONG NAI HAID FARM COMPANY LIMITED enjoy the preferential income tax policy of 15% according to type of business.

⑥BINH DINH HAI LONG CO., LTD is exempted from income tax for the first four year from the year in which the profit was generated for the first time, then half for the subsequent nine years. The company has not yet entered a profit period as of the end of 2022.

## V. Notes to Key Items in Consolidated Financial Statements

### 1. Cash at bank and on hand

Item	As at 12/31/2022	As at 12/31/2021
Cash on hand	456,386.59	939,250.50
Cash at bank	1,889,846,506.43	1,620,940,881.40
Other monetary funds	370,283,773.67	117,774,993.24
<b>Total</b>	<b>2,260,586,666.69</b>	<b>1,739,655,125.14</b>
Including: Total overseas deposits	468,657,117.65	514,891,017.18

Note:

(1) Interest receivable included in cash at bank is RMB 7,790,319.25.

(2) For cash with restriction, please refer to Note V. “67. Assets with restricted ownership or right-of-use assets”.

### 2. Held-for-trading financial assets

Item	As at 12/31/2022	As at 12/31/2021
Held-for-trading financial assets	699,942,009.75	2,507,784.13
Including: Derivative financial assets	439,630,197.91	2,507,784.13
Bank financial products	260,311,811.84	-
<b>Total</b>	<b>699,942,009.75</b>	<b>2,507,784.13</b>

Note:

(1) At the end of the reporting period, the derivative financial asset is the fair value of the futures, swaps, and other business.

(2) For held-for-trading financial assets with restriction, please refer to Note V “67. Assets with restricted ownership or right-of-use assets”.

### 3. Notes receivable

Category	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for bad and doubtful debts	Carrying amounts	Book value	Provision for bad and doubtful debts	Carrying amounts
Bank acceptance bills	5,649,969.84	-	5,649,969.84	8,752,527.80	-	8,752,527.80
Usance letters of credit	1,251,634.20	-	1,251,634.20	1,149,867.31	-	1,149,867.31

Category	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for bad and doubtful debts	Carrying amounts	Book value	Provision for bad and doubtful debts	Carrying amounts
<b>Total</b>	<b>6,901,604.04</b>	<b>-</b>	<b>6,901,604.04</b>	<b>9,902,395.11</b>	<b>-</b>	<b>9,902,395.11</b>

- (1) The Group had no notes receivable in pledge as of the end of the reporting period.
- (2) At the end of the reporting period, notes receivable endorsed or discounted by the Group but unexpired.

Category	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	27,900,534.54	3,311,269.56

- (3) As of the end of the reporting period, the Group had no notes that were reclassified into accounts receivable due to note drawers not performing their obligations.

- (4) Category by provision for bad and doubtful debts approach

Category	As at 12/31/2022				
	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed for impairment individually	-	-	-	-	-
Assessed for impairment collectively	6,901,604.04	100.00	-	-	6,901,604.04
Including:					
Bank acceptance bills	5,649,969.84	81.86	-	-	5,649,969.84
Usance letters of credit	1,251,634.20	18.14	-	-	1,251,634.20
<b>Total</b>	<b>6,901,604.04</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>6,901,604.04</b>

(Continued):

Category	As at 12/31/2021				
	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed for impairment individually	-	-	-	-	-
Assessed for impairment collectively	9,902,395.11	100.00	-	-	9,902,395.11
Including:					
Bank acceptance bills	8,752,527.80	88.39	-	-	8,752,527.80

Category	As at 12/31/2021				Carrying amounts
	Book value		Provision for bad and doubtful debts		
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Usance letters of credit	1,149,867.31	11.61	-	-	1,149,867.31
<b>Total</b>	<b>9,902,395.11</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>9,902,395.11</b>

(5) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
<b>12/31/2021</b>	-
Recognitions in current period	-
Recoveries or reversals in current period	-
Write-off in current period	-
<b>12/31/2022</b>	-

(6) As of the end of the reporting period, there is no notes receivable write-off in this group.

#### 4. Accounts receivable

(1) Accounts receivable by aging

Aging	As at 12/31/2022	As at 12/31/2021
Within 1 year	1,865,803,147.34	1,237,161,268.69
1 to 2 years	174,116,530.78	119,676,027.65
2 to 3 years	111,174,788.59	55,038,329.36
3 to 4 years	27,320,410.68	28,589,027.99
4 to 5 years	16,405,157.01	18,834,138.82
More than 5 years	22,028,650.67	26,737,605.18
<b>Subtotal</b>	<b>2,216,848,685.07</b>	<b>1,486,036,397.69</b>
Less: provision for bad and doubtful debts	264,840,804.02	192,707,568.31
<b>Total</b>	<b>1,952,007,881.05</b>	<b>1,293,328,829.38</b>

## (2) Accounts receivable by the method of recognizing bad and doubtful debts

Category	As at 12/31/2022					As at 12/31/2021				
	Book value		Provision for bad and doubtful debts		Carrying Amount	Book value		Provision for bad and doubtful debts		Carrying Amount
	Amount	Percentage (%)	Amount	Expected credit loss (%)		Amount	Percentage (%)	Amount	Expected credit loss (%)	
Assessed for impairment individually	215,697,249.53	9.73	144,096,100.43	66.80	71,601,149.10	118,069,644.52	7.95	79,041,086.36	66.94	39,028,558.16
Assessed for impairment collectively	2,001,151,435.54	90.27	120,744,703.59	6.03	1,880,406,731.95	1,367,966,753.17	92.05	113,666,481.95	8.31	1,254,300,271.22
Including:										
Accounts receivable of feed and relevant customers	1,987,173,385.93	89.64	120,497,292.12	6.06	1,866,676,093.81	1,247,432,812.56	83.94	111,516,680.56	8.94	1,135,916,132.00
Accounts receivable of materials trade customers	13,978,049.61	0.63	247,411.47	1.77	13,730,638.14	120,533,940.61	8.11	2,149,801.39	1.78	118,384,139.22
<b>Total</b>	<b>2,216,848,685.07</b>	<b>100.00</b>	<b>264,840,804.02</b>	<b>11.95</b>	<b>1,952,007,881.05</b>	<b>1,486,036,397.69</b>	<b>100.00</b>	<b>192,707,568.31</b>	<b>12.97</b>	<b>1,293,328,829.38</b>

Provision for bad and doubtful debts which were recognized individually:

Name	As at 12/31/2022			
	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision
Customer A	24,450,871.01	16,139,836.11	66.01	Estimated some of portion to be unrecoverable
Customer B	9,003,105.88	9,003,105.88	100.00	Estimated to be unrecoverable
Remaining individual customers	182,243,272.64	118,953,158.44	65.27	Estimated some of portion to be unrecoverable
<b>Total</b>	<b>215,697,249.53</b>	<b>144,096,100.43</b>	<b>66.80</b>	/

Note: The expected credit loss rate of the remaining individual provision customers is the average proportion of the total individual provision for bad debts to the book balance of that portion of customers.

Provision for bad and doubtful debts which were recognized collectively:

Recognized collectively item 1: Accounts receivable of feed and relevant customers

	As at 12/31/2022			As at 12/31/2021		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	1,835,063,093.03	49,699,500.59	2.71	1,097,779,516.78	26,810,526.99	2.44
1 to 2 years	104,577,590.23	33,533,330.94	32.07	75,286,449.07	29,161,655.51	38.73
2 to 3 years	24,727,060.47	17,431,334.81	70.49	38,672,596.05	23,518,362.52	60.81
3 to 4 years	14,251,554.78	11,292,915.24	79.24	16,873,346.39	13,639,011.11	80.83
4 to 5 years	3,083,043.01	3,069,166.13	99.55	8,750,297.66	8,321,604.05	95.10
More than 5 years	5,471,044.41	5,471,044.41	100.00	10,070,606.61	10,065,520.38	99.95
<b>Total</b>	<b>1,987,173,385.93</b>	<b>120,497,292.12</b>	<b>6.06</b>	<b>1,247,432,812.56</b>	<b>111,516,680.56</b>	<b>8.94</b>

Recognized collectively item 2: Accounts receivable of material trade customers

	As at 12/31/2022			As at 12/31/2021		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	13,978,049.61	247,411.47	1.77	120,533,940.61	2,149,801.39	1.78

(3) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
12/31/2021	192,707,568.31
Recognitions in current period	129,053,841.16
Merger in current period	5,665,703.94
Recoveries or reversals in current period	51,254,901.51
Write- off in current period	-
<b>12/31/2022</b>	<b>264,840,804.02</b>

There is no reversal or recovery of significant bad debt reserves in current period.

Accounts receivable actually written off in current period

Item	Write-off amount
Accounts receivable actually write-off	51,254,901.51

There are no significant accounts receivable write-off in current period.

(4) The receivables by debtor with top five closing balance

The total accounts receivable from the top five debtors with the largest closing balance amounted to RMB 229,427,435.40, accounting for 10.35% of the total closing balance of accounts receivable, with the total corresponding closing balance of the provision for bad and doubtful debts being RMB 9,102,804.21.

(5) No accounts receivable was derecognized due to transfer of financial assets in current period.

(6) There were no such cases in current period where the Group had transferred an accounts receivable but continued to be involved in the assets or liabilities associated with that account receivable.

5. Prepayments

(1) Prepayments by aging

Aging	As at 12/31/2022		As at 12/31/2021	
	Amount	Percentage%	Amount	Percentage%
Within 1 year	1,783,514,951.53	99.79	2,528,002,885.53	99.10
1 and 2 years	3,577,093.13	0.20	22,462,096.77	0.88
2 and 3 years	82,764.36	0.00	239,292.35	0.01
3 years above	107,440.31	0.01	149,463.37	0.01
<b>Total</b>	<b>1,787,282,249.33</b>	<b>100.00</b>	<b>2,550,853,738.02</b>	<b>100.00</b>

Note: Prepayments over 1 year were mainly unsettled prepayment to suppliers.

(2) The prepayments by debtors with top five closing balance

The total amount of prepayments by debtors with top five closing balance was RMB 862,153,191.55, accounting for 48.24% of the closing balance of total prepayments.

6. Other receivables

Item	As at 12/31/2022	As at 12/31/2021
Interests receivable	-	-
Dividends receivable	-	900,009.00
Other receivables	1,322,999,051.80	779,125,761.40
<b>Total</b>	<b>1,322,999,051.80</b>	<b>780,025,770.40</b>

(1) Dividends receivable

Item	As at 12/31/2022	As at 12/31/2021
CITIC Agri-Fund Management Co., Ltd.	-	900,009.00
<b>Subtotal</b>	<b>-</b>	<b>900,009.00</b>
Less: Provision for bad and doubtful debts	-	-
<b>Total</b>	<b>-</b>	<b>900,009.00</b>

## (2) Other receivables

## ① Other receivables by aging

Aging	As at 12/31/2022	As at 12/31/2021
Within 1 year	1,272,712,082.84	764,082,359.64
1 to 2 years	51,430,153.93	17,043,588.01
2 to 3 years	10,278,760.31	6,108,241.45
3 to 4 years	4,397,277.57	9,504,148.75
4 to 5 years	4,387,762.13	2,006,684.48
5 years above	5,944,492.41	47,283,719.70
Subtotal	1,349,150,529.19	846,028,742.03
Less: Provision for bad and doubtful debts	26,151,477.39	66,902,980.63
<b>Total</b>	<b>1,322,999,051.80</b>	<b>779,125,761.40</b>

## ② Other receivables by nature

Aging	As at 12/31/2022	As at 12/31/2021
Security deposit	735,163,674.92	567,214,945.49
Futures margin	486,310,151.38	98,699,697.60
Accounts with external parties	53,599,036.22	101,515,045.66
Insurance compensation	23,793,192.43	33,936,663.62
Disbursement of social insurance and provident fund	13,091,720.42	10,727,105.85
Petty cash	7,505,369.08	7,888,909.80
Others	29,687,384.74	26,046,374.01
<b>Total</b>	<b>1,349,150,529.19</b>	<b>846,028,742.03</b>

## ③ Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2021	12,043,932.90	-	54,859,047.73	66,902,980.63
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-1,038,954.83	-	1,038,954.83	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Accrual in current period	6,513,107.16	-	4,908,065.84	11,421,173.00
Reversal in current period	-	-	622,177.00	622,177.00
Sold off in current period	-	-	-	-
Write off in current period	698,892.54	-	50,851,606.70	51,550,499.24
Other movement	-	-	-	-
Balance at 12/31/2022	16,819,192.69	-	9,332,284.70	26,151,477.39

④ Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

Category	As at 12/31/2021	Category				As at 12/31/2022
		Recognitions	Recoveries or reversals	Write-off	Other changes	
Other receivables	66,902,980.63	11,421,173.00	622,177.00	51,550,499.24	-	26,151,477.39

⑤ Other receivables actually write-off

Item	Write-off amount
Other receivables actually write-off	51,550,499.24

Among, the write-off of important other receivable:

Unit	Nature	Amount	Reason	Verification procedure	Is the payment generated by related party transactions
Unit 1	External unit transactions	45,671,482.72	Payment cannot be repaid	Obtained conclusive evidence indicating that it cannot be repaid and have obtained internal approval	No

⑥ Other receivables with top five closing balance

Name of debtor	Payment nature	Book balance	Aging	Percentage of other receivables ending balance (%)	Provision for bad and doubtful debts
Customer A	Security deposit	231,130,435.85	Within 1 year	17.13	2,349,303.86

Name of debtor	Payment nature	Book balance	Aging	Percentage of other receivables ending balance (%)	Provision for bad and doubtful debts
Customer B	Future margins	114,190,900.00	Within 1 year	8.46	-
Customer C	Security deposit	81,862,600.00	Within 1 year	6.07	818,626.00
Customer D	Future margins	75,991,376.00	Within 1 year	5.63	-
Customer E	Future margins	72,180,344.00	Within 1 year	5.35	-
<b>Total</b>	--	<b>575,355,655.85</b>	--	<b>42.64</b>	<b>3,167,929.86</b>

⑦ There were no other receivables associated with government subsidies as of the period end.

⑧ No other receivables were derecognized due to transfer of financial assets in the current period.

⑨ There were no such cases in the current period where the Group had transferred the other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

## 7. Inventories

### (1) Inventories by category

Item	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for impairment of inventories / Provision for impairment of contract performance costs	Carrying amount	Book value	Provision for impairment of inventories / Provision for impairment of contract performance costs	Carrying amount
Raw material	7,525,170,842.94	-	7,525,170,842.94	5,512,406,719.05	1,150,954.95	5,511,255,764.10
Work in progress	8,410,183.05	-	8,410,183.05	10,295,978.16	-	10,295,978.16
Finished goods	1,912,007,519.52	9,488,061.05	1,902,519,458.47	1,469,321,982.03	25,623,125.85	1,443,698,856.18
Consumable biological assets	3,191,348,654.19	7,005,245.27	3,184,343,408.92	1,998,362,195.15	2,240,170.95	1,996,122,024.20
Contract performance cost	4,637,757.98	-	4,637,757.98	8,815,235.63	-	8,815,235.63
<b>Total</b>	<b>12,641,574,957.68</b>	<b>16,493,306.32</b>	<b>12,625,081,651.36</b>	<b>8,999,202,110.02</b>	<b>29,014,251.75</b>	<b>8,970,187,858.27</b>

## (2) Provision for impairment of inventories

Item	As at 01/01/2022	Additions during the year		Write-back during the year		As at 12/31/2022
		Provision	Others	Reversals or write-off	Others	
Raw material	1,150,954.95	-	-	1,150,954.95	-	-
Finished goods	25,623,125.85	10,662,909.59	-	26,797,974.39	-	9,488,061.05
Consumable biological assets	2,240,170.95	12,495,871.34	-	7,730,797.02	-	7,005,245.27
<b>Total</b>	<b>29,014,251.75</b>	<b>23,158,780.93</b>	<b>-</b>	<b>35,679,726.36</b>	<b>-</b>	<b>16,493,306.32</b>

Provision for impairment of inventories (continued)

Item	Evidence of net realizable value/remaining consideration and upcoming cost	Reasons for reversals or write-off of provision for impairment of inventories
Raw material	The estimated selling price of related finished products minus the estimated costs to be incurred until completion, estimated sales expenses, and relevant taxes and fees.	Used to produce products and achieve sales
Finished goods	The estimated selling price of related finished products minus the estimated selling expenses and related taxes.	Goods have been sold
Consumable biological assets	The estimated selling price of related assets minus the estimated cost to be incurred until reaching the sellable state, estimated sales expenses, and relevant taxes and fees.	Cultivate to a saleable state to achieve sales

(3) There were no capitalized borrowing costs among the closing balance of inventories.

## 8. Non-current assets due within one year

Item	As at 12/31/2022	As at 12/31/2021
Long-term receivables due within one year	925,889.24	5,645,605.89
Debt investments due within one year	14,000,000.00	4,000,000.00
<b>Total</b>	<b>14,925,889.24</b>	<b>9,645,605.89</b>

## 9. Other current assets

Item	As at 12/31/2022	As at 12/31/2021
Rental expense	6,951,880.57	15,366,869.08
Insurance expense	15,839,380.46	9,876,673.98
Miscellaneous prepaid expense	28,004,564.33	25,884,369.75
Input VAT to be deducted and approved	80,005,440.16	106,043,610.05
Overpaid taxes and charges	81,268,203.97	30,475,138.95
Loans and advances to customers	229,252,757.17	529,171,710.31

Item	As at 12/31/2022	As at 12/31/2021
Factoring receivables	87,325,714.86	70,965,276.44
Others	19,220,831.60	6,556,190.76
<b>Total</b>	<b>547,868,773.12</b>	<b>794,339,839.32</b>

(1) Loans and advances to customers due within one year

① Category by method of guarantee

Item	As at 12/31/2022	As at 12/31/2021
Secured loans	226,127,117.07	539,103,919.28
Loan on credit	190,000.00	1,699,500.00
Mortgage loan	2,450,000.00	-
Secured / mortgage loans	5,000,000.00	-
Add: Interests receivable	588,643.80	1,054,313.57
<b>Subtotal</b>	<b>234,355,760.87</b>	<b>541,857,732.85</b>
Less: Provision for impairment	5,103,003.70	12,686,022.54
<b>Total</b>	<b>229,252,757.17</b>	<b>529,171,710.31</b>

② Category by overdue

Item	As at 12/31/2022	As at 12/31/2021
Not overdue	224,977,086.44	505,327,084.14
Overdue	8,790,030.63	35,476,335.14
Add: Interests receivable	588,643.80	1,054,313.57
<b>Subtotal</b>	<b>234,355,760.87</b>	<b>541,857,732.85</b>
Less: Provision for impairment	5,103,003.70	12,686,022.54
<b>Total</b>	<b>229,252,757.17</b>	<b>529,171,710.31</b>

(2) Factoring receivables by overdue

Item	As at 12/31/2022	As at 12/31/2021
Not overdue	68,769,101.24	51,140,537.56
Overdue	35,938,644.59	31,825,041.67
Add: Interests receivable	581,988.60	250,004.90
<b>Subtotal</b>	<b>105,289,734.43</b>	<b>83,215,584.13</b>
Less: Provision for impairment	17,964,019.57	12,250,307.69
<b>Total</b>	<b>87,325,714.86</b>	<b>70,965,276.44</b>

10. Debt investments

Item	As at 12/31/2022			As at 12/31/2021		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Entrust loans	14,000,000.00	-	14,000,000.00	18,500,000.00	-	18,500,000.00
Other	1,137.46	-	1,137.46	1,072.58	-	1,072.58
<b>Subtotal</b>	<b>14,001,137.46</b>	<b>-</b>	<b>14,001,137.46</b>	<b>18,501,072.58</b>	<b>-</b>	<b>18,501,072.58</b>
Less: debt investment due within one year	14,000,000.00	-	14,000,000.00	4,000,000.00	-	4,000,000.00
<b>Total</b>	<b>1,137.46</b>	<b>-</b>	<b>1,137.46</b>	<b>14,501,072.58</b>	<b>-</b>	<b>14,501,072.58</b>

## 11. Loans and advances to customers

## (1) Loans and advances to customers by method of guarantee:

Item	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Secured loans	226,527,117.07	4,974,816.85	221,552,300.22	541,668,904.54	12,677,299.79	528,991,604.75
Loan on credit	1,690,000.00	30,187.93	1,659,812.07	3,599,500.00	64,103.70	3,535,396.30
Mortgage loan	2,450,000.00	36,115.11	2,413,884.89	-	-	-
Secured / mortgage loans	5,000,000.00	74,126.83	4,925,873.17	-	-	-
Add: Interests receivable	588,643.80	20,885.35	567,758.45	1,060,165.63	17,995.13	1,042,170.50
<b>Subtotal</b>	<b>236,255,760.87</b>	<b>5,136,132.07</b>	<b>231,119,628.80</b>	<b>546,328,570.17</b>	<b>12,759,398.62</b>	<b>533,569,171.55</b>
Less: Due within one year	234,355,760.87	5,103,003.70	229,252,757.17	541,857,732.85	12,686,022.54	529,171,710.31
<b>Total</b>	<b>1,900,000.00</b>	<b>33,128.37</b>	<b>1,866,871.63</b>	<b>4,470,837.32</b>	<b>73,376.08</b>	<b>4,397,461.24</b>

## (2) Loans and advances to customers by overdue:

Item	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Not overdue	226,877,086.44	3,836,326.43	223,040,760.01	509,792,069.40	8,620,846.03	501,171,223.37
Overdue	8,790,030.63	1,278,920.29	7,511,110.34	35,476,335.14	4,120,557.46	31,355,777.68

Item	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Add: Interests receivable	588,643.80	20,885.35	567,758.45	1,060,165.63	17,995.13	1,042,170.50
<b>Subtotal</b>	<b>236,255,760.87</b>	<b>5,136,132.07</b>	<b>231,119,628.80</b>	<b>546,328,570.17</b>	<b>12,759,398.62</b>	<b>533,569,171.55</b>
Less: Due within one year	234,355,760.87	5,103,003.70	229,252,757.17	541,857,732.85	12,686,022.54	529,171,710.31
<b>Total</b>	<b>1,900,000.00</b>	<b>33,128.37</b>	<b>1,866,871.63</b>	<b>4,470,837.32</b>	<b>73,376.08</b>	<b>4,397,461.24</b>

## (3) Provision for impairment of loans

Provision for impairment of loans	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2021	8,619,204.80	19,605.22	4,120,588.60	12,759,398.62
In the current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in the current period	-4,774,859.50	-16,206.55	-2,832,200.50	-7,623,266.55
Reversal in the current period	-	-	-	-
Sold off in the current period	-	-	-	-
Write off in the current period	-	-	-	-
Due within one year and reclassify into other current assets or interests receivable	3,811,216.93	3,398.67	1,288,388.10	5,103,003.70
Balance at 12/31/2022	33,128.37	-	-	33,128.37

## 12. Long-term receivables

## (1) Long-term receivables by nature

Item	As at 12/31/2022			As at 12/31/2021			Discounted rate scope
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Security deposits	104,994,720.67	-	104,994,720.67	82,420,256.53	-	82,420,256.53	

Item	As at 12/31/2022			As at 12/31/2021			Discounted rate scope
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Amounts receivable by installments for subcontracting	21,157,915.14	-	21,157,915.14	10,681,500.47	-	10,681,500.47	3.43%~5.75%
Less: Unrealized financing income	2,307,476.05	-	2,307,476.05	523,559.76	-	523,559.76	
<b>Subtotal</b>	<b>123,845,159.76</b>	<b>-</b>	<b>123,845,159.76</b>	<b>92,578,197.24</b>	<b>-</b>	<b>92,578,197.24</b>	
Less: Long-term receivables due within one year	925,889.24	-	925,889.24	5,645,605.89	-	5,645,605.89	
<b>Total</b>	<b>122,919,270.52</b>	<b>-</b>	<b>122,919,270.52</b>	<b>86,932,591.35</b>	<b>-</b>	<b>86,932,591.35</b>	

Note: The closing long-term receivables primarily consisted of security deposits for land rental and consumption of electricity.

- (2) There were no long-term receivables overdue in the Group.
- (3) There were no long-term receivables derecognized in the Group in the current period.
- (4) There were no such cases in the current period where the Group had transferred a long-term receivable and continued to be involved in the assets or liabilities associated with that long-term receivable.

## 13. Long-term equity investments

Investee	Balance as at 12/31/2021	Movements during the year								Balance as at 12/31/2022	Balance of provision for impairment as at 31/12/2022
		Increase in capital	Decrease in capital	Investment income recognized by equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Other		
Associates											
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	7,033,923.53	-	-	1,610,119.27	-	-	-	-	-	8,644,042.80	-
Guizhou Fuhai Chemicals Co., Ltd.	23,040,528.81	-	-9,000,000.00	1,555,617.53	-	-	-15,596,146.34	-	-	-	-
Bangpu Seed Technology Co., Ltd.	5,797,397.28	5,000,000.00	-	-279,186.63	-	-	-	-	-	10,518,210.65	-
Qingdao Nongken Beidahuang Trade Development Co., Ltd.	5,455,271.05	-	-	-	-	-	-	5,455,271.05	-	-	10,910,542.10
Vietnam Haid Yingtaogu Co., Ltd.	31,486,405.35	-	-	10,806,354.16	2,044,924.67	-	-	-	-	44,337,684.18	-

Investee	Balance as at 12/31/2021	Movements during the year								Balance as at 12/31/2022	Balance of provision for impairment as at 31/12/2022
		Increase in capital	Decrease in capital	Investment income recognized by equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision-for impairment	Other		
Wujiaqu Taikun Plant Protein Co., Ltd	46,082,588.04	-	-	13,510,610.16	-	-	-	-	-	59,593,198.20	-
Alar Ruiliheng Biological Protein Co., Ltd.	59,688,989.63	-	-	17,075,222.40	-	-	-	10,948,161.34	-	65,816,050.69	-
Guangzhou Hengjuchang Venture Capital Partnership (Limited Partnership)	114,034,142.85	-	-	6,053,154.40	-	-	-	-	-	120,087,297.25	-
Sichuan Zhihui Fishing Machine Technology Co., Ltd.	4,000,000.00	-	-	-627,397.26	-	-	-	-	-	3,372,602.74	-
Guangdong Zhongyu Duck Industry Co., Ltd.	4,457,265.79	-	-	-1,643,464.13	-	-	-	-	-	2,813,801.66	-
<b>Total</b>	<b>301,076,512.33</b>	<b>5,000,000.00</b>	<b>9,000,000.00</b>	<b>48,061,029.90</b>	<b>2,044,924.67</b>	<b>-</b>	<b>-</b>	<b>26,544,307.68</b>	<b>5,455,271.05</b>	<b>315,182,888.17</b>	<b>10,910,542.10</b>

## 14. Other non-current financial assets

Category	As at 12/31/2022	As at 12/31/2021
Equity instrument investments	266,944,754.12	286,569,300.55

## 15. Investment properties

Item	Buildings	Land use rights	Total
<b>I. Total original book value</b>			
1. As at 12/31/2021	29,439,405.76	3,287,481.73	32,726,887.49
2. Additions during the year	1,473,618.53	-	1,473,618.53
(1) Transfer from CIP	-	-	-
(2) Other	1,473,618.53	-	1,473,618.53
3. Decrease during the year	370,772.53	59,508.00	430,280.53
(1) Translation of foreign currency financial statements	-	59,508.00	59,508.00
(2) Other transfers out	370,772.53	-	370,772.53
4. As at 12/31/2022	30,542,251.76	3,227,973.73	33,770,225.49
<b>II. Total accumulated depreciation or amortization</b>			
1. As at 12/31/2021	5,785,874.16	-	5,785,874.16
2. Additions during the year	1,132,742.31	-	1,132,742.31
(1) Depreciation or amortization	943,450.85	-	943,450.85
(2) Other	189,291.46	-	189,291.46
3. Decrease during the year	4,978.96	-	4,978.96
(1) Other transfers out	4,978.96	-	4,978.96
4. As at 12/31/2022	6,913,637.51	-	6,913,637.51
<b>III. Provision for impairment</b>			
1. As at 12/31/2021	-	-	-
2. Additions during the year	-	-	-
3. Decrease during the year	-	-	-
4. As at 12/31/2022	-	-	-
<b>IV. Carrying amount</b>			
1. As at 12/31/2022	23,628,614.25	3,227,973.73	26,856,587.98
2. As at 12/31/2021	23,653,531.60	3,287,481.73	26,941,013.33

Note: There were no Investment properties that had not completed the ownership certificates in current period.

## 16. Fixed assets

Item	As at 12/31/2022	As at 12/31/2021
Fixed assets	14,933,452,189.00	11,271,962,992.07
Fixed assets pending for disposal	-	1,650.00
<b>Total</b>	<b>14,933,452,189.00</b>	<b>11,271,964,642.07</b>

## (1) Fixed assets

## ① Details of fixed assets

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
I. Original book value:						
1. As at 12/31/2021	7,441,989,912.64	6,902,911,050.00	361,709,857.18	465,422,769.74	399,553,963.26	15,571,587,552.82
2. Additions during the year	2,575,212,466.56	2,035,893,986.26	55,878,474.30	111,309,392.61	161,730,479.90	4,940,024,799.63
(1) Purchases	169,723,172.80	203,007,020.02	41,770,461.99	76,047,722.29	80,383,224.54	570,931,601.64
(2) Additions due to business combinations	2,376,308,538.23	1,802,717,473.66	12,416,132.37	34,538,510.07	80,319,319.28	4,306,299,973.61
(3) Increase in corporation mergers	68,600.00	-	-	44,908.00	360,910.00	474,418.00
(4) Others	29,112,155.53	30,169,492.58	1,691,879.94	678,252.25	667,026.08	62,318,806.38
3. Decrease during the year	65,504,617.45	35,756,742.42	15,504,942.06	22,690,406.77	15,555,891.22	155,012,599.92
(1) Disposals or write-offs	65,504,617.45	35,756,742.42	15,504,942.06	22,690,406.77	15,555,891.22	155,012,599.92
(2) Implementation of the new lease standard transfers out	-	-	-	-	-	-
(3) Decrease due to business combinations	-	-	-	-	-	-
(4) Translation of foreign currency financial statements.	-	-	-	-	-	-

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
4. As at 12/31/2022	9,951,697,761.75	8,903,048,293.84	402,083,389.42	554,041,755.58	545,728,551.94	20,356,599,752.53
II. Accumulated depreciation:						
1. As at 12/31/2021	1,266,887,533.23	2,428,280,200.07	170,722,470.01	272,800,705.87	160,243,314.46	4,298,934,223.64
2. Additions during the year	332,251,714.36	667,288,538.46	53,867,433.90	88,102,179.86	76,545,966.07	1,218,055,832.65
(1) Provision	322,859,389.87	654,325,030.09	52,935,709.01	86,981,907.68	76,048,790.14	1,193,150,826.79
(2) Increase in corporation mergers	19,976.29	-	-	9,814.16	65,357.83	95,148.28
(3) Translation of foreign currency financial statements.	2,755,484.84	7,209,947.72	968,156.04	199,445.86	294,936.50	11,427,970.96
(4) Other	6,616,863.36	5,753,560.65	-36,431.15	911,012.16	136,881.60	13,381,886.62
3. Decrease during the year	35,403,735.09	14,970,970.93	13,655,810.43	20,368,273.41	10,289,181.43	94,687,971.29
(1) Disposals or write-offs	35,403,735.09	14,970,970.93	13,655,810.43	20,368,273.41	10,289,181.43	94,687,971.29
(2) Translation of foreign currency financial statements.	-	-	-	-	-	-
(3) Other	-	-	-	-	-	-
4. As at 12/31/2022	1,563,735,512.50	3,080,597,767.60	210,934,093.48	340,534,612.32	226,500,099.10	5,422,302,085.00
III. Provision for impairment:						
1. As at 12/31/2021	690,337.11	-	-	-	-	690,337.11
2. Additions during the year	77,533.17	15,541.33	280.00	18,464.82	43,322.10	155,141.42
(1) Provision	-	-	-	-	-	-
(2) Increase due to business combinations	-	-	-	-	-	-
(3) Outsourcing	77,533.17	15,541.33	280.00	18,464.82	43,322.10	155,141.42
3. Decrease during the year	-	-	-	-	-	-
(1) Disposals or write-offs	-	-	-	-	-	-

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
(2) Other	-	-	-	-	-	-
4. As at 12/31/2022	767,870.28	15,541.33	280.00	18,464.82	43,322.10	845,478.53
IV. Carrying amount:						
1. As at 12/31/2022	8,387,194,378.97	5,822,434,984.91	191,149,015.94	213,488,678.44	319,185,130.74	14,933,452,189.00
2. As at 12/31/2021	6,174,412,042.30	4,474,630,849.93	190,987,387.17	192,622,063.87	239,310,648.80	11,271,962,992.07

Temporarily idle fixed assets

- ② There were no temporarily idle fixed assets in the current period.
- ③ There were no fixed assets leased out under operating leases in the current period.
- ④ Fixed assets without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
House and building	413,065,520.68	No ownership certificates for rented buildings on collective and state-owned land
House and building	1,437,726,066.21	In progress

(1) Fixed assets pending for disposal

Item	As at 12/31/2022	As at 12/31/2021	Reasons for disposals
Other	-	1,650.00	They have already been scrapped

17. Construction in progress

Item	As at 12/31/2022	As at 12/31/2021
Construction in progress	1,377,352,318.21	1,531,493,842.31

Item	As at 12/31/2022	As at 12/31/2021
Construction materials	-	-
<b>Total</b>	<b>1,377,352,318.21</b>	<b>1,531,493,842.31</b>

## (1) Construction in progress

## ① Details of construction in progress

Project	As at 12/31/2022			As at 12/31/2021		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Book value
Supporting construction for animal health projects	67,939,417.13	-	67,939,417.13	83,409,772.41	-	83,409,772.41
Supporting construction for feed projects	995,263,895.73	-	995,263,895.73	628,556,718.09	-	628,556,718.09
Supporting construction for farming projects	179,262,339.43	-	179,262,339.43	739,798,951.87	-	739,798,951.87
Supporting construction for butcher projects	108,859,359.30	-	108,859,359.30	52,870,602.27	-	52,870,602.27
Supporting construction for other projects	26,027,306.62	-	26,027,306.62	26,857,797.67	-	26,857,797.67
<b>Total</b>	<b>1,377,352,318.21</b>	<b>-</b>	<b>1,377,352,318.21</b>	<b>1,531,493,842.31</b>	<b>-</b>	<b>1,531,493,842.31</b>

## ② Movements of major construction in progress

Project	As at 12/31/2021	Additions	Transfers to fixed assets	Transfers to intangible assets	Transfers to Investment real estate	Transfers to other long-term assets	Other decreases	As at 12/31/2022	Accumulated capitalized interest	Including: interest capitalized in 2022	Interest rate for capitalization in 2022(%)
Supporting construction for feed projects	605,415,468.44	2,663,286,596.20	2,298,747,743.72	20,000.00	157,200.00	-	969,777,120.92	-	-	-	Fundraising, self-raised

Project	As at 12/31/2021	Additions	Transfers to fixed assets	Transfers to intangible assets	Transfers to Investmen t real estate	Transfe rs to other long- term assets	Other decreases	As at 12/31/2022	Accumulat ed capitalized interest	Includin g: interest capitaliz ed in 2022	Interest rate for capitaliz- ation in 2022(%)
Supportin g constructi on for animal health projects	74,217,551.04	160,117,253.16	167,243,574.57	-	-	-	67,091,229.63	1,643,139.45	1,643,139.45	4.24	self-raised
Supportin g constructi on for farming projects	721,669,221.76	877,999,378.40	1,437,546,783.60	2,314,207.35	-	-	159,807,609.21	-	-	-	self-raised
Supportin g constructi on for butcher projects	52,870,602.27	83,058,407.19	28,278,463.00	-	-	-	107,650,546.46	-	-	-	self-raised
Supportin g constructi on for other projects	26,022,999.62	152,471,027.32	127,864,658.65	17,164,045.46	9,488,978.33	-	23,976,344.50	-	-	-	self-raised
<b>Total</b>	<b>1,480,195,843.13</b>	<b>3,936,932,662.27</b>	<b>4,059,681,223.54</b>	<b>19,498,252.81</b>	<b>9,646,178.33</b>	<b>-</b>	<b>1,328,302,850.72</b>	<b>1,643,139.45</b>	<b>1,643,139.45</b>		

Note: There was no provision for impairment of construction in progress in the current period.

## 18. Productive biological assets

## (1) Measured by cost

Item	Animal husbandry	Aquaculture		Other	Total
	boar	Seed shrimp	Fingerling		
I. Original book value					
1. As at 12/31/2021	573,777,200.38	22,242,619.19	19,851,097.32	3,804,045.86	619,674,962.75
2. Additions during the year	511,540,192.37	58,812,222.06	19,667,766.95	11,380,079.65	601,400,261.03
(1) Purchase	42,691,812.53	20,197,544.76	4,825,950.59	2,929,577.58	70,644,885.46
(2) Self-cultivated	468,765,365.28	38,770,362.62	15,843,070.38	8,450,502.07	531,829,300.35
(3) Additions due to translation differences in foreign currency statements	83,014.56	-155,685.32	1,001,254.02	-	-1,073,924.78
3. Decrease during the year	424,560,665.50	58,890,446.04	25,037,149.40	1,044,201.30	509,532,462.24
(1) Disposals	423,493,326.87	58,884,467.04	24,755,549.58	1,044,201.30	508,177,544.79
(2) Other decrease	1,067,338.63	5,979.00	281,599.82	-	1,354,917.45
4. As at 12/31/2022	660,756,727.25	22,164,395.21	14,481,714.87	14,139,924.21	711,542,761.54
II Accumulated depreciation					
1. As at 12/31/2021	100,644,142.53	9,108,561.45	1,187,506.33	248,036.80	111,188,247.11
2. Additions during the year	199,424,923.82	55,480,309.90	5,480,855.35	7,809,668.89	268,195,757.96
(1) Provision	199,391,866.45	55,668,017.39	5,480,855.35	7,809,668.89	268,350,408.08
(2) Additions due to translation differences in foreign currency statements	33,057.37	-187,707.49	-	-	-154,650.12
3. Decrease during the year	115,262,851.93	56,247,800.37	4,513,116.88	615,052.26	176,638,821.44
(1) Disposal	115,213,298.31	56,247,800.37	4,490,521.63	615,052.26	176,566,672.57

Item	Animal husbandry	Aquaculture		Other	Total
	boar	Seed shrimp	Fingerling		
(2) Other decrease	49,553.62	-	22,595.25	-	72,148.87
4. As at 12/31/2022	184,806,214.42	8,341,070.98	2,155,244.80	7,442,653.43	202,745,183.63
III Provision for impairment					
1. As at 12/31/2021	-	-	-	-	-
2. Additions during the year	-	-	-	-	-
(1) Provision	-	-	-	-	-
(2) Other increase	-	-	-	-	-
3. Decrease during the year	-	-	-	-	-
(1) Disposals	-	-	-	-	-
(2) Other decrease	-	-	-	-	-
4. As at 12/31/2022	-	-	-	-	-
IV Carrying amount					
As at 12/31/2022	475,950,512.83	13,823,324.23	12,326,470.07	6,697,270.78	508,797,577.91
As at 12/31/2021	473,133,057.85	13,134,057.74	18,663,590.99	3,556,009.06	508,486,715.64

(2) There were no productive biological assets measured at fair value in the current period.

## 19. Right-of-use assets

Item	Land use rights	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
I. Original book value							
As at 12/31/2021	1,344,908,959.16	830,720,729.48	359,364,797.16	13,140,345.45	2,214,631.17	36,124,482.47	2,586,473,944.89
Additions during the year	327,301,783.46	148,972,799.43	46,201,155.92	5,725,220.90	291,487.49	3,016,912.29	531,509,359.49
Rent in	330,446,994.01	148,085,339.41	45,730,686.36	5,725,220.90	291,487.49	3,201,527.65	533,481,255.82
Lease liability adjustment	-3,100,851.79	137,484.66	1,784,825.36	-	-	-184,615.36	-1,363,157.13
Translation differences in foreign currency statements	-44,358.76	749,975.36	-1,314,355.80	-	-	-	-608,739.20
Decrease during the year	67,346,432.61	94,903,958.04	48,616,668.82	1,052,866.57	128,644.07	4,255,040.72	216,303,610.83
Transfer from lease to financing lease	17,078,248.38	802,094.98	3,208,379.92	-	-	-	21,088,723.28
Lease termination	50,268,184.23	94,101,863.06	45,408,288.90	1,052,866.57	128,644.07	4,255,040.72	195,214,887.55
Other decrease	-	-	-	-	-	-	-
As at 12/31/2022	1,604,864,310.01	884,789,570.87	356,949,284.26	17,812,699.78	2,377,474.59	34,886,354.04	2,901,679,693.55
II. Accumulated depreciation							
As at 12/31/2021	95,372,860.50	105,140,654.35	45,830,506.39	2,354,007.46	552,451.62	5,876,552.14	255,127,032.46
Additions during the year	127,792,916.84	133,953,387.57	55,306,435.65	3,968,434.22	779,292.91	7,157,742.99	328,958,210.18
Provision	127,785,318.27	133,909,729.62	55,635,024.64	3,968,434.22	779,292.91	7,157,742.99	329,235,542.65
Translation differences in foreign currency statements	7,598.57	43,657.95	-328,588.99	-	-	-	-277,332.47
Decrease during the year	8,820,837.73	32,695,228.57	11,258,509.87	341,370.24	27,745.84	1,033,960.89	54,177,653.14

Item	Land use rights	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
Transfer from lease to financing lease	-	37,936.92	151,747.70	-	-	-	189,684.62
Lease termination	8,820,837.73	32,657,291.65	11,106,762.17	341,370.24	27,745.84	1,033,960.89	53,987,968.52
Other decrease	-	-	-	-	-	-	-
As at 12/31/2022	214,344,939.61	206,398,813.35	89,878,432.17	5,981,071.44	1,303,998.69	12,000,334.24	529,907,589.50
III Provision for impairment							
As at 12/31/2021	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-
Provision	-	-	-	-	-	-	-
Other increase	-	-	-	-	-	-	-
Decrease during the year	-	-	-	-	-	-	-
Transfer from lease to financing lease	-	-	-	-	-	-	-
Transfer or hold for sale	-	-	-	-	-	-	-
Other decrease	-	-	-	-	-	-	-
As at 12/31/2022	-	-	-	-	-	-	-
IV Carrying amount							
As at 12/31/2022	1,390,519,370.40	678,390,757.52	267,070,852.09	11,831,628.34	1,073,475.90	22,886,019.80	2,371,772,104.05
As at 12/31/2021	1,249,536,098.66	725,580,075.13	313,534,290.77	10,786,337.99	1,662,179.55	30,247,930.33	2,331,346,912.43

## 20. Intangible assets

## (1) Details of intangible assets

Item	Land use rights	Patented or unpatented technologies	Software use rights and trademark rights	Other including marketing network	Sea use right	Total
I. Original book value						
1. As at 12/31/2021	1,318,906,603.37	236,277,900.62	293,913,129.27	64,071,447.75	35,479,241.11	1,948,648,322.12
2. Additions during the year	191,660,587.18	5,125,530.58	24,450,055.68	254,556.00	-	221,490,729.44
(1) Purchase	186,997,676.05	44,050.00	628,810.64	254,556.00	-	187,925,092.69
(2) Transfers from Internal R&D	-	5,081,480.58	-	-	-	5,081,480.58
(3) Transfers from constructions in progress	-	-	23,793,351.46	-	-	23,793,351.46
(4) Translation differences in foreign currency statements	4,662,911.13	-	27,893.58	-	-	4,690,804.71
3. Decrease during the year	-	-	2,867,210.65	-	-	2,867,210.65
(1) Disposals	-	-	2,867,210.65	-	-	2,867,210.65
(2) Decrease due to business combinations	-	-	-	-	-	-
(3) Translation differences in foreign currency statement	-	-	-	-	-	-
4. As at 12/31/2022	1,510,567,190.55	241,403,431.20	315,495,974.30	64,326,003.75	35,479,241.11	2,167,271,840.91
II. Accumulated depreciation						
1. As at 12/31/2021	152,344,228.25	137,885,668.10	127,772,501.81	27,749,423.00	2,169,620.64	447,921,441.80
2. Additions during the year	34,196,391.01	9,711,768.63	31,714,549.33	2,873,367.35	13,001,056.45	91,497,132.77
(1) Provision	32,327,476.16	9,711,768.63	31,714,549.33	2,873,367.35	13,001,056.45	89,628,217.92
(2) Purchase	1,868,914.85	-	-	-	-	1,868,914.85
3. Decrease during the year	-	-	1,953,793.78	-	-	1,953,793.78

Item	Land use rights	Patented or unpatented technologies	Software use rights and trademark rights	Other including marketing network	Sea use right	Total
(1) Disposals	-	-	1,953,793.78	-	-	1,953,793.78
(2) Decrease due to business combinations	-	-	-	-	-	-
(3) Translation differences in foreign currency statements	-	-	-	-	-	-
4. As at 12/31/2022	186,540,619.26	147,597,436.73	157,533,257.36	30,622,790.35	15,170,677.09	537,464,780.79
III. Provision for impairment						
1. As at 12/31/2021	-	10,307,844.71	-	-	-	10,307,844.71
2. Additions during the year	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
(2) Other increase	-	-	-	-	-	-
3. Decrease during the year	-	-	-	-	-	-
(1) Disposals	-	-	-	-	-	-
(2) Other decrease	-	-	-	-	-	-
4. As at 12/31/2022	-	10,307,844.71	-	-	-	10,307,844.71
IV. Carrying amount						
1. As at 12/31/2022	1,324,026,571.29	83,498,149.76	157,962,716.94	33,703,213.40	20,308,564.02	1,619,499,215.41
2. As at 12/31/2021	1,166,562,375.12	88,084,387.81	166,140,627.46	36,322,024.75	33,309,620.47	1,490,419,035.61

Note: The carrying amount of intangible assets arising from internal research and development is 8.72% of the total carrying amount of intangible assets at the period end.

(2) Land use rights without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
Land use rights	8,753,463.60	In progress

## 21. Development costs

Project	As at 12/31/2021	Additions during the year		Decrease during the year		As at 12/31/2022
		Internal development	Others	Recognized as intangibl e assets	Recognized in profit or loss	
Development of animal healthcare products and healthy cultivation models	5,856,674.62	1,746,156.08	-	5,081,480.58	-	2,521,350.12
Development of domestic animal selected farming technology	-	5,038,255.53	-	-	-	5,038,255.53
Application and Development of Feed Additives	-	10,462,527.02	-	-	-	10,462,527.02
Development of comprehensive platform	97,087.38	786,881.75	-	-	-	883,969.13
<b>Total</b>	<b>5,953,762.00</b>	<b>18,033,820.38</b>	<b>-</b>	<b>5,081,480.58</b>	<b>-</b>	<b>18,906,101.80</b>

## 22. Goodwill

## (1) Book value of goodwill

Name of investee	As at 12/31/2021	Additions during the year	Decrease during the year		As at 12/31/2022
		Business Combination	Disposals	Effect of translation of foreign currency statement	
Guangzhou Runchuan	50,000.00	-	-	-	50,000.00
Taizhou Haid	578,247.88	-	-	-	578,247.88
Guangzhou Haihe	76,663.70	-	-	-	76,663.70
Dongguan Haid	2,831,241.61	-	-	-	2,831,241.61
Sanshuifanling	4,841,934.68	-	-	-	4,841,934.68
Dalian Haid	32,178.11	-	-	-	32,178.11
Qingyuan Bairong	1,218,130.86	-	-	-	1,218,130.86
Zhanjiang Hiseno	4,100,845.79	-	-	-	4,100,845.79
PANASIA TRADING RESOURCES LIMITED	40,058,457.04	-	-	3,700,052.61	43,758,509.65
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD (Note 2)	5,164,611.81	-	-	-477,036.23	5,641,648.04
Kaifeng Haid	8,838,854.56	-	-	-	8,838,854.56

Name of investee	As at 12/31/2021	Additions during the year		Decrease during the year		As at 12/31/2022
		Business Combination	Disposals	Disposals	Effect of translation of foreign currency statement	
Guangzhou Heshengtang Pharmaceutical	127,116.22	-	-	-	-	127,116.22
Haid Livestock Veterinary Research Institute	5,809,578.76	-	-	-	-	5,809,578.76
Hunan Innovation	19,210,769.76	-	-	-	-	19,210,769.76
Sichuan Hailinger	76,410,471.64	-	-	-	-	76,410,471.64
Jiaxing Haid	8,312,415.28	-	-	-	-	8,312,415.28
Rongcheng Yandunjiao	33,087.10	-	-	-	-	33,087.10
Shandong Daxin	115,902,036.20	-	-	-	-	115,902,036.20
Hunan Jinhuilong	2,400,475.64	-	-	-	-	2,400,475.64
Feicheng & Ruifeng	57,092,523.20	-	-	-	-	57,092,523.20
Weifang Xuheng	30,507,361.78	-	-	-	-	30,507,361.78
Jianong Lianyungang	587,209.55	-	-	-	-	587,209.55
KEMBANG SUBUR INTERNATIONAL LTD.	318,663.10	-	-	-29,433.74	-	348,096.84
Gaotang Huayu	1,455,358.51	-	-	-	-	1,455,358.51
Zhongshan Yugezhi	9,620,427.34	-	-	-	-	9,620,427.34
Gaozhou Haiyuan	2,799,980.27	-	-	-	-	2,799,980.27
Yunnan Zhonggui	3,088,765.62	-	-	-	-	3,088,765.62
Taiwan Shenlong	2,606,564.30	-	2,606,564.30	-	-	-
Qingdao Runguiyuan	220,674.27	-	-	-	-	220,674.27
CORESEED AQUACULTURE(GUAM) CORPORATION	4,664,016.08	-	4,664,016.08	-	-	-
Hainan Zhuangmei	1,999,796.32	-	-	-	-	1,999,796.32
Jiangxi Jiabo	17,826,753.49	-	-	-	-	17,826,753.49
Jiangmen Debao	24,182,145.13	-	-	-	-	24,182,145.13
Ganzhou Lianduoli	4,228,394.10	-	-	-	-	4,228,394.10
<b>Total</b>	<b>457,195,749.70</b>	<b>-</b>	<b>7,270,580.38</b>	<b>4,206,522.58</b>	<b>-</b>	<b>454,131,691.90</b>

Note 1: When acquiring the non-controlling interests of a subsidiary, the Company records goodwill at the amount by which the paid combination cost exceeds the Company's share of the fair value of the acquiree's identifiable net assets obtained in the combination, and changes in the current period include the effect of translation of foreign currency statement after the investment of goodwill generated by the acquisition of overseas subsidiaries

Note 2: HISENOR VIET NAM AQUATIC BREEDING CO., LTD was absorbed by SHENG LONG BIOTECH INTERNATIONAL CO.,LTD during the year.

## (2) Provision for impairment of goodwill

Name of investee or events from which goodwill arose	As at 12/31/2021	Additions during the year	Decreases during the year		As at 12/31/2022
		Provision	Disposal	Effect of translation of foreign currency statement	
Guangzhou Runchuan	50,000.00	-	-	-	50,000.00
Guangzhou Haihe	76,663.70	-	-	-	76,663.70
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD	5,164,611.81	-	-	-477,036.23	5,641,648.04
Hunan Innovation	4,038,440.41	-	-	-	4,038,440.41
Sichuan Hailinger	76,410,471.64	-	-	-	76,410,471.64
Shandong Daxin	3,328,423.01	-	-	-	3,328,423.01
Feicheng & Runfeng	-	15,128,355.67	-	-	15,128,355.67
Weifang Xuheng	-	14,300,670.14	-	-	14,300,670.14
KEMBANG SUBUR INTERNATIONAL LTD.	318,663.10	-	-	-29,433.74	348,096.84
Jianong Lianyungang	587,209.55	-	-	-	587,209.55
Taiwan Shenlong	2,606,564.30	-	2,606,564.30	-	-
<b>Total</b>	<b>92,581,047.52</b>	<b>29,429,025.81</b>	<b>2,606,564.30</b>	<b>-506,469.97</b>	<b>119,909,979.00</b>

Note: The Group calculates the recoverable amounts by discounting the expected future cash flows, which was prepared by management based on the past performance and expectation for future market development within the next 5 years, and the cash flow growth rate adopted for subsequent years is expected to be 0.00% (previous period: 0.00%). As of December 31, 2022, according to the impairment test results, the Group recognized provision for impairment of goodwill of RMB 119,909,979.00 (At the end of previous period: 92,581,047.52).

## 23. Long-term deferred expenses

Item	As at 12/31/2021	Additions during the year	Decreases during the year		As at 12/31/2022
			Amortization for the year	Other decreases	
Rental expense	1,550,254.07	200,941.68	311,850.89	24,792.84	1,414,552.02
Expense on obtaining operation rights of contracted asset	6,274,699.45	421,219.01	1,802,932.24	-	4,892,986.22

Item	As at 12/31/2021	Additions during the year	Decreases during the year		As at 12/31/2022
			Amortization for the year	Other decreases	
Improvement and decoration expense	115,929,373.19	101,108,038.03	49,189,491.25	3,640,234.28	164,207,685.69
Other	11,239,445.88	7,209,201.27	5,503,145.58	61,311.88	12,884,189.69
<b>Total</b>	<b>134,993,772.59</b>	<b>108,939,399.99</b>	<b>56,807,419.96</b>	<b>3,726,339.00</b>	<b>183,399,413.62</b>

## 24. Deferred tax assets and deferred tax liabilities

## (1) Deferred tax assets and deferred tax liabilities not offsetting

Item	As at 12/31/2022		As at 12/31/2021	
	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities	Deductible or taxable temporary differences	Deductible or taxable temporary differences
<b>Deferred tax assets:</b>				
Loss of credit impairment	275,968,248.03	66,087,983.52	251,058,671.80	54,752,960.81
Provisions for impairment of assets	36,072,813.20	8,579,536.09	46,594,467.98	10,251,471.81
Organization cost	29,904,713.68	6,224,304.01	19,096,620.17	4,772,906.77
Depreciation	6,968,133.18	910,957.48	11,112,534.02	1,416,265.51
Amortization	81,296.08	20,324.04	406,481.20	101,620.30
Deductible losses	2,184,320,203.43	447,651,553.99	2,484,092,849.09	464,063,127.46
Accrued expense	125,381,614.75	15,060,568.78	133,114,460.93	19,564,221.62
Unrealized profits of intra-group transactions	280,407,870.37	59,912,897.43	148,587,810.16	32,800,086.64
Amortization	50,051,128.80	12,161,047.32	44,174,431.17	6,751,652.68
Deductible losses	155,094,076.50	32,600,844.20	150,164,889.86	32,725,004.15
Accrued expense	230,255,789.29	40,274,956.33	199,724,019.15	37,084,081.17
Unrealized profits of intra-group transactions	47,481,976.07	7,122,296.41	138,403,577.97	20,760,536.70
Advertising expense	12,099,316.27	3,016,187.56	16,401,777.38	4,090,066.99
Accrued tax deduction	308,798,901.13	46,319,835.17	300,000,489.33	45,000,073.40
<b>Subtotal</b>	<b>3,742,886,080.78</b>	<b>745,943,292.33</b>	<b>3,942,933,080.21</b>	<b>734,134,076.01</b>
<b>Deferred tax liabilities:</b>				
Gain/Loss on movements in fair value	29,084,922.12	3,135,037.28	2,507,784.13	234,353.81
Depreciation	526,050,437.97	113,203,197.77	493,269,779.11	103,786,749.84
Amortization	13,296,678.41	2,175,831.68	19,078,785.17	2,969,482.24
Increase in value upon valuation	256,262,353.19	55,830,552.45	255,887,769.01	60,271,484.21
Expected profits to be distributed by overseas subsidiaries	308,798,901.13	46,319,835.17	73,338,943.73	11,000,841.56

Item	As at 12/31/2022		As at 12/31/2021	
	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities	Deductible or taxable temporary differences	Deductible or taxable temporary differences
Other	73,850,737.53	11,077,610.63	42,173,594.00	6,326,039.10
<b>Subtotal</b>	<b>1,207,344,030.35</b>	<b>231,742,064.98</b>	<b>886,256,655.15</b>	<b>184,588,950.76</b>

## (2) Details of unrecognized deferred tax assets

Item	As at 12/31/2022	As at 12/31/2021
Deductible losses	398,842,118.67	172,056,579.14
Provision for impairment of assets	17,325,869.47	5,738,852.95
Employee compensation	21,462,458.35	6,881,780.62
<b>Total</b>	<b>437,630,446.49</b>	<b>184,677,212.71</b>

## (3) Expiration of deductible tax losses for unrecognized deferred tax assets

Year	As at 12/31/2022	As at 12/31/2021	Note
2022	—	5,733,389.42	
2023	17,139,807.43	11,340,155.67	
2024	15,356,172.30	12,085,351.59	
2025	75,300,644.47	60,947,474.34	
2026	106,565,960.38	81,950,208.12	
2027	184,479,534.09	—	
<b>Total</b>	<b>398,842,118.67</b>	<b>172,056,579.14</b>	

## 25. Other non-current assets

Item	As at 12/31/2022			As at 12/31/2021		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayments for equipment and constructions	131,068,641.89	-	131,068,641.89	338,945,719.58	-	338,945,719.58
Prepayments for acquisition of other long-term assets	62,001,878.93	-	62,001,878.93	111,879,324.50	-	111,879,324.50
<b>Total</b>	<b>193,070,520.82</b>	<b>-</b>	<b>193,070,520.82</b>	<b>450,825,044.08</b>	<b>-</b>	<b>450,825,044.08</b>

## 26. Short-term loans

## (1) Short-term loans by category

Item	As at 12/31/2022	As at 12/31/2021
Credit loan	2,674,183,883.00	3,401,836,775.53
Guaranteed loan	233,314,100.00	271,073,822.74
Pledged loans	-	34,425,546.08
Mortgage loan / Guaranteed loan	-	75,000,000.00
Bill discounted	3,311,269.56	-
<b>Total</b>	<b>2,910,809,252.56</b>	<b>3,782,336,144.35</b>

Note: Unsecured loans included guaranteed loans provided by inter-group members.

## (2) There were no overdue short-term loans as of the end of current period.

## 27. Held-for-trading financial liabilities

Item	As at 12/31/2022	As at 12/31/2021
Held-for-trading financial liabilities	46,533,780.00	44,174,431.17
Including: Derivative financial liabilities	46,533,780.00	44,174,431.17
<b>Total</b>	<b>46,533,780.00</b>	<b>44,174,431.17</b>

## 28. Notes payable

Item	As at 12/31/2022	As at 12/31/2021
Commercial acceptance notes	2,122,850,987.41	160,241,147.92
Bank acceptance notes	1,379,357,530.92	246,849,830.66
<b>Total</b>	<b>3,502,208,518.33</b>	<b>407,090,978.58</b>

Note: There were no overdue notes payable as of the end of current period.

## 29. Accounts payable

Item	As at 12/31/2022	As at 12/31/2021
Accounts payable with aging within one year	5,165,514,814.36	3,960,076,033.40
Accounts payable with aging over one year	175,664,621.89	91,628,304.64
<b>Total</b>	<b>5,341,179,436.25</b>	<b>4,051,704,338.04</b>

Note: There were no significant accounts payable with aging over one year.

## 30. Advances from customers

Item	As at 12/31/2022	As at 12/31/2021
Rent	3,922,795.42	69,917.84

## 31. Contract liability

Item	As at 12/31/2022	As at 12/31/2021
Advances from customers	1,720,519,173.21	1,908,259,980.27

Item	As at 12/31/2022	As at 12/31/2021
Less: Contract liabilities included in other non-current liabilities	-	-
<b>Total</b>	<b>1,720,519,173.21</b>	<b>1,908,259,980.27</b>

## 32. Employee benefits payable

Item	As at 12/31/2021	Accrued during the year	Decreased during the year	As at 12/31/2022
Short-term employee benefits	1,211,576,195.49	5,016,214,492.10	4,820,716,434.21	1,407,074,253.38
Post-employment benefits - defined contribution plans	1,227,887.55	207,046,639.12	206,618,819.16	1,655,707.51
Termination benefits	7,000.00	16,927,583.57	16,052,144.77	882,438.80
Other benefits due within one year	-	-	-	-
<b>Total</b>	<b>1,212,811,083.04</b>	<b>5,240,188,714.79</b>	<b>5,043,387,398.14</b>	<b>1,409,612,399.69</b>

## (1) Short-term employee benefits

Item	As at 12/31/2021	Accrued during the year	Decreased during the year	As at 12/31/2022
Salaries, bonus, allowances	946,601,921.99	4,388,174,631.48	4,243,640,290.39	1,091,136,263.08
Staff welfare	8,748,714.30	169,738,251.55	166,441,191.36	12,045,774.49
Social insurances	630,381.32	115,496,256.07	115,941,232.32	185,405.07
Including: 1. Medical insurance	524,432.04	98,923,756.10	99,356,382.41	91,805.73
2. Work-related injury insurance	49,428.76	7,164,179.16	7,155,364.56	58,243.36
3. Maternity insurance	9,458.72	2,203,877.18	2,201,853.74	11,482.16
4. Serious disease subsidies	47,061.80	7,204,443.63	7,227,631.61	23,873.82
Housing Fund	96,201.33	43,058,657.20	43,015,436.84	139,421.69
Labor union fees	1,108,874.28	8,122,105.94	7,994,629.90	1,236,350.32
Staff and workers' education fee	1,841,637.41	10,182,646.61	11,521,250.71	503,033.31
Short-term profit - sharing plan	252,548,464.86	281,441,943.25	232,162,402.69	301,828,005.42
<b>Total</b>	<b>1,211,576,195.49</b>	<b>5,016,214,492.10</b>	<b>4,820,716,434.21</b>	<b>1,407,074,253.38</b>

## (2) Defined contribution plans

Item	As at 12/31/2021	Accrued during the year	Decreased during the year	As at 12/31/2022
Post-employment benefits	1,227,887.55	207,046,639.12	206,618,819.16	1,655,707.51

Item	As at 12/31/2021	Accrued during the year	Decreased during the year	As at 12/31/2022
Including: 1. Basic pension insurance	643,308.40	200,753,606.02	199,784,707.69	1,612,206.73
2. Unemployment insurance	230,685.17	6,293,033.10	6,480,217.49	43,500.78
3. Annuity	353,893.98	-	353,893.98	-
<b>Total</b>	<b>1,227,887.55</b>	<b>207,046,639.12</b>	<b>206,618,819.16</b>	<b>1,655,707.51</b>

## 33. Taxes payable

Item	As at 12/31/2022	As at 12/31/2021
VAT	12,462,506.29	7,779,320.30
City construction tax	477,641.20	559,994.75
Corporate income tax	150,747,448.70	209,159,774.37
Individual income tax	22,035,819.03	7,936,147.31
Property tax	6,836,833.30	4,902,932.07
Stamp tax	12,543,670.05	6,129,596.09
Educational surcharges	429,867.18	461,724.92
Land use tax	3,038,500.74	2,871,638.66
Environmental protection tax	423,954.50	288,620.72
Water resource tax	247,227.30	415,144.50
Tax withheld	1,168,090.73	318,352.50
Others	416,887.32	597,762.00
<b>Total</b>	<b>210,828,446.34</b>	<b>241,421,008.19</b>

## 34. Other payables

Item	As at 12/31/2022	As at 12/31/2021
Interests payable	-	-
Dividends payable	3,279,944.00	21,827,574.34
Other payables	465,456,374.76	406,084,916.42
<b>Total</b>	<b>468,736,318.76</b>	<b>427,912,490.76</b>

## (1) Dividends payable

Item	As at 12/31/2022	As at 12/31/2021
Dividends payable to non-controlling interests	3,279,944.00	21,827,574.34

## (2) Other payables

Item	As at 12/31/2022	As at 12/31/2021
Security deposits	324,136,553.24	279,761,675.69
Petty cash	9,226,075.12	8,134,364.45
Rents	29,046,714.16	14,429,586.38

Item	As at 12/31/2022	As at 12/31/2021
Payables for equity transfer	7,638,716.74	10,936,376.84
Payables to external parties	89,973,758.84	90,015,880.55
Other	5,434,556.66	2,807,032.51
<b>Total</b>	<b>465,456,374.76</b>	<b>406,084,916.42</b>

Significant other payables aging over 1 year:

Item	As at 31/12/2022	Reason for no repayment
Security deposits	21,945,561.82	execution of contract unfinished
Intercourse funds of external company	8,003,442.94	the agreed payment time unmet
<b>Total</b>	<b>29,949,004.76</b>	—

35. Non-current liabilities due within one year

Item	As at 12/31/2022	As at 12/31/2021
Long-term payables due within one year	935,157,182.09	286,549,804.00
Long-term loan due within one year	12,700,230.98	-
Lease liability due within one year	310,640,401.87	277,374,040.74
<b>Total</b>	<b>1,258,497,814.94</b>	<b>563,923,844.74</b>

(1) Long-term loan due within one year

Item	As at 12/31/2022	As at 12/31/2021
Unsecured loans	935,157,182.09	286,549,804.00

Note: Unsecured loans include loans provided as guarantees between internal members of the group.

(2) Long-term payables due within one year

Item	As at 12/31/2022	As at 12/31/2021
Security deposits	100,000.00	-
Sea area usage fee	3,374,282.08	-
Other	9,225,948.90	-
<b>Total</b>	<b>12,700,230.98</b>	<b>-</b>

36. Other current liabilities

Item	As at 12/31/2022	As at 12/31/2021
Water and electricity	76,485,710.23	58,272,401.30
Steam or other fuel or power charges	38,682,228.89	30,596,246.43
Transportation and warehousing charges	25,391,165.59	20,836,999.97
Office and meeting service charges	22,719,072.82	20,794,779.42
Travel charges	16,970,098.73	16,648,744.60
Rents	1,863,857.40	819,293.09
Steam or other fuel or power charges	16,546,669.62	15,165,841.87

Item	As at 12/31/2022	As at 12/31/2021
Transportation and warehousing charges	3,255,888.85	1,654,085.59
Office and meeting service charges	10,461,949.12	11,727,720.96
Travel charges	3,645,503.08	2,601,318.44
Entrusted cultivation charges	245,383,230.15	174,131,977.32
Output VAT to be transferred	22,738,049.75	19,110,662.27
Guarantee compensation reserve	18,385,511.11	3,830,141.95
Hedged items - procurement commitments and foreign exchange forwards	18,733,646.90	-
Other	38,435,890.00	22,532,041.75
<b>Total</b>	<b>559,698,472.24</b>	<b>398,722,254.96</b>

## 37. Long-term loans

Item	As at 12/31/2022	Interest rate	As at 12/31/2021	Interest rate
Unsecured loans	6,001,564,381.51	1.59%~4.61%	4,697,657,687.25	1.34%~7.90%
<b>Subtotal</b>	<b>6,001,564,381.51</b>		<b>4,697,657,687.25</b>	
Less: long-term loans due within one year	935,157,182.09		286,549,804.00	
<b>Total</b>	<b>5,066,407,199.42</b>		<b>4,411,107,883.25</b>	

Note: Unsecured loans included guaranteed loans provided by inter-group members

## 38. Lease liability

Item	As at 12/31/2022	As at 12/31/2021
Lease liability	2,432,879,154.33	2,353,217,376.05
Less: unrecognized financing costs	511,812,331.16	497,096,947.12
<b>Subtotal</b>	<b>1,921,066,823.17</b>	<b>1,856,120,428.93</b>
Less: lease liability due within one year	310,640,401.87	277,374,040.74
<b>Total</b>	<b>1,610,426,421.30</b>	<b>1,578,746,388.19</b>

Note: During 2022, the interest expense of lease liabilities is RMB 81.6217 million, which is included in the financial expense - unrecognized financing costs.

## 39. Long-term payables

Item	As at 12/31/2022	As at 12/31/2021
Long-term payables	53,910,873.61	53,886,898.67
Special payables	-	-
<b>Total</b>	<b>53,910,873.61</b>	<b>53,886,898.67</b>

## (1) Long-term payables

Item	As at 12/31/2022	As at 12/31/2021
Guarantee deposit	7,555,433.97	5,651,897.07
Obligations under equity transfers	5,000,000.00	5,000,000.00
Sea use right fee	36,446,248.53	39,280,000.14
Other payables	28,430,116.95	15,600,000.00
Less: Unrecognized financing costs	10,820,694.86	11,644,998.54
<b>Subtotal</b>	<b>66,611,104.59</b>	<b>53,886,898.67</b>
Less: long-term payables due within one year	12,700,230.98	-
<b>Total</b>	<b>53,910,873.61</b>	<b>53,886,898.67</b>

## 40. Long-term employee benefits payable

Item	As at 12/31/2022	As at 12/31/2021
Post-employment benefits-net liabilities of defined benefit plans	-	-
Dismissal benefits	-	-
Long-term profit sharing plans	494,786,634.21	420,901,373.76
<b>Subtotal</b>	<b>494,786,634.21</b>	<b>420,901,373.76</b>
Less: Long-term employee benefits payable due within one year	301,828,005.42	252,548,464.86
<b>Total</b>	<b>192,958,628.79</b>	<b>168,352,908.90</b>

## 41. Deferred income

Item	As at 12/31/2021	Additions during the year	Reductions during the year	As at 12/31/2022	Reason for deferral
Government grant	283,291,613.62	77,068,870.13	60,831,767.35	299,528,716.40	Receipt of government grant
Rent income	3,119,987.42	-	3,119,987.42	-	
<b>Total</b>	<b>286,411,601.04</b>	<b>77,068,870.13</b>	<b>63,951,754.77</b>	<b>299,528,716.40</b>	

Note: For the government grant which was recognized as deferred income, refer to Note V. 70. Government grant.

## 42. Other non-current liabilities

Item	As at 12/31/2022	As at 12/31/2021
Unearned rent	145,885.76	-

## 43. Share capital (Unit: share)

Item	As at 12/31/2021	Movements during the year (+, -)					As at 12/31/2022
		New issuance	Bonus issuance	New issuance	Bonus issuance	New issuance	
Total shares	1,661,161,061.00	-	-	-	-	-	1,661,161,061.00

## 44. Capital reserve

Item	As at 12/31/2021	Additions during the year	Reductions during the year	As at 12/31/2022
Share premium (Note 1)	4,504,736,307.82	14,457,530.07	43,818,014.75	4,475,375,823.14
Other capital reserves (Note 2)	623,002,030.81	211,328,660.37	9,645,436.35	824,685,254.83
<b>Total</b>	<b>5,127,738,338.63</b>	<b>225,786,190.44</b>	<b>53,463,451.10</b>	<b>5,300,061,077.97</b>

Note:

- (1) The current increase or decrease in capital stock premium is the difference between the amount received or paid by the minority shareholder equity exchange and the share of net assets of the subsidiary enjoyed at the time of transfer.
- (2) The increase in other capital reserves in the current period is the portion of the equity settled share-based payment amount implemented in the equity incentive plan that belongs to the parent company (see Note V. 11 for details). The decrease in this period is mainly due to the adjustment of other capital reserve funds where the deductible amount before tax for equity incentives exceeds the recognized cost.

#### 45. Treasury stock

Item	As at 12/31/2021	Additions during the year	Reductions during the year	As at 12/31/2022
Repurchase stock	792,321,152.16	-	-	792,321,152.16

#### 46. Other comprehensive income

Other comprehensive income attributable to the parent company in the balance sheet:

Item	As at 12/31/2021	Movements during the year		As at 12/31/2022
		Before-tax amount	Less: previously recognized amount transferred to profit or loss	
<b>I.Items that will not be reclassified to profit or loss</b>	-	-	-	-
<b>II.Items that may be reclassified to profit or loss</b>	<b>-144,698,175.60</b>	<b>444,747,944.05</b>	<b>-</b>	<b>300,049,768.45</b>
1. Cash flow hedging reserves	-	343,105,696.10	-	343,105,696.10
2. Translation differences in foreign currency financial statement	-144,698,175.60	101,642,247.95	-	-43,055,927.65
<b>Other comprehensive income total</b>	<b>-144,698,175.60</b>	<b>444,747,944.05</b>	<b>-</b>	<b>300,049,768.45</b>

Other comprehensive income attributable to the parent company in the income statement:

Item	Movements during the year				
	Before-tax amount	Less: previously recorded in other comprehensive income and transferred to profit or loss in the current period	Less: Income tax expenses	Less: After tax attributable to minority shareholders	After tax attributable to the parent company
<b>I.Items that will not be reclassified to profit or loss</b>					
<b>II.Items that may be reclassified to profit or loss</b>	<b>435,781,170.46</b>	-	-	- <b>8,966,773.59</b>	<b>444,747,944.05</b>
1. Cash flow hedging reserves	343,105,696.10	-	-	-	343,105,696.10
2. Translation differences in foreign currency financial statement	92,675,474.36	-	-	- 8,966,773.59	101,642,247.95
<b>Other comprehensive income total</b>	<b>435,781,170.46</b>	-	-	- <b>8,966,773.59</b>	<b>444,747,944.05</b>

Note: The net amount of other comprehensive income after tax incurred in the current period is RMB 435,781,170.46. Among them, the net amount of other comprehensive income attributable to the shareholders of the parent company after tax incurred in the current period is RMB 444,747,944.05; the net amount after tax of other comprehensive income attributable to minority shareholders in the current period is RMB-8,966,773.59.

## 47. Surplus reserve

Item	As at 12/31/2021	Additions during the year	Reductions during the year	As at 12/31/2022
Statutory surplus reserve	746,430,806.85	84,149,723.65	-	830,580,530.50
Discretionary surplus reserve	-	-	-	-
<b>Total</b>	<b>746,430,806.85</b>	<b>84,149,723.65</b>	-	<b>830,580,530.50</b>

Note: Per the Company's Articles of Association, 10% of its net income in 2022, i.e. RMB 84,149,723.65, was appropriated to statutory surplus reserves

## 48. General risk preparation

Item	As at 12/31/2021	Additions during the year	Reductions during the year	As at 12/31/2022
General risk allowance	9,005,028.55	-	4,170,124.55	4,834,904.00

## 49. Retained earnings

Item	Amount in current period	Amount in previous period	Appropriation or distribution percentage
Retained earnings as at 12/31/2021 (before adjustment)	7,894,011,164.82	6,895,016,817.26	--

Item	Amount in current period	Amount in previous period	Appropriation or distribution percentage
Total adjustments for opening retained earnings("+" for increase; "-" for decrease)	-	-	--
Retained earnings as at 01/01/2022 (after adjustment)	7,894,011,164.82	6,895,016,817.26	
Add: Net profits for the year attributable to shareholders of the Company	2,954,142,403.34	1,636,237,735.85	--
Less: Appropriation for statutory surplus reserve	84,149,723.65	107,767,906.45	10%
Appropriation for discretionary surplus reserve	-	-	
Appropriation for general risk preparation	-4,170,124.55	1,191,016.88	
Dividends converted to general share capital	247,633,342.95	528,284,464.96	
Retained earnings as at 12/31/2022	10,520,540,626.11	7,894,011,164.82	

Note: Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and related new regulations, the retained earnings at the beginning of the period were affected by RMB 39,757,161.98. The impact of changes in accounting policies on retained earnings at the beginning of the period can be found in Note III. 38.

## 50. Operating income and operating cost

### (1) Operating income and operating cost

Item	2022		2021	
	Income	Cost	Income	Cost
Principal activities	104,609,239,672.05	94,975,445,630.46	85,876,676,425.89	78,709,850,624.99
Other operating activities	106,177,813.87	28,134,469.77	215,285,113.24	83,019,711.78
<b>Total</b>	<b>104,715,417,485.92</b>	<b>95,003,580,100.23</b>	<b>86,091,961,539.13</b>	<b>78,792,870,336.77</b>

### (2) Operating income and operating cost by products

Main product category	2022		2021	
	Income	Cost	Income	Cost
Feed sales	84,892,419,774.07	78,060,758,981.95	69,825,872,761.95	63,485,844,564.16
Animal protection products sales	1,044,659,775.65	535,805,808.94	892,463,422.53	438,660,889.58
Agricultural sales	12,455,629,441.65	10,354,911,388.63	8,722,662,938.06	8,654,219,900.85
Trade business	6,167,203,348.23	6,023,530,323.85	6,389,973,548.31	6,131,124,456.61
Other	155,505,146.32	28,573,596.86	260,988,868.28	83,020,525.57
<b>Total</b>	<b>104,715,417,485.92</b>	<b>95,003,580,100.23</b>	<b>86,091,961,539.13</b>	<b>78,792,870,336.77</b>

### (3) Operating income break down information

	2022		
	Sales of goods	Other	Total
Operating income from principal activities	104,559,912,339.60	49,327,332.45	104,609,239,672.05
Including: Satisfied at a point in time	104,559,912,339.60	-	104,559,912,339.60
Satisfied over time	-	49,327,332.45	49,327,332.45
Operating income from other operating activities	-	106,177,813.87	106,177,813.87
Including: Satisfied at a point in time	-	83,082,108.57	83,082,108.57
Satisfied over time	-	-	-
Operating income from leases	-	23,095,705.30	23,095,705.30
<b>Total</b>	<b>104,559,912,339.60</b>	<b>155,505,146.32</b>	<b>104,715,417,485.92</b>

## 51. Taxes and surcharges

Item	2022	2021
Urban maintenance and construction tax	5,093,481.64	5,282,074.85
Educational surcharge and Local educational surcharge	4,006,079.50	4,320,471.74
Stamp duty	56,295,735.80	44,738,760.42
Property tax	36,145,169.11	29,477,994.15
Land usage tax	15,625,234.11	14,919,767.48
Environmental protection tax	1,604,112.87	1,284,966.81
Embankment protection cost	1,890,724.63	1,449,449.44
Other	2,607,693.02	1,640,815.39
<b>Total</b>	<b>123,268,230.68</b>	<b>103,114,300.28</b>

Note: For the criteria of taxes and surcharges accrued and paid, please refer to Note IV. Taxation

## 52. Selling and distribution expenses

Item	2022	2021
Employee compensation	1,482,738,666.62	1,310,979,391.37
Travel expense	252,806,732.56	229,784,464.34
Business promotion expense	139,825,359.25	124,335,981.79
Equity incentive expense	42,154,913.32	51,196,825.86
Other	63,461,396.48	91,952,600.95
<b>Total</b>	<b>1,980,987,068.23</b>	<b>1,808,249,264.31</b>

## 53. General and administrative expenses

Item	2022	2021
Employee compensation	1,589,278,406.89	1,379,213,594.56

Item	2022	2021
Travel expense	92,657,962.86	94,103,129.02
Office expense	511,922,443.74	408,397,999.32
Training and consulting service charges	81,058,612.74	125,518,517.05
Equity incentive expense	139,024,865.82	115,219,280.20
Other	169,872,934.71	106,069,318.44
<b>Total</b>	<b>2,583,815,226.76</b>	<b>2,228,521,838.59</b>

## 54. Research and development expenses

Item	2022	2021
Employee compensation	433,776,962.76	320,395,769.58
Materials	94,505,156.07	131,013,721.71
Travel expense	33,307,843.10	27,087,999.81
Office expense	100,994,669.97	84,317,580.88
Training and consulting service charges	10,130,093.83	1,891,862.39
Expense on R&D entrusted to external parties	6,258,201.21	5,254,662.92
Equity incentive expense	30,003,920.43	33,182,243.90
Other	2,258,642.76	1,876,350.85
<b>Total</b>	<b>711,235,490.13</b>	<b>605,020,192.04</b>

## 55. Financial expenses

Item	2022	2021
Total interest expenses	493,321,918.85	319,824,182.96
Less: Interest income	47,519,969.08	29,932,608.81
Add: Net exchange losses/gains	11,010,010.53	14,219,078.21
Add: Unrecognized financing costs	81,621,735.49	68,346,385.86
Add: Bank charges	58,330,386.82	30,431,615.10
<b>Total</b>	<b>596,764,082.61</b>	<b>402,888,653.32</b>

## 56. Other income

Item	2022	2021
Government grant	134,749,089.80	87,450,747.06
Other items arising in the daily operating activities that should be charged directly to other income	8,329,314.23	3,420,851.26
<b>Total</b>	<b>143,078,404.03</b>	<b>90,871,598.32</b>

Note: For the details of government grant, refer to Note V. 70. Government grant.

## 57. Investment income

Item	2022	2021
Income from long-term equity investments accounted for using the equity method	47,855,406.41	-1,557,102.23
Investment income from disposal of long-term equity investments	-5,963,295.45	1,477,701.25
Investment income from holding held-for-trading financial assets	7,465,210.66	5,544,191.97
Interest income from debt investments	530,942.74	575,906.52
Investment income from holding other non-current financial assets	16,905,664.74	2,385,359.37
Investment income from disposal of other non-current financial assets	-	-17,653.12
Investment income from disposal of held-for-trading financial assets	201,589,342.10	377,874,802.86
Financial assets measured at amortized cost cease to recognize earnings	-1,262,095.66	-1,432,052.45
<b>Total</b>	<b>267,121,175.54</b>	<b>384,851,154.17</b>

## 58. Gains/ (losses) from changes in fair value

Source of the changes in fair value	2022	2021
Held-for-trading financial assets	11,233,447.63	85,867,798.79
Held-for-trading financial liabilities	-32,445,293.88	-38,761,796.62
Including: Financial liabilities measured at fair value through profit or loss	-	-
Hedging instrument-Changes in fair value of derivatives instruments with invalid hedging	-	9,924,958.83
Other non-current financial assets	-4,737,266.30	-
Including: Financial assets measured at fair value through profit or loss	-	-
<b>Total</b>	<b>-25,949,112.55</b>	<b>47,106,002.17</b>

## 59. Credit impairment losses ("-" for losses)

Item	2022	2021
Loss allowance on accounts receivable	-133,025,192.76	-66,565,498.21
Loss allowance on loans and factoring	-3,770,284.95	-17,811,451.41
Loss allowance on guarantee	-15,029,658.22	-3,020,221.93
<b>Total</b>	<b>-151,825,135.93</b>	<b>-87,397,171.55</b>

## 60. Impairment losses ("-" for losses)

Item	2022	2021
Impairment losses on inventories	-16,984,381.62	-63,513,807.87
Impairment losses on long-term equity investments	-5,455,271.05	-5,455,271.05
Impairment losses on goodwill	-29,429,025.81	-3,225,507.07
<b>Total</b>	<b>-51,868,678.48</b>	<b>-72,194,585.99</b>

## 61. Gains from assets disposal ("-" for losses)

Item	2022	2021
Gains from disposals of fixed assets	1,142,121.34	799,049.44

Item	2022	2021
Gains from disposals of intangible assets	-	3,338.04
Gains from disposals of right-of-use assets	5,580,762.47	-154,916.51
<b>Total</b>	<b>6,722,883.81</b>	<b>647,470.97</b>

## 62. Non-operating income

Item	2022	2021	Amount included in non-recurring gains or losses for the current year
Gain on disposal of non-current assets resulted from damage or obsolescence	310,096.64	6,708.92	310,096.64
Insurance compensation	12,676,185.71	830,745.42	12,676,185.71
Debt repayment income	7,506,366.68	8,985,292.75	7,506,366.68
Negative goodwill	812,610.97	40,510.51	812,610.97
Default income	9,639,820.99	21,262,458.25	9,639,820.99
Compensation of performance commitment	-	3,486,920.00	-
Compensation	4,515,082.73	-	4,515,082.73
Other	8,395,703.33	7,761,324.66	8,395,703.33
<b>Total</b>	<b>43,855,867.05</b>	<b>42,373,960.51</b>	<b>43,855,867.05</b>

## 63. Non-operating expenses

Item	2022	2021	Amount included in non-recurring gains or losses for the current year
Gain on disposal of non-current assets resulted from damage or obsolescence	46,910,039.94	18,905,283.93	46,910,039.94
Donation expenditure	23,201,324.51	3,768,241.56	23,201,324.51
Loss in damage and scrap of inventory	5,935,884.98	5,324,096.11	5,935,884.98
Default expenditure	23,996,599.29	5,381,602.38	23,996,599.29
Fines forfeits and penalty expenditure	4,856,843.82	3,602,474.91	4,856,843.82
Other	19,277,469.53	11,519,305.66	19,277,469.53
<b>Total</b>	<b>124,178,162.07</b>	<b>48,501,004.55</b>	<b>124,178,162.07</b>

## 64. Income tax expenses

## (1) Details of income tax expenses

Item	2022	2021
Current tax expense for the year based on tax law and regulations	632,068,644.45	657,577,732.98
Changes in deferred tax assets/liabilities	26,210,045.31	194,484.79

Item	2022	2021
<b>Total</b>	<b>658,278,689.76</b>	<b>657,772,217.77</b>

(2) Reconciliation between income tax expenses and accounting profit:

Item	2022	2021
Profits/losses before tax	3,822,724,528.68	2,509,054,377.87
Expected income tax expenses at applicable tax rate	573,408,679.30	376,358,156.68
Effect of different tax rates applied by subsidiaries	421,981,563.79	350,849,710.70
Adjustment to income tax of previous years	12,539,019.95	-10,432,474.09
Effect of non-taxable income ( "-" for losses)	-389,281,309.65	-38,508,715.14
Effect of non-deductible costs, expenses and losses	112,713,764.85	48,660,299.37
Effect on opening balance of deferred tax due to changes in tax rate	-28,748,149.82	-33,136,217.54
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in previous ( "-" for losses)	-628,337.35	-15,763,536.73
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this year	7,151,970.41	34,720,096.46
Effect of research and development expenses over-deduction ( "-" for losses)	-50,858,511.72	-54,975,101.94
Income tax expenses	658,278,689.76	657,772,217.77

#### 65. Notes to Cash flow statement

(1) Cash received from other operating activities

Item	2022	2021
Operating receivables and payables	829,193,429.43	1,286,226,558.51
Fiscal subsidies	151,493,300.61	177,009,058.10
Interest income of deposit	47,519,969.08	29,932,608.81
Other	43,275,275.35	34,235,888.96
<b>Total</b>	<b>1,071,481,974.47</b>	<b>1,527,404,114.38</b>

(2) Cash paid for other operating activities

Item	2022	2021
Operating receivables and payables	1,360,321,003.99	1,427,096,258.53
Other expense	1,261,621,277.02	1,045,966,113.35
<b>Total</b>	<b>2,621,942,281.01</b>	<b>2,473,062,371.88</b>

(3) Cash received from other investing activities

Item	2022	2021
Collection of deposit of long-term assets	10,514,283.98	6,555,335.22
Obtaining net cash received by subsidiaries	60,220.93	-

Item	2022	2021
<b>Total</b>	<b>10,574,504.91</b>	<b>6,555,335.22</b>

## (4) Cash paid for other investing activities

Item	2022	2021
Deposit of acquisitions of long-term assets, bills, letters of credit etc.	56,933,976.70	4,952,204.60
Net cash flows for disposal of subsidiaries	-	9,099,947.44
<b>Total</b>	<b>56,933,976.70</b>	<b>14,052,152.04</b>

## (5) Cash received for other financing activities

Item	2022	2021
Bills, loans, deposit of letters of credit	17,015,584.74	16,871,515.07
Receive loans from external correspondents	-	675,000.00
Other	-	20,000.00
<b>Total</b>	<b>17,015,584.74</b>	<b>17,566,515.07</b>

## (6) Cash paid for other financing activities

Item	2022	2021
Bills, loans, deposit of letters of credit	70,355,377.55	29,647,786.91
Restricted stock repurchase	-	362,257.20
Securities repurchase capital	-	708,291,335.91
Payment for loans and interests of external correspondents	1,562,500.00	12,990,389.65
Payment for financial leasing	363,189,867.67	402,422,119.97
Expense of bonds issuing	3,470,198.72	60,609.81
Payment for acquisition of non-controlling interest in current and previous year	58,929,504.49	34,350,089.91
<b>Total</b>	<b>497,507,448.43</b>	<b>1,188,124,589.36</b>

## 66. Supplementary information on cash flow statement

## (1) Supplement to cash flow statement

Item	2022	2021
<b>1. Reconciliation of net profit/loss to cash flows from operating activities:</b>		
Net profit/loss	3,164,445,838.92	1,851,282,160.10
Add: Provisions for impairment losses	51,868,678.48	72,194,585.99
Provisions for credit losses	151,825,135.93	87,397,171.55
Depreciation of fixed assets, depreciation of investment properties, and depreciation of productive biological assets	1,462,444,685.72	1,069,383,235.69
Depreciation of right-of-use assets	329,235,542.65	266,500,085.54

Item	2022	2021
Amortization of intangible assets	89,628,217.92	78,880,986.29
Amortization of long-term deferred expenses	56,807,419.96	40,449,779.56
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("- for gains)	-6,722,883.81	-647,470.97
Loss from scrapping non-current assets ("- for gains)	46,599,943.30	18,898,575.01
Losses from changes in fair value ("- for gains)	25,949,112.55	-47,106,002.17
Financial expenses ("- for income)	574,943,654.34	394,203,158.32
Losses arising from investment ("- for gains)	-267,121,175.54	-384,851,154.17
Decrease in deferred tax assets ("- for increase)	-20,943,068.91	11,710,911.85
Increase in deferred tax liabilities ("- for decrease)	47,153,114.22	-11,516,427.06
Decrease in gross inventories ("- for increase)	-3,678,052,574.02	-1,941,821,994.17
Decrease in operating receivables ("- for increase)	-611,296,935.98	-190,089,581.17
Increase in operating payables ("- for decrease)	5,167,163,903.56	1,464,682,912.01
Expense of equity incentive	220,848,526.26	274,319,167.89
Other	13,117,115.36	84,078,150.60
Net cash flows from operating activities	6,817,894,250.91	3,137,948,250.69
<b>2. Investing and financing activities not requiring the use of cash:</b>		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
New right-of-use assets in the current period	-	-
<b>3. Change in cash and cash equivalents:</b>		
Cash as at 12/31/2022	2,122,149,250.34	1,681,109,971.07
Less: cash as at 12/31/2021	1,681,109,971.07	2,010,888,021.43
Add: cash equivalents as at 12/31/2022	-	-
Less: cash equivalents as at 12/31/2021	-	-
Net increase/decrease in cash and cash equivalents	441,039,279.27	-329,778,050.36

## (2) Net cash flows from acquisition of subsidiaries during the year

Item	2022
Cash or cash equivalents paid in the current period for business combinations incurred during the previous year	4,936,376.84
including: Ganzhou Lianduoli Feed Technology Co., Ltd.	2,780,000.00
Jiangxi Jiabo Biological Engineering Co., Ltd.	2,156,376.84
Net cash flows for acquisition of subsidiaries	4,936,376.84

## (3) Details of cash and cash equivalents

Item	Year ended 12/31/2022	Year ended 12/31/2021
1. Cash	2,122,149,250.34	1,681,109,971.07
Including: Cash on hand	456,386.59	939,250.50

Item	Year ended 12/31/2022	Year ended 12/31/2021
Bank deposits available on demand	1,871,133,546.65	1,615,586,429.58
Digital currency available on demand	-	-
Other monetary funds available on demand	250,559,317.10	64,584,290.99
Cash at central bank available on demand	-	-
Amounts due from banks	-	-
Loans to banks	-	-
2. Cash equivalents	-	-
Including: Bond investments with a maturity of 3 months or less	-	-
3. Cash and cash equivalents as at 12/31/2022	2,122,149,250.34	1,681,109,971.07
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-

## 67. Assets with limited ownership or use rights

Item	As at 12/31/2022	Reason for restriction
Cash at bank and on hand	130,604,694.73	Land reclamation deposits, L/C guarantee deposits, Surety-bond deposits, Bank guarantees, etc
Financial assets held for trading	42,719,656.06	Margin of futures
<b>Total</b>	<b>173,324,350.79</b>	

## 68. Monetary items in foreign currencies

## (1) Monetary Items in foreign currencies

Item	Balance in foreign currency as at 12/31/2022	Exchange rate	Balance translated to RMB as at 12/31/2022
Cash at bank and on hand	—	—	486,571,017.23
Including: USD	12,178,251.10	6.964600	84,816,647.60
EGP	79,569,266.37	0.281341	22,386,108.37
MYR	14,643,282.60	1.577163	23,094,838.90
BDT	46,756,532.51	0.066010	3,086,398.71
INR	234,794,529.68	0.084127	19,752,497.15
IDR	67,041,874,667.10	0.000445	29,820,112.29
VND	1,029,689,065,209.80	0.000295	303,614,414.21
Bills receivable	—	—	1,251,634.20
Including: INR	14,877,960.00	0.084127	1,251,634.20
Accounts receivable	—	—	1,015,085,424.94
Including: USD	60,776,400.76	6.964600	423,283,320.73
EGP	27,758,247.89	0.281341	7,809,537.19
MYR	3,803,656.78	1.577163	5,998,985.54
INR	361,083,195.37	0.084127	30,376,750.24

Item	Balance in foreign currency as at 12/31/2022	Exchange rate	Balance translated to RMB as at 12/31/2022
IDR	198,522,038,025.17	0.000445	88,302,266.26
VND	1,557,736,269,861.00	0.000295	459,314,564.98
Other receivables	—	—	108,472,433.55
Including: USD	9,115,013.84	6.964600	63,482,425.39
EGP	4,561,102.23	0.281341	1,283,225.72
MYR	69,505.88	1.577163	109,622.08
BDT	5,744,204.00	0.066010	379,174.91
INR	3,850,445.87	0.084127	323,925.44
IDR	43,448,861,895.39	0.000445	19,325,980.18
VND	79,929,650,709.00	0.000295	23,568,079.83
Long-term receivables	—	—	7,897,169.25
Including: USD	23,106.68	6.964600	160,928.78
INR	22,344,605.00	0.084127	1,879,778.66
IDR	5,380,049,380.00	0.000445	2,393,036.85
VND	11,745,986,530.00	0.000295	3,463,424.96
Short-term loans	—	—	568,454,932.63
Including: MYR	0.03	1.666667	0.05
INR	712,286,301.56	0.084127	59,922,320.84
IDR	162,075,661,353.00	0.000445	72,090,979.65
VND	1,480,164,165,928.00	0.000295	436,441,632.09
Accounts payable	—	—	274,387,575.04
Including: USD	5,614,314.97	6.964600	39,101,458.04
EGP	1,974,880.00	0.281341	555,615.00
MYR	95,157.27	1.577163	150,078.50
INR	97,090,842.87	0.084127	8,167,935.60
IDR	105,591,564,472.27	0.000445	46,966,949.02
VND	608,578,185,174.00	0.000295	179,445,538.88
Other payables	—	—	8,788,941.41
Including: USD	163,802.91	6.964600	1,140,821.75
EGP	348,352.01	0.281341	98,005.75
MYR	52,544.90	1.577163	82,871.85
BDT	77,470.00	0.066010	5,113.79
INR	19,381,454.92	0.084127	1,630,498.52
IDR	836,114,414.00	0.000445	371,902.28
VND	18,516,320,031.00	0.000295	5,459,727.47
Employee compensation payable	—	—	59,770,138.50

Item	Balance in foreign currency as at 12/31/2022	Exchange rate	Balance translated to RMB as at 12/31/2022
Including: USD	2,086,754.83	6.964600	14,533,412.69
EGP	1,255,500.47	0.281341	353,223.94
MYR	332,782.99	1.577163	524,852.92
BDT	526,667.00	0.066010	34,765.29
INR	36,238,653.20	0.084127	3,048,639.57
IDR	5,468,055,548.50	0.000445	2,432,181.84
VND	131,733,786,608.26	0.000295	38,843,062.25
Taxes payable	—	—	12,767,856.01
Including: USD	98,778.37	6.964600	687,951.84
EGP	1,510,632.02	0.281341	425,002.94
MYR	330,268.08	1.577163	520,886.49
BDT	7,230,796.26	0.066010	477,304.86
INR	726,803.99	0.084127	61,143.65
IDR	11,864,039,301.67	0.000445	5,277,104.59
VND	18,037,225,939.00	0.000295	5,318,461.64
Long-term loans	—	—	1,910,762,179.94
Including: USD	264,896,880.40	6.964600	1,844,900,813.23
INR	782,882,716.33	0.084127	65,861,366.71

## (2) Overseas business entities

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
KINGHILL HOLDINGS PTE.LTD.	USD	Singapore	Major local currency
KINGHILL PTE.LTD.	USD	Singapore	Major local currency
Haid Egypt Co.,Ltd	EGP	Egypt	Major local currency
Haid Egypt Aquatic Co.,Ltd	EGP	Egypt	Major local currency
KINGHILL RESOURCES PTE.LTD.	USD	Singapore	Major local currency
THANG LONG(VINH LONG)BIOTECH CO.,LTD	VND	Vietnam	Major local currency
KINGHILL AGRI PTE.LTD.	USD	Singapore	Major local currency
PT.HAIDA AGRICULTURE INDONESIA	IDR	Indonesia	Major local currency
PT.HAIDA SURABAYA TRADING	IDR	Indonesia	Major local currency
PT HISENOR TECHNOLOGY INDONESIA	IDR	Indonesia	Major local currency
PT HAIDA BIOTECHNOLOGY INDONESIA	IDR	Indonesia	Major local currency
Dachuan Biotechnology Co., Ltd.	BDT	Bengali	Major local currency
PT HISENOR GENETICS INDONESIA	IDR	Indonesia	Major local currency

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
Haid International Group Limited	USD	Hong Kong	Major local currency
China Haida Feed Group(HK)Limited	USD	Hong Kong	Major local currency
Rickworth Investments Limited	USD	Hong Kong	Major local currency
Hong Kong Longreat Trading Co.,Limited	USD	Hong Kong	Major local currency
HAID FEED COMPANY LIMITED	VND	Vietnam	Major local currency
DONG NAI HAID FARM COMPANY LIMITED	VND	Vietnam	Major local currency
Dancl Limited	USD	Hong Kong	Major local currency
PANASIA TRADING RESOURCES LIMITED	USD	Hong Kong	Major local currency
SHENG LONG INTERNATIONAL LTD.	USD	Hong Kong	Major local currency
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD	VND	Vietnam	Major local currency
SHENG LONG BIOTECH (HAI DUONG) INTERNATIONAL CO., LTD	VND	Vietnam	Major local currency
LONG SHENG INTERNATIONAL CO.,LTD	VND	Vietnam	Major local currency
Hisenor International Limited	USD	Hong Kong	Major local currency
KEMBANG SUBUR INTERNATIONAL LTD.	MYR	Malaysia	Major local currency
NAMDUONG VIETNAM AQUATIC HATCHERY CO.,LTD.	VND	Vietnam	Major local currency
SHENG LONG BIO TECH(M)SDN.BHD.	MYR	Malaysia	Major local currency
PRIME WORLD CO., LTD.	USD	Malaysia	Major local currency
SHENG LONG AQUA TECHNOLOGY (M) SDN. BHD.	MYR	Malaysia	Major local currency
Nano South Limited	USD	Hong Kong	Major local currency
Oceanic Forward Ventures Limited	USD	Hong Kong	Major local currency
Power Spring Investments Limited	USD	Hong Kong	Major local currency
Link Tide Limited	USD	Hong Kong	Major local currency
LANKING PTE.LTD.	USD	Singapore	Major local currency
Haid Lanking International Trading Inc.	USD	The United States of America	Major local currency
LANKING NEMO(SG) PTE.LTD.	USD	Singapore	Major local currency
SHENGLONG BIO-TECH(INDIA)PRIVATE LIMITED	INR	India	Major local currency
LANKING RICKWORTH PTE.LTD.	USD	Singapore	Major local currency
Lanking Nano PTE.LTD.	USD	Singapore	Major local currency
HAI DUONG HAID COMPANY LIMITED	VND	Vietnam	Major local currency
HAI DAI COMPANY LIMITED	VND	Vietnam	Major local currency

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
VINH LONG HAI DAI CO.,LTD	VND	Vietnam	Major local currency
HAI (ECUADOR) FEED CIA.LTDA.	USD	Ecuador	Major local currency
HAIDMARINO CIA.LTDA.	USD	Ecuador	Major local currency
VINH LONG HAILIANKE BIOTECHNOLOGY CO., LTD	VND	Vietnam	Major local currency
HAI FEED BANGLADESH LIMITED	BDT	Bengali	Major local currency
BINH DINH HAI LONG CO.,LTD	VND	Vietnam	Major local currency

## 69. Hedging

### (1) Cross currency interest rate swap contract

The Group adopts cross-currency interest rate swap contracts to reduce the fair value change risk of its floating rate foreign currency bank borrowings, that is, to convert part of the floating rate foreign currency borrowings into fixed rate RMB borrowings. The cross currency interest rate swap contracts acquired by the Group, which have the same terms as the corresponding bank borrowings, are designated as hedging instruments.

The group adopts the main term comparison method to evaluate the effectiveness of hedging. The management of the Group considers the cross currency interest rate swap contract to be a highly effective hedging instrument and the main terms are as follows:

Nominal amount	Due date	Conversion rate
USD 75.00 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.21% fixed RMB borrowing
USD 80.00 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.20% fixed RMB borrowing
USD 75.00 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.18% fixed RMB borrowing

### (2) Foreign currency forwards

As at December 31, 2022 the Group held the following foreign exchange forwards, which were designated as highly effective hedging instruments to manage the foreign exchange risk exposure related to the expected foreign currency sales.

The Group evaluated the effectiveness of hedging by the comparison method of main terms. For the foreign currency forwards signed, whose terms were consistent with the terms of the expected transactions, and the group considered them highly effective. The main contents are as follow:

Nominal amount	Due date	Exchange rate
Buying of USD 33.50 million in RMB	01/05/2023	6.463
Buying of USD 35.00 million in RMB	06/16/2023	6.679
Buying of USD 44.4569 million in RMB	08/02/2023	6.734

Nominal amount	Due date	Exchange rate
Buying of RMB 287.8840 million in USD	04/26/2023	7.197
Buying of RMB 210.12 million in USD	05/15/2023	7.004
Buying of RMB 276.96 million in USD	11/15/2023	6.924

The Group reduced the exchange rate fluctuation risk of foreign currency borrowings and import purchase settlement through foreign exchange forward (for details, refer to Note VIII. 1. (3) Market risk).

### (3) Commodity futures hedging

The Group mainly engages in the production and sales of feed products as well as hogs breeding; the main raw materials used in feed production and hogs sales are subject to the risk of price fluctuations. The Group uses derivative financial instruments (mainly commodity future contracts) to hedge part of the inventory and the unrecognized definite commitments related to inventory procurement, as well as the expected inventory sales and procurement, so as to avoid the risk that the Group assumes that the fair value of the inventory and the unrecognized definite commitments, as well as the expected cash flow of sales and procurement will fluctuate with the fluctuation of the market price of inventory. The main hedging arrangement is as followed:

Hedged Item	Hedging Instrument	Hedging Method
Inventory procurement, definite commitments of inventory procurement, expected inventory sales and procurement	Commodity future contracts	Selling or buying a commodity futures contract to offset fluctuations in the price of the corresponding commodity

## 70. Government grants

(1) Government grants recognized in deferred income, and subsequently measured using the gross presentation method

Item	As at 12/31/2021	Additions during the year	Recognition in profit and loss	Other changes	As at 12/31/2022	Presentation item recognized in profit and loss	Related to asset/income
Development Support Fund	36,276,299.15	9,390,000.00	24,515,314.91	-	21,150,984.24	Other income	Related to asset
Development Support Fund	-	1,450,000.00	364,926.06	-	1,085,073.94	Other income	Related to income
Research grants	8,424,950.89	4,435,581.29	6,727,940.74	-	6,132,591.44	Other income	Related to income
Research grants	2,221,753.57	7,100,000.00	451,048.52	-	8,870,705.05	Other income	Related to asset
Grants for production activities	9,874,612.45	6,136,735.83	1,730,129.23	-	14,281,219.05	Other income	Related to income
Grants for production activities	192,978,312.54	41,773,385.09	20,446,766.34	-	214,304,931.29	Other income	Related to asset
Government incentive grants	-	10,800.00	900.00	-	9,900.00	Other income	Related to income
Government	2,987,778.24	2,950,000.00	204,372.37	-	5,733,405.87	Other	Related to

Item	As at 12/31/2021	Additions during the year	Recognition in profit and loss	Other change s	As at 12/31/2022	Presentatio n item recognized in profit and loss	Related to asset/incom e
incentive grants						income	asset
Others	345,064.41	23,411.92	283,333.06	-	85,143.27	Other income	Related to income
Others	27,186,295.45	3,798,956.00	5,599,928.09	-	25,385,323.36	Other income	Related to asset
<b>Total</b>	<b>280,295,066.70</b>	<b>77,068,870.13</b>	<b>60,324,659.32</b>	<b>-</b>	<b>297,039,277.51</b>		

(2) Government grants recognized in deferred income, and subsequently measured using the net amount method

Item	As at 12/31/2021	Additions during the year	Recognition in profit and loss	Other changes	As at 12/31/2022	Presentation item recognized in profit and loss	Related to asset/income
Financial discount	2,996,546.92	-	507,108.03	-	2,489,438.89	Financial expenses	Related to asset
<b>Total</b>	<b>2,996,546.92</b>	<b>-</b>	<b>507,108.03</b>	<b>-</b>	<b>2,489,438.89</b>		

(3) Government grants recognized in profit and loss, and subsequently measured using the gross presentation method

Item	Recognized in profit and loss for the previous year	Recognized in profit and loss for the current year	Presentation item recognized in profit and loss	Related to asset/income
Development Support Fund	7,789,720.37	45,451,277.35	Other income	Related to income
Development Support Fund	15,211,670.45	24,515,314.91	Other income	Related to asset
Research grants	9,568,722.89	8,145,639.56	Other income	Related to income
Research grants	441,160.19	451,048.52	Other income	Related to asset
Other grants	20,708,394.56	16,555,268.94	Other income	Related to income
Other grants	1,828,930.32	5,599,928.09	Other income	Related to asset
Grants for production activities	6,798,201.94	4,455,514.72	Other income	Related to income
Grants for production activities	15,487,437.11	20,736,806.34	Other income	Related to asset
Government incentive grants	9,511,839.29	8,633,919.00	Other income	Related to income
Government incentive grants	104,669.94	204,372.37	Other income	Related to asset
<b>Total</b>	<b>87,450,747.06</b>	<b>134,749,089.80</b>		

(4) Government grants used net amount method to write-down related costs

<b>Item</b>	<b>Related cost write-down for the previous year</b>	<b>Related cost write-down for the current year</b>	<b>Presentation item recognized in related costs</b>	<b>Related to asset/income</b>
Financial discount	5,820,709.08	1,135,475.02	Financial expenses	Related to income
Total	5,820,709.08	1,135,475.02		

(5) Refunding of government grants in current year

<b>Item</b>	<b>Amounts</b>	<b>Reason</b>
Financial discount	9,655,500.00	Refund the remaining financial discount interests of the central government
Total	9,655,500.00	

## VI. Change in Consolidation Scope

### 1. Business Combinations Involving Entities Not under Common Control

#### (1) Business Combinations Involving Entities Not under Common Control Incurred in the current period

Acquiree	Investment date	Investment cost	Investment %	Investment method	Acquisition date	Basis for determination of acquisition date	Acquiree's revenue from acquisition date to period-end	Acquiree's net profit from acquisition date to period-end
Suixi Haihe Veterinary Drug Co., Ltd.	2022-02-25	1.00	100.00	Acquisition	2022-02-25	When control over acquiree was obtained	708,016.06	38,627.83
Yangchun Haihe Veterinary Medicine Co., Ltd.	2022-05-30	1.00	100.00	Acquisition	2022-05-30	When control over acquiree was obtained	2,183,190.85	505,225.99
Luoding city Haihe Veterinary Medicine Co., Ltd.	2022-06-22	1.00	100.00	Acquisition	2022-06-22	When control over acquiree was obtained	1,071,806.42	-526,460.56
Bobai Haihe Veterinary Medicine Co., Ltd.	2022-08-11	0.00	100.00	Acquisition	2022-08-11	When control over acquiree was obtained	961,229.63	133,910.00
Changde City Haide Veterinary Drug Operation Co., Ltd.	2022-08-25	0.00	100.00	Acquisition	2022-08-25	When control over acquiree was obtained	1,154,634.70	54,301.59

#### (2) Combination Costs and Goodwill

Item	Suixi Haihe Veterinary Drug Co., Ltd.	Yangchun Haihe Veterinary Medicine Co., Ltd.	Luoding city Haihe Veterinary Medicine Co., Ltd.	Bobai Haihe Veterinary Drug Co., Ltd.	Changde City Haide Veterinary Drug Operation Co., Ltd.
Combination costs					

Item	Suixi Haihe Veterinary Drug Co., Ltd.	Yangchun Haihe Veterinary Medicine Co., Ltd.	Luoding city Haihe Veterinary Medicine Co., Ltd.	Bobai Haihe Veterinary Drug Co., Ltd.	Changde City Haide Veterinary Drug Operation Co., Ltd.
Cash	1.00	1.00	1.00	-	-
Fair value of non-cash assets	-	-	-	-	-
Fair value of debt issued or undertaken	-	-	-	-	-
Fair value of equity securities issued	-	-	-	-	-
Fair value of contingent consideration	-	-	-	-	-
Fair value of previously-held equity investment on the acquisition date	-	-	-	-	-
<b>Total combination cost</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	-	-
Less: Share of fair value of identifiable net assets obtained	1.00	317,811.21	5,348.69	55,280.18	434,172.89
Goodwill/ combination cost less than the fair value of the identifiable net assets	-	-317,810.21	-5,347.69	-55,280.18	-434,172.89

Note: The fair value of the combination costs was determined by the value which approved by both the acquirer and the acquiree.

### (3) Identifiable Assets and Liabilities of Acquirees at Acquisition Date

Item	Suixi Haihe Veterinary Drug Co., Ltd.		Yangchun Haihe Veterinary Medicine Co., Ltd.		Luoding city Haihe Veterinary Medicine Co., Ltd.	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:						
Current assets	162,020.14	162,020.14	268,821.65	268,821.65	628,013.02	628,013.02
Non-current assets	132,978.35	132,978.35	62,210.27	62,210.27	158,601.64	158,601.64
Liabilities:						
Current liabilities	294,997.49	294,997.49	13,220.71	13,220.71	781,265.97	781,265.97
Non-current liabilities	-	-				

Item	Suixi Haihe Veterinary Drug Co., Ltd.		Yangchun Haihe Veterinary Medicine Co., Ltd.		Luoding city Haihe Veterinary Medicine Co., Ltd.	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Net assets	1.00	1.00	317,811.21	317,811.21	5,348.69	5,348.69
Less: Non-controlling interests	-	-	-	-	-	-
Net assets acquired	1.00	1.00	317,811.21	317,811.21	5,348.69	5,348.69

Continued:

Item	Bobai Haihe Veterinary Drug Co., Ltd.		Changde City Haide Veterinary Drug Operation Co., Ltd.	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:				
Current assets	153,636.30	153,636.30	514,847.89	514,847.89
Non-current assets	68,589.38	68,589.38	109,772.00	109,772.00
Liabilities:				
Current liabilities	166,945.50	166,945.50	190,447.00	190,447.00
Non-current liabilities				
Net assets	55,280.18	55,280.18	434,172.89	434,172.89
Less: Non-controlling interests	-	-	-	-
Net assets acquired	55,280.18	55,280.18	434,172.89	434,172.89

Note: The fair value of identifiable assets and liabilities was determined by audited or appraised value which approved by both the acquirer and the acquiree.

## 2. Business Combinations Involving Entities under Common Control

No business combinations involving entities under common control occurred in the current period.

### 3. Reverse acquisition

No reverse acquisition occurred in the current period.

### 4. Disposal of Subsidiaries

No external disposal of subsidiaries occurred in the current period.

### 5.Changes in the Scope of Consolidation Due to Other Reasons

#### (1) New Subsidiaries established in the Current Period

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Shouguang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	2022-01-20	RMB 5,000,000.00	Weifang,Shandong	Weifang,Shandong
Qingdao Zhizhuxia Experimental Technology Co., Ltd.	2022-01-26	RMB 2,000,000.00	Qingdao,Shandong	Qingdao,Shandong
Qianjiang Hailong Biotechnology Co., Ltd.	2022-01-27	RMB 10,000,000.00	Qianjiang,Hubei	Qianjiang,Hubei
Haid Egypt Aquatic Co.,Ltd	2022-02-09	EGP 2,000,000.00	Egypt	Egypt
Guangzhou Hairong Food Co., Ltd.	2022-02-21	RMB 1,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Pingjiang Bairuilai Biotechnology Co., Ltd.	2022-02-25	RMB 1,000,000.00	Yueyang, Hunan	Yueyang, Hunan
Guangdong Baishengyuan Aquatic Product Improved Variety Co., Ltd.	2022-03-01	RMB 5,000,000.00	Enping, Guangdong	Enping, Guangdong
Guangzhou Nansha Haishengyuan Aquaculture Technology Co., Ltd.	2022-03-04	RMB 5,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Guangzhou Nansha Haida Technology Co., Ltd.	2022-03-14	RMB 100,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
PT HAIDA BIOTECHNOLOGY INDONESIA	2022-03-21	USD 21,500,000.00	Indonesia	Indonesia
Zhuhai Chenzhe Private Equity Fund Management Co., Ltd.	2022-03-21	RMB 10,000,000.00	Zhuhai,Guangdong	Zhuhai,Guangdong
Meizhou Yitun Hog Breeding Co., Ltd.	2022-03-24	RMB 1,000,000.00	Meizhou,Guangdong	Meizhou,Guangdong
Tacheng Western Regions Haisheng Agriculture Development Co., Ltd.	2022-03-25	RMB 1,000,000.00	Tacheng, Xinjiang	Tacheng, Xinjiang

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Guiyang Haiyue Feed Technology Co., Ltd.	2022-03-25	RMB 3,000,000.00	Guiyang, Guizhou	Guiyang, Guizhou
Guangzhou Haiyi Investment Co., Ltd.	2022-03-30	RMB 1,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Dongying Haishengyuan Aquaculture Co., Ltd.	2022-03-30	RMB 30,000,000.00	Dongying, Shandong	Dongying, Shandong
Leizhou Yuexiu Haishengyuan Shrimp Culture Technology Co., Ltd.	2022-03-31	RMB 90,000,000.00	Zhanjiang, Guangdong	Zhanjiang, Guangdong
Guangzhou Haifeng Aquaculture Service Co., Ltd.	2022-04-07	RMB 100,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Haixin Biological (Beijing) Technology Co., Ltd.	2022-04-15	RMB 10,000,000.00	Beijing	Beijing
Nantong Fengmu Trading Co., Ltd.	2022-05-27	RMB 10,000,000.00	Nantong, Jiangsu	Nantong, Jiangsu
Dalian Haixin Biotechnology Co., Ltd.	2022-07-05	RMB 10,000,000.00	Dalian, Liaoning	Dalian, Liaoning
Sichuan Haimufeng Agriculture Co., Ltd.	2022-07-07	RMB 10,000,000.00	Chengdu, Sichuan	Chengdu, Sichuan
Inner Mongolia Haishan Feed Co., Ltd.	2022-08-02	RMB 3,000,000.00	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia
Guangxi Haijingzhou Marine Biotechnology Co., Ltd.	2022-08-08	RMB 5,000,000.00	Fangcheng Port, Guangxi	Fangcheng Port, Guangxi
Heyuan Yitun Agriculture Development Co., Ltd.	2022-08-09	RMB 1,000,000.00	Heyuan, Guangdong	Heyuan, Guangdong
Foshan Rongda aquatic fingerlings co., ltd	2022-09-09	RMB 3,000,000.00	Foshan, Guangdong	Foshan, Guangdong
Weifang Haixin Biotechnology Co., Ltd.	2022-09-09	RMB 1,000,000.00	Weifang, Shandong	Weifang, Shandong
Yangling Haiqi Agricultural Technology Co., Ltd.	2022-09-14	RMB 100,000.00	Yangling, Shaanxi	Yangling, Shaanxi
Yangling Huashite Testing Technology Co., Ltd.	2022-09-14	RMB 100,000.00	Yangling, Shaanxi	Yangling, Shaanxi
Yangjiang Peiqi Breeding Service Co., Ltd.	2022-09-28	RMB 5,000,000.00	Yangjiang, Guangdong	Yangjiang, Guangdong
Tangshan Haijingzhou Biotechnology Co., Ltd.	2022-10-18	RMB 30,000,000.00	Tangshan, Hebei	Tangshan, Hebei
Guangzhou Ronghai Seedling Technology Co., Ltd.	2022-11-02	RMB 1,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Guangzhe County Haisheng Biotechnology Co., Ltd.	2022-11-07	RMB 30,000,000.00	Nanping, Fujian	Nanping, Fujian

<b>Subsidiary (abbreviation)</b>	<b>Time of incorporation</b>	<b>Registered capital</b>	<b>Place of registration</b>	<b>Principal place of business</b>
Guangzhou Hualaita Testing Technology Co., Ltd.	2022-11-08	RMB 2,000,000.00	Guangzhou, Guangdong	Guangzhou, Guangdong
Weifang Yitun Ecological Agriculture Co., Ltd.	2022-11-17	RMB 1,000,000.00	Weifang, Shandong	Weifang, Shandong
Qingdao Dinghao Fengying International Trade Co., Ltd.	2022-11-25	RMB 10,000,000.00	Qingdao, Shandong	Qingdao, Shandong
Dachuan Biotechnology Co., Ltd.	2022-11-30	BDT10,000,000.00	Bengal	Bengal
Shenzhen Haixin Biotechnology Co., Ltd.	2022-12-02	RMB 10,000,000.00	Shenzhen, Guangdong	Shenzhen, Guangdong
HuaiBei haida biological feed co., Ltd.	2022-12-05	RMB 10,000,000.00	HuaiBei, Anhui	HuaiBei, Anhui
Wudi Haishengyuan Aquaculture Co., Ltd.	2022-12-23	RMB 70,000,000.00	Binzhou, Shandong	Binzhou, Shandong
Sheng Long Biotech (Hai Duong) International Co., Ltd.	2022-12-30	VND232,950,000,000.00	Vietnam	Vietnam
PT Hisenor Genetics Indonesia	2022-12-30	USD 3,460,000.00	Indonesia	Indonesia

## (2) New Subsidiaries acquired by other methods

Subsidiary	Acquisition date	Cost of acquisition
Hengyang Yunyi Biotechnology Co., Ltd.	2022-01-25	16,387,167.40
Guangzhou Mingershi Biotechnology Co., Ltd.	2022-04-30	52,529,136.37
Huizhou Haida Biotechnology Co., Ltd. (Note 1)	2022-10-25	32,000,000.00

Notes:

Note 1: Bo Luo County Chang Shun Feed Co., Ltd. has renamed as Huizhou Haida Biotechnology Co., Ltd in November, 2022.

Note 2: The subsidiaries mentioned above did not constitute a business on the acquisition date.

## (3) Subsidiaries Deregistered in the current period

Company	Method of equity disposal	The date of equity disposal	Net assets at disposal date	Net profit on the date of disposal
Lianzhou Yitun Ecological Agriculture Co., Ltd.	Dissolved	2022-03-04	-	-
Jiaozuo Jinhuilong Biotechnology Co., Ltd.	Dissolved	2022-03-07	-	-
Wengyuan county Haifeng Ecological Agriculture Co., Ltd.	Dissolved	2022-03-11	-	-
Qingyuan Haichuan Food Co., Ltd.	Dissolved	2022-03-30	-	-
Yingde Haifeng Ecological Agriculture Co., Ltd.	Dissolved	2022-04-25	-	-
Yangjiang Haihe Feed Co., Ltd.	Dissolved	2022-05-11	-	-
Henan Haihe Houyi Agriculture and Animal Husbandry Technology Co., Ltd.	Dissolved	2022-05-12	-	-8,283.42
Hairong Animal Husbandry and Breeding Service Professional Cooperation of Chengnan Development Zone	Dissolved	2022-05-17	-	342,609.63
Danci Limited	Dissolved	2022-06-02	-	-19,346.81
Foshan Debao Feed Co., Ltd.	Dissolved	2022-08-01	-	-
Qingdao Zhizhuxia Hogs Breeding Service Co., Ltd.	Dissolved	2022-09-29	-	606,310.46
Zhangzhou Longwen Hairong Aquaculture Service Professional Cooperation	Dissolved	2022-10-20	-	2,309.07
Jiyuan Haihejingyu Feed co., ltd	Dissolved	2022-11-02	-	319,214.75
Huaian Haichang Feed Co., Ltd.	Dissolved	2022-11-17	-	23,020.11
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	Dissolved	2022-11-21	-	-2,096,656.30
HISENOR VIET NAM AQUATIC BREEDING CO.,LTD	Dissolved	2022-11-15	-	(Note)
Shenglong Biotechnology Co., Ltd. (Taiwan Province)	Dissolved	2022-12-05	-	-1,634,904.29

Company	Method of equity disposal	The date of equity disposal	Net assets at disposal date	Net profit on the date of disposal
Xinxing county Haifeng agriculture and animal husbandry co., ltd.	Dissolved	2022-12-09	-	-1,178,410.00
Huaihua Hailong Biotechnology Co., Ltd.	Dissolved	2022-12-16	-	-

Note: HISENOR VIET NAM AQUATIC BREEDING CO.,LTD was canceled through the consolidation by merger by SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD which is the subsidiary of the Group. The assets and liabilities of HISENOR VIET NAM AQUATIC BREEDING CO.,LTD has totally transferred to SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD, and its business cancellation registration has completed on 15 November, 2022.

(4) Loss of control due to withdrawal and investment recovery

Subsidiary	The proportion of the equity before the date of loss of control %	The proportion of the remaining equity on the date of loss of control %	The basis for determining the point of loss of control	Time of loss of control	The book value of the remaining equity on the date of loss of control(RMB ten thousand)	Note
CORESEED AQUACULTURE(GUAM) CORPORATION	69.697	0.00	Recovery of investment	November 2022	1,713.74	-

## VII. Interests in Other Entities

### 1. Interests in Subsidiaries

#### (1). Structure of the Group

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Runchuan Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Business combination involving entities under common control
Guangzhou Yitun Swine Industry Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment and Trading		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Enping Fengwo Agriculture and Animal Husbandry Co., Ltd.	Enping, Guangdong	Enping, Guangdong	Production and Sales		92	Establishment
Yangxi Fengwo Ecological Agriculture Co., Ltd.	Yangxi, Guangdong	Yangxi, Guangdong	Production and Sales		98	Establishment
Yangjiang Yangdong Fengwo Agriculture and Animal Husbandry Co., Ltd.	Yangdong, Guangdong	Yangdong, Guangdong	Production and Sales		88	Establishment
Enping Yitun Ecological Agriculture Co., Ltd.	Enping, Guangdong	Enping, Guangdong	Production and Sales		100	Establishment
Gaozhou Sanhe Animal Husbandry Co., Ltd.	Gaozhou, Guangdong	Gaozhou, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Yingde Yitun Ecological Agriculture Co., Ltd.	Yingde, Guangdong	Yingde, Guangdong	Production and Sales		90	Establishment
Hunan Yitun Ecological Agriculture Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		100	Establishment
Hengyang County Jisheng Agriculture and Animal Husbandry Development Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Business combination involving entities not under common control
Yueyang Yitun Agriculture and Animal Husbandry Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		92	Establishment
Yueyang Fengtun Ecological Agriculture Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Transportation Service		92	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guigang Qintang District Yitun Ecological Agriculture Co., Ltd.	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Pingnan Yitun Ecological Agriculture Co., Ltd.	Pingnan, Guangxi	Pingnan, Guangxi	Production and Sales		100	Establishment
Pingguo Yitun Ecological Agriculture Co., Ltd.	Pingguo, Guangxi	Pingguo, Guangxi	Production and Sales		100	Establishment
Guiping Yitun Ecological Agriculture Co., Ltd.	Guiping, Guangxi	Guiping, Guangxi	Production and Sales		100	Establishment
Hengyang Yitun Ecological Agriculture Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Hengshan Yitun Ecological Agriculture Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Guigang Gangbei District Yitun Ecological Agriculture Co., Ltd.	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Duyun Yitun Ecological Agriculture Co., Ltd.	Duyun, Guizhou	Duyun, Guizhou	Production and Sales		100	Establishment
Rongjiang County Yitun Ecological Agriculture Co., Ltd.	Rongjiang, Guizhou	Rongjiang, Guizhou	Production and Sales		100	Establishment
Binyang Yitun Ecological Agriculture Co., Ltd.	Binyang, Guangxi	Binyang, Guangxi	Production and Sales		100	Establishment
Yicheng Yitun Ecological Agriculture Co., Ltd.	Yicheng, Hubei	Yicheng, Hubei	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zixing Yitun Ecological Agriculture Co., Ltd.	G, Hunan	Chenzhou, Hunan	Production and Sales		100	Establishment
Changning Yitun Ecological Agriculture Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Guigang Donghuang Breeding And Breeding Co., Ltd.	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Business combination involving entities not under common control
Shaoguan Zhenjiang Yitun Ecological Agriculture Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Shandong Yitun Ecological Agriculture Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Investment		60	Establishment
Laizhou Zhizhu Animal Husbandry Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qinzhou Yitun Ecological Agriculture Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales		100	Establishment
Feicheng He Ruifeng Agricultural Science And Technology Co., Ltd.	Tai'an, Shandong	Tai'an, Shandong	Production and Sales		80	Business combination involving entities not under common control
Weifang Xuheng Agricultural Science And Technology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Gaotang Huayu Swine Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Ganong (Lianyungang) Animal Husbandry Technology Co., Ltd.	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		82	Business combination involving entities not under common control
Guizhou Aikexin Swine Breeding Co., Ltd.	Qiannan, Guizhou	Qiannan, Guizhou	Production and Sales		100	Establishment
Binyang County Hejiyitun Ecological Agriculture Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment
Qinzhou Qinnan Yitun Ecological Agriculture Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales		100	Establishment
Huayuan Yitun Ecological Agriculture Co., Ltd.	Xiangxi, Hunan	Xiangxi, Hunan	Production and Sales		100	Establishment
Baojing County Yitun Ecological Agriculture Co., Ltd.	Baojing, Hunan	Baojing, Hunan	Production and Sales		100	Establishment
Yingde Yitun Pig Breeding Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Hengnan Yitun Ecological Agriculture Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Longan County Yitun Ecological Agriculture Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Youxian Yitun Ecological Agriculture Co., Ltd.	Zhuzhou, Hunan	Zhuzhou, Hunan	Production and Sales		100	Establishment
Wengyuan County Yitun Pig Breeding Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Fufeng County Yitun Ecological Agriculture Co., Ltd.	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Linyou Yitun Ecological Agriculture Co., Ltd.	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Laibin Yitun Ecological Agriculture Co., Ltd.	Laibin, Guangxi	Laibin, Guangxi	Production and Sales		100	Establishment
Yantai Yitun Ecological Agriculture Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		80	Establishment
Yantai Zhizhuren Animal Husbandry Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Guiyang Yitun Ecological Agriculture Co., Ltd.	Chenzhou, Hunan	Chenzhou, Hunan	Production and Sales		100	Establishment
Guangdong Yiheng Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment		51	Establishment
Gaozhou Haiyuan Agriculture Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Ruyuan County Yitun Pig Breeding Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Luoding Yitun Ecological Agriculture Co., Ltd.	Yunfu, Guangdong	Yunfu, Guangdong	Production and Sales		100	Establishment
Wugang Yitun Ecological Agriculture Co., Ltd.	Shaoyang, Hunan	Shaoyang, Hunan	Production and Sales		100	Establishment
Hunan Yitun Technology Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Production and Sales		100	Establishment
Meizhou Yitun Pig Breeding Co., Ltd.	Meizhou, Guangdong	Meizhou, Guangdong	Production and Sales		100	Establishment
Pingnanhai Da Feed Co., Ltd.	Pingnan, Guangxi	Pingnan, Guangxi	Sales		100	Establishment
Guangzhou Haiyi Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment		100	Establishment
Heyuan Yitun Agricultural Development Co., Ltd.	Heyuan, Guangdong	Heyuan, Guangdong	Production and Sales		100	Establishment
Yangjiang Peiqi Farming Service Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Production and Sales		100	Establishment
Weifang Yitun Ecological Agriculture Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Establishment
Guangzhou Haiwei Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities under common control
Guangzhou Rongchuan Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Business combination involving entities under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Foshan Haihang Feed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	87.5		Business combination involving entities not under common control
Maoming Haihang Feed Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		100	Establishment
Guangzhou Dachuan Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities under common control
Hubei Haid Feed Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Production and Sales	100		Business combination involving entities under common control
Guangdong Hinter Biotechnology Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	97	3	Establishment
Guangzhou Haishengyuan Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Mutai Feed Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		100	Establishment
Guangzhou Haiyiyuan Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Shaanxi Haid Agriculture and Animal Husbandry Co., Ltd.	Yangling, Shanxi	Yangling, Shanxi	Production and Sales	67		Establishment
Yangling Haid Feed Co., Ltd.	Yangling, Shanxi	Yangling, Shanxi	Production and Sales		100	Establishment
Gansu Haid Feed Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Weinan Haid Feed Co., Ltd.	Weinan, Shaanxi	Weinan, Shaanxi	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Wuwei Haid Feed Co., Ltd.	Wuwei, Gansu	Wuwei, Gansu	Production and Sales		100	Establishment
Baoji Haid Agriculture and Animal Husbandry Co., Ltd.	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Hunan Haid Bio-Feed Co., Ltd.	Changde, Hunan	Changde, Hunan	Production and Sales	100		Establishment
Guangzhou Haihe Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Liaocheng Haixin Enterprise Management Consulting Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Management consulting		100	Establishment
Anyang Haiyue Feed Technology Co., Ltd.	Tangyin, Henan	Tangyin, Henan	Management consulting		100	Establishment
Zoucheng Haiyue Enterprise Management Consulting Co., Ltd.	Zoucheng, Shandong	Zoucheng, Shandong	Management consulting		100	Establishment
Yinan Haiyue Biotechnology Co., Ltd.	Yinan, Shandong	Yinan, Shandong	Management consulting		100	Establishment
Lanzhou Haid Feed Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Yichang Haid Feed Co., Ltd. (Note 4)	Yichang, Hubei	Yichang, Hubei	Production and Sales		100	Establishment
Foshan Haipu Feed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Sales	87.5		Establishment
Qingyuan Haibei Biotechnology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Zhanjiang Haid Feed Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales	100		Establishment
Jiangmen Haid Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chengdu Haid Biotechnology Co., Ltd.	Xinjin, Sichuan	Xinjin, Sichuan	Production and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Taizhou Haid Bio-Feed Co., Ltd.	Xinghua, Jiangsu	Xinghua, Jiangsu	Production and Sales	100		Establishment
Jingzhou Haid Feed Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales	100		Establishment
Ezhou Haid Feed Co., Ltd.	Ezhou, Hubei Province	Ezhou, Hubei	Production and Sales		100	Establishment
Dongguan Haid Feed Co., Ltd.	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Fujian Haid Feed Co., Ltd.	Changtai, Fujian	Changtai, Fujian	Production and Sales	100		Establishment
Zhejiang Haid Feed Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Production and Sales	100		Establishment
Guangxi Haid Feed Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Kinghill Holdings Pte.Ltd.	Singapore	Singapore	Investment	100		Establishment
Kinghill Pte.Ltd.	Singapore	Singapore	Investment		100	Establishment
Haid Egypt Co.,Ltd	Egypt	Egypt	Production and Sales		100	Establishment
Haid Egypt Aquatic Co.,Ltd	Egypt	Egypt	Production and Sales		100	Establishment
Kinghill Resources Pte.Ltd.	Singapore	Singapore	Investment		100	Establishment
Vinh Long Hailianke Biotechnology Co., Ltd	Vietnam	Vietnam	Production and Sales		100	Establishment
Kinghill Agri Pte.Ltd.	Singapore	Singapore	Investment		100	Establishment
Pt.Haida Agriculture Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Pt.Haida Surabaya Trading	Indonesia	Indonesia	Trading		100	Establishment
Pt Hisenor Technology Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Haid Feed Bangladesh Limited	Bangladesh	Bangladesh	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
PT HAIDA BIOTECHNOLOGY INDONESIA	Indonesia	Indonesia	Production and Sales		100	Establishment
Dachuan Biotechnology Co., Ltd.	Bangladesh	Bangladesh	Trading		100	Establishment
PT HISENOR GENETICS INDONESIA	Indonesia	Indonesia	Production and Sales		100	Establishment
Jiangxi Haid Feed Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Production and Sales	100		Establishment
Guangzhou Haid Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Business combination involving entities not under common control
Guangdong Hisenor Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		85	Establishment
Zhanjiang Hisenor Marine Biotechnology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhanjiang Haijingzhou Marine Biotechnology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Establishment
Hainan Hisenor Marine Biotechnology Co., Ltd.	Wenchang, Hainan	Wenchang, Hainan	Production and Sales		100	Establishment
Zhangzhou Haijingzhou Marine Biotechnology Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales		100	Establishment
Changyi Haijingzhou Biological Technology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jingtai Haijingzhou Fishery Technology Co., Ltd.	Baiying, Gansu	Baiying, Gansu	Production and Sales		100	Establishment
Yongji Haijingzhou Fishery Science And Technology Co., Ltd.	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Yuncheng Haishengyuan Fishery Technology Co., Ltd.	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Nantong Haijingzhou Biological Technology Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales		70	Establishment
Shanwei Haijingzhou Marine Biological Technology Co., Ltd.	Shanwei, Guangdong	Shanwei, Guangdong	Production and Sales		100	Establishment
Guangzhou Hailingxian Food Co., Ltd. (Note 2)	Panyu, Guangzhou	Panyu, Guangzhou	Trading		70	Establishment
Dongying Haijingzhou Biotechnology Co., Ltd.	Dongying, Shandong	Dongying, Shandong	Production and Sales		100	Establishment
Shanwei Haizenong Marine Biotechnology Co., Ltd.	Shanwei, Guangdong	Shanwei, Guangdong	Production and Sales		100	Establishment
Guangxi Haijingzhou Marine Biotechnology Co., Ltd.	Fangchenggang, Guangxi, China	Fangchenggang, Guangxi, China	Production and Sales		100	Establishment
Tangshan Haijingzhou Biotechnology Co., Ltd.	Tangshan, Hebei	Tangshan, Hebei	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Rongcheng Rongchuan Biotechnology Co., Ltd.	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Rongcheng Yandun Horn Fish Meal Co., Ltd.	Weihai, Shandong	Weihai, Shandong	Production and Sales		51	Business combination involving entities not under common control
Fujian Haisheng Feed Co., Ltd.	Nanping, Fujian	Nanping, Fujian	Production and Sales		50	Establishment
Zhenyuan Haisheng Protein Feed Co., Ltd.	Qingyang, Gansu	Qingyang, Gansu	Production and Sales		100	Establishment
Guangze Haisheng Biotechnology Co., Ltd.	Nanping, Fujian	Nanping, Fujian	Production and Sales		100	Establishment
Pucheng Haisheng Feed Co., Ltd.	Pucheng, Fujian	Pucheng, Fujian	Production and Sales		50	Establishment
Xinjiang Xiyu Haihua Products Co., Ltd.	Urumqi, Xinjiang	Urumqi, Xinjiang	Trading		51	Establishment
Jinzhou Zhengyuan Grain Trade Co., Ltd.	Jinzhou, Liaoning	Jinzhou, Liaoning	Trading		100	Establishment
Yingkou Fengmu Agricultural Development Co., Ltd.	Yingkou, Liaoning	Yingkou, Liaoning	Trading		100	Establishment
Guangzhou Haiyou Trade Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Ningbo Fengmu Agricultural Development Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading		100	Establishment
Sanya Fengmu Agricultural Development Co., Ltd.	Sanya, Hainan	Sanya, Hainan	Trading		70	Establishment
Guangzhou Anan Logistics Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Transportation Service		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Xiyu Haisheng (Guangzhou) Supply Chain Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service		51	Establishment
Tacheng Xiyu Haisheng Agricultural Development Co., Ltd.	Tacheng, Xinjiang	Tacheng, Xinjiang	Trading		100	Establishment
Jilin Haid Rongchuan Trading Co., Ltd.	Baicheng, Jilin	Baicheng, Jilin	Trading		100	Establishment
Sihui Haifeng Ecological Agriculture Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Maoming Hailong Feed Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Production and Sales	100		Establishment
Nanchang Haid Biotechnology Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Production and Sales	100		Establishment
Zhuhai Rongchuan Feed Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Jieyang Haid Feed Co., Ltd.	Jieyang, Guangdong	Jieyang, Guangdong	Production and Sales		100	Establishment
Zhuhai Ronghai Breeding Technology Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales		100	Establishment
Foshan Sanshuifanling Feed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Dalian Haid Rongchuan Trading Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Trading	100		Business combination involving entities not under common control
Haid International Group Limited	Hong Kong	British Virgin Islands	Trading	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
China Haida Feed Group(HK)Limited	Hong Kong	Hong Kong	Trading		100	Establishment
Rickworth Investments Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment
Hong Kong Longreat Trading Co., Limited	Hong Kong	Hong Kong	Trading		100	Establishment
Haid Feed Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Dong Nai Haid Farm Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Panasia Trading Resources Limited	Hong Kong	British Virgin Islands	Investment		80	Business combination involving entities not under common control
Sheng Long International Ltd.	Hong Kong	British Virgin Islands	Investment		100	Business combination involving entities not under common control
Sheng Long Bio-Tech International Co.,Ltd	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Long Sheng International Co.,Ltd	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Hisenor International Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Kembang Subur International Ltd.	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Namduong Vietnam Aquatic Hatchery Co.,Ltd.	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Sheng Long Bio Tech(M)Sdn.Bhd.	Malaysia	Malaysia	Production and Sales		100	Establishment
Prime World Co., Ltd.	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Sheng Long Aqua Technology (M) Sdn. Bhd.	Malaysia	Malaysia	Production and Sales		100	Establishment
Thang Long(Vinh Long)Biotech Co.,Ltd.	Vietnam	Vietnam	Production and Sales		100	Establishment
SHENG LONG BIOTECH (HAI DUONG) INTERNATIONAL CO. LTD	Vietnam	Vietnam	Production and Sales		100	Establishment
Nano South Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment
Oceanic Forward Ventures Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment
Power Spring Investments Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment
Link Tide Limited	Hong Kong	British Virgin Islands	Investment		100	Establishment
Changzhou Haid Bio-Feed Co., Ltd.	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Tianjin Haid Feed Co., Ltd.	Tianjin	Tianjin, China	Production and Sales	97	3	Establishment
Jiangmen A&T Xinhui Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	80		Business combination involving entities not under common control
Tianmen Haid Feed Co., Ltd.	Tianmen, Hubei	Tianmen, Hubei	Production and Sales	100		Establishment
Zhuhai Hailong Biotechnology Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Yangjiang Haid Feed Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Production and Sales	100		Establishment
Guigang Haid Feed Co., Ltd.	Guigang, Guangxi	Guigang, Guangxi	Production and Sales	100		Establishment
Yiyang Haid Feed Co., Ltd.	Yiyang, Hunan	Yiyang, Hunan	Production and Sales	99	1	Establishment
Nantong Haid Biotechnology Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales	100		Establishment
Yunnan Haid Biotechnology Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Production and Sales	100		Establishment
Guangzhou Hailong Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Zhaoqing Haid Feed Co., Ltd.	Gaoyao, Guangdong	Gaoyao, Guangdong	Production and Sales	100		Establishment
Wuhan Aquaera Biotechnology Co., Ltd.	Ezhou, Hubei Province	Ezhou, Hubei	Production and Sales	100		Establishment
Shenzhen Longreat Trading Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Trading	70		Establishment
Lanking Pte.Ltd.	Singapore	Singapore	Trading	100		Establishment
Haid Lanking International Trading Inc.	U.S.	U.S.	Trading		100	Establishment
Lanking Nemo(Sg) Pte.Ltd.	Singapore	Singapore	Investment		80	Establishment
Shenglong Bio-Tech(India)Private Limited	India	India	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Lanking Rickworth Pte.Ltd.	Singapore	Singapore	Investment		100	Establishment
Haidmarino Cia.Ltda.	Ecuador	Ecuador	Production and Sales		100	Establishment
Lanking Nano Pte.Ltd.	Singapore	Singapore	Investment		100	Establishment
Hai Duong Haid Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Hai Dai Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Vinh Long Hai Dai Co.,Ltd	Vietnam	Vietnam	Production and Sales		100	Establishment
Binh Dinh Hai Long Co.,Ltd	Vietnam	Vietnam	Production and Sales		100	Establishment
Hunan Dongting Haid Feed Co., Ltd.	Dongting, Hunan	Dongting, Hunan	Production and Sales	100		Establishment
Zhangzhou Haid Feed Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	85		Establishment
Anhui Haid Feed Co., Ltd.	Chizhou, Anhui	Chizhou, Anhui	Production and Sales	100		Establishment
Xiangtan Haid Feed Co., Ltd.	Xiangtan, Hunan	Xiangtan, Hunan	Production and Sales	100		Establishment
Guangzhou Changsheng Logistics Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Transportation Service	100		Establishment
Guangzhou Cangyouliang Trading Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Zhongcangsheng Commercial & Trading Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		66	Establishment
Guangzhou Danong Enterprise Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Hengyang Yunyi Biotechnology Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Other method

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Haifengchang Enterprise Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Shandong Haiding Agriculture and Animal Husbandry Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales	55		Establishment
Suixian Yuliang Haiding Feed Co., Ltd.	Shangqiu, Henan	Shangqiu, Henan	Production and Sales		50	Establishment
Suixian Haiding Veterinary Service Co., Ltd.	Shangqiu, Henan	Shangqiu, Henan	Sales		100	Establishment
Yuncheng Haiding Hongda Feed Co., Ltd.	Heze, Shandong	Heze, Shandong	Production and Sales		50	Establishment
Yuncheng Haiding Veterinary Service Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Jinan Haiding Farming And Animal Husbandry Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Liaocheng Haiding Feed Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		92	Establishment
Shanxian Zhongyi Haiding Feed Co., Ltd.	Shanxian, Shandong	Shanxian, Shandong	Production and Sales		92	Establishment
Jinan Haiding Veterinary Service Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Xinxiang Haiding Feed Co., Ltd.	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment
Xinxiang Hairuida Feed Co., Ltd.	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Heze Haiding Feed Technology Co., Ltd.	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Heze Haiding Veterinary Service Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Jining Haiding Feed Co., Ltd.	Zoucheng, Shandong	Zoucheng, Shandong	Production and Sales		90	Establishment
Jining Haiding Veterinary Service Co., Ltd.	Jining, Shandong	Jining, Shandong	Sales		100	Establishment
Sishui Dingxin Veterinary Service Co., Ltd.	Jining, Shandong	Jining, Shandong	Sales		100	Establishment
Feixian Hairuida Feed Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Feixian Hairuida Veterinary Service Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Yinan Haiding Feed Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Yinan Haiding Veterinary Service Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Jinan Fengcheng Agriculture and Animal Husbandry Co., Ltd.	Dong'e, Shandong	Dong'e, Shandong	Trading		100	Establishment
Tengzhou Fengcheng Feed Co., Ltd.	Zaozhuang, Shandong	Zaozhuang, Shandong	Production and Sales		100	Establishment
Binzhou Haiding Feed Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Production and Sales		100	Establishment
Binzhou Haiding Veterinary Service Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Sales		100	Establishment
Jining Fengcheng Feed Co., Ltd.	Jining, Shandong	Jining, Shandong	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Dong'E Dingxin Farming Service Co., Ltd.	Dong'e, Shandong	Dong'e, Shandong	Production and Sales		51	Establishment
Heze Haiding Ecological Farming Co., Ltd.	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Linyi Haiding Feed Technology Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Linyi Hedong Haiding Agriculture and Animal Husbandry Development Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Junan Haiding Feed Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		90	Establishment
Junan Haiding Veterinary Service Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Sihong Haiding Feed Co., Ltd.	Sihong, Jiangsu	Sihong, Jiangsu	Production and Sales		100	Establishment
Linyi Dingxin Farming Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		90	Establishment
Linyi Haiding Veterinary Service Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Research and Trading		100	Establishment
Liaocheng Haiding Veterinary Service Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Henan Haiding Feed Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Production and Sales		100	Establishment
Qingzhou Haidinghe Xinsheng Feed Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Haiding Lusheng Feed Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Qinggang Feng Chengbai Zun Feed Co., Ltd.	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Suihua Feng Chengbaizun Feed Co., Ltd.	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment
Chengwu Fengcheng Feed Co., Ltd.	Heze, Shandong	Heze, Shandong	Trading		100	Establishment
Weifang Binhai Haiding Feed Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Dinghao Breeding Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		60	Establishment
Dongying Dinghao Farming Co., Ltd.	Dongying, Shandong	Dongying, Shandong	Production and Sales		100	Establishment
Xuzhou Hairuida Feed Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Xuzhou Zhongyi Haiding Agriculture and Animal Husbandry Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Lanling Haiding Hekangyuan Agriculture and Animal Husbandry Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		65	Establishment
Gaotang Haiding Agriculture and Animal Husbandry Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Jiangsu Fengcheng Technology Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Trading		100	Establishment
Gansu Fengying Technology Co., Ltd.	Jinchang, Gansu	Jinchang, Gansu	Transportation Service		100	Establishment
Qingdao Dinghao Fengsheng International Trade Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Xishui Haid Feed Co., Ltd.	Huanggang, Hubei	Huanggang, Hubei	Production and Sales	100		Establishment
Yancheng Haid Bio-Feed Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Honghu Haid Feed Co., Ltd.	Honghu, Hubei	Honghu, Hubei	Production and Sales	100		Establishment
Kaifeng Haid Feed Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Veterinary Pharmaceutical Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Guangdong Haid Livestock Veterinary Research Institute Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Business combination involving entities not under common control
Henan Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Luoyang, Henan	Luoyang, Henan	Production and Sales	67		Establishment
Xuchang Haihe Feed Co., Ltd.	Yuzhou, Henan	Yuzhou, Henan	Production and Sales		100	Establishment
Anyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Tangyin, Henan	Tangyin, Henan	Production and Sales		100	Establishment
Henan Mugaole Feed Co., Ltd.	Jiyuan, Henan	Jiyuan, Henan	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Suqian Haid Feed Co., Ltd.	Siyang, Jiangsu	Siyang, Jiangsu	Production and Sales	100		Establishment
Huaihua Haid Feed Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Production and Sales	100		Establishment
Guangzhou Meinong Investment Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Haid (Ecuador) Feed Cia.Ltda.	Ecuador	Ecuador	Production and Sales		100	Establishment
Guangdong Hairuite Pet Nitribution Technology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales	100		Establishment
Guangzhou Haijian Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangdong Bairong Aquatic Farming Group Co., Ltd. (Note 3)	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhaoqing Bairong Aquatic Farming Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Yangxin Bairong Aquatic Farming Co., Ltd.	Yangxin, Hubei	Yangxin, Hubei	Production and Sales		100	Establishment
Jingzhou Bairong Aquatic Farming Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales		100	Establishment
Shandong Bairong Fisheries Fine Seed Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Hainan Bairong Aquatic Products Co., Ltd.	Dingan, Hainan	Dingan, Hainan	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhaoqing Baishengyuan Aquatic Products Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Guangdong Baishengyuan Aquatic Farming Co., Ltd.	Enping, Guangdong	Enping, Guangdong	Production and Sales		100	Establishment
Qingyuan Baishengyuan Aquatic Seed Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Hunan Innovation Biotechnology Limited	Hengyang, Hunan	Hengyang, Hunan	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Haishengke Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Sichuan Hailinger Biopharmaceutical Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales		100	Business combination involving entities not under common control
Sanming Haid Feed Co., Ltd.	Sanming, Fujian	Sanming, Fujian	Production and Sales	100		Establishment
Qingyuan Haid Biotechnology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Xuancheng Haid Biotechnology Co., Ltd.	Xuancheng, Anhui	Xuancheng, Anhui	Production and Sales	100		Establishment
Guangdong Shunde Haid Biotechnology Co., Ltd.	Shunde, Guangdong	Shunde, Guangdong	Sales	100		Establishment
Jiaxing Haid Yongwang Bio-Feed Co., Ltd.	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and Sales	80		Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shijiazhuang Weike Biotechnology Co., Ltd.	Jinzhou, Hebei	Jinzhou, Hebei	Production and Sales	70		Business combination involving entities not under common control
Chongqing Haid Feed Co., Ltd.	Chongqing, China	Chongqing, China	Production and Sales	100		Establishment
Shenyang Haid Feed Co., Ltd.	Shenyang, Liaoning	Shenyang, Liaoning	Production and Sales	85		Establishment
Jiangsu Haihe Agriculture and Animal Husbandry Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Sales	67		Establishment
Xuzhou Haihe Feed Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		70	Establishment
Lianyungang Haihe Feed Co., Ltd.	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		100	Establishment
Xuzhou Haid Hexin Feed Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Anshan Dachuan Feed Technology Co., Ltd.	Anshan, Liaoning	Anshan, Liaoning	Sales	100		Establishment
Guangzhou Haiyuan Factoring Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial factoring	100		Establishment
Haid Pet Care Co., Ltd.	Weihai, Shandong	Weihai, Shandong	Sales	100		Establishment
Haid Pet Care (Weihai) Co., Ltd.	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Wuhan Zeyi Investment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Investment		100	Establishment
Ganzhou Haid Biotechnology Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Foshan Haid Beacon Feed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	60		Establishment
Guangzhou Zecan Investment Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Punong Investment Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Shandong Fengying Food Co., Ltd.	Qufu, Shandong	Qufu, Shandong	Investment		66	Establishment
Jiaxiang Haiying Food Co., Ltd.	Jining, Shandong	Jining, Shandong	Slaughtering service		90	Establishment
Linxi Haiying Food Co., Ltd.	Xingtai, Hebei	Xingtai, Hebei	Slaughtering service		90	Establishment
Yiyuan Haiying Food Co., Ltd.	Zibo, Shandong	Zibo, Shandong	Slaughtering service		62	Establishment
Zouping Haiying Food Co., Ltd.	Zouping, Shandong	Zouping, Shandong	Slaughtering service		75	Establishment
Binzhou Haiying Food Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Slaughtering service		70	Establishment
Dezhou Haiying Food Co., Ltd.	Dezhou, Shandong	Dezhou, Shandong	Slaughtering service		55	Establishment
Guangzhou Yannong Investment Management Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangdong Haid Poverty Alleviation Investment Development Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service	100		Establishment
Liyang Jiu He Feed Co., Ltd.	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	80		Business combination involving entities not under common control
Shaoguan Haid Biotechnology Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales	100		Establishment
Shandong Daxin Group Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Investment and Trading	60		Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Weifang Daxin Feed Co., Ltd.	Qingzhou, Shandong	Qingzhou, Shandong	Production and Sales		100	Business combination involving entities not under common control
Yantai Daxin Feed Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Linyi Yihe Feed Co., Ltd.	Tancheng, Shandong	Tancheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Jiangsu Daxin Feed Co., Ltd.	Huaiyin, Jiangsu	Huaiyin, Jiangsu	Production and Sales		100	Business combination involving entities not under common control
Shandong Daxin Agriculture and Animal Husbandry Technology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control
Liaocheng Daxin Feed Co., Ltd.	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Laiyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		85	Establishment
Qingdao Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Linyi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Yantai Zhizhuren Feed Co., Ltd.	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Establishment
Gaomi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		60	Establishment
Qingdao Huaxin Feed Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Shouguang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		90	Establishment
Qingdao Zhizhuxia Experimental Technology Co., Ltd.	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Establishment
Linyi Zhizhuxia Breeding Technology Service Co., Ltd.	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Huaian Hailong Feed Co., Ltd.	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Establishment
Hunan Jinhuilong Technology Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Investment	51		Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yueyang Jinhuilong Biological Technology Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		100	Business combination involving entities not under common control
Shijiazhuang Huilong Feed Co., Ltd.	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production and Sales		100	Business combination involving entities not under common control
Handan Huilong Feed Co., Ltd.	Handan, Hebei	Handan, Hebei	Production and Sales		100	Business combination involving entities not under common control
Huilong Feed Co., Ltd.	Huai'an, Jiangsu	Huai'an, Jiangsu	Sales		100	Establishment
Fuzhou Haid Feed Co., Ltd.	Fuzhou, Fujian	Fuzhou, Fujian	Production and Sales	100		Establishment
Zhaoqing Gaoyao Haid Biological Technology Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales	100		Establishment
Nanning Haid Biotechnology Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	100		Establishment
Ganzhou Hailong Feed Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Guangzhou Haiyuan Microfinance Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Micro-credit service	100		Establishment
Guangdong Haid Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Establishment
Jiangmen Rongchuan Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chongqing Kaizhou Haid Biotechnology Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Meizhou Haid Biotechnology Co., Ltd.	Meizhou, Guangdong	Meizhou, Guangdong	Production and Sales	70		Establishment
Yicheng Haid Biological Technology Co., Ltd.	Xiangyang, Hubei	Xiangyang, Hubei	Production and Sales	100		Establishment
Heshan Ronghai Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Hexian Haid Biotechnology Co., Ltd.	Ma'anshan, Anhui	Ma'anshan, Anhui	Research and Trading	100		Establishment
Guangzhou Nansha Haid Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Guangzhou Mingersi Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment		100	Other method
Guangzhou Shunkang Aquaculture Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Tianjin Rongchuan Feed Co., Ltd.	Tianjin	Tianjin, China	Production and Sales	70		Establishment
Zhanjiang Rongda Feed Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Sales	100		Establishment
Huainan Haid Biological Feed Co., Ltd.	Huainan, Anhui	Huainan, Anhui	Production and Sales	100		Establishment
Maoming Haid Biological Technology Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Sales	100		Establishment
Guangzhou Ronghai Breeding Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Zhongshan City Seawater Production And Aquaculture Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Production and Sales		80	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Rongda Aquatic Products Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		70	Establishment
Jiangmen Ronghai Aquaculture Technology Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales		100	Establishment
Zhongshan Yugezi Food Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Slaughtering service		60	Business combination involving entities not under common control
Guangxi Ronghai Fishery Co., Ltd.	Fangchenggang, Guangxi, China	Fangchenggang, Guangxi, China	Production and Sales		70	Establishment
Zhongshan Rongda Aquatic Seed Co., Ltd.	Zhongshan, Guangdong	Zhongshan, Guangdong	Production and Sales		51	Establishment
Guangzhou Hairong Food Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		80	Establishment
Foshan Rongda Aquatic Seed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		51	Establishment
Guangzhou Ronghai Seedling Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		75	Establishment
Sichuan Rongchuan Feed Co., Ltd.	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Yulin Haid Feed Co., Ltd.	Yulin, Guangxi	Yulin, Guangxi	Production and Sales	100		Establishment
Sichuan Haile Agriculture and Animal Husbandry Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales	55		Establishment
Yichang Zhihai Agriculture and Animal Husbandry Co., Ltd.	Yichang, Hubei	Yichang, Hubei	Production and Sales		72	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Mianyang Zhonggui Feed Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales		72	Establishment
Dali Haiwang Feed Co., Ltd.	Dali, Yunan	Dali, Yunan	Production and Sales		70	Establishment
Dali Haizhi Trade Co., Ltd.	Dali, Yunan	Dali, Yunan	Sales		100	Establishment
Yunnan Zhonggui Feed Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Production and Sales		80	Business combination involving entities not under common control
Chongqing Haizhi Feed Co., Ltd.	Chongqing, China	Chongqing, China	Sales		90	Establishment
Chongqing Hainong Veterinary Service Co., Ltd.	Chongqing, China	Chongqing, China	Sales		100	Establishment
Guiyang Haid Zhihai Feed Co., Ltd.	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales		70	Establishment
Qujing Zhihai Feed Co., Ltd.	Qujing, Yunnan	Qujing, Yunnan	Production and Sales		100	Establishment
Haile (Luliang) Biotechnology Co., Ltd.	Qujing, Yunnan	Qujing, Yunnan	Sales		100	Establishment
Yibin Zhihai Feed Co., Ltd.	Yibin, Sichuan	Yibin, Sichuan	Production and Sales		100	Establishment
Meishan Haidzhihai Feed Co., Ltd.	Meishan, Sichuan	Meishan, Sichuan	Sales		83	Establishment
Yibin Yucan Veterinary Service Co., Ltd.	Yibin, Sichuan	Yibin, Sichuan	Sales		100	Establishment
Guangzhou Xingnong Ecological Agriculture and Animal Husbandry Development Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Ezhou Haifeng Ecological Agriculture Co., Ltd.	Ezhou, Hubei Province	Ezhou, Hubei	Production and Sales		80	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Qingyuan Ronghai Breeding Technology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	96.67	3.33	Business combination involving entities not under common control
Guangzhou Haiyin Financing Guarantee Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Financing guarantee	100		Establishment
Qinzhou Hailong Feed Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Hainan Haid Biotechnology Co., Ltd.	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment
Liuzhou Haid Feed Co., Ltd.	Liuzhou, Guangxi	Liuzhou, Guangxi	Production and Sales	100		Establishment
Jiangsu Dachuan Biotechnology Co., Ltd.	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Business combination involving entities not under common control
Zhaoqing Ronghai Aquaculture Technology Co., Ltd.	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales	100		Establishment
Gaoan Haid Biotechnology Co., Ltd.	Yichun, Jiangxi	Yichun, Jiangxi	Production and Sales	100		Establishment
Shanghai Gaohaid Biotechnology Co., Ltd.	Shanggao, Jiangxi	Shanggao, Jiangxi	Production and Sales	100		Establishment
Qingyuan Hailong Biological Technology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Guangdong Qingyuan Guanghong Feed Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales		60	Establishment
Guangdong Haid International Trade Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Nansha Haid Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Yancheng Haiwei Biological Technology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Hainan Haid Aquatic Seed Industry Development Co., Ltd.	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment
Wuzhou Haid Biotechnology Co., Ltd.	Wuzhou, Guangxi, China	Wuzhou, Guangxi, China	Production and Sales	100		Establishment
Dongguan Haiqi Feed Co., Ltd.	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Establishment
Zhangzhou Haiheng Feed Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	100		Establishment
Deyang Dachuan Agriculture and Animal Husbandry Technology Co., Ltd.	Deyang, Sichuan	Deyang, Sichuan	Production and Sales	100		Establishment
Mianyang Hailong Feed Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales	70		Establishment
Meishan Haid Biotechnology Co., Ltd.	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Guangzhou Nongzhidao Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	60		Establishment
Yingkou Dachuan Feed Technology Co., Ltd.	Yingkou, Liaoning	Yingkou, Liaoning	Production and Sales	100		Establishment
Jiesou Haid Feed Co., Ltd.	Fuyang, Anhui	Fuyang, Anhui	Production and Sales	100		Establishment
Anlu Haid Feed Co., Ltd.	Xiaogan, Hubei	Xiaogan, Hubei	Production and Sales	100		Establishment
Jingzhou Haihe Biological Technology Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Chenzhao Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Hainan Zhuangmei Agriculture and Animal Husbandry Co., Ltd.	Danzhou, Hainan	Danzhou, Hainan	Production and Sales	100		Business combination involving entities not under common control
Yancheng Runchuan Agricultural Science And Technology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Zigong Hailong Biological Technology Co., Ltd.	Zigong, Sichuan	Zigong, Sichuan	Production and Sales	100		Establishment
Jiangxi Jiabo Biological Engineering Co., Ltd.	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales	60		Business combination involving entities not under common control
Jiangxi Gunan Herbal Science And Technology Collaborative Innovation Co., Ltd.	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Jiangxi Renxin Tang Biotechnology Co., Ltd.	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Guangxi Rongchuan Feed Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	100		Establishment
Dali Haid Biotechnology Co., Ltd.	Dali, Yunan	Dali, Yunan	Production and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Haid Technology Development Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Heshan Haiwei Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Ganzhou Lianduoli Feed Technology Co., Ltd.	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	70		Business combination involving entities not under common control
Maoming Haiwei Feed Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Production and Sales	70		Establishment
Leizhou Hailong Biotechnology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales	100		Establishment
Sichuan Hailong Biotechnology Co., Ltd.	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Qinzhou Haiwei Feed Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Yancheng Rongchuan Biotechnology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Nanning Dachuan Biotechnology Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	100		Establishment
Yongzhou Haid Biotechnology Co., Ltd.	Yongzhou, Hunan	Yongzhou, Hunan	Production and Sales	100		Establishment
Baotou Haicheng Feed Co., Ltd.	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Production and Sales	51		Establishment
Jiangsu Haid Biotechnology Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Guiyang Haid Biotechnology Co., Ltd.	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales	100		Establishment
Wuwei Haimu Biotechnology Co., Ltd.	Wuwei, Gansu	Wuwei, Gansu	Production and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guilin Haid Biotechnology Co., Ltd.	Guilin, Guangxi	Guilin, Guangxi	Production and Sales	100		Establishment
Inner Mongolia Haid Feed Co., Ltd.	Bayannur, Inner Mongolia	Bayannur, Inner Mongolia	Production and Sales	100		Establishment
Guiyang Dachuan Biotechnology Co., Ltd.	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales	100		Establishment
Xingtai Haid Biotechnology Co., Ltd.	Xingtai, Hebei	Xingtai, Hebei	Production and Sales	100		Establishment
Foshan Lianduoli Feed Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Sales	100		Establishment
Guangdong Haifulai Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Liupanshui Haid Biotechnology Co., Ltd.	Liupanshui, Guizhou	Liupanshui, Guizhou	Production and Sales	100		Establishment
Guangdong Haiqi Investment Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Heze Haiboyoumei Technical Service Co., Ltd.	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Hubei Haiqi Technical Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Sales		100	Establishment
Kaifeng Haiqi Technical Service Co., Ltd.	Kaifeng, Henan	Kaifeng, Henan	Sales		100	Establishment
Sichuan Haiqi Biotechnology Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Sales		100	Establishment
Xishui Haiqi Technical Service Co., Ltd.	Huanggang, Hubei	Huanggang, Hubei	Sales		100	Establishment
Kunming Haiqi Technical Service Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Mianyang Haiqi Breeding Technology Service Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Sales		100	Establishment
Yaan Haiqi Breeding Technology Service Co., Ltd.	Ya'an Sichuan	Ya'an Sichuan	Sales		100	Establishment
Nanchang Haiqi Veterinary Medicine Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Sales		100	Establishment
Hengyang Haiqi Technical Service Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Sales		100	Establishment
Jingzhou Haiqi Technical Service Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Sales		100	Establishment
Jingshan Haiqi Technical Service Co., Ltd.	Jingmen, Hubei	Jingmen, Hubei	Sales		100	Establishment
Huaihua Haiqi Technical Service Co., Ltd.	Huaihua, Hunan	Huaihua, Hunan	Sales		100	Establishment
Jieshou Haiqi Technical Service Co., Ltd.	Fuyang, Anhui	Fuyang, Anhui	Sales		100	Establishment
Changde Haider Veterinary Medicine Management Co., Ltd.	Changde, Hunan	Changde, Hunan	Sales		100	Business combination involving entities not under common control
Guangzhou Haiki Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		100	Establishment
Meizhou Haiqi Technology Co., Ltd.	Meizhou, Guangdong	Meizhou, Guangdong	Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhangzhou Haiqi Veterinary Medicine Co., Ltd.	Zhangzhou, Fujian	Zhangzhou, Fujian	Sales		100	Establishment
Maoming Haiqi Technology Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Sales		100	Establishment
Yangjiang Haiqi Technology Co., Ltd.	Yangjiang, Guangdong	Yangjiang, Guangdong	Sales		100	Establishment
Qingyuan Haiqi Technology Co., Ltd.	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales		100	Establishment
Gansu Muqi Agricultural Technology Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Sales		22	Establishment
Raoping Haide Biotechnology Co., Ltd.	Chaozhou, Guangdong	Chaozhou, Guangdong	Sales		51	Business combination involving entities not under common control
Yulin Haiqi Biotechnology Co., Ltd.	Yulin, Guangxi	Yulin, Guangxi	Sales		100	Establishment
Qinzhou Pubei Haiqi Biotechnology Co., Ltd.	Qinzhou, Guangxi	Qinzhou, Guangxi	Sales		100	Establishment
Xingtai Haiqi Breeding Technology Service Co., Ltd.	Xingtai, Hebei	Xingtai, Hebei	Sales		100	Establishment
Suixi Haihe Veterinary Medicine Co., Ltd.	Suixi, Zhanjiang	Suixi, Zhanjiang	Production and Sales		100	Business combination involving entities not under common control
Yangchun Haihe Veterinary Medicine Co., Ltd.	Yangchun, Guangdong	Yangchun, Guangdong	Sales		100	Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Luoding Haihe Veterinary Medicine Co., Ltd.	Luoding, Guangdong	Luoding, Guangdong	Sales		100	Business combination involving entities not under common control
Yangling Haiqi Agricultural Technology Co., Ltd.	Yangling, Shanxi	Yangling, Shanxi	Production and Sales		100	Establishment
Yangling Huashite Testing Technology Co., Ltd.	Yangling, Shanxi	Yangling, Shanxi	Production and Sales		100	Establishment
Bobai Haihe Veterinary Medicine Co., Ltd.	Bobai, Guangxi	Bobai, Guangxi	Sales		100	Business combination involving entities not under common control
Guangzhou Haifeng Breeding Service Co., Ltd.	Panyu, Guangzhou	Panyu, Guangzhou	Production and Sales		100	Establishment
Nanning Haililai Biotechnology Co., Ltd.	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	70		Establishment
Shaoyang Haid Feed Co., Ltd.	Shaoyang, Hunan	Shaoyang, Hunan	Production and Sales	100		Establishment
Jiangmen Debao Group Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	80		Business combination involving entities not under common control
Guangzhou Denong Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		59	Business combination involving entities not under common control

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Foshan Dazhi Biotechnology Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Taishan Debao Feed Co., Ltd.	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Maoming Debao Agriculture and Animal Husbandry Co., Ltd.	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		51	Business combination involving entities not under common control
Guangzhou Debaonongshan Feed Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		59	Business combination involving entities not under common control
Foshan Hanheng Luggage Manufacturing Co., Ltd.	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Shaoguan Dachuan Biotechnology Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales	100		Establishment
Liaoning Haid Biotechnology Co., Ltd.	Shenyang, Liaoning	Shenyang, Liaoning	Production and Sales	100		Establishment
Guizhou Hailongwang Biotechnology Co., Ltd.	Qiannan, Guizhou	Qiannan, Guizhou	Sales	100		Establishment
Guangdong Huashite Testing Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Hebei Haimu Biotechnology Co., Ltd.	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production and Sales	100		Establishment
Dali Dachuan Biotechnology Co., Ltd.	Dali, Yunan	Dali, Yunan	Production and Sales	100		Establishment
Yunnan Hairui Biotechnology Co., Ltd.	Qujing, Yunnan	Qujing, Yunnan	Production and Sales	64		Establishment
Henan Haidajiuzhou Biotechnology Co., Ltd.	Zhumadian, Henan	Zhumadian, Henan	Production and Sales	75		Establishment
Enshi Haida Biotechnology Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Production and Sales	100		Establishment
Ningguo Haid Biotechnology Co., Ltd.	Xuancheng, Anhui	Xuancheng, Anhui	Production and Sales	65		Establishment
Chaozhou Haid Biotechnology Co., Ltd.	Chaozhou, Guangdong	Chaozhou, Guangdong	Sales	100		Establishment
Tianjin Haixin Biotechnology Co., Ltd.	Tianjin	Tianjin, China	Production and Sales	100		Establishment
Haixin Biological (Beijing) Technology Co., Ltd.	Beijing	Beijing	Sales		100	Establishment
Dalian Haixin Biotechnology Co., Ltd.	Dalian, Liaoning	Dalian, Liaoning	Production and Sales		100	Establishment
Shenzhen Haixin Biotechnology Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and Sales		100	Establishment
Nanshan Haid Biotechnology (Jinhu) Co., Ltd.	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	70		Establishment
Tongliao Haid Biotechnology Co., Ltd.	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Production and Sales	100		Establishment
Guangzhou Haihan Finance Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service	100		Establishment
Nantong Fengmu Trading Co., Ltd.	Nantong, Jiangsu	Nantong, Jiangsu	Trading		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Sichuan Haimufeng Agriculture Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales		100	Establishment
Guangdong Haizhihui Breeding Technology Service Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	53	15	Establishment
Guangzhou Nansha Haishengyuan Aquaculture Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		100	Establishment
Leizhou Yuexiu Haishengyuan Shrimp Farming Technology Co., Ltd.	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		80	Establishment
Dongying Haishengyuan Aquaculture Co., Ltd.	Dongying, Shandong	Dongying, Shandong	Production and Sales		100	Establishment
Weifang Haixin Biotechnology Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Establishment
Wudi Haishengyuan Aquaculture Co., Ltd.	Binzhou, Shandong	Binzhou, Shandong	Production and Sales		60	Establishment
Jiangsu Haiwei Feed Co., Ltd.	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Establishment
Guangdong Hairuike Biotechnology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Hubei Haid Seed Technology Co., Ltd.	Ezhou, Hubei Province	Ezhou, Hubei	Research and Sales	100		Establishment
Qianjiang Hailong Biotechnology Co., Ltd.	Qianjiang, Hubei	Qianjiang, Hubei	Production and Sales	100		Establishment
Pingjiang Bairuilai Biotechnology Co., Ltd.	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		100	Establishment

Subsidiary	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhuhai Chenzhe Private Equity Fund Management Co., Ltd.(Note 5)	Zhuhai, Guangdong	Zhuhai, Guangdong	Investment	100		Establishment
Guiyang Haiyue Feed Technology Co., Ltd.	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales	100		Establishment
Inner Mongolia Haishan Feed Co., Ltd.	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Production and Sales	60		Establishment
Huizhou Haid Biotechnology Co., Ltd.	Huizhou, Guangdong	Huizhou, Guangdong	Production and Sales	100		Other method
Guangzhou Hualaike Testing Technology Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
HuaiBei Haid Bio-Feed Co., Ltd.	HuaiBei, Anhui	HuaiBei, Anhui	Production and Sales	100		Establishment

Note:

Note 1: Chongqing Zhihai Feed Co., Ltd., a subsidiary of the Company, is renamed as Chongqing Kaizhou Haid Biotechnology Co., Ltd. in May 2022.

Note 2: Guangzhou Haijingzhou Food Co., Ltd., a subsidiary of the Company, is renamed as Guangzhou Hailingxian Food Co., Ltd. in September 2022.

Note 3: Foshan Nanhai Bairong Aquatic Farming Co., Ltd., a subsidiary of the Company, is renamed as Guangdong Bairong Aquatic Farming Group Co., Ltd. in November 2022.

Note 4: Yichang Zhihai Feed Co., Ltd., a subsidiary of the Company, is renamed as Yichang Haid Feed Co., Ltd. in December 2022.

Note 5: Guangzhou Chenzhe Private Equity Fund Management Co., Ltd., a subsidiary of the Company, is renamed as Zhuhai Chenzhe Private Equity Fund Management Co., Ltd. in December 2022.

## (2).Significant Non-Wholly-Owned Subsidiaries

Subsidiary (abbreviation)	Non-controlling interests (%)	Profit/Loss of Current Period attributable to non-controlling interests	Dividends declared for non-controlling interests for Current Period	Closing balance of non-controlling interests
Panasia Trading	20.00	22,988,263.04	13,941,925.38	136,713,829.32
Shandong Haiding	45.00	76,460,307.55	33,167,863.49	235,032,616.94

## (3).Key Financial Information of Significant Non-Wholly-Owned Subsidiaries

Subsidiary (abbreviation)	2022.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Panasia Trading	1,201,755,450.19	496,389,851.83	1,698,145,302.02	977,618,722.57	626,605.20	978,245,327.77
Shandong Haiding	1,560,583,808.64	630,327,189.61	2,190,910,998.25	1,537,330,238.02	166,389,660.67	1,703,719,898.69

Continued (1):

Subsidiary (abbreviation)	2021.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Panasia Trading	1,041,583,593.00	482,669,272.72	1,524,252,865.72	874,998,238.72	2,034,184.17	877,032,422.89
Shandong Haiding	1,501,456,082.84	617,533,675.16	2,118,989,758.00	1,549,446,712.91	180,554,149.11	1,730,000,862.02

Continued (2):

Subsidiary (abbreviation)	Year ended 31/12/2022				Year ended 31/12/2021			
	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities
Panasia Trading	2,968,144,224.88	114,941,315.28	114,941,315.28	24,156,750.04	2,838,094,540.65	141,931,732.62	141,931,732.62	181,226,632.98

Subsidiary (abbreviation)	Year ended 31/12/2022				Year ended 31/12/2021			
	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities
Shandong Haiding	13,844,136,373.67	159,616,908.56	159,616,908.56	177,773,058.38	10,595,571,903.24	195,858,612.51	195,858,612.51	282,811,242.41

## (4). Transactions caused the change in Share of Owner's Equity of Subsidiaries but control the Subsidiaries

## ① Changes in Share of Owner's Equity of Subsidiaries

Subsidiary	Timing of equity Changed	Shareholding percentage before changes (%)		Shareholding percentage after changes (%)	
		Direct	Indirect	Direct	Indirect
Sanya Fengmu Agricultural Development Co., Ltd.	2022-1		100.00		70.00
Yibin Zhihai Feed Co., Ltd.	2022-1		100.00		55.00
Shijiazhuang Huilong Feed Co., Ltd.	2022-2		65.00		100.00
Handan Huilong Feed Co., Ltd.	2022-2		65.00		100.00
Jingtai Haijingzhou Fishery Technology Co., Ltd.	2022-4		55.00		100.00
Guangdong Hisenor Group Co., Ltd.	2022-4		70.00		85.00
Hunan Yitun Ecological Agriculture Co., Ltd.	2022-5		93.00		100.00
Guangdong Haizhihui Breeding Technology Service Co., Ltd.	2022-6	100.00		53.00	15.00

## ② Impact of Transactions on Non-Controlling Interests and Owner's equity Attributable to the parent company

Item	Sanya Fengmu Agricultural Development Co., Ltd.	Yibin Zhihai Feed Co., Ltd.	Shijiazhuang Huilong Feed Co., Ltd.	Handan Huilong Feed Co., Ltd.
<b>Acquisition cost / consideration of disposal</b>				
--Cash	1,738,656.96	-	3,444,000.00	2,310,000.00
--Fair value of non-cash assets	-	-	-	-
<b>Total acquisition cost / consideration of disposal</b>	1,738,656.96	-	3,444,000.00	2,310,000.00
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	-1,801,918.34	-7,384,094.46	3,342,260.91	2,247,919.28
<b>Difference: Adjustment to capital reserve</b>	3,540,575.30	7,384,094.46	-101,739.09	-62,080.72

Continued:

Item	Jingtai Haijingzhou Fishery Technology Co., Ltd.	Guangdong Hisenor Group Co., Ltd.	Hunan Yitun Ecological Agriculture Co., Ltd.	Guangdong Haizhihui Breeding Technology Service Co., Ltd.
<b>Acquisition cost / consideration of disposal</b>				
--Cash	450,000.00	52,529,136.37	205,976.59	-
--Fair value of non-cash assets	-	-	-	-
<b>Total acquisition cost / consideration of disposal</b>	450,000.00	52,529,136.37	205,976.59	-
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	-7,162,821.01	26,141,442.14	-9,447,703.11	-3,532,860.31
<b>Difference: Adjustment to capital reserve</b>	-7,612,821.01	-26,387,694.23	-9,653,679.70	3,532,860.31

## 2 Interests in Associates

① The Group had no significant joint ventures or associates during the period

② Summary of Financial Information of Insignificant Associates

Item	2022.12.31/ Year ended 31/12/2022	2021.12.31/ Year ended 31/12/2021
<b>Associates:</b>		
Total carrying amount of investments	315,182,888.17	301,076,512.33
Totals calculated as shareholding percentage		
--Net profit	46,505,412.37	-1,702,059.18
--Other comprehensive income	-	-
--Total comprehensive income	46,505,412.37	-1,702,059.18

## VIII. Risks Management of Financial Instruments

The main financial instruments of the Group include cash at bank and on hand, held-for-trading financial assets, notes receivable, accounts receivable, other receivables, other current assets, entrusted loan issued and advances to customer, other non-current financial assets, long-term receivables, short-term loans, held-for-trading liabilities, notes payable, accounts payable, other payables, non-current liabilities due within one year, long-term loans, lease liability and long-term payables. Details of various financial instruments have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Group to reduce these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are controlled within a limited range.

### 1. Objectives and Policies of Risk Management

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

The Group's purpose in risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risk on the Group's operating performance. Based on the purpose of risk management, the basic strategy of the Group's risk management is to identify and analyze various kind of risks faced by the Group, set up an appropriate risk tolerance bottom line and design the internal control process to monitor the risk level. The Group reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Group's internal audit department also reviews regularly or randomly whether the performance of internal control system is complied with the risk management policy.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks and cover many aspects such as management of market risk, credit risk and liquidity risk. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. Risk management of the Group is carried out by the relevant departments in accordance with the policies approved by the Board of Directors, and these departments identify, evaluate and hedge relevant risks through close cooperation with other business units of the Group.

The Group diversifies the risks of financial instruments through appropriate diversified investments and business portfolios, and reduces the risk of concentration in a single industry, specific region, or specific counterparty by formulating appropriate risk management policies.

#### (1) Credit Risk

Credit risk refers to the risk that the counterparty fails to fulfill its contractual obligations, resulting in financial losses to the Group.

The Group manages credit risk on the basis of portfolio. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable, other receivables, entrusted loan issued and advances to customer etc.

The Group's bank deposits are mainly deposited in financial institutions with reputation and high credit ratings. The Group expects that the credit risk of bank deposits is low.

With regard to notes receivable, accounts receivable, other receivables, loans and advances to customers, the Group establishes relevant policies to control credit risk exposure. The Group assesses the credit qualification of customers based on their financial status, credit records and other factors, such as current market conditions, and sets corresponding credit periods. The Group monitors the credit records of customers on a regular basis. For customers with poor credit records, the Group will issue reminders in writing, shorten the credit period or cancel the credit period, so as to ensure that the overall credit risk of the Group is within the controllable range.

The debtors of the Group are spread in different industry and geographic region. The Group continuously performs credit assessment on the debtors and purchase credit guarantee insurance when necessary.

The Group's maximum tolerated credit risk exposure is the book value of every financial asset on the balance sheet. The Group also faces credit risk for providing financial guarantee. Please refer to Note XII. 2.

Accounts receivable due from the top five customers of the Group account for 10.35% of total accounts receivable (2021: 15.43%).

#### (2) Liquidity Risk

Liquidity risk is the risk that the Group is short of funds to deliver cash or other financial assets or meet other settlement obligations.

Each subsidiary of the Group is responsible for cash flow forecast. The financial companies of the Group

monitors the long-term and short-term capital requirements at the group level based on the cash flow forecasts of each subsidiary. The Group coordinates the surplus funds within the group through the funding pool plan setup in the large financial institutions, and ensure that each member has sufficient cash reserves to meet the payment obligations due for settlement. In addition, the Group entered into financing credit agreements with main business banks to support the Group in meeting its obligations related to commercial bills.

The Group raises working capital through funds generated from operating business, bank and other borrowings. As of December 31, 2022, the Group's unused bank loan amount was RMB 205, 54 million (December 31, 2021: RMB 16,501 million).

### (3) Market Risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other price risk.

#### Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can arise from confirmed interest-bearing financial instruments and unrecognized financial instruments.

The Group's interest rate risk mainly arises from long-term and short term interest-bearing bank loans. Financial liabilities with floating interest rates causes interest rate risks in cash flow to the Group and Financial liabilities with fixed interest rates causes interest rate risks in fair value to the Group. The Group determines the proportion of fixed and floating interest rate contracts according to current market situation and maintain the appropriate mixture of the instruments with fixed and floating interest rate by regular review and monitoring.

The Group closely monitors the impact of changes in interest rates on the Group's interest rate risk. The Group does not currently have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate exposures as and when required. An increase in interest rates could increase the cost of new interest-bearing debt and interest expense on the Group's outstanding interest-bearing debt with floating interest rates and have a material adverse effect on the Group's financial results. Management will make timely adjustments based on the latest market conditions, which may be in the form of interest rate swap arrangements to reduce interest rate risk.

#### Foreign Exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of fair value or future cash flow of financial instrument due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instrument measured at foreign currency instead of reporting currency.

The Group's principal business is operated in China and settled in RMB. The raw materials purchased and imported by the Group have achieved a certain scale, and there is an increase in the transactions amount of overseas subsidiaries of the Group overseas uses with other currencies other than RMB as their functional currency. Therefore, fluctuations in RMB exchange rate have exerted certain impact on the Group's business operations.

As of December 31, 2022, the Group's major monetary items in foreign currencies are financial assets and financial liabilities denominated in US dollar, Vietnamese dong, rupee (refer to Note V. 68 (1) Monetary items in foreign currencies for more details). Since other currencies are used less frequently and the amount is relatively small, changes in their exchange rates has no significant impact on the business activities of the Group.

The Group closely monitors the impact of exchange rate movements on the Group's exchange rate risk and continuously monitor the size of the Group's foreign currency transactions and foreign currency assets and liabilities in order to minimize its exposure to foreign exchange risk. To this end, the Group seeks to hedge its foreign exchange risk by entering into forward exchange contracts or currency swap contracts as

appropriate.

#### Other price risk

Other price risk is the fluctuation risk due to the changes of market prices besides foreign exchange risk and interest rate risk due to whether individual financial instrument or its issuer or all similar financial instruments traded in the market. It may be affected by the changes of the price of goods or equity instrument. Other price risk can arise from changes in commodity prices, stock market indices, equity instrument prices, and other risk variables.

The Company upholds the basic principle of serving spot goods -- the spot procurement program, and regards risk control as the core principle. Meanwhile, it will adopt one or more than one arbitrage tool for hedging to avoid the commodity price risk and credit risk etc., and changes in the fair value or cash flow of the arbitrage tool are expected to offset all or part of the changes in the fair value or cash flow of the hedged item, in which way, the impact of price fluctuations in raw materials and commodities on production and operations can thus be mitigated.

## 2. Capital Management

The objective of the Group's capital management policy is to safeguard the Group's ability to continue as a going concern, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

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

The Group monitors its capital structure on the basis of gearing ratio (i.e. total liabilities divided by total assets). As of December 31, 2022, the Group's gearing ratio was 56.26% (December 31, 2021: 55.25%).

## IX. Disclosures of Fair Value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs: inputs that are unobservable for assets or liabilities. (unobservable input)

### 1. Items and Amount Measured at Fair Value

As at December 31, 2022, assets and liabilities measured at fair value based on the three levels above are shown as follows:

Item	Level 1	Level 2	Level 3	Total
<b>I. Recurring fair value measurement</b>				
1. Held-for-trading financial assets	264,849,757.14	-	435,092,252.61	699,942,009.75
(1) Derivative financial assets	264,849,757.14	-	174,780,440.77	439,630,197.91
(2) Financial Products	-	-	260,311,811.84	260,311,811.84

Item	Level 1	Level 2	Level 3	Total
2. Other non-current financial assets	-	-	266,944,754.12	266,944,754.12
<b>Total assets measured at fair value on a recurring basis</b>	264,849,757.14	-	702,037,006.73	966,886,763.87
3. Held-for-trading financial liabilities	46,533,780.00	-	-	46,533,780.00
<b>Total liabilities measured at fair value on a recurring basis</b>	46,533,780.00	-	-	46,533,780.00

The Group uses the date of occurrence of the event that results in the transition between levels as the point at which the transition between levels is recognized. During the year, there was no transition between Level 1 and Level 2, nor was there any transfer to or from Level 3 in the fair value measurement of the Group's financial assets and financial liabilities.

For financial instruments traded in an active market, the Group determines their fair values using their quoted prices in an active market; for financial instruments not traded in an active market, the Group uses valuation techniques to determine their fair values. The valuation models used are mainly discounted cash flow models and market comparable company models, etc. The inputs to the valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and illiquidity discounts.

## X. Related Parties and Related-Party Transactions

### 1. Parent company

Name	Place of registration	Business nature	Registered capital (RMB ten thousand)	Shareholding ratio in the Company (%)	Percentage of voting rights in the Company (%)
Guangzhou Haihao Investment Co., Ltd. (hereinafter referred to as "Guangzhou Haihao")	Guangzhou, Guangdong	Investment, trading, import and export of commodities and technologies	3,000.00	54.82	54.82

Information on the Company's parent company:

Guangzhou Haihao is the ultimate controlling party of the Company and established on September 27, 2006. Mr. Hua Xue holds a 39.75% of equity in Guangzhou Haihao, is the ultimate controller of the Company.

The ultimate controlling party of the Company is: Xue Hua.

In the reporting period, change of the registered capital of the parent company is as follows:

(RMB ten thousand)

As at 31/12/2021	Addition	Reduction	As at 31/12/2022
3,000.00	-	-	3,000.00

### 2. Information on the subsidiaries of the Company

For information on the subsidiaries of the Company, refer to Note VII.1.

### 3. Information on joint ventures and associates of the Company

Joint ventures and associates that have related party transactions with the Group during this year or previous year are as follows:

Name of joint ventures or associates	Relationship with the Group
Guizhou Fuhai Chemicals Co, Ltd.	Former associate, the Group hold 45%, was cancelled during the period
Bangpu Seed Technology Co., Ltd.	Associate, the Group holds 16% of equity
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Associate, the Group holds 49% of equity
Alaer Ruili Heng Sheng Protein Co., Ltd.	Associate, the Group holds 50% of equity
Wujiaqu Taikun Plant Protein Co., Ltd.	Associate, the Group holds 50% of equity
Guangdong Zhongyu Duck Industry Co.Ltd.	Associate, the Group holds 49% of equity
Sichuan Zhihui Fishing Machine Technology Co., Ltd.	Associate, the Group holds 40% of equity

#### 4. Information on other related parties

Name	Relationship with the Group
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Subsidiary of Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.
Ping'anfa Agriculture Co., Ltd.	A wholly-owned subsidiary of an associate, Vietnam Haid Yingtaogu Farm Co., Ltd.
Guangdong Haihaowan Development Co., Ltd.	Subsidiary of holding shareholder Guangzhou Haihao Investment Co., Ltd.
Guangzhou Haoyue Biotechnology Development Co., Ltd.	Subsidiary of holding shareholder Guangzhou Haihao Investment Co., Ltd.
Guangzhou Haihao Technology Industry Operation Co., Ltd.	Subsidiary of the holding shareholder Guangzhou Haihao Joint Venture
Guangzhou Haishengyuan Industrial Investment Partnership (Limited Partnership)	Limited company owned by directors and management of the Company as general partner
Guangzhou Haizhiyuan Industrial Investment Partnership (Limited Partnership)	Limited company owned by directors and management of the Company as general partner
Zhenxiong Qi	Key management
Mingzhong Chen	Key management
Zhijian Huang	Key management

#### 5. Transactions with related parties

##### (1) Purchases/sales

###### ① Purchase of goods/receiving of services

Related party	Nature of transaction	Year ended 31/12/2022	Year ended 31/12/2021
Guizhou Fuhai Chemicals Co., Ltd.	Raw material	-	207,721,123.58
Alaer Ruili Heng Sheng Protein Co., Ltd.	Raw material	160,656,964.48	12,218,731.52
Wujiaqu Taikun Plant Protein Co., Ltd.	Raw material	169,559,403.43	25,519,785.45
Ping'anfa Agriculture Co., Ltd.	Agricultural products	2,788,201.68	1,091,064.32

Related party	Nature of transaction	Year ended 31/12/2022	Year ended 31/12/2021
Bangpu Seed Technology Co., Ltd	Agricultural products	3,331,880.00	1,714,800.00
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Agricultural products	312,464.00	-

## ② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 31/12/2022	Year ended 31/12/2021
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	85,733,206.56	98,937,016.41
Guizhou Fuhai Chemicals Co, Ltd.	Services	-	77,102.49
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	7,289,347.50	12,443,660.70
Guangdong Zhongyu Duck Industry Co.Ltd.	Feed and animal healthcare products	13,855,118.42	3,189,036.31
Guangdong Haihaowan Development Co., Ltd.	Agricultural products, services and animal healthcare products	116,536.51	180,077.18
Ping'anfa Agriculture Co., Ltd.	Feed and animal healthcare products, service	64,577,209.07	40,868,084.76
Guangzhou Haihao Investment Co., Ltd.	Service	-	1,888.33
Guangzhou Haihao Technology Industry Operation Co., Ltd.	Services	-	11,040.73
Wujiaqu Taikun Plant Protein Co., Ltd.	Services	450,000.00	-
Alaer Ruili Heng Sheng Protein Co., Ltd.	Services	406,785.71	-
Guangzhou Haoyue Biotechnology Development Co., Ltd.	Services	11,490.00	-
Sichuan Zhihui Fishing Machine Technology Co., Ltd.	Agricultural products, Feed and animal healthcare products	7,482.50	-
Bangpu Seed Technology Co., Ltd.	Feed and animal healthcare products	1,100.00	-

## (2) Trust/contracting arrangement

No such transaction during the reporting period.

## (3) Lease

## ① As the lessor

Lessee	Type of assets leased	Lease income recognized in 2022	Lease income recognized in 2021
Guangzhou Haihao Investment Co., Ltd.	House building	54,000.00	51,428.57

② As the lessee

Lessor	Type of assets leased	Lease expense paid in 2022	Lease expense paid in 2021
Mingzhong Chen	House building	1,420,742.90	272,180.00

Note: The price in the above lease with the related party was determined based on market prices upon negotiation.

The Company did not acquire any new right-to-use assets during the year as the lessee.

Interest expense on lease liabilities recognized by the Company as lessee during the year:

Lessor	Type of assets leased	Interest expense recognized in 2022	Interest expense recognized in 2021
Mingzhong Chen	Office	92,332.43	-

(4) Guarantee

No such transaction during the reporting period.

(5) Funding from related party

No such transaction during the reporting period.

(6) Transfer of assets and debt restructuring

The Company and Guangdong Hisenor Group Co., Ltd. employed own capital with Guangzhou Haishengyuan Industrial Investment Partnership (Limited Partnership), Guangzhou Haizhiyuan Industrial Investment Partnership (Limited Partnership) and Ningbo Zhuoyue Enterprise Management Partnership (Limited Partnership) jointly invested capital of RMB 95 million in the subsidiary Guangdong Haizhihui Breeding Technology Service Co., Ltd. The Company and Guangdong Hisenor Group Co., Ltd. increased capital by RMB 48 million and RMB 15 million respectively, while the related party Guangzhou Haishengyuan Industrial Investment Partnership (Limited Partnership), Guangzhou Haizhiyuan Industrial Investment Partnership (Limited Partnership) increased capital by RMB 15 million and RMB 10 million respectively. As of the reporting date, the increased capital has been fully paid.

(7) Remuneration of key management personnel

Information about remuneration is as follows:

(RMB ten thousand)

Item	Year ended 31/12/2022	Year ended 31/12/2021
Remuneration of key management personnel	5,624.34	4,669.52

(8) Other related party transactions

No such transaction during the reporting period.

6. Receivables from and payables to related parties

## (1) Receivables from related parties

Item	Related party	2022.12.31		2021.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	21,600.00	490.32	48,720.00	862.34
Accounts receivable	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	-	-	13,800.00	244.26
Accounts receivable	Guangdong Zhongyu Duck Industry Co.Ltd.	6,791,454.22	1,482,169.01	6,015,742.98	131,183.36
Accounts receivable	Guangdong Haihaowan Development Co., Ltd.	-	-	8,207.36	150.00
Prepayment	Bangpu Seed Technology Co., Ltd	360,000.00	-	2,000,000.00	-
Prepayment	Alaer Ruili Heng Sheng Protein Co., Ltd	961,821.15	-	98,556.00	-
Prepayment	Wujiaqu Taikun Plant Protein Co., Ltd	240,071.72	-	454,475.15	-
Other receivables	Mingzhong Chen	-	-	999,810.00	9,998.10
Other receivables	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	12,544.17	420.23	12,547.53	271.03
Other receivables	Guizhou Fuhai Chemicals Co, Ltd.	-	-	100,000.00	1,000.00
Other receivables	Guangdong Zhongyu Duck Industry Co.Ltd.	5,977,747.20	3,432,594.77	5,977,747.20	2,077,900.68
Other non-current assets	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	-	-	84,565.00	-

Item	Related party	2022.12.31		2021.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Other non-current assets	Sichuan Zhihui Fishing Machine Technology Co., Ltd.	597,000.00	-	-	-
Long-term receivables	Mingzhong Chen	999,810.00	-	-	-

## (2) Payables to related parties

Item	Related party	2022.12.31	2021.12.31
Notes payable	Alaer Ruili Heng Sheng Protein Co., Ltd	35,175,000.00	8,000,000.00
Notes payable	Wujiaqu Taikun Plant Protein Co., Ltd	40,425,000.00	6,000,000.00
Contract Liabilities	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	538,769.56	135,592.12
Contract Liabilities	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	-	8,232.30
Other payables	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	1,849.00	-
Other payables	Zhijian Huang	16,106.82	-
Other payables	Zhenxiong Qi	3,396.70	-
Lease liabilities	Mingzhong Chen	442,919.72	-
Non-current liabilities within 1 year	Mingzhong Chen	1,346,355.78	-

**XI. Share-based Payments**

## 1. Information on share-based payments

Total equity instruments granted by the Company during the year	6,798,400.00
Total equity instruments exercised during the year	-
Total equity instruments forfeited in the current Period	9,232,207.00
Exercise price of outstanding share options at the end of the year and residual life of the share options contracts	(1) The grant price after dividends for the first stock option incentive plan in 2021 was RMB 59.21 per share, with remaining terms of 5.33, 17.33, 29.33, 41.33 and 53.33 months, respectively (2) The grant price after dividends for the 2022 reserved grant stock option plan was RMB 59.21 per share, with remaining terms of 16.50, 28.50, 40.50 and 52.50 months, respectively.
The price of other outstanding equity instruments at the end of the year and residual life of relevant contracts	The grant price of the 2021 fourth phase of Employee Stock Ownership Plan was RMB0.00 per share with a remaining term of 12 months.

## 2. Information on equity-settled share-based payments

Method to determine the fair value of equity instruments at grant dates	Using Black-Scholes option pricing model to calculate fair value of the Company's share options
Basis of the number of equity expected to vest	When the required performance conditions are met for the corresponding periods of the equity instrument incentive plans
Reasons for significant differences of estimation between 31/12/2022 and 31/12/2021	None
Accumulated amount in capital reserve for equity-settled	663,312,538.97
Total expenses recognized for equity-settled share-based	220,848,526.26

## 3. Information on cash-settled share-based payments

No such event during the reporting period.

## 4. Information on modification and termination of share-based payments

No such event during the reporting period.

**XII. Commitments and Contingencies**

## 1. Significant Commitments

As at December 31, 2022, there was no significant commitment to be disclosed.

## 2. Contingencies

## (1) Contingent liabilities arising from guarantee provided to other entities and related financial impacts.

As at December 31, 2022, the Group provided guarantees for the following loans:

Company Name	Guarantee	Amount (RMB ten thousand)	Period	Note
1.Subsidiaries				
Wholly-owned subsidiaries and holding subsidiaries within the scope of consolidation	Bank loan financing and payable for raw material purchased	503,301.79	1-10 years	
2. Other companies				
Farmers and distributors of holding subsidiaries	Guarantees for financings to purchase the Group's products	82,932.40	1-3 years	
<b>Total</b>		<b>586,234.19</b>		

As at December 31, 2022, the Group had no other contingencies to be disclosed.

**XIII. Post balance sheet events**

As at April 21, 2023, the Group had no material post-balance sheet non-adjusting events to be disclosed.

## 1. Profit appropriations after balance sheet date

Profit distributions or dividends proposed	According to the profit distribution plan approved by the Board of Directors on April 21, 2023, it is planned to issue a cash dividend of RMB 4.50 (including tax) for every 10 shares base on the total share capital on the share registration date when the distribution plan is implemented. The distribution plan will be implemented after approval is granted in the general meeting of shareholders
--	---

## 2. Significant sales returns

As at April 21, 2023, the Group had no material sales returns to be disclosed.

## 3. Issue of additional shares

The Company plans to issue shares to Mr Xue Hua, the actual controller, and the number of shares to be issued will not exceed 33,370,411 shares (inclusive) and the amount to be raised will not exceed RMB1,500.00 million (inclusive). In March 2023, the Company received the "Notice of Acceptance of Application for Issuance of Shares to Specified Objects by Guangdong Haid Group Co., Limited " (SZSE Shangshen [2023] No. 212) issued by Shenzhen Stock Exchange, and the application for issuance is currently under review.

## 4. Other events after the balance sheet date

As at April 21, 2023, there was no such event to be disclosed.

**XIV. Other Significant Events**

## 1. Correction of Accounting Errors in Prior Periods

There was no correction of accounting errors in prior periods during the reporting period.

## 2. Significant Debt Restructuring

There was no significant debt restructuring during the reporting period.

## 3. Significant Asset Swap

There was no significant asset swap during the reporting period.

## 4. Transfer and Sales of significant assets

There was no such event during the reporting period.

## 5. Others

There were no other significant events to be disclosed during the reporting period.

**XV. Notes to the Company's financial statements**

## 1. Other Receivables

Item	As at 12/31/2022	As at 12/31/2021
Interest receivables	-	-
Dividends receivables	-	900,009.00
Other receivables	13,125,884,408.71	13,206,320,840.29

Item	As at 12/31/2022	As at 12/31/2021
<b>Total</b>	<b>13,125,884,408.71</b>	<b>13,207,220,849.29</b>

## (1) Dividends Receivable

Item	As at 12/31/2022	As at 12/31/2021
CITIC agricultural industry fund management Co., Ltd.	-	900,009.00
Sub-total	-	900,009.00
Less: Provision for bad and doubtful debts	-	-
<b>Total</b>	<b>-</b>	<b>900,009.00</b>

## (2) Other receivables

## ① Other receivables by aging

Aging	As at 12/31/2022	As at 12/31/2021
Within 1 year	13,118,142,082.44	13,204,957,947.01
1 to 2 years	8,578,062.40	2,109,996.22
2 to 3 years	774,640.00	-
3 to 4 years	-	300,000.00
4 to 5 years	59,809.00	20,292.00
Over 5 years	2,050.00	1,750.00
Sub-total	13,127,556,643.84	13,207,389,985.23
Less: Provision for bad and doubtful debts	1,672,235.13	1,069,144.94
<b>Total</b>	<b>13,125,884,408.71</b>	<b>13,206,320,840.29</b>

## ② Other receivables disclosed by nature

Item	As at 12/31/2022	As at 12/31/2021
Guarantee deposit	129,779,191.38	70,214,309.25
Receivable due from related parties with the scope of consolidation	12,978,097,436.52	13,116,299,469.32
Petty cash	1,034,700.00	3,979,579.03
Others	18,645,315.94	16,896,627.63
<b>Total</b>	<b>13,127,556,643.84</b>	<b>13,207,389,985.23</b>

## ③ Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
Balance at 31/12/2021	1,069,144.94	-	-	1,069,144.94

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
In the current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 3	-	-	-	-
Accrual in the current period	603,090.19	-	-	603,090.19
Reversal in the current period	-	-	-	-
Recovery in the current period	-	-	-	-
Write-off in the current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2022	<b>1,672,235.13</b>	-	-	<b>1,672,235.13</b>

④ Recoveries or reversals of provision for bad and doubtful debts in the current period

Category	2021.12.31	Movement				As at 2022.12.31
		Accrual	Recoveries or reversals	Written-off	Others	
Other receivables	1,069,144.94	603,090.19	-	-	-	1,672,235.13

⑤ There were no written-off in other receivables during current period.

⑥ Other receivables with top five debtors

Debtor	Payment nature	Book balance	Aging	Proportion in total other receivables (%)	Provision for bad and doubtful debts
Unit 7	Receivable due from related parties with the scope of consolidation	1,036,815,164.72	Within one year	7.90	-
Unit 8	Receivable due from related parties with the scope of consolidation	786,070,800.00	Within one year	5.99	-
Unit 9	Receivable due from related parties with the scope of consolidation	442,286,013.40	Within one year	3.37	-

Debtor	Payment nature	Book balance	Aging	Proportion in total other receivables (%)	Provision for bad and doubtful debts
Unit 10	Receivable due from related parties with the scope of consolidation	398,731,308.90	Within one year	3.04	-
Unit 11	Receivable due from related parties with the scope of consolidation	381,165,262.63	Within one year	2.90	-
<b>Total</b>	--	<b>3,045,068,549.65</b>	--	<b>23.20</b>	-

⑦ There were no other receivables associated with government subsidies as at December 31, 2022.

⑧ No other receivables were derecognized due to transfer of financial assets during the current period.

⑨ There were no such cases during current period where the Group had transferred an other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

## 2. Long-Term Equity Investments

Item	2022.12.31			2021.12.31		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investment in Subsidiary	9,492,891,848.44	-	9,492,891,848.44	6,302,346,221.96	-	6,302,346,221.96
Investment in Associate	10,518,210.65	-	10,518,210.65	28,837,926.09	-	28,837,926.09
<b>Total</b>	<b>9,503,410,059.09</b>	-	<b>9,503,410,059.09</b>	<b>6,331,184,148.05</b>	-	<b>6,331,184,148.05</b>

### (1) Investment in Subsidiary

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
BINH DINH HAI LONG CO.,LTD	150,782.79	-	-	150,782.79	-	-
DONG NAI HAID FARM COMPANY LIMITED	107,112.62	-	-	107,112.62	-	-
HAI DAI COMPANY LIMITED	31,600.82	-	-	31,600.82	-	-
HAI DUONG HAID COMPANY LIMITED	1,538,324.60	-	-	1,538,324.60	-	-
HAID (ECUADOR) FEED CIA.LTDA.	762,576.62	755,188.64	-	1,517,765.26	-	-
Haid Egypt Co.,Ltd	626,139.68	-	-	626,139.68	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
HAID FEED COMPANY LIMITED	1,006,362.53	-	-	1,006,362.53	-	-
Haid International Group Limited	244,647,447.12	42,070.78	-	244,689,517.90	-	-
Haid Lanking International Trading Inc.	93,722.45	80,331.46	-	174,053.91	-	-
HISENOR VIET NAM AQUATIC BREEDING CO.,LTD	113,427.06	77,437.30	190,864.36	-	-	-
KINGHILL HOLDINGS PTE.LTD.	174,904,736.80	177,743,156.72	-	352,647,893.52	-	-
LANKING PTE.LTD.	472,920,568.14	158,188,111.00	-	631,108,679.14	-	-
LONG SHENG INTERNATIONAL CO.,LTD	115,643.73	100,004.47	-	215,648.20	-	-
PT HISENOR TECHNOLOGY INDONESIA	259,119.01	-	-	259,119.01	-	-
PT.HAIDA AGRICULTURE INDONESIA	1,710,431.88	-	-	1,710,431.88	-	-
PT.HAIDA SURABAYA TRADING	131,284.06	-	-	131,284.06	-	-
SHENG LONG BIO-TECH INTERNATIONAL CO.,LTD	2,000,138.72	904,401.32	-	2,904,540.04	-	-
SHENG LONG INTERNATIONAL LTD.	262,308.02	-	-	262,308.02	-	-
SHENGLONG BIO-TECH(INDIA)PRIVATE LIMITED	619,294.98	296,967.34	-	916,262.32	-	-
THANG LONG(VINH LONG)BIOTECH CO.,LTD	8,383.38	143,818.76	-	152,202.14	-	-
VINH LONG HAI DAI CO.,LTD	775,536.47	-	-	775,536.47	-	-
Anhui Haid Feed Co., Ltd.	12,271,122.13	428,137.27	-	12,699,259.40	-	-
Anlu Haid Feed Co., Ltd.	19,998.26	20,353,356.39	-	20,373,354.65	-	-
Anyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	213,664.48	109,261.69	-	322,926.17	-	-
Anyang Haiyue Feed Technology Co., Ltd.	42,655.47	58,356.40	-	101,011.87	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Anshan Dachuan Feed Technology Co., Ltd.	613,130.03	2,500,000.00	-	3,113,130.03	-	-
Baotou Haicheng Feed Co., Ltd.	5,100,000.00	-	5,100,000.00	-	-	-
Baoji Haid Agriculture and Animal Husbandry Co., Ltd.	-	50,576.15	-	50,576.15	-	-
Binyang County Hejiyitun Ecological Agriculture Co., Ltd.	88,662.27	81,302.72	-	169,964.99	-	-
Binyang Yitun Ecological Agriculture Co., Ltd.	653,667.93	517,481.62	-	1,171,149.55	-	-
Binzhou Haiding Feed Co., Ltd.	203,798.37	176,237.38	-	380,035.75	-	-
Binzhou Haiying Food Co., Ltd.	59,717.66	428.17	-	60,145.83	-	-
Changyi Haijingzhou Biological Technology Co., Ltd.	230,339.58	466,140.76	-	696,480.34	-	-
Changzhou Haid Bio-Feed Co., Ltd.	28,420,598.54	2,780,373.27	-	31,200,971.81	-	-
Chengdu Haid Biotechnology Co., Ltd.	18,883,644.71	1,385,304.26	-	20,268,948.97	-	-
Chengnan Development Zone Hairong Livestock Farming Service Specialized Cooperative	76,811.52	-	76,811.52	-	-	-
Dali Dachuan Biotechnology Co., Ltd.	109,930.03	10,201,711.52	-	10,311,641.55	-	-
Dali Haid Biotechnology Co., Ltd.	-	15,021,795.37	-	15,021,795.37	-	-
Dali Haiwang Feed Co., Ltd.	135,843.68	76,628.04	-	212,471.72	-	-
Dalian Haid Rongchuan Trading Co., Ltd.	50,465,521.32	76,086.89	-	50,541,608.21	-	-
Shanxian Zhongyi Haiding Feed Co., Ltd.	729,762.76	454,534.75	-	1,184,297.51	-	-
Deyang Dachuan Agriculture and Animal Husbandry Technology Co., Ltd.	397,084.74	40,767,698.80	-	41,164,783.54	-	-
Dingtao Haiding Feed Co., Ltd.	176,883.49	-	176,883.49	-	-	-
Dingtao Hairong Livestock Farming Service Specialized Cooperative	274,203.58	-	274,203.58	-	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Dongguan Haid Feed Co., Ltd.	23,236,380.49	1,276,625.96	-	24,513,006.45	-	-
Dongguan Haiqi Feed Co., Ltd.	339,336.54	76,549.98	-	415,886.52	-	-
Dongying Haijingzhou Biotechnology Co., Ltd.	30,632.65	109,681.55	-	140,314.20	-	-
Duyun Yitun Ecological Agriculture Co., Ltd.	562,809.34	327,940.71	-	890,750.05	-	-
Ezhou Haid Feed Co., Ltd.	5,080,707.50	1,197,996.11	-	6,278,703.61	-	-
Ezhou Haifeng Ecological Agriculture Co., Ltd.	108,534.49	93,856.65	-	202,391.14	-	-
Enping Fengwo Agriculture and Animal Husbandry Co., Ltd.	649,531.02	255,434.31	-	904,965.33	-	-
Enping Yitun Ecological Agriculture Co., Ltd.	405,578.41	182,835.89	-	588,414.30	-	-
Enshi Haida Biotechnology Co., Ltd.	-	5,000,000.00	-	5,000,000.00	-	-
Feicheng He Ruifeng Agricultural Science And Technology Co., Ltd.	401,041.04	177,301.22	-	578,342.26	-	-
Feixian Hairuida Feed Co., Ltd.	567,114.40	176,288.82	-	743,403.22	-	-
Fufeng County Yitun Ecological Agriculture Co., Ltd.	297,634.01	272,510.11	-	570,144.12	-	-
Foshan Haid Beacon Feed Co., Ltd.	4,527,306.45	384,901.65	-	4,912,208.10	-	-
Foshan Lianduoli Feed Co., Ltd.	94,087.19	-	19,166.78	74,920.41	-	-
Foshan Dazhi Biotechnology Co., Ltd.	-	332,504.15	-	332,504.15	-	-
Foshan Haihang Feed Co., Ltd.	24,648,066.64	859,826.71	-	25,507,893.35	-	-
Foshan Haipu Feed Co., Ltd.	7,672,422.51	209,036.62	-	7,881,459.13	-	-
Foshan Sanshuifanling Feed Co., Ltd.	16,449,108.34	301,310.31	-	16,750,418.65	-	-
Fujian Haid Feed Co., Ltd.	103,391,046.32	1,102,078.64	-	104,493,124.96	-	-
Fuzhou Haid Feed Co., Ltd.	619,723.11	85,583,334.22	-	86,203,057.33	-	-
Gansu Haid Feed Co., Ltd.	143,971.40	135,818.87	-	279,790.27	-	-
Ganzhou Haid Biotechnology Co., Ltd.	6,492,019.55	46,196,709.60	-	52,688,729.15	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Ganzhou Hailong Feed Co., Ltd.	5,313,220.37	-	41,709.44	5,271,510.93	-	-
Ganzhou Lianduoli Feed Technology Co., Ltd.	19,060,985.16	125,290.91	-	19,186,276.07	-	-
Gaoan Haid Biotechnology Co., Ltd.	1,194,572.35	41,089,199.86	-	42,283,772.21	-	-
Gaomi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	-	44,193.85	-	44,193.85	-	-
Gaotang Haiding Agriculture and Animal Husbandry Co., Ltd.	-	54,457.93	-	54,457.93	-	-
Gaotang Huayu Swine Co., Ltd.	72,514.33	47,009.21	-	119,523.54	-	-
Gaozhou Haiyuan Agriculture Co., Ltd.	51,224.93	208,250.66	-	259,475.59	-	-
Gaozhou Sanhe Animal Husbandry Co., Ltd.	454,341.55	193,032.53	-	647,374.08	-	-
Guangdong Baishengyuan Aquatic Farming Co., Ltd.	-	34,265.83	-	34,265.83	-	-
Guangdong Bairong Aquatic Farming Group Co., Ltd.	2,228,118.34	676,974.19	-	2,905,092.53	-	-
Guangdong Haid Livestock Veterinary Research Institute Co., Ltd.	53,168,180.69	1,195,501.48	-	54,363,682.17	-	-
Guangdong Haid International Trade Co., Ltd.	100,000,000.00	-	-	100,000,000.00	-	-
Guangdong Haifulai Biotechnology Co., Ltd.	-	3,084,904.21	-	3,084,904.21	-	-
Guangdong Hairuite Pet Nitribution Technology Co., Ltd.	10,298,818.08	-	19,190.95	10,279,627.13	-	-
Guangdong Hisenor Group Co., Ltd.	6,245,411.30	2,821,094.54	-	9,066,505.84	-	-
Guangdong Hintor Biotechnology Group Co., Ltd.	87,939,872.91	2,557,233.61	-	90,497,106.52	-	-
Guangdong Haizhihui Breeding Technology Service Co., Ltd.	-	53,000,000.00	-	53,000,000.00	-	-
Guangdong Huashite Testing Technology Co., Ltd.	-	3,849.46	-	3,849.46	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Guangdong Shunde Haid Biotechnology Co., Ltd.	5,695,099.76	304,924.10	-	6,000,023.86	-	-
Guangxi Haid Feed Co., Ltd.	110,729,938.45	442,429.24	15,000,000.00	96,172,367.69	-	-
Guangxi Rongchuan Feed Co., Ltd.	183,418.54	133,065.75	-	316,484.29	-	-
Guangxi Ronghai Fishery Co., Ltd.	86,886.15	252,424.35	-	339,310.50	-	-
Guangzhou Anan Logistics Co., Ltd.	89,815.96	186,252.52	-	276,068.48	-	-
Guangzhou Haid Technology Development Co., Ltd.	654,207.76	463,306.77	-	1,117,514.53	-	-
Guangzhou Haifeng Breeding Service Co., Ltd.	-	38,568.33	-	38,568.33	-	-
Guangzhou Haijian Investment Co., Ltd.	1,000,000.00	120,500,000.00	-	121,500,000.00	-	-
Guangzhou Hailingxian Food Co., Ltd.	-	14,127.33	-	14,127.33	-	-
Guangzhou Hailong Feed Co., Ltd.	5,121,479.05	-	-	5,121,479.05	-	-
Guangzhou Haiki Technology Co., Ltd.	532,556.80	1,085,906.51	-	1,618,463.31	-	-
Guangzhou Haishengyuan Biotechnology Co., Ltd.	11,642.38	-	-	11,642.38	-	-
Guangzhou Haishengke Investment Co., Ltd.	1,000,000.00	260,270,000.00	-	261,270,000.00	-	-
Guangzhou Haiyiuan Biotechnology Co., Ltd.	18,714.67	-	-	18,714.67	-	-
Guangzhou Haiyin Financing Guarantee Co., Ltd.	250,914,722.96	522,012.48	-	251,436,735.44	-	-
Guangzhou Haiyuan Factoring Co., Ltd.	50,143,037.99	32,007.92	-	50,175,045.91	-	-
Guangzhou Haiyuan Microfinance Co., Ltd.	501,828,987.73	1,233,020.51	-	503,062,008.24	-	-
Guangzhou Mutai Feed Technology Co., Ltd.	570,890.30	36,255.61	-	607,145.91	-	-
Guangzhou Nansha Haid Biotechnology Co., Ltd.	5,411,980.39	2,468,446.53	-	7,880,426.92	-	-
Guangzhou Nongzhidao Feed Co., Ltd.	6,064,392.50	159,359.40	-	6,223,751.90	-	-
Guangzhou Punong Investment Management Co., Ltd.	-	4,600,000.00	-	4,600,000.00	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Guangzhou Rongda Aquatic Products Technology Co., Ltd.	402,296.63	264,960.28	-	667,256.91	-	-
Guangzhou Ronghai Breeding Technology Co., Ltd.	-	24,442,363.26	-	24,442,363.26	-	-
Guangzhou Chenzhao Investment Co., Ltd.	30,000,000.00	10,000,000.00	-	40,000,000.00	-	-
Guangzhou Dachuan Feed Co., Ltd.	18,227,213.92	3,256,525.17	-	21,483,739.09	-	-
Guangzhou Danong Enterprise Management Co., Ltd.	500,000.00	-	-	500,000.00	-	-
Guangzhou Denong Feed Co., Ltd.	5,684.55	89,192.79	-	94,877.34	-	-
Guangzhou Haid Feed Co., Ltd.	14,010,022.09	129,310.59	-	14,139,332.68	-	-
Guangzhou Haifengchang Enterprise Management Co., Ltd.	500,000.00	-	-	500,000.00	-	-
Guangzhou Haihe Feed Co., Ltd.	550,000.00	107,142,400.00	-	107,692,400.00	-	-
Guangzhou Haiwei Feed Co., Ltd.	17,280,362.08	678,528.75	-	17,958,890.83	-	-
Guangzhou Heshengtang Veterinary Pharmaceutical Co., Ltd.	21,615,669.90	996,548.27	-	22,612,218.17	-	-
Guangzhou Heshengtang Biotechnology Co., Ltd.	3,330,000.00	-	-	3,330,000.00	-	-
Guangzhou Meinong Investment Management Co., Ltd.	247,442,807.00	107,653,767.00	-	355,096,574.00	-	-
Guangzhou Rongchuan Feed Co., Ltd.	15,109,352.88	297,765.59	-	15,407,118.47	-	-
Guangzhou Runchuan Investment Co., Ltd.	1,219,812,949.78	250,000,000.00	-	1,469,812,949.78	-	-
Guangzhou Yitun Swine Industry Investment Co., Ltd.	7,078,090.89	4,024,067.91	-	11,102,158.80	-	-
Guangzhou Shunkang Aquaculture Co., Ltd.	47,631.08	66,698.58	-	114,329.66	-	-
Guangzhou Xingnong Ecological Agriculture and Animal Husbandry Development Co., Ltd.	568,080.21	29,471,235.00	-	30,039,315.21	-	-
Guangzhou Yannong Investment Management Co., Ltd.	11,244,450.00	8,513,659.00	-	19,758,109.00	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Guangzhou Changsheng Logistics Co., Ltd.	10,453,390.54	188,741.41	-	10,642,131.95	-	-
Guigang Donghuang Breeding And Breeding Co., Ltd.	119,805.46	167,842.62	-	287,648.08	-	-
Guigang Gangbei District Yitun Ecological Agriculture Co., Ltd.	695,514.70	382,683.63	-	1,078,198.33	-	-
Guigang Haid Feed Co., Ltd.	7,563,632.41	1,237,938.41	-	8,801,570.82	-	-
Guigang Hairong Farming Service Specialized Cooperative	80,966.98	-	80,966.98	-	-	-
Guigang Qintang District Yitun Ecological Agriculture Co., Ltd.	12,282.92	-	-	12,282.92	-	-
Guiyang Dachuan Biotechnology Co., Ltd.	-	5,111,157.17	-	5,111,157.17	-	-
Guiyang Haid Zhihai Feed Co., Ltd.	419,833.57	356,767.16	-	776,600.73	-	-
Guizhou Aikexin Swine Breeding Co., Ltd.	289,408.67	249,736.55	-	539,145.22	-	-
Guizhou Hailongwang Biotechnology Co., Ltd.	-	98,178.23	-	98,178.23	-	-
Guiping Yitun Ecological Agriculture Co., Ltd.	14,218.50	-	-	14,218.50	-	-
Haid Pet Care (Weihai) Co., Ltd.	163,309.48	77,310.11	-	240,619.59	-	-
Haid Pet Care Co., Ltd.	10,587,590.41	357,547.66	-	10,945,138.07	-	-
Nanshan Haid Biotechnology (Jinhu) Co., Ltd.	-	21,502,343.05	-	21,502,343.05	-	-
Hainan Bairong Aquatic Products Co., Ltd.	354,193.69	425,759.41	-	779,953.10	-	-
Hainan Haid Biotechnology Co., Ltd.	-	220,865.32	-	220,865.32	-	-
Hainan Haid Aquatic Seed Industry Development Co., Ltd.	236,500.90	15,350,790.89	-	15,587,291.79	-	-
Hainan Hisenor Marine Biotechnology Co., Ltd.	2,351,386.78	1,389,112.10	-	3,740,498.88	-	-
Hainan Zhuangmei Agriculture and Animal Husbandry Co., Ltd.	11,150,732.94	30,866,904.22	-	42,017,637.16	-	-
Tianjin Haixin Biotechnology Co., Ltd.	27,371.13	145,389.90	-	172,761.03	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Haixin Biological (Beijing) Technology Co., Ltd.	-	20,127.66	-	20,127.66	-	-
Handan Huilong Feed Co., Ltd.	124,160.61	119,126.06	-	243,286.67	-	-
Hexian Haid Biotechnology Co., Ltd.	482,917.27	90,420,241.95	-	90,903,159.22	-	-
Hebei Haimu Biotechnology Co., Ltd.	-	592,584.63	-	592,584.63	-	-
Henan Haidajiuzhou Biotechnology Co., Ltd.	7,518,190.56	199,850.44	-	7,718,041.00	-	-
Henan Haiding Feed Co., Ltd.	118,046.61	110,341.96	-	228,388.57	-	-
Henan Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	6,831,572.50	-	19,312.83	6,812,259.67	-	-
Henan Mugaole Feed Co., Ltd.	34,604.72	357,309.69	-	391,914.41	-	-
Heyuan Yitun Agricultural Development Co., Ltd.	-	83,645.70	-	83,645.70	-	-
Heze Haiding Feed Technology Co., Ltd.	903,888.87	224,106.38	-	1,127,995.25	-	-
Heshan Haiwei Feed Co., Ltd.	31,280.68	41,013.60	-	72,294.28	-	-
Heshan Ronghai Feed Co., Ltd.	667,441.83	146,005.91	-	813,447.74	-	-
Hengnan Yitun Ecological Agriculture Co., Ltd.	83,183.51	86,710.13	-	169,893.64	-	-
Hengshan Yitun Ecological Agriculture Co., Ltd.	1,038,661.99	532,468.35	-	1,571,130.34	-	-
Hengyang County Jisheng Agriculture and Animal Husbandry Development Co., Ltd.	115,147.82	13,115.35	-	128,263.17	-	-
Hengyang Yitun Ecological Agriculture Co., Ltd.	14,442.12	-	-	14,442.12	-	-
Honghu Haid Feed Co., Ltd.	3,165,031.51	5,852,832.92	-	9,017,864.43	-	-
Hubei Haid Feed Co., Ltd.	32,530,044.23	3,739,684.72	-	36,269,728.95	-	-
Hubei Haid Seed Technology Co., Ltd.	-	13,653.69	-	13,653.69	-	-
Hubei Haiqi Technical Service Co., Ltd.	259,851.61	244,915.23	-	504,766.84	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Hunan Innovation Biotechnology Limited	6,123,224.07	1,107,707.06	-	7,230,931.13	-	-
Hunan Dongting Haid Feed Co., Ltd.	6,745,021.71	16,020,865.73	-	22,765,887.44	-	-
Hunan Haid Bio-Feed Co., Ltd.	20,558,709.14	1,187,476.45	-	21,746,185.59	-	-
Hunan Jinhuilong Technology Co., Ltd.	51,306,645.49	288,080.70	-	51,594,726.19	-	-
Hunan Yitun Technology Co., Ltd.	-	97,307.88	-	97,307.88	-	-
Hunan Yitun Ecological Agriculture Co., Ltd.	1,188,645.13	536,429.56	-	1,725,074.69	-	-
Huayuan Yitun Ecological Agriculture Co., Ltd.	-	174,205.53	-	174,205.53	-	-
Huaihua Haid Feed Co., Ltd.	6,552,352.88	8,918,444.99	-	15,470,797.87	-	-
Huaian Hailong Feed Co., Ltd.	6,115,110.74	45,726,920.71	-	51,842,031.45	-	-
Huilong Feed Co., Ltd.	28,436.98	40,246.10	-	68,683.08	-	-
Huainan Haid Biological Feed Co., Ltd.	306,718.79	84,755,565.06	-	85,062,283.85	-	-
Huizhou Haid Biotechnology Co., Ltd.	-	32,000,000.00	-	32,000,000.00	-	-
Jinan Haiding Farming And Animal Husbandry Co., Ltd.	41,233.63	35,657.32	-	76,890.95	-	-
Jining Haiding Feed Co., Ltd.	361,941.64	164,273.71	-	526,215.35	-	-
Jiyuan Haihe Jinyu Feed Co., Ltd.	162,720.04	-	162,720.04	-	-	-
Jiaxiang Haiying Food Co., Ltd.	66,781.43	34,083.97	-	100,865.40	-	-
Jiaxing Haid Yongwang Bio-Feed Co., Ltd.	15,075,406.50	255,293.49	-	15,330,699.99	-	-
Jiangmen Haid Feed Co., Ltd.	84,813,187.57	1,469,428.98	-	86,282,616.55	-	-
Jiangmen Rongchuan Feed Co., Ltd.	21,174.97	86,186,960.66	-	86,208,135.63	-	-
Jiangmen Ronghai Aquaculture Technology Co., Ltd.	160,861.38	136,493.94	-	297,355.32	-	-
Jiangmen Debao Group Co., Ltd.	97,621,690.68	139,516.42	-	97,761,207.10	-	-
Jiangmen A&T Xinhui Feed Co., Ltd.	25,774,981.30	559,111.24	-	26,334,092.54	-	-
Jiangsu Dachuan Biotechnology Co., Ltd.	24,749,076.56	111,619.99	-	24,860,696.55	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Jiangsu Daxin Feed Co., Ltd.	158,819.94	125,558.40	-	284,378.34	-	-
Jiangsu Haihe Agriculture and Animal Husbandry Co., Ltd.	6,996,842.91	95,086.20	-	7,091,929.11	-	-
Jiangsu Haiwei Feed Co., Ltd.	-	25,026,442.62	-	25,026,442.62	-	-
Jiangxi Haid Feed Co., Ltd.	75,942,300.51	1,133,252.36	-	77,075,552.87	-	-
Jiangxi Jiabo Biological Engineering Co., Ltd.	35,493,388.43	549,339.39	-	36,042,727.82	-	-
Jiaozuo Jinhuilong Biological Technology Co., Ltd.	5,028.07	-	5,028.07	-	-	-
Jieyang Haid Feed Co., Ltd.	3,539,407.20	1,720,034.61	-	5,259,441.81	-	-
Jiesou Haid Feed Co., Ltd.	1,442,825.70	14,550,812.54	-	15,993,638.24	-	-
Jingzhou Bairong Aquatic Farming Co., Ltd.	208,446.03	193,998.94	-	402,444.97	-	-
Jingzhou Haid Feed Co., Ltd.	104,706,916.19	2,249,073.99	-	106,955,990.18	-	-
Jingzhou Haihe Biological Technology Co., Ltd.	422,429.93	40,429,467.18	-	40,851,897.11	-	-
Jingtai Haijingzhou Fishery Technology Co., Ltd.	180,100.87	-	12,637.70	167,463.17	-	-
Junan Haiding Feed Co., Ltd.	149,488.86	113,899.13	-	263,387.99	-	-
Kaifeng Haid Feed Co., Ltd.	15,086,216.90	16,316,803.45	-	31,403,020.35	-	-
Laiyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	75,831.95	56,679.19	-	132,511.14	-	-
Laizhou Zhizhu Animal Husbandry Co., Ltd.	83,122.40	187,338.31	-	270,460.71	-	-
Lanling Haiding Hekangyuan Agriculture and Animal Husbandry Co., Ltd.	13,856.11	86,592.93	-	100,449.04	-	-
Lanzhou Haid Feed Co., Ltd.	25,785.02	-	-	25,785.02	-	-
Liyang Jiu He Feed Co., Ltd.	65,599,374.44	869,959.89	-	66,469,334.33	-	-
Lianyungang Haihe Feed Co., Ltd.	461,569.40	122,405.29	-	583,974.69	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Liaoning Haid Biotechnology Co., Ltd.	-	5,268,462.93	-	5,268,462.93	-	-
Liaocheng Daxin Feed Co., Ltd.	161,142.88	65,324.98	-	226,467.86	-	-
Liaocheng Haiding Feed Co., Ltd.	452,564.16	114,783.51	-	567,347.67	-	-
Linxi Haiying Food Co., Ltd.	98,107.59	20,308.54	-	118,416.13	-	-
Linyi Dinghao Breeding Co., Ltd.	47,394.98	40,985.44	-	88,380.42	-	-
Linyi Dingxin Farming Co., Ltd.	109,008.45	94,266.50	-	203,274.95	-	-
Linyi Haiding Lusheng Feed Co., Ltd.	37,915.99	32,638.64	-	70,554.63	-	-
Linyi Haiding Feed Technology Co., Ltd.	211,429.88	184,810.82	-	396,240.70	-	-
Linyi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	26,369.23	40,363.98	-	66,733.21	-	-
Linyi Hedong Haiding Agriculture and Animal Husbandry Development Co., Ltd.	190,024.09	114,346.17	-	304,370.26	-	-
Linyi Yihe Feed Co., Ltd.	391,532.21	299,489.88	-	691,022.09	-	-
Linyi Zhizhuxia Breeding Technology Service Co., Ltd.	29,559.67	43,980.64	-	73,540.31	-	-
Linyou Yitun Ecological Agriculture Co., Ltd.	8,526.83	97,304.90	-	105,831.73	-	-
Liupanshui Haid Biotechnology Co., Ltd.	-	5,000,000.00	-	5,000,000.00	-	-
Longan County Yitun Ecological Agriculture Co., Ltd.	56,873.97	72,409.34	-	129,283.31	-	-
Luoding Yitun Ecological Agriculture Co., Ltd.	208,731.85	116,823.08	-	325,554.93	-	-
Maoming Haid Biological Technology Co., Ltd.	472,185.36	61,000,028.67	-	61,472,214.03	-	-
Maoming Haihang Feed Co., Ltd.	218,490.82	295,936.84	-	514,427.66	-	-
Maoming Hailong Feed Co., Ltd.	94,898,330.81	379,295.88	-	95,277,626.69	-	-
Maoming Haiwei Feed Co., Ltd.	7,570,533.82	345,773.33	-	7,916,307.15	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Maoming Debao Agriculture and Animal Husbandry Co., Ltd.	-	66,597.63	-	66,597.63	-	-
Meizhou Haid Biotechnology Co., Ltd.	63,175,878.71	296,047.84	-	63,471,926.55	-	-
Meizhou Yitun Pig Breeding Co., Ltd.	-	53,613.56	-	53,613.56	-	-
Mianyang Hailong Feed Co., Ltd.	477,981.62	3,630,962.23	-	4,108,943.85	-	-
Mianyang Zhonggui Feed Co., Ltd.	42,655.48	36,886.89	-	79,542.37	-	-
Nanchang Haid Biotechnology Co., Ltd.	6,210,286.19	804,808.15	-	7,015,094.34	-	-
Naning Dachuan Biotechnology Co., Ltd.	18,213.32	9,074,635.16	-	9,092,848.48	-	-
Nanning Haid Biotechnology Co., Ltd.	1,582,980.34	121,421,523.51	-	123,004,503.85	-	-
Nanning Haililai Biotechnology Co., Ltd.	7,202,261.30	206,773.76	-	7,409,035.06	-	-
Nantong Haid Biotechnology Co., Ltd.	104,774,617.43	2,701,393.56	-	107,476,010.99	-	-
Nantong Haijingzhou Biological Technology Co., Ltd.	84,135.69	101,983.11	-	186,118.80	-	-
Inner Mongolia Haid Feed Co., Ltd.	10,134,601.71	422,933.66	-	10,557,535.37	-	-
Inner Mongolia Haishan Feed Co., Ltd.	-	1,800,000.00	-	1,800,000.00	-	-
Ningguo Haid Biotechnology Co., Ltd.	1,950,000.00	13,755,047.09	-	15,705,047.09	-	-
Pingguo Yitun Ecological Agriculture Co., Ltd.	168,863.99	66,806.26	-	235,670.25	-	-
Pingjiang Bairuilai Biotechnology Co., Ltd.	-	1,084,536.16	-	1,084,536.16	-	-
Pingnanhai Da Feed Co., Ltd.	5,604.11	7,186.15	-	12,790.26	-	-
Pingnan Yitun Ecological Agriculture Co., Ltd.	841,180.75	510,276.67	-	1,351,457.42	-	-
Qianjiang Hailong Biotechnology Co., Ltd.	-	176,996.74	-	176,996.74	-	-
Qinzhou Hailong Feed Co., Ltd.	100,003.40	5,258,530.31	-	5,358,533.71	-	-
Qinzhou Haiwei Feed Co., Ltd.	15,640.34	35,064,307.12	-	35,079,947.46	-	-
Qinzhou Yitun Ecological Agriculture Co., Ltd.	91,927.75	56,646.66	-	148,574.41	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Qingdao Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	13,038.94	27,800.98	-	40,839.92	-	-
Qingdao Huaxin Feed Co., Ltd.	88,580.99	30,870.67	-	119,451.66	-	-
Qingdao Zhizhu Xia Pig Raising Service Co., Ltd.	15,177.77	-	15,177.77	-	-	-
Qingzhou Haidinghe Xinsheng Feed Co., Ltd.	203,784.19	172,804.10	-	376,588.29	-	-
Qingyuan Baishengyuan Aquatic Seed Co., Ltd.	-	70,896.57	-	70,896.57	-	-
Qingyuan Haibei Biotechnology Co., Ltd.	8,509,385.21	13,562,958.96	-	22,072,344.17	-	-
Qingyuan Haid Biotechnology Co., Ltd.	12,412,779.21	1,769,089.16	-	14,181,868.37	-	-
Qingyuan Hailong Biological Technology Co., Ltd.	6,275,037.08	126,062,537.83	-	132,337,574.91	-	-
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	194,364.36	-	194,364.36	-	-	-
Qingyuan Ronghai Breeding Technology Co., Ltd.	1,421,236.47	69,016,080.02	-	70,437,316.49	-	-
Qujing Zhihai Feed Co., Ltd.	130,662.98	79,308.65	-	209,971.63	-	-
Rongcheng Rongchuan Biotechnology Co., Ltd.	185,527.83	138,733.61	-	324,261.44	-	-
Rongcheng Yandun Horn Fish Meal Co., Ltd.	7,583.19	6,557.68	-	14,140.87	-	-
Rongjiang County Yitun Ecological Agriculture Co., Ltd.	53,711.41	48,443.19	-	102,154.60	-	-
Ruyuan County Yitun Pig Breeding Co., Ltd.	-	26,645.05	-	26,645.05	-	-
Sanming Haid Feed Co., Ltd.	5,987,766.84	30,275,633.04	-	36,263,399.88	-	-
Sanya Fengmu Agricultural Development Co., Ltd.	14,218.50	12,295.63	-	26,514.13	-	-
Shandong Bairong Fisheries Fine Seed Co., Ltd.	473,363.75	236,387.25	-	709,751.00	-	-
Shandong Daxin Group Co., Ltd.	286,866,608.62	364,952.47	-	287,231,561.09	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Shandong Daxin Agriculture and Animal Husbandry Technology Co., Ltd.	7,034.64	88,152.91	-	95,187.55	-	-
Shandong Fengying Food Co., Ltd.	193,845.43	238,616.38	-	432,461.81	-	-
Shandong Haiding Agriculture and Animal Husbandry Co., Ltd.	8,041,692.75	2,181,322.47	-	10,223,015.22	-	-
Shaanxi Haid Agriculture and Animal Husbandry Co., Ltd.	13,744,763.82	-	56,656.28	13,688,107.54	-	-
Shanwei Haijingzhou Marine Biological Technology Co., Ltd.	416,708.06	244,747.56	-	661,455.62	-	-
Shanwei Haizenong Marine Biotechnology Co., Ltd.	-	37,222.03	-	37,222.03	-	-
Shanghai Gaohaid Biotechnology Co., Ltd.	315,445.13	25,275,362.08	-	25,590,807.21	-	-
Shaoguan Haid Biotechnology Co., Ltd.	5,637,911.60	10,417,325.04	-	16,055,236.64	-	-
Shaoguan Zhenjiang Yitun Ecological Agriculture Co., Ltd.	850,375.01	441,484.62	-	1,291,859.63	-	-
Shaoyang Haid Feed Co., Ltd.	64,377.58	5,241,483.81	-	5,305,861.39	-	-
Shenzhen Longreat Trading Co., Ltd.	1,478,070.08	59,019.05	-	1,537,089.13	-	-
Shenyang Haid Feed Co., Ltd.	3,110,605.45	227,102.67	-	3,337,708.12	-	-
Shijiazhuang Huilong Feed Co., Ltd.	44,287.37	40,509.91	-	84,797.28	-	-
Shijiazhuang Weike Biotechnology Co., Ltd.	50,459,377.75	728,195.51	-	51,187,573.26	-	-
Sichuan Haile Agriculture and Animal Husbandry Co., Ltd.	16,502,976.53	-	-	16,502,976.53	-	-
Sichuan Hailinger Biopharmaceutical Co., Ltd.	1,375,876.64	726,559.62	-	2,102,436.26	-	-
Sichuan Hailong Biotechnology Co., Ltd.	90,998.35	118,947.34	-	209,945.69	-	-
Sichuan Haimufeng Agriculture Co., Ltd.	-	57,646.42	-	57,646.42	-	-
Sichuan Rongchuan Feed Co., Ltd.	555,626.79	90,682,223.10	-	91,237,849.89	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Sihui Haifeng Ecological Agriculture Co., Ltd.	250,849.77	231,216.97	-	482,066.74	-	-
Sihong Haiding Feed Co., Ltd.	83,415.15	72,134.37	-	155,549.52	-	-
Suqian Haid Feed Co., Ltd.	21,699,010.15	933,388.57	-	22,632,398.72	-	-
Suixian Yuliang Haiding Feed Co., Ltd.	219,849.47	28,741.70	-	248,591.17	-	-
Taishan Debao Feed Co., Ltd.	16,114.29	106,074.99	-	122,189.28	-	-
Taizhou Haid Bio-Feed Co., Ltd.	22,883,777.65	1,812,041.79	-	24,695,819.44	-	-
Tengzhou Fengcheng Feed Co., Ltd.	194,819.19	118,038.06	-	312,857.25	-	-
Tianjin Haid Feed Co., Ltd.	151,087,931.39	1,251,261.46	-	152,339,192.85	-	-
Tianjin Rongchuan Feed Co., Ltd.	163,903,116.18	1,056,653.99	-	164,959,770.17	-	-
Tianmen Haid Feed Co., Ltd.	8,797,741.80	1,410,833.18	-	10,208,574.98	-	-
Weifang Binhai Haiding Feed Co., Ltd.	8,413.14	-	1,713.86	6,699.28	-	-
Weifang Daxin Feed Co., Ltd.	99,529.44	75,941.33	-	175,470.77	-	-
Weifang Xuheng Agricultural Science And Technology Co., Ltd.	91,685.47	118,666.55	-	210,352.02	-	-
Weinan Haid Feed Co., Ltd.	56,618.34	172,484.98	-	229,103.32	-	-
Wengyuan County Yitun Pig Breeding Co., Ltd.	-	5,726.47	-	5,726.47	-	-
Wuzhou Haid Biotechnology Co., Ltd.	324,573.88	25,352,718.56	-	25,677,292.44	-	-
Wugang Yitun Ecological Agriculture Co., Ltd.	-	3,806.75	-	3,806.75	-	-
Wuhan Aquaera Biotechnology Co., Ltd.	5,508,214.41	119,959.65	-	5,628,174.06	-	-
Wuwei Haid Feed Co., Ltd.	-	13,418.44	-	13,418.44	-	-
Wuwei Haimu Biotechnology Co., Ltd.	10,142,184.91	298,837.72	-	10,441,022.63	-	-
Xiyu Haisheng (Guangzhou) Supply Chain Co., Ltd.	-	72,922.19	-	72,922.19	-	-
Xishui Haid Feed Co., Ltd.	4,691,909.76	872,386.56	-	5,564,296.32	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Xiangtan Haid Feed Co., Ltd.	11,339,379.43	10,724,706.06	-	22,064,085.49	-	-
Xinjiang Xiyu Haihua Products Co., Ltd.	68,248.75	-	13,903.15	54,345.60	-	-
Xinxiang Haiding Feed Co., Ltd.	85,310.96	27,643.92	-	112,954.88	-	-
Xinxiang Hairuida Feed Co., Ltd.	47,493.06	69,573.16	-	117,066.22	-	-
Xinxing County Haifeng Agriculture and Animal Husbandry Co., Ltd.	218,490.84	-	218,490.84	-	-	-
Xingtai Haid Biotechnology Co., Ltd.	-	10,078,311.01	-	10,078,311.01	-	-
Xuzhou Haid Hexin Feed Co., Ltd.	245,285.88	126,645.00	-	371,930.88	-	-
Xuzhou Haihe Feed Co., Ltd.	181,258.18	85,659.56	-	266,917.74	-	-
Xuzhou Hairuida Feed Co., Ltd.	-	11,182.03	-	11,182.03	-	-
Xuzhou Zhongyi Haiding Agriculture and Animal Husbandry Co., Ltd.	-	7,487.10	-	7,487.10	-	-
Xuchang Haihe Feed Co., Ltd.	39,933.03	-	18,957.99	20,975.04	-	-
Xuancheng Haid Biotechnology Co., Ltd.	5,565,637.42	179,667.76	-	5,745,305.18	-	-
Yantai Daxin Feed Co., Ltd.	172,043.75	170,666.71	-	342,710.46	-	-
Yantai Yitun Ecological Agriculture Co., Ltd.	313,098.13	98,819.81	-	411,917.94	-	-
Yantai Zhizhuren Animal Husbandry Co., Ltd.	94,764.36	79,297.97	-	174,062.33	-	-
Yantai Zhizhuren Feed Co., Ltd.	-	27,268.18	-	27,268.18	-	-
Yancheng Haid Bio-Feed Co., Ltd.	31,296,559.13	636,088.71	-	31,932,647.84	-	-
Yancheng Haiwei Biological Technology Co., Ltd.	-	40,265,862.14	-	40,265,862.14	-	-
Yancheng Rongchuan Biotechnology Co., Ltd.	-	10,495,071.14	-	10,495,071.14	-	-
Yancheng Runchuan Agricultural Science And Technology Co., Ltd.	93,795.17	80,741.32	-	174,536.49	-	-
Yangjiang Haid Feed Co., Ltd.	7,771,737.33	2,271,346.95	-	10,043,084.28	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Yangjiang Yangdong Fengwo Agriculture and Animal Husbandry Co., Ltd.	287,943.47	86,616.86	-	374,560.33	-	-
Yangxi Fengwo Ecological Agriculture Co., Ltd.	1,138,692.09	476,420.31	-	1,615,112.40	-	-
Yangxin Bairong Aquatic Farming Co., Ltd.	650,610.25	216,311.78	-	866,922.03	-	-
Yangling Haid Feed Co., Ltd.	123,975.79	142,504.56	-	266,480.35	-	-
Yinan Haiding Feed Co., Ltd.	426,507.17	142,692.71	-	569,199.88	-	-
Yiyuan Haiying Food Co., Ltd.	114,695.84	27,848.44	-	142,544.28	-	-
Yibin Zhihai Feed Co., Ltd.	366,109.07	161,357.56	-	527,466.63	-	-
Yichang Zhihai Agriculture and Animal Husbandry Co., Ltd.	39,855.84	27,329.14	-	67,184.98	-	-
Yichang Haid Feed Co., Ltd.	332,832.00	320,760.43	-	653,592.43	-	-
Yicheng Haid Biological Technology Co., Ltd.	224,335.93	45,283,393.15	-	45,507,729.08	-	-
Yicheng Yitun Ecological Agriculture Co., Ltd.	436,883.99	302,897.72	-	739,781.71	-	-
Yiyang Haid Feed Co., Ltd.	52,281,415.52	1,034,537.97	-	53,315,953.49	-	-
Yingde Yitun Ecological Agriculture Co., Ltd.	229,692.81	102,082.08	-	331,774.89	-	-
Yingde Yitun Pig Breeding Co., Ltd.	59,627.57	-	11,585.96	48,041.61	-	-
Yingkou Dachuan Feed Technology Co., Ltd.	430,095.83	12,468,626.06	-	12,898,721.89	-	-
Yingkou Fengmu Agricultural Development Co., Ltd.	-	52,623.60	-	52,623.60	-	-
Yongji Haijingzhou Fishery Science And Technology Co., Ltd.	73,462.21	142,372.17	-	215,834.38	-	-
Youxian Yitun Ecological Agriculture Co., Ltd.	-	16,694.91	-	16,694.91	-	-
Yulin Haid Feed Co., Ltd.	249,800.85	45,274,610.66	-	45,524,411.51	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Yueyang Yitun Agriculture and Animal Husbandry Co., Ltd.	454,056.41	230,787.80	-	684,844.21	-	-
Yunnan Haid Biotechnology Co., Ltd.	8,374,071.32	1,454,106.63	-	9,828,177.95	-	-
Yunnan Hairui Biotechnology Co., Ltd.	22,407,887.31	80,038.68	-	22,487,925.99	-	-
Yunnan Zhonggui Feed Co., Ltd.	152,611.82	99,579.57	-	252,191.39	-	-
Yuncheng Haishengyuan Fishery Technology Co., Ltd.	-	42,948.49	-	42,948.49	-	-
Yuncheng Haiding Hongda Feed Co., Ltd.	319,052.74	182,435.55	-	501,488.29	-	-
Zhanjiang Haid Feed Co., Ltd.	22,953,569.55	3,289,300.66	-	26,242,870.21	-	-
Zhanjiang Haijingzhou Marine Biotechnology Co., Ltd.	135,549.62	246,233.44	-	381,783.06	-	-
Zhanjiang Hisenor Marine Biotechnology Co., Ltd.	1,221,225.25	301,717.79	-	1,522,943.04	-	-
Zhanjiang Rongda Feed Co., Ltd.	639,229.72	5,579,482.74	-	6,218,712.46	-	-
Zhangzhou Haid Feed Co., Ltd.	18,377,285.36	393,283.97	-	18,770,569.33	-	-
Zhangzhou Haijingzhou Marine Biotechnology Co., Ltd.	381,397.33	395,000.24	-	776,397.57	-	-
Zhangzhou Longwen Hairong Farming Service Specialized Cooperative	62,874.29	-	62,874.29	-	-	-
Zhangzhou Haiheng Feed Co., Ltd.	389,340.04	313,417.25	-	702,757.29	-	-
Zhaoqing Baishengyuan Aquatic Products Co., Ltd.	95,736.65	56,554.11	-	152,290.76	-	-
Zhaoqing Bairong Aquatic Farming Co., Ltd.	56,521.50	-	4,414.94	52,106.56	-	-
Zhaoqing Gaoyao Haid Biological Technology Co., Ltd.	1,249,437.94	81,306,405.45	-	82,555,843.39	-	-
Zhaoqing Haid Feed Co., Ltd.	5,880,768.57	20,494.01	-	5,901,262.58	-	-
Zhejiang Haid Feed Co., Ltd.	100,718,393.22	1,153,964.83	-	101,872,358.05	-	-

Investee	2021.12.31	Increase in the current period	Decrease in the current period	2022.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Zhongshan City Seawater Production And Aquaculture Co., Ltd.	967,461.72	700,837.56	-	1,668,299.28	-	-
Zhongshan Yugezi Food Co., Ltd.	175,835.33	163,352.23	-	339,187.56	-	-
Chongqing Haid Feed Co., Ltd.	6,222,142.22	20,735,243.44	-	26,957,385.66	-	-
Chongqing Haizhi Feed Co., Ltd.	80,571.46	54,423.38	-	134,994.84	-	-
Chongqing Kaizhou Haid Biotechnology Co., Ltd.	491,331.11	25,116,104.77	-	25,607,435.88	-	-
Zhuhai Hailong Biotechnology Co., Ltd.	17,865,317.86	3,537,344.88	-	21,402,662.74	-	-
Zhuhai Rongchuan Feed Co., Ltd.	41,168,607.52	3,369,171.02	-	44,537,778.54	-	-
Zhuhai Ronghai Breeding Technology Co., Ltd.	23,693.23	164,150.69	-	187,843.92	-	-
Zhuhai Chenzhe Private Equity Fund Management Co., Ltd.	-	10,000,000.00	-	10,000,000.00	-	-
Zixing Yitun Ecological Agriculture Co., Ltd.	151,945.83	136,423.90	-	288,369.73	-	-
Zigong Hailong Biological Technology Co., Ltd.	10,093,842.74	659,542.79	-	10,753,385.53	-	-
Zouping Haiying Food Co., Ltd.	85,830.37	71,135.95	-	156,966.32	-	-
<b>Total</b>	<b>6,302,346,221.96</b>	<b>3,212,323,261.66</b>	<b>21,777,635.18</b>	<b>9,492,891,848.44</b>	-	-

## (2) Investment in Associate and joint ventures

Investee	2021.12.31	Movements during the year								2022.12.31	Closing Balance of Provision for Impairment
		Increase in the current period	Decrease in the current period	Investment gains or losses Recognized under the Equity Method	Adjustment in Other Comprehensive income	Changes in Other Equity	Cash Dividends or Profits declared	Provision for Impairment	Others		
① Associates											
Guizhou Fuhai Chemicals Co., Ltd.	23,040,528.81	-	9,000,000.00	1,555,617.53	-	-	15,596,146.34	-	-	-	-
Bangpu Seed Technology Co., Ltd	5,797,397.28	5,000,000.00	-	-279,186.63	-	-	-	-	-	10,518,210.65	-
<b>Total</b>	<b>28,837,926.09</b>	<b>5,000,000.00</b>	<b>9,000,000.00</b>	<b>1,276,430.90</b>	<b>-</b>	<b>-</b>	<b>15,596,146.34</b>	<b>-</b>	<b>-</b>	<b>10,518,210.65</b>	<b>-</b>

## 3. Operating income and operating cost

Item	Year ended 31/12/2022		Year ended 31/12/2021	
	Income	Cost	Income	Cost
Principal activities	2,686,425,953.01	1,290,424,971.73	2,024,063,898.11	888,097,788.91
Other operating activities	66,925,970.93	3,775,442.17	15,905,500.43	4,735,140.88
<b>Total</b>	<b>2,753,351,923.94</b>	<b>1,294,200,413.90</b>	<b>2,039,969,398.54</b>	<b>892,832,929.79</b>

## 4. Investment income

Item	Year ended 31/12/2022	Year ended 31/12/2021
Income from long-term equity investments by using the cost method	973,932,387.53	797,913,420.45
Income from long-term equity investments by using the equity method	1,276,430.90	219,125.44
Investment income from disposal of long-term equity investments	-1,469,137.47	11,886,867.35
Investment income from other non-current financial assets	5,713,078.32	786,559.83
Investment income from held-for-trading financial assets	1,256,326.21	2,385,359.37
Investment income from disposal of held-for-trading financial assets	3,390,304.05	20,365,417.78
Investment income from disposal of non-current financial assets	15,649,338.53	-
<b>Total</b>	<b>999,748,728.07</b>	<b>833,556,750.22</b>

**XVI Supplementary Information**

## 1. Details of non-recurring gain or loss during the current period

Item	Year ended 31/12/2022	Note
Gain or loss on disposal of non-current assets	-45,840,354.94	
Government grants charged to current profit or loss (excluding government grant given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	125,600,697.83	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	812,610.97	
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, other non-current financial assets, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, other non-current financial assets.	39,455,335.15	
Reversal of provision for bad and doubtful debt where accounts receivable are individually tested for impairment	6,167,665.26	
Profits or losses from external entrusted loans	530,942.74	

Item	Year ended 31/12/2022	Note
Other non-operating incomes and expenses, except for the above	-34,643,762.69	
Other gain or loss satisfied the definition of non-recurring gain or loss	5,936,636.84	
Total non-recurring gain or loss	98,019,771.16	
Less: impact of Income tax	17,625,340.80	
Net amount of non-recurring gain or loss	80,394,430.36	
Less: impact of non-controlling interests (net of tax)	6,374,917.33	
Non-recurring gain or loss attributable to the ordinary shareholders	74,019,513.03	

## 2. Return on Equity (ROE) and Earnings per Share (EPS)

Net profit of Reporting Period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	18.46	1.79	1.79
Net profit attributable to ordinary shareholders of the Company after deducting the non-recurring gain or loss	17.99	1.75	1.74

Guangdong Haid Group Co., Limited

April 21, 2023