

Shenzhen Tellus Holding Co., Ltd.

2023 Annual Report

March 2024

2023 Annual Report

Section I Important Notice, Contents, and Interpretations

The Board of Directors and Board of Supervisors, as well as directors, supervisors, and senior executives of the Company guarantee that the present annual report is true, accurate, and complete without false records, misleading statements, or major omissions, and undertake the joint and several legal liabilities arising therefrom.

Fu Chunlong, head of the Company, Huang Tianyang, the person in charge of accounting, and Yu Taiping, the person in charge of the accounting firm (accountant in charge) declare to guarantee the truthfulness, accuracy, and completeness of the financial report in this annual report.

All directors of the Company have attended the board meeting to review this report.

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure* for jewelry-related business.

The forward-looking statements such as plans for the future and development strategies involved in this annual report do not constitute a substantial commitment of the Company to investors. Investors and stakeholders shall be aware of the risks therein and understand the differences

among plans, forecasts, and commitments. Investors shall pay attention to investment risks.

The Company's profit distribution plan passed by the Board of Directors is as follows: Based on a total of 431,058,320 shares, a cash dividend of RMB 0.31 (including taxes) per 10 shares will be distributed to all shareholders, with no bonus shares issued (including taxes) and no capitalization of reserves for an increase in capital stock.

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List of Documents for Future Reference

(I) Financial statements signed and sealed by the head of the Company, the person in charge of accounting, and the person in charge of the finance department (accountant in charge).

(II) The original copy of the auditor's report sealed by an accounting firm and sealed and signed by certified public accountants.

(III) Originals of all company documents and announcements that have been publicly disclosed during the reporting period.

Interpretations

Term	Refers to	Interpretation
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
CSDC Shenzhen Branch	Refers to	China Securities Depository and Clearing Corporation Limited Shenzhen Branch
Company, the Company, and Tellus Holding	Refers to	Shenzhen Tellus Holding Co., Ltd.
Reporting period, the reporting period, and the year	Refers to	The year 2023
Shenzhen SASAC	Refers to	State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government
SDG, SDG Group, and controlling shareholder	Refers to	Shenzhen Special Economic Zone Development Group Co., Ltd.
SIHC	Refers to	Shenzhen Investment Holdings Co., Ltd.
Shenzhen Jewelry	Refers to	Shenzhen Jewelry Industry Service Co., Ltd.
Guorun and Guorun Gold	Refers to	Guorun Gold Shenzhen Co., Ltd.
Treasury Supply Chain Company and Tellus Treasury	Refers to	Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.
Shanghai Fanyue and Fanyue	Refers to	Shanghai Fanyue Diamond Co., Ltd.
Zhongtian Company	Refers to	Shenzhen Zhongtian Industry Co., Ltd.
Automobile Industry and Trade Company	Refers to	Shenzhen Automobile Industry and Trade Co., Ltd.
SDG Huari	Refers to	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.
Huari Toyota	Refers to	Shenzhen Huari Toyota Sales & Service Co., Ltd.
Renfu Tellus	Refers to	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.
GAC	Refers to	Gems & Jewelry Trade Association of China
Tellus Jewelry Building, Jewelry Building	Refers to	Tellus Shuibei Jewelry Building
Tellus Gold and Diamond Building, Gold and Diamond Building	Refers to	Tellus Gold and Diamond Trading Building
Comprehensive trade platform	Refers to	Shenzhen International Jewelry and Jade Comprehensive Trade Platform

Section II Company Profile and Major Financial Indicators

I. Company Information

Stock abbreviation	Tellus A and Tellus B	Stock code	000025 and 200025
Stock abbreviation before change (if any)	N/A		
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Tellus Holding Co., Ltd.		
Chinese abbreviation	Tellus A		
English name of the Company (if any)	ShenZhen Tellus Holding Co., Ltd.		
English abbreviation (if any)	N/A		
Legal representative of the Company	Fu Chunlong		
Registered address	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the registered address	518020		
Office address	3F and 4F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the office address	518020		
Website of the Company	www.tellus.cn		
E-mail	ir@tellus.cn		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Securities representative
Name	Qi Peng	Liu Menglei
Address	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen
Phone Number	(0755) 83989390	(0755) 88394183
Fax	(0755) 83989386	(0755) 83989386
E-mail	ir@tellus.cn	liuml@tellus.cn

III. Information Disclosure and Designated Location

Website designated by the Stock Exchange for publishing the annual report	Shenzhen Stock Exchange (www.szse.cn)
Newspapers selected by the Company for information disclosure	<i>Securities Times</i> and CNINFO (www.cninfo.com.cn)
Place for inspection of annual reports of the Company	Secretariat of the Board of Directors of Shenzhen Tellus Holding Co., Ltd.

IV. Changes of Registration

Unified social credit code	91440300192192210U
Change of main business after listing	With the strategic transformation and upgrading of the Company and the dissolution of Huari Toyota, automobile sales, testing, maintenance, and spare parts sales are no longer the main business of the Company. The main business of the Company during the reporting period includes jewelry third-party services, commercial complex operation, and property leasing business.
Previous changes of controlling shareholder	<p>1. On March 31, 1997, the Company held a total of 220.2816 million shares in capital stock, and the former Shenzhen Investment Management Co., Ltd., the sole non-tradable shareholder of the Company, transferred 159.588 million state shares held by it to Shenzhen Special Economic Zone Development Group Co., Ltd. Then, 159.588 million shares were held by SDG Group, accounting for 72.45% of the total capital stock, and these shares were state shares.</p> <p>2. SDG Group, as the controlling shareholder of the Company, following an equity division reform, the Company's non-public offering of A-shares, and the reduction in holding some of the Company's freely tradable shares, held a total of 211,591,621 shares of the Company by the end of the reporting period, accounting for 49.09% of the Company's total capital stock; Among the shares held by SDG Group, 210,391,621 shares were voting shares, accounting for 48.81% of the Company's total capital stock, and 1,200,000 shares were lent out under the refinancing arrangement, accounting for 0.28% of the Company's total capital stock.</p> <p>3. On December 28, 2022, by signing the <i>Voting Rights Entrustment Agreement</i> with its wholly-owned subsidiary SIHC, Shenzhen SASAC entrusted its 38.97% voting rights in SDG Group to its wholly-owned subsidiary SIHC, thereby enabling SIHC to indirectly hold equity in the Company through SDG Group. The implementation of the <i>Voting Rights Entrustment Agreement</i> did not result in the change of the direct controlling shareholder of the Company, while the indirect controlling shareholder was changed from Shenzhen SASAC to its wholly-owned subsidiary SIHC.</p>

V. Other Related Information

Accounting firm engaged by the Company

Name of accounting firm	Grant Thornton China (Special General Partnership)
Office address of the accounting firm	5F of Scitech Plaza, No. 22, Jianguomenwai Street, Chaoyang District, Beijing
Names of signing accountants	Wu Liang, Xie Mingming

Sponsor institution engaged by the Company for continuous supervision during the reporting period

Applicable Not applicable

Financial consultant engaged by the Company for continuous supervision during the reporting period

Applicable Not applicable

VI. Major Accounting Data and Financial Indicators

Does the Company need to retrospectively adjust or restate the accounting data for the previous years?

Yes No

	Year 2023	Year 2022	Change over the previous year	Year 2021
Operating revenue (RMB)	1, 846, 738, 841. 89	837, 656, 274. 51	120. 46%	508, 520, 026. 18

Net profit attributable to shareholders of the listed company (RMB)	118,255,140.84	83,496,135.61	41.63%	131,020,764.38
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	90,386,717.21	63,268,802.52	42.86%	71,731,038.87
Net cash flows from operating activities (RMB)	-60,140,006.46	-51,967,764.29	-15.73%	126,611,734.90
Basic earnings per share (RMB/share)	0.2743	0.1937	41.61%	0.3040
Diluted earnings per share (RMB/share)	0.2743	0.1937	41.61%	0.3040
Weighted average return on net assets	7.59%	5.69%	1.90%	9.56%
	End of 2023	End of 2022	Change over the previous year-end	End of 2021
Total assets (RMB)	2,403,851,684.45	2,232,028,554.57	7.70%	1,859,645,205.43
Net assets attributable to shareholders of the listed company (RMB)	1,603,905,054.93	1,505,638,863.31	6.53%	1,432,924,273.45

Whichever is lower between the Company's net profits before and after deducting non-recurring gains and losses in the last three accounting years is negative, and the auditor's report of the last year indicates uncertainty regarding the company's ability to continue operating.

Yes No

Whichever is lower between net profits before and after deducting non-recurring gains and losses is negative.

Yes No

VII. Discrepancy in Accounting Data under Domestic and Foreign Accounting Standards

1. Discrepancy in net profit and net assets in the financial report disclosed simultaneously according to International Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

There is no discrepancy in net profit and net assets in the financial reports disclosed by the Company following International Accounting Standards and Chinese Accounting Standards in the reporting period.

2. Discrepancy in net profit and net assets in the financial report disclosed simultaneously according to foreign accounting standards and Chinese Accounting Standards

Applicable Not applicable

There is no discrepancy in net profit and net assets in the financial reports disclosed by the Company following foreign accounting standards and Chinese Accounting Standards in the reporting period.

VIII. Quarterly Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	339,838,493.18	364,997,917.76	515,753,123.42	626,149,307.53
Net profit attributable to shareholders of the listed company	25,274,084.85	18,865,878.08	29,564,804.35	44,550,373.56
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	20,388,932.14	17,261,748.79	26,008,890.62	26,727,145.66
Net cash flow from operating activities	-43,397,996.76	33,156,054.86	-62,199,192.47	12,301,127.91

Is there any great discrepancy between the above indicators or their sum and relevant indicators disclosed in the quarterly or semi-annual report?

Yes No

IX. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount for 2023	Amount for 2022	Amount for 2021	Description
Gains and losses on the disposal of non-current assets (including the write-off part of the provision for impairment of assets)	69,475,478.10	8,826,176.39	66,654,129.65	Gains from the remeasurement at fair value of the remaining equity following the loss of control over a subsidiary
Government grants recognized in the current gains and losses (excluding government grants related to the Company's normal operating activities, compliant with national policies, enjoyed based on established standards, and having a continuous impact on the Company's gains and losses)	6,476,027.99	6,575,043.88	2,923,779.58	Subsidies under the government's preferential policies for enterprises
Gains or losses on the fair value changes of financial assets and financial liabilities held by non-financial	-9,882,368.06	10,762,831.81	10,073,533.17	After the loss of control of the subsidiary, the fair value change loss of the remaining equity is

enterprises, as well as gains or losses on the disposal of financial assets and financial liabilities, excluding effective hedging related to the Company's normal operating activities.				reassessed at the end of the year, as well as investment income
Fees charged to non-financial enterprises for fund usage and recognized in the current gains and losses			629,671.75	
Reversal of impairment provisions for accounts receivable tested for impairment separately	150,000.00			Recovery of provisions for accrued impairments
Other non-operating revenues and expenses other than the above	2,089,529.20	3,718,192.18	730,552.50	Liquidated damages, forfeited deposits, etc.
Other gains or losses conforming to the definition of non-recurring gains or losses	-36,363,757.77	49,829.40	46,275.77	Staff resettlement expenses, etc.
Less: Effect on income tax	13,674,541.65	6,628,391.02	19,790,228.25	
Effect on minority equity (after-tax)	-9,598,055.82	3,076,349.55	1,977,988.66	
Total	27,868,423.63	20,227,333.09	59,289,725.51	--

Other gains or losses conforming to the definition of non-recurring gains or losses:

Applicable Not applicable

The Company has no other gains or losses conforming to the definition of non-recurring gains or losses.

Explanation on defining the non-recurring gains or losses set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public — Non-Recurring Gains or Losses* as recurring gains or losses

Applicable Not applicable

The Company does not define any non-recurring gains or losses set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public — Non-Recurring Gains or Losses* as recurring gains or losses.

Section III Management Discussion and Analysis

I. Industry Development during the Reporting Period

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure* for jewelry-related business.

(I) Gold and Jewelry Industry

1. Macro-environment

The development of the gold and jewelry industry is closely related to the global geopolitical pattern and economic development trend. In 2023, the complex international situation, escalating global geopolitical tensions, continuous regional conflicts, and constant frictions caused by multi-country trade protectionism posed challenges to global political stability and economic development. Under the impact of complex factors at home and abroad and the action of national macro-control, the domestic economic development has gradually stabilized and the domestic jewelry consumer market has gradually recovered. At the same time, to regulate the development order of the jewelry market, China has issued a series of policies and measures to protect the domestic market and promote legal trade.

2. Overview of the Gold and Jewelry Industry

According to the National Bureau of Statistics, China's total retail sales of consumer goods increased by 7.2% year-on-year to RMB 47.1495 trillion in 2023, and the total retail sales of gold, silver, and jewelry from enterprises above the designated size increased by 13.3% year-on-year to RMB 331 billion, making this category the fastest-growing category among all commodity retail categories. China's consumer demand for jewelry is strong, and the market is expected to continue expanding. The structural differentiation within the jewelry industry is intensifying. The demand for natural diamond-set jewelry, which is an optional type of consumer product, is insufficient and recovers slowly. Lab-grown diamonds also have a great impact on the natural diamond market. However, gold, with its unique consumption and hedge attributes, holds a dominant market position, with market demand significantly increasing. Competition among companies within the industry is becoming increasingly fierce. Leading companies are accelerating industry consolidation by actively expanding channels, upgrading brands, and developing new products. By selling popular products such as gold and jewelry, they are striving to achieve stable revenue growth and attract new-generation consumer groups. It is expected that the industry concentration will further increase in the future.

From the perspective of consumption scenarios, China's marriage rate is declining, leading to reduced consumer demand in wedding-related scenarios. The market for inlaid products is shrinking, while consumer demand for gold has increased significantly. With the upgrading of consumption and the rise of a self-indulgence trend in China, the consumer demand for gold and jewelry products is shifting towards personalization and diversification. The continuous advancement in the craftsmanship of gold jewelry products is driving rapid product iterations, prompting a change in consumption scenarios from weddings to self-wearing or gifting scenarios.

3. Development Trend

The gold and jewelry industry has vast opportunities for future development, especially with the development of new gold product categories leading to further price reductions and the gradual penetration of lower-tier markets. With a wider age range among consumer groups and increased consumption frequency, brands have been intensifying and accelerating their deployment in online channels. Online channels have become an important source of sales growth for categories such as gold and jewelry. Additionally, with the continuous advancement of digitalization and technology, online platforms for gold and jewelry will be continuously optimized and improved to provide consumers with more convenient and personalized shopping experiences. Digital applications not only enhance the customer experience but also increase operational efficiency and reduce costs for businesses, enabling more efficient supply chain management. With data transparency, traceability, data analysis for optimized management, and demand forecasting, the promotion of digital applications is crucial for further development.

Relying on its advantages, the Company makes full use of industry resources to promote standardization, informatization, and compliance in the jewelry industry, build differentiated competitive advantages while serving the jewelry industry, build a third-party service platform for the jewelry industry, and actively explore and open up blue ocean markets.

(II) Commercial Real Estate Leasing Industry

According to the data of the China Real Estate Index System, office building rents in major business districts continued to decline in the first half of the year, and demand recovered moderately in the third quarter. However, affected by new supply into the market, the vacancy rate of Grade A office buildings increased in some cities. According to statistics, in the first three quarters of 2023, the average rent of office buildings in major business districts in 15 key cities across China fell by 0.52% cumulatively and 0.28% quarter-on-quarter in the third quarter. The rent of office buildings continued its downward trend.

Some commercial real estate companies are actively strategizing to upgrade and transform, enhancing their market competitiveness through improved service quality, optimized leasing environments, and innovative business models. The government has also introduced a series of policy measures to support the high-quality development of the housing rental industry, such as increasing financial support for the rental market and promoting legislation related to leasing. With the steady recovery of the macroeconomic environment in the future, there is a possibility of a gradual recovery in demand for commercial real estate leasing.

In the face of a challenging competitive environment, the Company is enhancing its operational efficiency, service quality, and supporting measures. It is also promoting green and low-carbon practices to continuously improve the operational capabilities of commercial complexes. It is focusing on fostering a service-oriented mindset, empowering merchants, and enhancing brand image and competitiveness.

II. Main Business during the Reporting Period

The Company shall abide by the disclosure requirements of the Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure for jewelry-related business.

(I) The main business of the Company during the reporting period includes jewelry third-party services, commercial complex operation, and property leasing business.

1. Jewelry third-party services: With the development vision of "being committed to providing high-quality service supply and growing with the jewelry industry",

the Company relies on its advantages, gathers domestic and foreign high-quality industry resources, and cooperates with outstanding leading enterprises in the industry to build a third-party service platform that meets the needs of the vast industry. The company has set up subsidiaries such as Shenzhen Jewelry, Guorun Gold, Tellus Treasury, and Shanghai Fanyue. Through the construction and operation of a comprehensive jewelry and jade trade platform, gold circulation business, and third-party depository business for high-end jewelry, it works with multiple parties and sectors to create a wide range of service products to fully meet various needs from customers at different levels, and gradually builds and enriches the service ecosystem of the jewelry industry through a sound service industrial chain. It strives to fill the market gap, solve customers' pain points, play a benchmarking role in the industry, and promote the compliance process of the industry.

2. Commercial complex operation and property leasing business: The Company is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park in the Shuibei area. The Tellus Jewelry Building and Tellus Gold and

Diamond Trading Building invested by the Company have been put into operation successively, maintaining a high occupancy rate. In addition, the Company holds a significant amount of property resources in areas such as Luohu and Futian in Shenzhen. While maintaining the stability of its existing leasing business, the Company actively promotes the improvement of property quality. It is transitioning its old properties from traditional simple leasing to commercial property operation, with a focus on enhancing and exploring the added value of its property brands. This initiative aims to establish innovative industrial projects that align with the overall strategic layout of the city, the district, and the Company.

(II) Description of the main business models of the jewelry business

1. Sales model

At present, the Company adopts wholesale as the main sales model for gold and jewelry. Additionally, it provides supporting services such as customs declaration, gold purification/exchange, and safe deposit box leasing. The sales revenue composition of the jewelry business in 2023 is as follows:

Sales model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross profit margin
Wholesale	152,304.14	150,436.40	1.23%
Other services	1,903.03	1,051.08	44.77%
Total	154,207.17	151,487.48	1.76%

2. Production model

At present, the Company's gold and related products mainly use a commissioned processing model, while diamonds, colored gemstones, and other products do not involve processing. The production model in 2023 is as follows:

Production Model	Amount (RMB 10,000)	Proportion
Finished products under the commissioned processing model	165,964.80	100.00%
Total	165,964.80	100.00%

3. Purchase model

Gold and related products: The Company purchases gold raw materials from Shanghai Gold Exchange or other qualified organizations or leases them from banks;

Diamonds: The Company purchases finished diamonds from overseas diamond suppliers and imports them through Shanghai Diamond Exchange;

Other jewelry and jade: The Company purchases such products from overseas jewelry and jade suppliers and handles tax-paying import procedures through Shenzhen Jewelry.

The purchase models in 2023 are as follows:

Purchase model	Raw material	Purchase quantity	Purchase amount
		(kg, ct)	(RMB 10,000)
Spot trading	Gold	3649.54KG	152,722.63
Spot trading	Diamonds	1260.66CT	2,267.00
Gold leasing business	Gold	118.00 KG	4,742.38
Total			159,732.01

4. Operation of physical stores during the reporting period

In September 2023, the Guorun Direct-sales Store (Tellus) opened on the first floor at the atrium of Tellus Jewelry Building, Shuibei 2nd Road, Luohu District, Shenzhen City, Guangdong Province. From September to December 2023, it achieved a sales volume of 55.89 kg and an operating revenue of RMB 23.1971 million, with an operating cost of RMB 23.1573 million and a gross profit margin of 0.17%.

5. Online sales during the reporting period

In November 2023, Tmall's "Tellus Shuibei Jewelry Flagship Store" opened. From November to December 2023, it achieved an operating income of RMB 5.3689 million, with an operating cost of RMB 5.2811 million and a gross profit margin of 1.64%.

In November 2023, JD.com's "Tellus Shuibei Jewelry Flagship Store" opened. From November to December 2023, it achieved an operating income of RMB 7.8716 million, with an operating cost of RMB 7.7941 million and a gross profit margin of 0.98%.

6. Inventory of jewelry business during the reporting period

As of December 31, 2023, the inventory balance of the Company's jewelry business was RMB 178.4258 million, of which the amount measured at fair value was RMB 178.419, corresponding to hedged items with commodity futures contracts and T+D contracts as hedging instruments and the value of gold leased from China Everbright Bank.

III. Core Competitiveness Analysis

(I) Location advantage

The company is located in Shuibei, the core cluster of the jewelry industry in Shenzhen. Shuibei is an influential professional trading market in China's jewelry industry and a gold and jewelry cluster with the largest scale, the highest level of development, and the most complete industrial chain in China. Shuibei accounts for more than 70% of China's gold and jewelry market share. In the core area of one square kilometer of Shuibei Market, there are tens of thousands of gold and jewelry enterprises. According to the data from the Shenzhen Gold & Jewelry Association, the annual physical pick-up volume of gold and platinum in Shenzhen accounts for about 70% of the physical sales volume at Shanghai Diamond Exchange, and the physical consumption of diamonds accounts for about 80% of the import value at Shanghai Diamond Exchange. In terms of brand clustering, Luohu District encompasses over 40 leading jewelry enterprises and 29 "China Famous Trademarks" in the jewelry sector, accounting for 30% of the national total. It has successfully nurtured the stock exchange listings of Jewelry companies such as Chow Tai Seng and DR Group. Shuibei has formed a complete industrial chain covering design and R&D, production and manufacturing, exhibition and trading, brand operation, headquarters office operation, inspection and testing, talent training, etc.

Relying on the significant geographical advantages of the Shuibei area, the Company has gathered a large number of jewelry suppliers and powerful merchants, which makes it convenient for the Company to carry out comprehensive third-party services in the jewelry sector. The market influence of Shuibei and the centralized provision of commercial and trade information offer a favorable business environment and development platform. This allows the Company to promptly capture market feedback information and respond quickly to market changes.

(II) Resource advantage

By leveraging the endorsement of state-owned assets and harnessing industrial synergies, the Company deeply integrates resources from both the supply and demand sides of the jewelry industry. This positions the Company with a certain advantage in coordinating upstream resources. The Company has established direct cooperation with domestic and foreign gold jewelry suppliers and processors and held a number of domestic commodity inspection meetings and bonded exhibitions to reduce the cost of commodity inspection and raw material procurement and improve its operation efficiency.

In terms of customer expansion, the Company has accumulated certain industry resources and influence. It closely cooperates with authoritative industry associations such as the Gems & Jewelry Trade Association of China and Shenzhen Gold & Jewelry Association, actively participates in and organizes various industry activities, participates in the formulation of industry standards, and continuously expands the popularity and

influence of the industry. At the same time, it has grasped the trend of digitalization and developed an online platform through digital transformation. The platform has preliminarily established a certain level of business support and digital service capabilities.

In addition, the Company has also brought stable business income and cash flow through commercial complex operation and property value improvement, which lays a solid foundation for its long-term development. At present, the Company is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park in the Shuibe area. The Tellus Jewelry Building and Tellus Gold and Diamond Trading Building invested by the Company have been put into operation successively, maintaining a high occupancy rate. Additionally, the Company plans to build innovative industrial projects that conform to the overall strategic layout of the city, the district, and the Company through quality improvement and renovation.

(III) Management advantage

The Company continues to improve its management level, strengthen strategic decomposition and implementation, optimize and adjust the organizational structure, and enhance its functional guarantee capability. From the perspective of management promotion and operation, the Company has established a "4S" management mainline system based on the management orientation and the actual situation of the Company. From strategic planning and business plans to management statements and assessment and evaluation, scientific and closed-loop management concepts have been established and various management actions have been linked, which serve the Company's strategic implementation in a unified way.

In terms of risk control, the Company has formulated strict internal business control processes such as supplier access standards, a customer evaluation system, and a procurement price comparison system to realize multi-level risk control over capital, information, and logistics. At the same time, it has strengthened internal self-inspection and risk control system construction, continuously optimized business processes and internal control systems in the process of business development, and carried out research and innovation on new categories and new business models under the premise of controllable risks. With the help of information system construction, system data analysis, and foresight, the risk early warning capability of business and risk control departments has been improved.

In terms of human resources, the Company has optimized the employee employment mechanism and interview process to unleash organizational vitality through two-way communication. It has optimized and improved the training system, preliminarily established a middle-level management training mechanism centered around management ability assessment and feedback, and increased efforts in talent development.

IV. Analysis of Main Business

1. Overview

In 2023, under the correct leadership of the Group's Party Committee and Board of Directors, all Tellus staff worked together to move forward courageously. The overall operation throughout the year was stable and the performance continued to improve.

In 2023, the Company's operating income reached RMB 1,846.74 million, with a year-on-year increase of 120.46%. The main reason for the revenue change was the expansion of the gold and jewelry business scale. In 2023, the Company realized a total profit of RMB 153.52 million, representing an increase of RMB 50.68 million over 2022. The net profit attributable to the parent company was RMB 118.26 million, representing an increase of RMB 34.76 million over 2022. The main reasons for the changes included changes in measurement methods and payment of severance compensation to employees after the loss of control over a subsidiary, as well as the commencement of operation of Tellus Gold and Diamond Building. Main business and operation of the Company in 2023:

(1) Steadily promoting the construction of a comprehensive trade platform: The comprehensive trade platform was upgraded to one of Shenzhen's five major trade platforms in 2023 and introduced nationwide with precise business promotion to regions such as East China; It has been included in several three-year action plans of Shenzhen, which further enhances its industry influence; The Tellus Jewelry Culture Industrial Park, centered around the platform, made the list of China's Top 100 Comprehensive Commodity Markets and the list of Fashionable Markets in 2023 sponsored by the State Administration for Market Regulation, with improved service functions throughout the jewelry industry chain; Positive progress has been made in the introduction of upstream resources and cooperation with jewelry brands.

(2) Optimizing and improving products and services in jewelry trading: The category advantages have been continuously strengthened, with the business scale expanding throughout the year; A total of 14 category-specific viewing meetings were held, resulting in a stable year-over-year growth in import and export volume in 2023; Direct engagement with upstream resources has reduced the procurement viewing costs of customers; The Company cooperated with the Pearl Department of the Ministry of Natural Resources and Environmental Conservation of Myanmar, organized the 2023 First Myanmar Pearl Auction Shenzhen, China, and collaborated with the Thai Gem and Jewelry Traders Association and the Sri Lanka Gem Traders Association, providing a channel for platform members to access stable and high-quality sources of pearls and colored gemstones.

(3) Promoting the market expansion and digitization of the gold sector concurrently: The Company has innovated business models, vigorously expanded market channels, involved small and micro jewelry enterprises in co-building the Tellus Shuibei Designer Cultural Creative Museum, strengthened supply chain integration and service capabilities, and opened offline stores and online flagship stores to carry out investment gold

product sales business; It also carries out digital business operation to bring better services and more value to customers.

(4) Improving the operation level of the physical platform business: The investment attraction and operation of the Gold and Diamond Building have achieved excellent results, with an overall occupancy rate of over 95% by the end of 2023; With the settlement of well-known jewelry enterprises in the building, a cluster of jewelry company headquarters has been established to gather industry traffic; The Jewelry Building has vigorously tapped its potential to increase income, and new achievements have been made in investment attraction and operation; the revenue of Tellus Life Experience Hall has risen steadily; the rental income of many traditional property projects has increased significantly.

(5) Improving the quality and efficiency of internal management: The strategic management is standardized and orderly, with a stronger leadership role, implementing the "4S management system" driven mainly by strategy; Organizational structure optimization around strategic goals has been accomplished, with full promotion of the OKR management system; Efforts have been made to intensify talent development and reinforce team building; The corporate culture is deepening and becoming more substantial through various initiatives, such as organizing discussions on "striver's convention," further solidifying the foundation of the culture of striving.

(6) Adhering to the leadership of Party building: The Company has strengthened learning for Party building, carried out in-depth research at the grassroots level around 12 topics, conducted 18 field visits and symposiums, and promoted the solution to a number of difficult problems. The Party Committee of the Company pays attention to strengthening the construction of grass-roots organizations of the Party, gives full play to the vanguard and exemplary role of party members, actively explores and innovates the working methods of Party building, and promotes the high-quality development of various work of the Company.

2. Revenues and costs

(1) Operating revenue composition

Unit: RMB

	Year 2023		Year 2022		Year-on-year movement
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	1,846,738,841.89	100%	837,656,274.51	100%	120.46%
By industry					
Jewelry sales and services	1,542,107,225.96	83.50%	421,483,320.58	50.32%	265.88%
Leasing and services	250,517,470.48	13.57%	174,756,009.80	20.86%	43.35%
Automobile sales	42,638,840.47	2.31%	196,357,649.27	23.44%	-78.29%

Automobile maintenance and testing	11,475,304.98	0.62%	45,059,294.86	5.38%	-74.53%
By product					
Jewelry sales and services	1,542,107,225.96	83.50%	421,483,320.58	50.32%	265.88%
Leasing and services	250,517,470.48	13.57%	174,756,009.80	20.86%	43.35%
Automobile sales	42,638,840.47	2.31%	196,357,649.27	23.44%	-78.29%
Automobile maintenance and testing	11,475,304.98	0.62%	45,059,294.86	5.38%	-74.53%
By region					
South China	1,417,912,052.46	76.78%	626,167,138.85	74.75%	126.44%
East China	335,179,719.17	18.15%	54,966,535.20	6.56%	509.79%
North China	85,710,840.18	4.64%	153,009,382.75	18.27%	-43.98%
Central China	6,925,197.35	0.37%	3,513,217.71	0.42%	97.12%
Other regions	1,011,032.73	0.05%			
By sales model					
Direct sales	1,846,738,841.89	100.00%	837,656,274.51	100.00%	120.46%

(2) Industries, products, regions, and sales models with an operating revenue or operating profit accounting for more than 10% of the Company's total

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Year-on-year movement in operating revenue	Year-on-year movement in operating cost	Year-on-year movement in gross margin
By industry						
Jewelry sales and services	1,542,107,225.96	1,514,822,240.15	1.77%	265.88%	266.98%	-0.29%
Leasing and services	250,517,470.48	85,282,344.36	65.96%	43.35%	36.11%	1.81%
Automobile sales	42,638,840.47	38,385,230.69	9.98%	-78.29%	-79.70%	6.26%
Automobile maintenance and testing	11,475,304.98	9,847,384.40	14.19%	-74.53%	-72.49%	-6.38%
By product						
Jewelry sales and services	1,542,107,225.96	1,514,822,240.15	1.77%	265.88%	266.98%	-0.29%
Leasing and services	250,517,470.48	85,282,344.36	65.96%	43.35%	36.11%	1.81%
Automobile sales	42,638,840.47	38,385,230.69	9.98%	-78.29%	-79.70%	6.26%
Automobile maintenance and testing	11,475,304.98	9,847,384.40	14.19%	-74.53%	-72.49%	-6.38%
By region						
South China	1,417,912,052.46	1,227,470,886.16	13.43%	126.44%	150.00%	-8.16%
East China	335,179,719.17	328,741,786.92	1.92%	509.79%	504.35%	0.88%

North China	85,710,840.18	84,311,790.11	1.63%	-43.98%	-44.32%	0.59%
Central China	6,925,197.35	6,817,436.10	1.56%	97.12%	96.09%	0.52%
Other regions	1,011,032.73	995,300.31	1.56%			
By sales model						
Direct sales	1,846,738,841.89	1,648,337,199.60	10.74%	120.46%	135.38%	-5.66%

In case of adjustments to the statistical criteria of the Company's main business in the reporting period, the Company will provide the main business data adjusted according to the criteria at the end of the reporting period for the most recent year.

Applicable Not applicable

(3) Is the Company's physical product sales revenue greater than the service revenue?

Yes No

Industry	Item	Unit	Year 2023	Year 2022	Year-on-year movement
Wholesale and retail of gold	Sales volume	KG	3,563.59	1,128.44	215.80%
	Production	KG	3,781.54	1,345.47	181.06%
	Inventory	KG	434.98	217.03	100.42%

Explanation of the causes of over 30% changes in the related data

Applicable Not applicable

(2) The gold circulation platform took on a new look of development. Guorun Gold was registered on June 28, 2022, and has gradually developed its business.

(4) Performance for major sales contracts and major procurement contracts signed by the Company as of the reporting period

Applicable Not applicable

(5) Composition of operating cost

Industry and product classification

Industry and product classification

Unit: RMB

Industry	Item	Year 2023		Year 2022		Year-on-year movement
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Jewelry sales and services	Retail and wholesale of jewelry	1,514,822,240.15	91.90%	412,785,619.63	58.95%	266.98%
Leasing and services	Leasing, property management, and others	85,282,344.36	5.17%	62,659,156.85	8.95%	36.11%
Automobile sales	Automobile sales	38,385,230.69	2.33%	189,054,253.07	27.00%	-79.70%

Automobile maintenance and testing	Automobile maintenance and testing	9,847,384.40	0.60%	35,790,213.87	5.11%	-72.49%
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Unit: RMB

Product	Item	Year 2023		Year 2022		Year-on-year movement
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Jewelry sales and services	Retail and wholesale of jewelry	1,514,822,240.15	91.90%	412,785,619.63	58.95%	266.98%
Leasing and services	Leasing, property management, and others	85,282,344.36	5.17%	62,659,156.85	8.95%	36.11%
Automobile sales	Automobile sales	38,385,230.69	2.33%	189,054,253.07	27.00%	-79.70%
Automobile maintenance and testing	Automobile maintenance and testing	9,847,384.40	0.60%	35,790,213.87	5.11%	-72.49%

Description

N/A

(6) Has the consolidation scope changed during the reporting period? Yes No

The Company had multiple communications with the Japanese shareholder before and after the expiration of the business term of its subsidiary, SDG Huari, regarding SDG Huari's business term extension, equity transactions, dissolution, and liquidation, but consensus was not reached on any of these issues. Under the circumstance that the business term of SDG Huari has expired, and the Company and the Japanese shareholder could not set up a liquidation team to carry out liquidation within fifteen days from the date of expiration of the business term of SDG Huari, as the shareholder holding 60% equity of SDG Huari, the Company applied in October 2022 for the appointment of a liquidation team designated by the People's Court to carry out compulsory liquidation of SDG Huari according to Articles 180 and 183 of the Company Law of the People's Republic of China and Article 7 of the Provisions (II) of the Supreme People's Court on Several Issues Concerning the Application of the Company Law of the People's Republic of China.

On December 21, 2022, the Shenzhen Qianhai Cooperation Zone People's Court in Guangdong Province issued [2023] Y0391 QS No.9 Civil Ruling, deciding to accept the Company's application for liquidation against SDG Huari.

On March 21, 2023, the Company received the Decision on Appointing a Liquidation Team ([2023] Y0391 QQ No. 4) served by the Shenzhen Qianhai Cooperation Zone People's Court, which designated King & Wood Mallesons Shenzhen Office as the SDG Huari Liquidation Team. The liquidation team reported its work

to the court, accepted the supervision of the court and creditors and shareholders of the Company, and exercised various functions and powers in accordance with legal procedures during liquidation.

According to the relevant provisions of the Company Law, the liquidation team designated by the court shall be responsible for safeguarding, sorting, and disposing of the liquidated company's assets during the liquidation period, settling debts, and handling outstanding business until the final deregistration of the company. During the liquidation period, the Company as a shareholder could no longer control the business decisions of SDG Huari and could not unilaterally apply to the court to revoke the liquidation of SDG Huari. Therefore, after the court appointed a liquidation group, the Company lost control over SDG Huari and should not include SDG Huari in its consolidation scope unless there was significant influence.

(7) Major changes or adjustments in the Company's business, products, or services during the reporting period

Applicable Not applicable

(8) Key customers and key suppliers

Key customers of the Company

Total sales revenue from the top 5 customers (RMB)	979,817,424.60
Proportion of the total sales revenue from the top 5 customers in total annual sales revenue	53.06%
Proportion of the sales revenue from the related parties among the top 5 customers in total annual sales revenue	5.70%

Top 5 customers of the Company

S/N	Customer name	Sales revenue (RMB)	Proportion in total annual sales revenue
1	Customer 1	474,217,141.00	25.68%
2	Customer 2	160,694,752.22	8.70%
3	Customer 3	122,782,927.42	6.65%
4	Customer 4	116,873,152.53	6.33%
5	Customer 5	105,249,451.43	5.70%
Total	--	979,817,424.60	53.06%

Explanation on other conditions of key customers

Applicable Not applicable

Key suppliers of the Company

Total purchase amount paid to the top 5 suppliers (RMB)	1,440,695,874.42
Proportion of the total purchase amount paid to the top 5 suppliers in the total annual purchase amount	81.70%
Proportion of the purchase amount of the related parties among the top 5 suppliers in the total annual purchase amount	0.00%

Top 5 suppliers of the Company

S/N	Supplier name	Purchase amount (RMB)	Proportion in the total annual purchase amount
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1	Supplier 1	1, 007, 734, 822. 92	57. 15%
2	Supplier 2	248, 756, 140. 00	14. 11%
3	Supplier 3	96, 871, 592. 92	5. 49%
4	Supplier 4	47, 105, 000. 00	2. 67%
5	Supplier 5	40, 228, 318. 58	2. 28%
Total	--	1, 440, 695, 874. 42	81. 70%

Explanation on other conditions of key suppliers

Applicable Not Applicable

The supplier accounting for more than 50% of the Company's total annual purchase amount during the reporting period was Shanghai Gold Exchange.

3. Expenses

Unit: RMB

	Year 2023	Year 2022	Year-on-year movement	Explanation on major changes
Selling expenses	19, 128, 514. 75	22, 034, 712. 48	-13. 19%	
Administrative expenses	85, 621, 795. 09	47, 077, 679. 99	81. 87%	First, the increase in compensation for the closure of the automobile business; Second, the year-on-year increase in consulting service fees of the Gold and Diamond Building, such as tax consultation fees and special audit evaluation fees.
Financial expenses	5, 537, 879. 92	-4, 036, 653. 35	237. 19%	First, increased interest expenses on financing for the gold business; Second, after the transfer of the Gold and Diamond Building to fixed assets, loan interests were converted to financial expenses.
R&D expenses	1, 965, 795. 78	802, 753. 80	144. 88%	Increased number of R&D projects

4. Investment in R&D

Applicable Not applicable

Name of major R&D project	Project purpose	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Data Model Index System Based on the HEART Analysis Model	Construct a data management system based on the HEART analysis model to obtain and process	The project has completed the development process by the end of April 2023 and is in	Improve the configurability and expansibility of the system, and improve the intelligent	Provide high-quality digital products and data services for the jewelry industry.

	customs declaration, contract, and goods information in real-time.	continuous operation.	capability of the system.	
Cloud-based Trade Import and Export Management System Based on the SaaS Model	Develop a cloud-based trade import and export management system based on the SaaS model to improve the import and export management of the jewelry industry.	The project has completed the development process by the end of August 2023 and is under trial operation.	Realize the real-time update and sharing of import and export data of jewelry enterprises and improve data security.	Provide system support for the platform to develop overseas business and enhance competitiveness.
Research and Development of Methods for Offline Processing of Business Data	Provide more accurate and timely data support through core technologies such as offline cache, data preprocessing, distributed processing, and fault-tolerant processing.	The project has completed the development process by the end of July 2023 and is in continuous operation.	Establish the capacity to process data collected offline in large quantities to reduce the cost of manual data migration.	Enable the Company to cope with large-scale data processing pressure caused by the sudden growth of business volume at special time points.
Research and Development of Real-time Data Calculation Platform	Build an efficient, reliable, and scalable real-time data processing platform to provide millisecond-level data analysis and decision support for enterprises.	The project has completed the development process by the end of October 2023 and is in continuous operation.	Be able to analyze and process the stream data that needs real-time processing, and control market changes in real-time.	Improves the efficiency of business data processing and analysis in complex business or complex scenarios.
Research and Development of an All-in-One Comprehensive Intelligent Member Management System	Develop a member management system to strengthen the member management ability and realize the standardization of membership and the unified control of member data.	The project has completed the development process by the end of December 2023 and is under trial operation.	Achieve all-in-one membership management to effectively improve the work efficiency of salespeople.	Serve platform members better, improve member stickiness, and enable business units to carry out platform business more conveniently.
Research and Development of an Online Collaborative Management System for Jewelry Inspection Meetings	Develop a systematic platform for commodity inspection meetings to improve the efficiency and management of commodity inspection in exhibition activities.	The project has completed the development process by the end of January 2024 and is under trial operation.	Achieve real-time data collection and processing to improve work efficiency; Adopt advanced security technology to ensure system and data security.	Improve the platform's efficiency in organizing commodity inspection meetings to reduce labor costs.
Information Supervision System for the Jewelry Industry	Develop an information supervision system for the jewelry industry to strengthen business data supervision.	In the development process.	Meet the regulatory requirements for bonded goods and enhance trust in enterprises.	Further improve the functions of data collection, display and analysis, and data traceability inspection.

R&D personnel of the Company

	Year 2023	Year 2022	Percentage change
Number of R&D personnel (headcount)	6	2	200.00%

Proportion of R&D personnel	3.97%	0.63%	3.34%
Educational background structure of R&D personnel			
Bachelor's degree	3		
Master's degree	1		
Junior college diploma	2	2	
Age composition of R&D personnel			
Under 30	1	1	0.00%
30-40	5	0	
Over 40		1	

R&D investment of the Company

	Year 2023	Year 2022	Percentage change
R&D investment amount (RMB)	1,965,795.78	802,753.80	144.88%
Proportion of investment in R&D in operating revenue	0.11%	0.10%	0.01%
Capitalized R&D investment amount (RMB)	0.00	0.00	
Proportion of capitalized R&D investment in R&D investment	0.00%	0.00%	

Causes and impact of major changes in the composition of the Company's R&D personnel

Applicable Not applicable

Causes for significant year-on-year changes in the proportion of the total R&D investment in operating revenue

Applicable Not applicable

Explanation of the reason for significant changes in the capitalization rate of R&D investment and its justification

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	Year 2023	Year 2022	Year-on-year movement
Subtotal of the cash inflows of operating activities	2,019,506,191.37	1,004,298,180.83	101.09%
Subtotal of the cash outflows of operating activities	2,079,646,197.83	1,056,265,945.12	96.89%
Net cash flow from operating activities	-60,140,006.46	-51,967,764.29	-15.73%
Subtotal of the cash inflows of investment activities	677,411,633.15	1,388,465,680.40	-51.21%
Subtotal of the cash outflows of investment activities	810,619,126.84	1,338,619,900.38	-39.44%
Net cash flow of investment activities	-133,207,493.69	49,845,780.02	-367.24%
Subtotal of the cash inflows of financing activities	359,922,892.83	206,424,339.14	74.36%
Subtotal of the cash outflows	397,758,935.44	23,708,532.63	1,577.70%

of financing activities			
Net cash flow of financing activities	-37,836,042.61	182,715,806.51	-120.71%
Net increase in cash and cash equivalents	-231,183,441.67	179,751,243.50	-228.61%

Explanation of main influence factors for year-on-year major changes in related data

Applicable Not applicable

Item	Year 2023	Year 2022	Year-on-year movement	Description
Subtotal of the cash inflows of operating activities	2,019,506,191.37	1,004,298,180.83	101.09%	The business volume of gold and jewelry increased during the reporting period
Subtotal of the cash outflows of operating activities	2,079,646,197.83	1,056,265,945.12	96.89%	The business volume of gold and jewelry increased during the reporting period
Net cash flow from operating activities	-60,140,006.46	-51,967,764.29	-15.73%	Gold credit sales and stocking business in the year
Subtotal of the cash inflows of investment activities	677,411,633.15	1,388,465,680.40	-51.21%	Year-on-year decrease in the redemption of financial products in the year
Subtotal of the cash outflows of investment activities	810,619,126.84	1,338,619,900.38	-39.44%	Year-on-year decrease in financial products purchased in the year
Net cash flow of investment activities	-133,207,493.69	49,845,780.02	-367.24%	Year-on-year decrease in the redemption of financial products at maturity
Subtotal of the cash inflows of financing activities	359,922,892.83	206,424,339.14	74.36%	Loans for the gold and jewelry business increased during the reporting period
Subtotal of the cash outflows of financing activities	397,758,935.44	23,708,532.63	1,577.70%	Repayment of long-term borrowings and gold and jewelry business loans during the reporting period
Net cash flow of financing activities	-37,836,042.61	182,715,806.51	-120.71%	Repayment of long-term borrowings during the reporting period
Net increase in cash and cash equivalents	-231,183,441.67	179,751,243.50	-228.61%	First, gold credit sales and stocking business; Second, long-term loan repayment during the reporting period

Explanation of the significant difference between the net cash flow of operating activities during the reporting period and the net profit of the Company in the year

Applicable Not applicable

V. Analysis of Non-main Business

Applicable Not applicable

Unit: RMB

	Amount	Proportion in total profit	Reason	Sustainable or not
Investment income	93,873,513.18	61.15%	Gains from financial investments, gains from using the equity method to recognize investments in associate companies, and gains from the remeasurement at fair value of remaining equity after losing control of a subsidiary	No
Gains or losses from changes in fair value	-12,008,283.18	-7.82%	Losses from changes in fair value of held-to-maturity financial assets, and after the loss of control of the subsidiary, the fair value change loss of the remaining equity is reassessed at the end of the year	No

Impairment of assets	-1, 046, 935. 57	-0. 68%	Provision for the impairment losses of inventories and fixed assets	No
Non-operating revenue	2, 390, 834. 30	1. 56%	Confiscation of security deposits due to early surrender of lease by merchants	No
Non-operating expenditures	319, 297. 02	0. 21%	Liquidated damages paid to tenants for the early termination of tenancy for renovation and quality improvement work	No

VI. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: RMB

	End of 2023		Beginning of 2023		Proportion increase/decrease	Explanation on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash at bank and on hand	220, 340, 961. 64	9. 17%	413, 028, 327. 36	18. 50%	-9. 33%	
Accounts receivable	99, 635, 751. 52	4. 14%	41, 752, 179. 56	1. 87%	2. 27%	
Inventory	178, 425, 833. 88	7. 42%	116, 069, 675. 39	5. 20%	2. 22%	
Investment properties	1, 008, 137, 341. 80	41. 94%	516, 360, 139. 45	23. 13%	18. 81%	
Long-term equity investment	76, 511, 487. 57	3. 18%	81, 024, 365. 94	3. 63%	-0. 45%	
Fixed assets	78, 935, 843. 49	3. 28%	102, 689, 546. 42	4. 60%	-1. 32%	
Construction in progress	7, 279, 570. 05	0. 30%	409, 933, 559. 27	18. 37%	-18. 07%	
Right-of-use assets	71, 904, 716. 50	2. 99%	4, 181, 242. 86	0. 19%	2. 80%	
Short-term borrowings	145, 131, 694. 44	6. 04%	20, 000, 000. 00	0. 90%	5. 14%	
Contract liabilities	7, 079, 975. 38	0. 29%	9, 259, 658. 43	0. 41%	-0. 12%	
Long-term loans			144, 820, 511. 42	6. 49%	-6. 49%	
Lease liabilities	69, 524, 214. 23	2. 89%	2, 926, 184. 93	0. 13%	2. 76%	

High proportion of overseas assets

 Applicable Not applicable

2. Assets and liabilities at fair value

 Applicable Not applicable

Unit: RMB

Item	Initial amount	Current gains	Cumulative	Imp	Purchase	Sales amount in	Other	Ending
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		or losses from changes in fair value	change in fair value included in equity	aim ent accr ued in the peri od	amount in the period	the period	changes	amount
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	176,133,569.95	-16,611,392.45			550,000,000.00	590,000,000.00	86,772,754.44	206,294,931.94
2. Derivative financial assets		298,320.00						298,320.00
3. Other debt investments		589,566.66			67,038,381.94			67,627,948.60
4. Other equity instrument investments	10,176,617.20		-9,793,299.53					383,317.67
Subtotal of financial assets	186,310,187.15	-15,723,505.79	-9,793,299.53		617,038,381.94	590,000,000.00	86,772,754.44	274,604,518.21
Hedged items	79,191,876.11	-101,030.68		0.00	1,452,078,640.07	1,445,367,090.43	0.00	85,802,395.07
Total of the above	265,502,063.26	-15,824,536.47	-9,793,299.53	0.00	2,069,117,022.01	2,035,367,090.43	86,772,754.44	360,406,913.28
Financial liabilities	19,062,044.91	2,216,990.00			53,588,960.00	18,174,360.00	189,699.85	56,883,334.76

Other changes

After the Company lost control of the subsidiary, the remaining equity was remeasured at fair value and classified as trading financial assets.

Did major changes occur to the measurement attributes of the main assets of the Company within the reporting period?

Yes No

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

Item	Ending balance
Deposit and interest of gold lease	51,328,583.35
Futures and options account margin	8,188,990.60
Amount of judicial control	600,000.00

Total	60,117,573.95
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VII. Analysis of Investment

1. Overview

Applicable Not applicable

Investment in the reporting period (RMB)	Amount of investment in the same period of the previous year (RMB)	Percentage change
81,106,905.72	281,736,012.60	-71.21%

2. Significant equity investment acquired in the reporting period

Applicable Not applicable

3. Significant non-equity investment ongoing in the reporting period

Applicable Not applicable

4. Financial assets investment

(1) Security investment

Applicable Not applicable

The Company has no securities investment during the reporting period.

(2) Investment in derivatives

Applicable Not applicable

1) Investment in derivatives for hedging purposes during the reporting period

Applicable Not applicable

Unit: RMB 10,000

Type of investment in derivatives	Initial investment amount	Opening amount	Current gains or losses from changes in fair value	Cumulative change in fair value included in equity	Buying amount during the reporting period	Selling amount during the reporting period	Ending amount	Proportion of the ending investment amount in the ending net assets of the Company
Futures (via account at Everbright Futures)	38.20	546.42	0	0	6,563.17	7,132.21	0	0.00%
Futures (via account at Ping An Futures)	77.60	349.17	0	0	198.98	548.78	358.15	0.22%
Futures (via account at Huatai Futures)	1,050.00	0	29.83	0	6,456.46	5,643.22	667.45	0.42%

Futures (via account at CITIC Futures)	57.20	0	-0.14	0	1,301.26	3,125.83	146.61	0.09%
Revenue swap (via CITIC account)	50.00	0	0	0	56.48	56.48	0	0.00%
Total	1,273.00	895.59	29.69	0	14,576.35	16,506.52	1,172.21	0.73%
Accounting policies and specific principles of accounting for hedging transactions during the reporting period and whether there is any significant change in them compared to the previous reporting period	No							
Actual gains and losses during the reporting period	Due to the rise in gold price and other reasons, the actual hedging loss of futures account during the reporting period was RMB 6,254,700							
Hedge effectiveness	Measurement method of hedge effectiveness: hedge effectiveness = change in the price of hedging futures position / change in the price of hedged spot position. A value closer to 100% indicates a higher level of hedge effectiveness. According to the Accounting Standards for Business Enterprises of China, a hedge is considered highly effective when its effectiveness ranges from 80% to 125%. The Company sustained a loss of RMB 6,254,700 due to futures price fluctuations. The hedge effectiveness was above 99%, which demonstrates that the Company's hedge was highly effective.							
Source of funds for investment in derivatives	Own funds							
Risk analysis and control measures for positions in derivatives during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, and legal risk)	<p>The Company's hedging transactions follow the following basic principles: The value change and contract quantity of the futures products are approximately equivalent to the spot positions; the futures positions are taken in the opposite direction of the spot positions; and the holding period of the futures positions matches the risk exposure period in the spot market. The main risks of positions in gold futures include basis risk, forced liquidation risk, and operational error risk.</p> <ol style="list-style-type: none"> 1. For the basis risk, when the basis risk shrinks, prioritize using gold leases as inventory and minimize or keep no proprietary stock; 2. For the risk of forced liquidation, establish a risk alert system that triggers a set capital plan when there are significant fluctuations in gold price to maintain adequate funds in margin accounts; If there is an emergency triggering forced liquidation, report it to the Company's management promptly and replenish the hedging position that has been forced liquidated; 3. For the risk of operational errors, implement a trader training mechanism, strictly adhere to system and workflow requirements to perform operations and reviews accordingly, and provide daily reports consistently. <p>The Company has established a scientific and effective hedging management system, which is implemented through four key aspects: organizational structure design, planning systems, management and evaluation procedures, and dynamic risk monitoring.</p>							
Changes in market price or product fair value during the reporting period of invested derivatives (the analysis of the fair value of derivatives should disclose the specific valuation methodologies utilized and the related assumptions and parameter inputs)	During the reporting period, the fair value change of the futures contracts held for hedging purposes was RMB 296,900. The Company determined the fair value using the closing price on the last trading day in December 2023 (December 29) of the futures contracts held on the Shanghai Gold Exchange, with the floating gain and loss representing the change in fair value.							
Involvement in litigation	N/A							

(if applicable)	
Disclosure date of the announcement of the Board of Directors for derivatives investment approval (if any)	January 13, 2023
Special opinions of independent directors on investment in derivatives and risk control of the Company	<p>1. The Company uses its own funds to establish a gold inventory and uses tools such as gold futures to hedge the Company's own gold inventory. 1. The Company utilizes its own funds to engage in hedging transactions. This hedging strategy allows the Company to lock in expected profits on products, control operational risks, and improve resilience against market fluctuations, without damaging the interests of the Company and all shareholders.</p> <p>2. The Company has established a sound organizational structure, business operation procedures, approval processes, and Hedging Transaction Management Guidelines for its hedging transactions conducted during the reporting period.</p> <p>3. The approval procedures followed by the Company to utilize its own funds for hedging transactions comply with relevant national laws, regulations, and the Company's Articles of Association.</p>

2) Investment in derivatives for speculative purposes during the reporting period

Applicable Not applicable

During the reporting period, the Company had no investment in derivatives for speculative purposes.

5. Usage of raised funds

Applicable Not applicable

No raised funds are used within the reporting period of the Company.

VIII. Sales of Major Assets and Equity

1. Sales of major assets

Applicable Not applicable

No major asset is sold during the reporting period of the Company.

2. Sales of major equity

Applicable Not applicable

IX. Analysis of Main Companies Controlled or Invested in by the Company

Applicable Not applicable

Main subsidiaries and equity investments in associated companies that have an impact on the Company's net profit of 10% or more

Unit: RMB

Company name	Type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Automobile Industry and Trade Co., Ltd.	Subsidiary	Property lease	58,960,000	240,716,215.15	207,597,346.00	32,686,463.27	27,244,769.88	21,284,451.94

Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property lease	366,221,900	630,534,422.14	482,459,825.34	126,894,290.94	73,608,937.18	55,906,497.74
Shenzhen Huari Toyota Sales & Service Co., Ltd.	Subsidiary	Automobile sales	2,000,000	5,008,846.45	11,323,386.27	53,354,433.99	22,299,456.47	22,275,215.18
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property lease	9,607,800	11,882,661.61	5,218,067.98	7,244,015.35	2,883,640.63	2,740,738.29
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	Subsidiary	Property lease	32,900,000	98,426,261.53	79,340,744.75	12,172,954.64	6,733,708.21	5,056,050.73
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Subsidiary	Purchase, sales, and leasing of gold ornaments and precious metal products, leasing of safe deposit boxes, and warehousing services	50,000,000	92,141,429.66	46,425,387.23	16,505,468.41	328,517.64	329,343.33
Shenzhen Jewelry Industry Service Co., Ltd.	Subsidiary	Jewelry fair planning, jewelry consignment, exhibition planning, conference services, and marketing planning	100,000,000	55,179,925.12	35,955,528.61	12,199,867.27	4,854,978.01	4,854,978.20
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Sales of gold bars for investment, gold recycling, and gold purification/exchange services	200,000,000	408,845,673.40	197,912,526.79	1,492,021,725.24	1,555,852.20	1,528,616.54
Shenzhen Tellus-Gmond	Joint stock company	Investment in industrial development	53,704,960	386,977,641.70	98,501,690.09	114,967,524.80	45,918,906.43	34,214,249.85

Investment Co., Ltd.		, property management, and leasing						
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Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Description of main companies controlled or invested in by the Company

X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. Outlook of Future Development

(I) Development strategy

Since the Company formulated the strategy for the transformation to a third-party comprehensive service provider in the jewelry industry in 2014, it has been unwaveringly and steadily promoting the strategic transformation and project implementation in accordance with the established plan. After years of exploration and attempts, substantial results have been achieved. During the "14th Five-Year Plan" period, the Company, based on the new development stage, has been focusing on the strategic approach of "adhering to the comprehensive value to cross the economic cycle, improving the value chain with services, seeking capital assignment, and deeply developing third-party jewelry services," dedicated to the development of a jewelry third-party service platform, deepening the expansion of third-party jewelry services, promoting industrial upgrading, enhancing productivity and efficiency, and striving to become the most influential comprehensive third-party service provider in the domestic jewelry and jade industry. In 2024, the Company will make every effort to promote the high-quality development of jewelry third-party comprehensive services in terms of business, management, talents, technology, and information, continuously build core competitive advantages, and promote breakthrough progress in various work.

(II) Business plan for 2024

1. Promote the convergence of Party building and operation in the same direction to improve the overall quality of the Company's Party-building work. In the process of operation and management, give full play to the leadership role of the Company's Party Committee in setting direction, overseeing the overall situation, and ensuring implementation, as well as the exemplary role of Party members. The Company's Party Committee shall actively explore and innovate ways and methods of Party-building work, focus on strengthening the grassroots organization of the Party, and facilitate the smooth implementation of strategic planning.

2. Continuously advance and enhance the capabilities of the comprehensive third-party jewelry service business with deepening efforts. Comprehensively strengthen market development, continuously broaden business channels, deepen customer stickiness and diversified services, and promote the construction of a comprehensive trade platform; Improve the service system and implement new service categories and business models; Accelerate digital construction in line with business expansion requirements to empower healthy business development.

3. Continue to innovate and enhance the commercial value of properties. Complete the layout and adjustment of the Company's physical platform business, expand physical platform connectivity channels, leverage physical platform advantages, and continuously explore value-added services; Continuously enhance management level, leverage the support role of information systems, establish customer analysis systems, and improve service quality; Continuously innovate in operations to create an efficient business management operations team.

4. Optimize the organizational structure and continuously improve the strategic control capability. Promote performance with hard work and do a good job in team management; Dynamically adjust the organizational structure and staffing according to business needs; Continuously improve the incentive mechanism and strengthen the construction of talent teams; Optimize 4S management system and OKR management tools, improve management efficiency, and promote strategy implementation.

5. Improve work safety and build a solid foundation for safe development. Increase internal and external training and retraining and establish a common growth mechanism; Pay close attention to safety management such as reinforcement and reconstruction of old properties; Complete the evaluation system and the three-year improvement plan for the work safety management system.

(III) Possible risks and countermeasures

In the process of strategy implementation and project operation, we will objectively and clearly recognize the possible risks and take active and effective measures to prevent them.

1. Risk of market price fluctuation

The main raw materials of the Company are gold and diamonds. In recent years, affected by changes in international and domestic economic situations and consumer demand, the prices of raw materials such as gold fluctuated to a certain extent, causing uncertainty in the Company's operation.

To address this risk, the Company will actively implement various preventive measures: First, continuously strengthen risk management by establishing a compliance management department, innovating

risk prevention and control methods, and enhancing risk management capabilities; Second, firmly advance the Company's strategic transformation, promote the implementation of transformation projects through innovative business models, explore incremental markets, expand business scale, and seek new profit growth points to continuously improve the Company's competitiveness and provide a solid foundation for the Company's long-term stable development.

2. Risk of insufficient reserve of professional talent

Talent is the foundation of enterprise development. After continuous optimization and adjustment, the talent issue has been alleviated to a certain extent. However, with the continuous deepening and expansion of transformation business, the shortage of talent is still serious.

In response to this risk, the Company will take the following measures: First, intensify internal training and external recruitment of professionals; Second, accelerate the training and selection of young managerial personnel; Third, adopt a business-oriented approach to optimize organizational structure and personnel allocation and enhance organizational efficiency.

XII. Reception of Investigation, Communication, Interview, and Other Activities during the Reporting Period

Applicable Not applicable

Reception date	Reception place	Way of reception	Types of visitor	Visitor	Main points talked about and information provided	Index of general investigation information
January 4, 2023	at the Company	Telephone communication	Individual	Investor	Whether the Company discloses its performance forecast	N/A
January 17, 2023	at the Company	Telephone communication	Individual	Investor	Whether the Company discloses its performance forecast	N/A
February 14, 2023	at the Company	Telephone communication	Individual	Investor	Operational status of the Company	N/A
March 3, 2023	at the Company	Telephone communication	Individual	Investor	Insurance for directors, supervisors, and senior executives of the Company	N/A
March 22, 2023	at the Company	Telephone communication	Individual	Investor	Disclosure time point of the	N/A

					annual report of the Company	
April 7, 2023	at the Company	Telephone communication	Individual	Investor	Share capital reduction of the Company	N/A
April 19, 2023	at the Company	Telephone communication	Individual	Investor	Business situation of the Company	N/A
May 12, 2023	at the Company	Telephone communication	Individual	Investor	Number of shareholders of the Company	N/A
May 31, 2023	at the Company	Telephone communication	Individual	Investor	Main business of the Company	N/A
June 21, 2023	at the Company	Telephone communication	Individual	Investor	Operational status of the Company	N/A
June 29, 2023	at the Company	Telephone communication	Individual	Investor	Stock price issues of the Company	N/A
June 30, 2023	at the Company	Telephone communication	Individual	Investor	Dividend matters of the Company	N/A
July 3, 2023	at the Company	Telephone communication	Individual	Investor	Semi-annual performance of the Company	N/A
July 7, 2023	at the Company	Telephone communication	Individual	Investor	Share capital reduction of the Company	N/A
August 2, 2023	at the Company	Telephone communication	Individual	Investor	Semi-annual performance of the Company	N/A
August 3, 2023	at the Company	Telephone communication	Individual	Investor	Business situation of the Company	N/A
August 30, 2023	at the Company	Telephone communication	Individual	Investor	ESG situation of the Company	N/A
September 15, 2023	at the Company	Telephone communication	Individual	Investor	Business situation of the Company	N/A
October 10, 2023	at the Company	Telephone communication	Individual	Investor	Operational situation of the Company in Q3	N/A
November 9, 2023	at the Company	Telephone communication	Individual	Investor	Operational status of the Company	N/A
December 4, 2023	at the Company	Telephone communication	Individual	Investor	Number of shareholders of the Company	N/A
December 28, 2023	at the Company	Telephone communication	Individual	Investor	Plan for the General Meeting of Shareholders of the Company	N/A

XIII. Implementation of the Action Plan for "Improvement in Quality and Return"

Has the Company disclosed the action plan for "improvement in quality and return"?

Yes No

Section IV Corporate Governance

I. Basic Information on Corporate Governance

During the reporting period, the Company continuously improved the corporate governance structure and the internal control system in strict accordance with the *Company Law*, the *Securities Law*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1 — Standard Operation of Listed Companies on the Main Board*, and other relevant laws and regulations. During the reporting period, the company operated in a standardized manner with strong independence and proper information disclosure. The corporate governance situation complies with the regulatory requirements for listed companies. The main aspects of corporate governance are as follows:

1. Shareholders and the General Meeting of Shareholders

The convening and holding procedures, proposal review procedures, and decision-making procedures of the General Meeting of Shareholders of the Company comply with the relevant provisions and requirements of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Shareholders*. The General Meetings of Shareholders were convened and held, and all shareholders, especially small and medium-sized shareholders, were treated fairly, enjoying equal rights based on their shares. The Company strictly implemented the *Detailed Rules for the Implementation of Online Voting* at the General Meeting of Shareholders to ensure all shareholders' rights to participate in and vote on the Company's decision-making matters, allowing them to fully exercise their rights. All previous General Meetings of Shareholders were witnessed by lawyers to effectively maintain the legitimate rights and interests of the listed company and all the shareholders. The Company also communicated with small and medium-sized shareholders through the investor relations column on the official website and telephone, ensuring a smooth and fair information exchange with small and medium-sized shareholders, and fully listened to the demands and suggestions of small and medium-sized shareholders. During the reporting period, the Board of Directors of the Company convened and held the 2022 Annual General Meeting of Shareholders and two Extraordinary General Meetings of Shareholders, and exercised its functions and powers in accordance with laws and regulations, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Shareholders* to form effective resolutions.

2. Directors and the Board of Directors

During the reporting period, the Company had nine members on the Board of Directors, including 3 independent directors. The number of members on the Board of Directors and the board composition complied with the requirements of relevant laws and regulations and the *Articles of Association*. The Board of Directors has three special committees, namely, the Strategy Committee, the Audit Committee, and the Remuneration and Appraisal Committee. Each special committee strictly abides by the relevant systems and regulations and performs its own duties, which effectively strengthens the standardized operation of the work of the Board of Directors of the Company and provides professional opinions and references for the decision-making of the Board of Directors. During the reporting period, the Company held 10 meetings of the Board of Directors and 11 meetings of special committees of the Board of Directors in accordance with laws and regulations, the *Articles of Association*, the *Rules of Procedure for the Board of Directors* and the rules of procedure for special committees. The convening procedures, proposal review procedures, and decision-making procedures of the meeting all complied with relevant regulations. The directors attended the board meetings with a serious and responsible attitude and actively participated in relevant training, with familiarity with relevant laws and regulations and an adequate understanding of their rights, obligations, and responsibilities. The members of the Board of Directors kept a diligent and responsible attitude with a reasonable structure of expertise in the performance of their duties and safeguarded the overall interests of the Company. The independent directors expressed prior approval opinions and independent opinions on relevant matters with a fair and diligent attitude, which has improved the scientific and fair decision-making of the Board of Directors.

3. Supervisors and the Board of Supervisors

During the reporting period, the Board of Supervisors of the Company consisted of five supervisors, including two employee representative supervisors. The number of supervisors on the Board of Supervisors and the board composition meet the requirements of laws, regulations, and the *Articles of Association*. During the reporting period, the Company held three meetings of the Board of Supervisors in accordance with relevant laws and regulations, the *Articles of Association*, and the *Rules of Procedure for the Board of Supervisors*. The supervisors supervised the Company's operation and financial status and the legality and compliance of the Company's directors and senior executives in performing their duties and safeguarded the legitimate rights and interests of the Company and shareholders.

4. About senior executives

The senior executives of the Company assumed clear responsibilities and performed their duties in strict accordance with various management systems such as the *Articles of Association* and the *Working Rules for*

General Manager, held a diligent and responsible attitude, and earnestly implemented and executed the resolutions of the Board of Directors.

5. Information disclosure and investor relation management

The Company, in strict accordance with the requirements of the *Information Disclosure System*, designated the Secretary of the Board of Directors of the Company to be responsible for information disclosure, reception of shareholders' visits and consultation, and disclosure of relevant information in a true, accurate, complete and timely manner in strict accordance with relevant regulations. During the reporting period, the Company designated *Securities Times* and CNINFO as the newspaper and website for information disclosure, ensuring that all shareholders have equal opportunities to access information.

6. Relationship between the controlling shareholder and the listed company

The controlling shareholder legally exercised the rights of investors through the General Meeting of Shareholders without directly or indirectly intervening in the company's decision-making and operations through any other means. There were no occurrences of misappropriating the funds of the listed company. The Company and the controlling shareholder maintained a clear separation in terms of assets, finances, personnel, organization, and business operations. The Company's Board of Directors, Board of Supervisors, and internal management organizations operated independently to ensure significant decisions of the Company were made following standardized procedures.

7. Performance evaluation and incentive and restraint mechanisms

The Company gradually established and improved the open and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors, and senior executives. The appointment of senior executives of the Company was open and transparent, complying with the provisions of laws and regulations.

8. About stakeholders

While pursuing economic benefits and protecting the interests of shareholders, the Company fully respected and safeguarded the legitimate rights and interests of stakeholders, and effectively communicated and cooperated with stakeholders. The Company paid attention to the protection of employees' rights and interests and supported the Congress of Employees and trade union organizations to exercise their functions and powers according to law. During the reporting period, the Company cultivated talents, attached importance to social responsibility, paid attention to social welfare undertakings such as welfare, environmental protection, and voluntary service, and achieved good social benefits while achieving economic benefits. As of the end of the

reporting period, the corporate governance status of the company complied with the requirements specified in relevant normative documents concerning the governance of listed companies.

Is there any significant difference between the actual corporate governance of the Company and the provisions of laws, administrative regulations, or the rules of the CSRC governing the governance of listed companies?

Yes No

There is no significant difference between the actual corporate governance of the Company and the provisions of laws, administrative regulations, or the rules of the CSRC governing the governance of listed companies.

II. Independence of the Company from Controlling Shareholder and Actual Controller in terms of Assets, Personnel, Finance, Organizations, and Business

The Company is independent of the controlling shareholder in terms of business, personnel, assets, organizations, and finance, possessing independent and complete business operations with autonomous operating capabilities.

1. Business: The Company is an independent legal entity. It is completely independent of the controlling shareholder in terms of business, possessing independent and complete business operations with autonomous operating capabilities. The Company has independent operation and service systems and its own leading business. There is no horizontal competition between the Company and the controlling shareholder or related parties.

2. Personnel: The Company operates completely independently in terms of labor, personnel, and wage management and has formulated an independent management system; the General Manager, Deputy General Managers, Chief Financial Officer, Secretary of the Board of Directors and other senior executives of the Company have all worked in the Company and received compensation while serving in their respective roles within the company, without holding any positions in shareholder units. The directors, supervisors, and senior executives of the Company are all selected in strict accordance with the requirements and procedures of relevant laws and regulations such as the *Company Law*, *Articles of Association*, and rules of procedure for the General Meeting of Shareholders, the Board of Directors and the Board of Supervisors.

3. Assets: The Company independently and completely owns business systems and related assets related to its operations. The assets are independently registered, accounted for, managed, and separate from the controlling shareholder and other enterprises controlled by the controlling shareholder.

4. Finance: The Company has set up an independent financial accounting department and established a complete set of accounting systems and financial management systems; There is no case where the controlling shareholder interferes with the Company's capital operation; The Company has opened an independent bank

account, and there is no deposit of funds into the account of a finance company or a settlement center controlled by a major shareholder or other related parties; The Company does not share bank accounts with the controlling shareholder or other enterprises under its control.

5. Organization: The Board of Directors, the Board of Supervisors and other internal organizations of the Company operate independently. All organizations within the Company are set up according to the requirements of the specifications of listed companies and the actual business characteristics of the Company. The Company has an independent office address.

III. Horizontal Competition

Applicable Not applicable

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

1. General Meetings of Shareholders during the reporting period

Meeting	Type	Investor attendance ratio	Holding date	Disclosure date	Meeting resolution
2022 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	55.92%	May 18, 2023	May 19, 2023	For details, please refer to the <i>Announcement on Resolutions of 2022 Annual General Meeting of Shareholders</i> (Announcement No.: 2023-025) on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).
The First Extraordinary General Meeting of Shareholders in 2023	Extraordinary General Meeting of Shareholders	56.30%	February 21, 2023	February 22, 2023	For details, please refer to the <i>Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2023</i> (Announcement No.: 2023-009) on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).
2023 Second Extraordinary General Meeting of Shareholders	Extraordinary General Meeting of Shareholders	52.91%	October 12, 2023	October 13, 2023	For details, please refer to the <i>Announcement on Resolutions of the Second Extraordinary General Meeting of Shareholders in 2023</i> (Announcement No.: 2023-043) on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).

2. Preferred shareholders with resumed voting rights request to convene an Extraordinary General Meeting of Shareholders

Applicable Not applicable

V. Directors, Supervisors, and Senior Executives

1. Basic information

Name	Gender	Age	Position	Service status	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of the period (share)	Number of increased shares in the period (share)	Number of decreased shares in the period (share)	Other increase/decrease (share)	Number of shares at the end of the period (share)	Reasons for the increase/decrease of shares
Fu Chunlong	Male	51	Chairman	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Hong Wenya	Male	50	Director	In office	September 13, 2021	September 12, 2024	0	0	0	0	0	-
Yang Xi	Male	43	Director	In office	April 29, 2022	September 12, 2024	0	0	0	0	0	-
Huang Liang	Male	37	Director	In office	September 15, 2022	September 12, 2024	0	0	0	0	0	-
Huang Tianyang	Female	41	Director	In office	October 12, 2023	September 12, 2024	0	0	0	0	0	-
Huang Tianyang	Female	41	Chief Financial Officer	In office	August 2, 2023	September 12, 2024	0	0	0	0	0	-
Hu Yuming	Male	59	Independent Director	In office	January 4, 2018	September 12, 2024	0	0	0	0	0	-
Jiang Dinghang	Male	61	Independent Director	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Zhang Dong	Male	50	Independent Director	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Guo Xiaodong	Male	60	Chairman of Board of Supervisors	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Dai Zhiwei	Male	48	Supervisor	In office	May 18, 2023	September 12, 2024	0	0	0	0	0	-
Ye Cao	Female	38	Supervisor	In office	May 18, 2023	September 12, 2024	0	0	0	0	0	-

Liu Haicheng	Female	55	Employee Supervisor	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Zhang Zheng	Male	40	Employee Supervisor	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Tan Zhong	Male	56	Deputy Secretary of Party Committee	In office	September 7, 2018	September 12, 2024	0	0	0	0	0	-
Xie Jing	Male	59	Deputy General Manager	In office	October 25, 2018	September 12, 2024	0	0	0	0	0	-
Qi Peng	Male	51	Deputy General Manager	In office	September 29, 2021	September 12, 2024	0	0	0	0	0	-
Qi Peng	Male	51	Secretary of the Board of Directors	In office	December 28, 2015	September 12, 2024	0	0	0	0	0	-
Wu Ruikai	Male	53	General Manager	Resigned	September 13, 2021	November 7, 2023	0	0	0	0	0	-
Wu Ruikai	Male	53	Director	Resigned	September 13, 2021	November 7, 2023	0	0	0	0	0	-
Lou Hong	Female	56	Chief Financial Officer	Resigned	January 4, 2018	August 3, 2023	0	0	0	0	0	-
Lou Hong	Female	56	Director	Resigned	February 27, 2018	August 3, 2023	0	0	0	0	0	-
Zhang Baojun	Male	54	Supervisor	Resigned	September 13, 2021	April 21, 2023	0	0	0	0	0	-
Zeng Xingyu	Male	43	Supervisor	Resigned	September 13, 2021	April 21, 2023	0	0	0	0	0	-
Total	--	--	--	--	--	--	0	0	0	0	0	--

Are there any resignations of directors or supervisors and dismissal of senior executives during the reporting period?

Yes No

Mr. Zhang Baojun and Mr. Zeng Xingyu, the former Supervisors of the Company, resigned as Members of the 10th Board of Supervisors of the Company due to work arrangements. For details, please refer to the *Announcement on Resignation of Supervisors* (Announcement No.: 2023-013) published on *Securities Times* and CNINFO (www.cninfo.com.cn) on April 21, 2023.

Ms. Lou Hong, the former Director and Chief Financial Officer of the Company, resigned as a Member of the 10th Board of Directors, Chief Financial Officer, and Member of the Audit Committee due to personal reasons. For details, please refer to the *Announcement on the Resignation of the Company's Director and Chief Financial Officer and the Appointment of Chief Financial Officer and By-election of Director* (Announcement No.: 2023-036) published on *Securities Times* and CNINFO (www.cninfo.com.cn) on August 3, 2023.

Mr. Wu Ruikai, the former Director and General Manager of the Company, resigned as a Member of the 10th Board of Directors, General Manager, and Member of the Strategy Committee of the Board of Directors due to work arrangements. For details, please refer to the *Announcement on Resignation of Director and General Manager* (Announcement No.: 2023-045) published on *Securities Times* and CNINFO (www.cninfo.com.cn) on November 7, 2023.

Change of Directors, Supervisors, and Senior Executives of the Company

Applicable Not applicable

Name	Position	Type	Date	Reason
Zhang Baojun	Supervisor	Resigned	April 21, 2023	Resigning as Director due to work arrangements.
Zeng Xingyu	Supervisor	Resigned	April 21, 2023	Resigning as Director due to work arrangements.
Lou Hong	Director, Chief Financial Officer, and Member of the Audit Committee	Resigned	August 3, 2023	Resigning as Director and Chief Financial Officer for personal reasons.
Wu Ruikai	Director and General Manager	Resigned	November 7, 2023	Resigning as Director, General Manager, and Member of the Strategy Committee of the Board of Directors due to work arrangements.
Dai Zhiwei	Supervisor	Elected	May 18, 2023	Elected as a Member of the 10th Board of Supervisors of the Company at the 7th Meeting of the 10th Board of Supervisors and the 2022 Annual General Meeting of Shareholders.
Ye Cao	Supervisor	Elected	May 18, 2023	Elected as a Member of the 10th Board of Supervisors of the Company at the 7th Meeting of the 10th Board of Supervisors and the 2022 Annual General Meeting of Shareholders.
Huang Tianyang	Chief Financial Officer	Elected	August 2, 2023	Elected as Chief Financial Officer of the Company at the 11th Extraordinary Meeting of the 10th Board of Directors.
Huang Tianyang	Director	Elected	October 12, 2023	Elected as a Member of the 10th Board of Directors of the Company at the 11th Extraordinary Meeting of the 10th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2023.

2. Employment

Professional background, the main work experience, and the current main duties of the Company's incumbent directors, supervisors, and senior executives

Name	Main Work Experience and Current Position
Fu Chunlong	Born in 1973, he holds a master's degree and is a human resource management professional. He once served as a Deputy Working Group Leader at Shenzhen SDG Huatong Packaging Co., Ltd., Deputy Business Manager, Business Manager, Deputy Director and Director of the Human Resources Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Vice President of Shenzhen Special Economic Zone Development Group Co., Ltd., Supervisor of Shenzhen State-Owned Duty Free Commodity (Group) Co., Ltd., and Supervisor of the Company. He is currently Secretary of the Party Committee and Chairman of the Board of Directors of the Company.
Hong Wenya	Born in 1974, he holds a master's degree and is a senior accountant, certified public accountant, and Certified Internal Auditor (CIA). He once served as Financial Manager of the Business Department and Audit Manager of the Supervision and Audit Headquarters of Guosen Securities Co., Ltd., Chief Financial Officer of Shenzhen Institute of Building Research Co., Ltd., Deputy Director of the Finance Department of Shenzhen Yuanzhi Investment Co., Ltd., official responsible for the budget management and financial supervision of municipal state-owned enterprises at the Statistics and Budget Department of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government, Deputy Director of the Finance Department and Director of the Compliance Risk Control Department of Shenzhen Kumpeng Capital Co., Ltd. He is currently a Member of the Party Committee, Director, and Chief Financial Officer of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Yang Xi	Born in 1981, he holds a master's degree. He successively held the posts of Engineer of AVIC SCC, Business Manager of the Secretariat of the Board of Directors of Shenzhen SDG Information Co., Ltd., Senior Director of the Asset Management Department of Shenzhen Yantian Port Holdings Co., Ltd., Secretary of the Board of Directors of Shenzhen Unilumin Technology Co., Ltd., Capital Operation Manager of the Office of the Secretary of the Board of Directors, Capital Operation Manager of the Strategic Investment Department, and Deputy General Manager of the Strategic Investment Department of Shenzhen Special Economic Zone Development Group Co., Ltd. He is currently General Manager of the Strategic Investment Department of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Huang Liang	Born in 1987, he holds a bachelor's degree in economics. He also holds the SZSE Qualification Certificate for Secretary of the Board of Directors and the Securities Qualification Certificate. He successively worked at the Nanshan District Administration of Work Safety, Shenzhen Qixin Construction Group Co., Ltd., Hong Kong Litong International Holdings (Group) Limited, and China Baoan Group Co., Ltd. In May 2017, he joined Shenzhen Special Economic Zone Development Group Co., Ltd. and successively served as Office Secretarial Manager, Senior Secretarial Manager, and Deputy Office Director (presiding over the work). He is currently the Office Director of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Huang Tianyang	Born in December 1983, she has a bachelor's degree in management and is a non-practicing certified public accountant, tax advisor, and intermediate accountant. She successively served as an auditor at Baker Tilly China Certified Public Accountants Shenzhen Branch, as a specialist responsible for consolidated statements at the Finance Department of the Company, and as Accounting Manager, Senior Accounting Manager, and Deputy General Manager of the Financial Management Department of Shenzhen Special Development Group Co., Ltd. She currently serves as the Company's Director and Chief Financial Officer.
Hu Yuming	Born in 1965, he holds a doctor's degree and is a professor of accounting. He successively worked as a teaching assistant, lecturer, and associate professor at the School of Economics of Xiamen University, an associate professor at the Management School of Jinan University, Deputy Director and Director of the Accounting Department of the Management School of Jinan University, dean of the Department of Accounting, Deputy Dean of the International School of Jinan University, and Deputy Dean of the Management School of Jinan University. He is currently a professor and doctoral supervisor at the Management School of Jinan University, an Independent Director of By-Health Co., Ltd., and an Independent Director of the Company.
Jiang Dinghang	Born in 1963, he holds a master's degree and is a lawyer. He once served as Director of the Regulation Consultation Department of Shenzhen Social Security Bureau, Deputy Director of the Office of Shenzhen Labor Bureau, Office Director of Shenzhen Special Economic Zone Development Group Co., Ltd., Chairman of Shenzhen SDG Songli Co., Ltd., Party Branch Secretary, Chairman, and General Manager of Shenzhen Communication Industry Co., Ltd., and an apprentice lawyer at Guangdong Zhong An Law Office. He is now a Senior Partner of Shanghai AllBright (Shenzhen) Law Firm and an Independent Director of the Company.
Zhang Dong	Born in 1974, he has a doctor's degree and is a postdoctoral fellow in economics, professorate senior economist, senior gold investment analyst, and GIA research gemologist. He once served as Deputy General Manager of Shenzhen Qiangzhuang Computer Technology Co., Ltd., Deputy General Manager of Shenzhen Brain Times Economy and Culture Co., Ltd., Assistant to the President of Hong Kong Leader Culture Media Co., Ltd., General Manager of Shenzhen Zhongshi Advertising Co., Ltd., General Manager of Heilongjiang Liuguifu Jewelry Co., Ltd., and President of Liuguifu Jewelry Group Co., Ltd. He is currently Chairman of Yijixuan Jewelry (Chengdu) Co., Ltd. and an Independent Director of the Company.
Guo Xiaodong	Born in 1964, he holds a master's degree and is a senior economist. He once served as Deputy General Manager of Shenzhen SDG Development Center Construction Supervision Company, Director and General Manager of Shenzhen

	SDG Development Center Property Management Company, Deputy General Manager of Shenzhen SDG Property Co., Ltd., Chairman of the Board of Supervisors of Shenzhen SDG Real Estate Co., Ltd. and Chairman of the Board of Supervisors of Shenzhen SDG Xiaomeisha Tourism Development Co., Ltd. He currently serves as Chairman of the Board of Supervisors of the Company.
Dai Zhiwei	Born in January 1976, he is a member of the Communist Party of China with a master's degree. He holds the titles of certified public accountant, accountant, and economist. He once served as the Deputy General Manager and Chief Financial Officer of Guangdong Kaisa Jiayun Technology Co., Ltd., and the Manager of the Finance Department and Strategic Operation Department of Shenzhen SDG Real Estate Co., Ltd. He is currently the Deputy General Manager of the Financial Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Supervisor of the Company.
Ye Cao	Born in February 1985, she is a member of the Communist Party of China with a bachelor's degree and an intermediate accountant. Previously, she was the head of the Audit Department of Shenzhen SDG Information Co., Ltd. She is currently the Deputy General Manager of the Audit Risk Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Supervisor of the Company.
Liu Haicheng	Born in 1969, she holds a master's degree and is a senior engineer. She once served as a staff member of the Design Department of Dongfeng Motor Wheel Co., Ltd., a staff member of the Technical Department of Shenzhen Dongfeng Motor Co., Ltd., a staff member of the Secretariat of Shenzhen Automobile Industry Association, a staff member of the Business Department of the Automobile Business Division of the Company, a staff member, Deputy Manager, and Manager of the Business Management Department of the Company, and Director of Secretariat of the Board of Directors of the Company. She is currently Deputy General Manager of the Jewelry Business Management Division of the Company and an Employee Representative Supervisor of the Company.
Zhang Zheng	Born in 1984, he holds a bachelor's degree and is an intermediate accountant and human resource management professional. He once served as a senior auditor at the Shenzhen Branch of Peking Certified Public Accountants, a financing specialist at the Planning and Finance Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy Director of the Planning and Finance Department of the Company, and Director of the Audit Department of the Company. He is currently an Employee Representative Supervisor of the Company.
Tan Zhong	Born in 1968, he holds a bachelor's degree and has a lawyer qualification certificate and an enterprise legal counsel qualification certificate. He once served as a legal counsel and Deputy Manager of the Enterprise Management Department of Shenzhen Auto Motive Industry & Trade General Company, Deputy Director of the Secretariat of the Board of Directors, Legal Affairs Representative, and Manager of the Enterprise Management Department of the Company, and General Manager and Secretary of the Party General Branch of Shenzhen SDG Huari Automobile Enterprise Co., Ltd. He currently serves as the Company's Deputy Secretary of the Party Committee and Chairman of the trade union.
Xie Jing	Born in 1965, he is a Canadian and holds a bachelor's degree in Engineering. He is a senior engineer and certified supervision engineer. He once served as a structural engineer at Hunan Light Industry Design Institute, an engineer at the Hunan Branch of the Bank of China, General Manager Assistant of the Real Estate Department and Manager of the Engineering Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy General Manager of Shenzhen Jincheng Real Estate Group Co., Ltd., Executive President of Shenzhen Jiaanda Investment Group Co., Ltd., and General Manager of Land Reserve Center of Weiye Holdings Ltd. He currently serves as Deputy General Manager of the Company.
Qi Peng	Born in 1973, he holds a master's degree and is an economist. He has obtained the SZSE Qualification Certificate for Secretary of the Board of Directors. He once served as the Secretary of the Chairman and the head of the Information Center of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy Director of the Secretariat of the Board of Directors, Deputy Manager of the Enterprise Management Department, and Manager of the Business Department of the Automobile Business Division of Shenzhen Tellus Holding Co., Ltd., General Manager of Shenzhen Tellus Automobile Service Chain Co., Ltd., General Manager of Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd., and Director of the Secretariat of the Board of Directors of Shenzhen Tellus Holding Co., Ltd. He is currently Chairman of Shenzhen Jewelry Industry Service Co., Ltd. and Deputy General Manager and Secretary of the Board of Directors of the Company.

Position in shareholder units

 Applicable Not applicable

Individual	Shareholder unit	Position in the shareholder unit	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the shareholder's entity or not
Hong Wenya	Shenzhen Special Economic Zone Development Group Co., Ltd.	Member of the Party Committee, Director and Chief Financial Officer	June 15, 2021		Yes
Yang Xi	Shenzhen Special Economic Zone	General Manager of Strategic	December 6, 2021		Yes

	Development Group Co., Ltd.	Investment Department			
Huang Liang	Shenzhen Special Economic Zone Development Group Co., Ltd.	Office Director	December 28, 2023		Yes
Dai Zhiwei	Shenzhen Special Economic Zone Development Group Co., Ltd.	Deputy General Manager of Financial Management Department	February 1, 2023		Yes
Ye Cao	Shenzhen Special Economic Zone Development Group Co., Ltd.	Deputy General Manager of Audit Department	February 1, 2023		Yes

Conditions on service in other units

 Applicable Not applicable

Individual	Name of other units	Position held in other units	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the other units or not
Hong Wenya	Shenzhen SDG Information Co., Ltd.	Director	December 16, 2022	July 15, 2024	No
Hong Wenya	Shenzhen SEZ Construction Group Co., Ltd.	Supervisor	November 29, 2021		No
Yang Xi	Shenzhen SDG Information Co., Ltd.	Director	December 13, 2021	July 15, 2024	No
Yang Xi	Shenzhen Zhishenggao Technology Development Co., Ltd.	Chairman	June 26, 2023		No
Dai Zhiwei	Shenzhen SDG Microfinance Co., Ltd.	Director	November 6, 2023		No
Dai Zhiwei	Shenzhen SDG Investment Co., Ltd.	Chief Financial Officer	February 9, 2023		No
Dai Zhiwei	Shenzhen Shenshan Special Cooperation Zone SDG Saige Technology Co., Ltd.	Supervisor	February 9, 2023		No
Dai Zhiwei	SDG Fuhai Equity Investment Fund Management (Shenzhen) Co., Ltd.	Chief Financial Officer	February 9, 2023		No
Ye Cao	Shenzhen Microgate Technology Co., Ltd.	Chairman of Board of Supervisors	February 27, 2023		No
Ye Cao	Shenzhen SDG Shengao Club Management Co., Ltd.	Supervisor	February 9, 2023		No
Ye Cao	Shenzhen SDG Microfinance Co., Ltd.	Supervisor	February 9, 2023		No
Ye Cao	Shenzhen Zhishenggao Technology Research Institute	Supervisor	February 9, 2023		No
Hu Yuming	Jinan University	Professor and Doctoral Supervisor of the School of	June 1, 2003		Yes

		Management			
Hu Yuming	By-Health Co., Ltd.	Independent Director	August 24, 2023	August 23, 2026	Yes
Jiang Dinghang	Shanghai Allbright (Shenzhen) Law Offices	Senior Partner	April 1, 2005		Yes
Zhang Dong	Yijixuan Jewelry (Chengdu) Co., Ltd.	Chairman	September 3, 2019		Yes
Conditions on service in other units	The positions of the Company's directors, supervisors and senior executives in other units are those of non-holding subsidiaries of the Company.				

Penalties imposed by securities regulatory institution in past three years on directors, supervisors and senior executives who are in-service and left their posts during the reporting period

Applicable Not applicable

3. Compensation of Directors, Supervisors and Senior Executives

The decision-making procedures, determination basis and actual payment of the compensation of directors, supervisors and senior executives shall be implemented in strict accordance with the Company's Detailed Rules for the Implementation of Compensation and Appraisal Committee of the Board of Directors, Management Measures for Compensation and Performance of the Management Team, Compensation Management System for Headquarters Staff, Performance Management Measures for Headquarters Staff and other relevant systems.

Compensation of the directors, supervisors and senior executives of the Company during the reporting period:

Unit: RMB 10,000

Name	Gender	Age	Position	Service status	Total compensation before tax received from the Company	Whether to receive compensation from related parties of the Company
Fu Chunlong	Male	51	Chairman	In office	112.11	No
Hong Wenya	Male	50	Director	In office	0	Yes
Wu Ruikai	Male	53	Director, General Manager	Resigned	87.97	No
Yang Xi	Male	43	Director	In office	0	Yes
Huang Liang	Male	37	Director	In office	0	Yes
Huang Tianyang	Female	41	Director, Chief Financial Officer	In office	18.41	No
Hu Yuming	Male	59	Independent Director	In office	8	No
Jiang Dinghang	Male	61	Independent Director	In office	8	No
Zhang Dong	Male	50	Independent Director	In office	8	No
Guo Xiaodong	Male	60	Chairman of Board of Supervisors	In office	74.88	No
Dai Zhiwei	Male	48	Supervisor	In office	0	Yes
Ye Cao	Female	38	Supervisor	In office	0	Yes
Liu Haicheng	Female	55	Employee Supervisor	In office	51.22	No
Zhang Zheng	Male	40	Employee Supervisor	In office	48.39	No
Tan Zhong	Male	56	Deputy Secretary of Party Committee	In office	76.36	No
Xie Jing	Male	59	Deputy General Manager	In office	73.29	No
Qi Peng	Male	51	Deputy General Manager, Secretary of the Board of	In office	80.46	No

			Directors			
Zhang Baojun	Male	54	Supervisor	Resigned	0	Yes
Zeng Xingyu	Male	43	Supervisor	Resigned	0	Yes
Lou Hong	Female	56	Director, Chief Financial Officer	Resigned	52.21	No
Total	--	--	--	--	699.3	--

Others

 Applicable Not applicable

VI. Duty Performance of Directors during the Reporting Period

1. Information of the Board of Directors during the reporting period

Meeting	Holding date	Disclosure date	Meeting resolution
The Eighth Extraordinary Meeting of the Tenth Board of Directors	January 12, 2023	January 13, 2023	For details, please refer to the Announcement on Resolutions of the Eighth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-001) of Securities Times and CNINFO (www.cninfo.com.cn)
The Ninth Extraordinary Meeting of the Tenth Board of Directors	February 2, 2023	February 3, 2023	For details, please refer to the Announcement on Resolutions of the Ninth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-004) of Securities Times and CNINFO (www.cninfo.com.cn)
The Seventh Formal Meeting of the Tenth Board of Directors	April 25, 2023	April 27, 2023	For details, please refer to the Announcement on Resolutions of the Seventh Formal Meeting of the Tenth Board of Directors (Announcement No.: 2023-014) of Securities Times and CNINFO (www.cninfo.com.cn)
The Tenth Extraordinary Meeting of the Tenth Board of Directors	July 31, 2023	August 1, 2023	For details, please refer to the Announcement on Resolutions of the Tenth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-033) of Securities Times and CNINFO (www.cninfo.com.cn)
The Eleventh Extraordinary Meeting of the Tenth Board of Directors	August 2, 2023	August 3, 2023	For details, please refer to the Announcement on Resolutions of the Eleventh Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-035) of Securities Times and CNINFO (www.cninfo.com.cn)
The Eighth Formal Meeting of the Tenth Board of Directors	August 23, 2023	August 24, 2023	For details, please refer to the Announcement on Resolutions of the Eighth Formal Meeting of the Tenth Board of Directors (Announcement No.: 2023-037) of Securities Times and CNINFO (www.cninfo.com.cn)
The Twelfth Extraordinary Meeting of the Tenth Board of Directors	September 21, 2023	September 22, 2023	For details, please refer to the Announcement on Resolutions of the Twelfth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-039) of Securities Times and CNINFO (www.cninfo.com.cn)
The Ninth Formal Meeting of the Tenth Board of Directors	October 25, 2023		Deliberation on the Report for the Third Quarter of 2023
The Thirteenth	December 5,	December 6,	For details, please refer to the Announcement on Resolutions of the

Extraordinary Meeting of the Tenth Board of Directors	2023	2023	Thirteenth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-046) of Securities Times and CNINFO (www.cninfo.com.cn)
The Fourteenth Extraordinary Meeting of the Tenth Board of Directors	December 28, 2023	December 29, 2023	For details, please refer to the Announcement on Resolutions of the Fourteenth Extraordinary Meeting of the Tenth Board of Directors (Announcement No.: 2023-047) of Securities Times and CNINFO (www.cninfo.com.cn)

2. Attendance of directors at the Board of Directors and General Meeting of Shareholders

Attendance of directors at the Board of Directors and General Meeting of Shareholders							
Name of Director	Number of attendances to the Board of Directors during the reporting period	Attendances at the Board of Directors in person	Attendances at the Board of Directors through communication tools	Attendances at the Board of Directors through entrusting others	Times of absence at the Board Meeting	Attending the Board of Directors not in person for two consecutive times or not	Attendances at the General Meeting of Shareholders
Fu Chunlong	10	5	5	0	0	No	3
Hong Wenya	10	5	5	0	0	No	0
Yang Xi	10	5	5	0	0	No	0
Huang Liang	10	5	5	0	0	No	2
Huang Tianyang	3	1	2	0	0	No	0
Jiang Dinghang	10	5	5	0	0	No	2
Hu Yuming	10	2	8	0	0	No	1
Zhang Dong	10	5	5	0	0	No	3

Explanation on failure to attend the Board of Directors in person two consecutive times: During the reporting period, there were no cases where directors did not attend the Board of Directors in person twice.

3. Objection to related matters of the Company by directors

Whether the directors have any objection to the related issues of the Company or not

Yes No

The directors have not raised any objection to related issues during the reporting period.

4. Other instructions to duty performance of the directors

Whether the suggestions related to the Company proposed by the directors are accepted or not

Yes No

Description on acceptance or non-acceptance of relevant suggestions related to the Company proposed by the directors

During the reporting period, all directors of the Company carried out their work in strict accordance with the Company Law, the Securities Law, the Business Guidelines of Shenzhen Stock Exchange for Self-discipline

Regulation of Listed Companies No. 1 — Standard Operation of Listed Companies on the Main Board and other laws, regulations and normative documents, as well as the Articles of Association and the Rules of Procedure of the Board of Directors, and were faithful to their duties, diligent and responsible. They all actively attended the Board Meeting, understood the operational substance of the matter under consideration, carefully reviewed and discussed various proposals, and put forward targeted suggestions for the Company's internal control, operation management and strategic layout. In accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies, the independent directors of the Company give full play to their own professional knowledge, make independent and impartial judgments, carry out effective supervision on the financial, production and operation activities and information disclosure of the Company, play a positive role in the scientific decision-making and standardized operation of the Board of Directors, and effectively safeguard the legitimate rights and interests of the Company and all shareholders. The Company listens carefully to the suggestions put forward by the directors and actively adopts reasonable suggestions that meet the development of the Company.

VII. Special Commission Set under the Board of Directors during the Reporting Period

Name of Committee	Members	Number of Meetings Held	Holding date	Content of Meeting	Important Comments and Suggestions	Other Performance of Duties	Details of Objections (if any)
Audit Committee of the Tenth Board of Directors	Hong Wenya, Lou Hong, Hu Yuming, Jiang Dinghang, Zhang Dong	4	February 2, 2023	Deliberation on the Proposal on Reappointment of Auditors in 2022	Being approved	-	-
			February 10, 2023	The preliminary arrangements for an audit of the 2022 financial report were announced at the meeting.	Being approved	-	-
			April 25, 2023	Reporting to the Audit Committee on 2022 financial position and results of operations	Being approved	-	-
			August 1, 2023	Deliberate the Proposal on Carrying out the Selection and Employment of Intermediaries for Financial Statements and Internal Control Audit in 2023	Being approved	-	-
	Hong Wenya, Hu Yuming, Jiang Dinghang, Zhang Dong	1	September 20, 2023	Deliberate the Proposal on Adjusting Members of the Audit Committee of the Board of Directors	Being approved	-	-
	Fu Chunlong, Hong Wenya, Hu	1	October 24, 2023	Deliberation on the Report for the Third Quarter of 2023	Being approved	-	-

	Yuming, Jiang Dinghang, Zhang Dong						
Compensation and Appraisal Committee of the Tenth Board of Directors	Fu Chunlong, Hong Wenya, Hu Yuming, Jiang Dinghang, Zhang Dong	4	April 25, 2023	Deliberate the Performance Indicators of the Management Team in 2023	Being approved	-	-
			August 22, 2023	1. Deliberate the Proposal on Job Appraisal Results of Deputy General Manager of the Company 2. Deliberate the Proposal on Amending the Management Measures for Compensation and Performance of the Management Team of the Company	Being approved	-	-
			September 20, 2023	Deliberate the Proposal on 2022 Annual Appraisal Results of the Company's Management Team	Being approved	-	-
			December 27, 2023	Deliberate the Proposal on Approval and Payment of Bonuses for the Company's Partial Management Team Projects	Being approved	-	-
Strategic Committee of the Tenth Board of Directors	Fu Chunlong, Hong Wenya, Wu Ruikai, Yang Xi, Huang Liang	1	September 20, 2023	Deliberate the Proposal on Amending the Strategic Planning Management System	Being approved	-	-

VIII. Work of the Board of Supervisors

Whether the Board of Supervisors has found any risks in the Company's supervision activities during the reporting period or not

Yes No

The Board of Supervisors has not raised any objection to the supervision issues during the reporting period.

IX. Employees of the Company

1. Number of employees, professional composition and level of education

Number of existing employees in the parent company at the end of the reporting period (person)	103
Number of existing employees in the main subsidiaries at the end of the reporting period (person)	48
Total number of existing employees at the end of the reporting period (person)	151
Total number of employees payable in current period (person)	188
Number of retired employees with expenses incurred by the parent company and main subsidiaries (person)	0
Professions	

Type of professions	Number of professional persons (person)
Production personnel	0
Sales personnel	29
Technician	8
Financial personnel	20
Administrative personnel	94
Total	151
Level of education	
Category of education level	Number of employees (person)
Master's degree and above	32
Bachelor's degree	84
Junior college and below	35
Total	151

2. Compensation policy

The Company shall strictly follow the Compensation Management System for Headquarters Staff, Performance Appraisal Management System for Headquarters Staff and other systems.

3. Training plan

The annual training focuses on improving the training system for new employees, enhancing the management skills of middle-level management personnel, strengthening professional training on jewelry, continuously enriching the training content, expanding the training form, optimizing the training process, clarifying the training purpose and improving the training effect in actual training work. Specific measures are as follows: First, enrich and optimize the induction learning database for new employees and update the employee manual; Organize and hold two symposiums for new employees throughout the year to help them quickly integrate into the Company; Second, try to establish a middle-level management personnel training system with management ability evaluation and feedback as the core; Third, organize professional training on jewelry throughout the year, covering international trade, risk management, processing and import and export business.

4. Labor outsourcing

Applicable Not applicable

X. Profit Distribution and Capital Reserve Converted into Share Capital of the Company

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

Applicable Not applicable

The Company attaches great importance to the reasonable return to investors. The Articles of Association specifies the standards and proportions of cash dividends, decision-making procedures and mechanisms, and the form of profit distribution. The Company strictly implements the Articles of Association and the resolutions of the General Meeting of Shareholders. The standards and proportions of dividend distribution are clear and definite, the relevant decision-making procedures and mechanisms are complete, the minority shareholders have the opportunity to fully express their opinions and demands, and the legitimate rights and interests of minority shareholders are fully safeguarded.

Special Explanation on Cash Dividend Policy	
Whether it complies with the provisions of the Articles of Association or the requirements of resolutions of the general meeting of shareholders:	Yes
Whether the dividend standards and proportions are definite and clear:	Yes
Whether the relevant decision-making processes and mechanisms are complete:	Yes
Whether the independent directors perform their duties and play their due role:	Yes
If the Company does not make cash dividends, it shall disclose the specific reasons and the next measures to be taken to enhance the level of returns for investors:	Yes
Whether the minority shareholders have the opportunity to fully express their opinions and demands and whether their legitimate rights and interests are adequately protected:	Yes
Whether the conditions and procedures for adjusting and changing the cash dividend policy are compliant and transparent:	Yes

During the reporting period, the Company had profits and the parent company had positive distributive profit for shareholders; however, the cash bonus distribution pre-plan was not proposed

Applicable Not applicable

Profit distribution and capital reserve converted into share capital during the reporting period

Applicable Not applicable

Number of bonus shares per 10 shares (share)	0
Number of dividends per 10 shares (RMB) (tax-inclusive)	0.31
Base of share capital in distribution pre-plan (share)	431,058,320
Amount of cash dividends (RMB) (tax-inclusive)	13,362,807.92
Amount of cash dividends in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	13,362,807.92
Distributable profit (RMB)	103,114,028.96
The proportion of total cash dividends (including other ways) to total profit distribution	100%
Cash dividends for the current reporting period	
Others	
Description of details on pre-plan of profit distribution or transfer from capital reserve to share capital	
In order to actively return shareholders and enable investors to participate in and share the operating results of the Company's development, according to the Articles of Association, the Shareholder Return Plan for the Next Three Years (2023-2025) of the Company, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other regulations on cash dividends,	

and taking into account the Company's future strategic layout and other capital expenditure needs, the Company plans to distribute a cash dividend of RMB 0.31 (including tax) for every 10 shares to all shareholders based on the total share capital of 431,058,320 shares as of December 31, 2023, with a total cash dividend of RMB 13,362,807.92, without bonus shares or capital increase. This profit distribution plan shall be implemented after being reviewed and approved by the General Meeting of Shareholders.

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

Applicable Not applicable

During the reporting period, there is no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation for the Company.

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

1. Establishment and implementation of internal control

During the reporting period, the Company has established a systematic and effective internal control system from the governance level to each work process level and will continuously improve it. The Board of Directors is responsible for the establishment, improvement and effective implementation of the internal control system; The Audit Committee assists in the formulation and review of the Company's internal control system, and audits and supervises major related party transactions; The Compliance Management Department is responsible for the specific organization and implementation of the Company's internal control system; The person in charge of the enterprise, department and office specifically undertakes the internal control work of the enterprise, department and office; The Board of Supervisors shall supervise the internal control system established and implemented by the Board of Directors. The Company has established the above internal control organizational structure according to the Basic Standard for Enterprise Internal Control and its supporting guidelines, defined the work objectives, responsibilities and authorities of each post of the Company, and established corresponding checks and balances and supervision mechanisms to ensure that each post performs its duties within the scope of authority.

Based on the identification results of material deficiencies in internal control over financial reports of the Company, there are no material deficiencies in internal control over financial reports on the base date of the internal control assessment report. The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the enterprise's internal control standard system and relevant regulations.

2. Details about material deficiency in internal controls during the reporting period□Yes No**XIII. Management Control over the Subsidiaries during the Reporting Period**

Company name	Integration Plan	Integration Progress	Problems Encountered in Integration	Solutions Taken	Resolution Progress	Follow-up Resolution Plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal Control Evaluation Report or Auditor's Report on Internal Control**1. Internal Control Evaluation Report**

Disclosure date of the internal control evaluation report	March 28, 2024	
Disclosure index of the internal control evaluation report	For details, please refer to the 2023 Annual Internal Control Self-evaluation Report disclosed by the Company on CNINFO (http://www.cninfo.com.cn)	
Proportion of total unit assets included in the evaluation scope to total assets from the Company's consolidated financial statements	100%	
Proportion of unit operating revenue included in the evaluation scope to operating revenue from the Company's consolidated financial statements	100%	
Deficiency Identification Standards		
Type	Financial Reports	Non-financial Reports
Qualitative standards	<p>1. Material deficiencies: Deficiencies, either individually or in combination with other deficiencies, resulting in a material misstatement in a financial report that cannot be prevented or detected and corrected in a timely manner. The following situations shall be deemed as material deficiencies:</p> <p>(1) Management fraud leads to material misstatement of financial results or provision of false financial reports, misleading users of financial reports, resulting in decision-making errors and litigation;</p> <p>(2) Ineffective control environment;</p> <p>(3) Major internal control deficiencies found and reported to the management have not been corrected after a reasonable period of time;</p> <p>(4) The Company fails to perform the corresponding decision-making procedures for the decision-making of major matters, resulting in significant losses to the Company;</p>	<p>1. Material deficiencies:</p> <p>(1) Major decisions violate the Company's prescribed procedures, causing major losses to the Company;</p> <p>(2) Serious violation of laws and regulations, causing heavy losses to the Company;</p> <p>(3) Lack of system control or failure of system for important business;</p> <p>(4) Serious turnover of core management personnel or core technical personnel;</p> <p>(5) The material deficiencies in the internal control evaluation results have not been rectified;</p> <p>(6) The internal control of information disclosure fails, resulting in the Company being publicly condemned by regulatory authorities.</p> <p>2. Significant deficiencies:</p> <p>(1) The Company violates the internal rules and regulations of the enterprise, resulting in relatively large losses;</p> <p>(2) Serious brain-drain in key positions of the Company;</p>

	<p>(5) Lack of effective control over important businesses involving the Company's production and operation;</p> <p>(6) Other deficiencies that seriously mislead the correct judgment of the user of the statement and lead to major compensation of the Company.</p> <p>2. Significant deficiencies: Deficiencies, either individually or in combination with other deficiencies, resulting in the failure to prevent or detect and correct misstatements in the financial report in a timely manner that do not meet or exceed the level of materiality but still deserve the attention of the management. The following situations shall be deemed as significant deficiencies:</p> <p>(1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles;</p> <p>(2) Failure to establish anti-fraud procedures and control measures;</p> <p>(3) There is no corresponding control mechanism established or implemented for the accounting treatment of unconventional or special transactions, and there is no corresponding compensatory control;</p> <p>(4) There are one or more deficiencies in the control of the financial reporting process at the end of the period, and there is no reasonable assurance that the financial statements prepared are true and accurate.</p> <p>3. General deficiency refers to other deficiencies in control other than the above-mentioned material deficiency and significant deficiency.</p>	<p>(3) The Company's important business system or system has defects;</p> <p>(4) The significant deficiencies in the Company's internal control have not been rectified.</p> <p>3. General deficiency refers to other deficiencies in control other than the above-mentioned material deficiency and significant deficiency.</p>
Quantitative standards	<p>1. Material deficiencies: misstatement > 10% of the total profit, and the absolute amount > RMB 10 million;</p> <p>2. Significant deficiencies: 5% of the total profit < misstatement ≤ 10% of the total profit, and the absolute amount > RMB 5 million; or RMB 5 million < absolute amount ≤ RMB 10 million, and the misstatement amount > 5% of the total profit;</p> <p>3. General deficiencies: misstatement ≤ 5% of the total profit, or absolute amount ≤ RMB 5 million.</p>	<p>1. Material deficiencies: the amount of loss > 1.5% of equity of the owner of the parent company, and the absolute amount > RMB 10 million;</p> <p>2. Significant deficiencies: 0.5% of equity of the owner of the parent company < loss amount ≤ 1.5% of equity of the owner of the parent company, or RMB 5 million < absolute amount ≤ RMB 10 million;</p> <p>3. General deficiencies: the amount of loss ≤ 0.5% of equity of the owner of the parent company, or the absolute amount ≤ RMB 5 million.</p>
Number of material deficiencies in the financial report (Nr.)		0
Number of material deficiencies in the non-financial report (Nr.)		0
Number of significant deficiencies in the		0

financial report (Nr.)	
Number of significant deficiencies in the non-financial report (Nr.)	0

2. Auditor's report on internal control

Applicable Not applicable

Review opinion paragraph in auditor's report on internal control	
In our opinion, Tellus maintained, in all material respects, effective internal control over financial reporting as at December 31, 2023 in accordance with the Basic Standard for Enterprise Internal Control and relevant regulations.	
Disclosure of auditor's report on internal control	Disclosure
Disclosure date of auditor's report on internal control	March 28, 2024
Disclosure index of auditor's report on internal control	CNINFO (http://www.cninfo.com.cn)
Type of opinion in auditor's report on internal control	Standard unqualified opinion
Whether there are material deficiencies in the non-financial report	No

Whether the accounting firm issues a non-standard opinion in the auditor's report on internal control

Yes No

Whether the auditor's report on internal control issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors

Yes No

XV. Rectification of Problems Identified in the Self-inspection over the Listed Company's Special Governance Measures

N/A

Section V Environmental and Social Responsibility

I. Major Environmental Protection Issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

Yes No

Administrative penalties imposed for environmental problems during the reporting period

Name of Company or Subsidiary	Reason for Punishment	Violations	Penalty	Impact on the Production and Operation of the Listed Company	Rectification Measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Disclosure of other environmental information with reference to key pollutant discharge units

During the reporting period, the Company and its subsidiaries have not been subject to administrative punishment due to environmental problems.

Measures and effects to reduce carbon emissions during the reporting period

Applicable Not applicable

Reasons for failure to disclose other environmental information: The Company and its subsidiaries are not key pollutant discharge units announced by the environmental protection department, and there was no punishment due to violations of laws and regulations during the reporting period.

II. Social Responsibilities

The Company takes it as its duty to return shareholders, cultivate outstanding employees and give back to society. The Company actively safeguarded the legitimate rights and interests of shareholders based on the principle of fairness. The Company advocated the realization of enterprise value and self-value, created a common and harmonious corporate atmosphere for development, and carried out more than 30 events and activities. It actively repaid the society and the public to demonstrate its sense of responsibility as a state-owned enterprise, carried out 16 condolence activities in hot weather and 7 volunteer activities throughout the year, and organized small advertising clean-up campaigns for shops on the first floor of Taohuayuan Community in Sungang Sub-district to help improve the community environment.

In 2023, the Company had no work safety liability accident. The Company further implemented the main responsibilities, signed 146 work safety responsibility statements for all employees, completed 16 work safety education and training sessions attended by 372 people, carried out 6 emergency drills on work safety accidents attended by 482 people, investigated more than 700 hidden dangers and rectified them as scheduled. The Company hired a third-party professional organization to evaluate the work safety management system, solve

the pain points and difficulties of safety management, and provide ideas and method support for management improvement.

III. Details on Consolidating and Expanding Its Achievements in Poverty Alleviation and Rural Revitalization

The Company actively responded to the implementation of the rural revitalization strategy by assigning special personnel to Chengtian Town in Shantou City to carry out assistance work. It organized more than 60 Party members and applicants for Party membership to go to Chengtian Town to learn about the situation of rural revitalization construction on site, visit poor old Party members in the village, and sign an agreement with the Party organization of Shangyan Village in Chengtian Town for pairing and co-construction of enterprise and village organizations. Since 2021, one backbone Party member has been sent to Shangyan Village, Chengtian Town, Shantou City, a front-line village in rural areas, to help with rural revitalization. So far, the service has lasted more than 800 days. At the same time, the Company promoted the sales of agricultural and sideline products in poverty-stricken areas by purchasing instead of donating, used consumption to help poverty-stricken areas build agricultural product sales channels, and effectively promoted local poverty alleviation and rural revitalization with practical actions. In addition, the Company also organized 139 employees to make donations and raised nearly RMB 17,000.

Section VI Important Matters

I. Performance of Commitments

1. Commitments that have been fulfilled during the reporting period and have not yet been fulfilled as at the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers, the Company and other commitment related parties

Applicable Not applicable

Commitment Cause	Commitment Party	Commitment Type	Commitment Content	Commitment Time	Commitment Period	Performance
Commitment made in acquisition report or report of equity change	Shenzhen Investment Holdings Co., Ltd.	Ensure the independence of listed companies	The Company will maintain the independence of the listed company and maintain personnel independence, institutional independence, financial independence and asset integrity with the listed company. The listed company will still have independent operation ability, independent procurement, production and sales system, and independent intellectual property rights. In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.	December 30, 2022	During the period of being the indirect controlling shareholder of Tellus Holding, a listed company	In performance
	Shenzhen Investment Holdings Co., Ltd.	Avoid horizontal competition	1. As of the signing date of this Letter of Commitment, the Company and other enterprises controlled by the Company have not engaged in businesses and activities that are in direct competition with or may constitute direct competition with Tellus and will not engage in businesses and activities that are in direct competition with or may constitute direct competition with Tellus in the future (except those arranged based on Shenzhen SASAC or similar government agencies); 2. During the period of being the indirect controlling shareholder of Tellus and during Tellus' listing on Shenzhen Stock Exchange, the Company will fully respect the independent operation autonomy of all subsidiaries controlled by the Company and ensure that the legitimate rights and interests of Tellus and its minority shareholders will not be infringed; 3. The Company promises not to seek illegitimate interests with the status of controlling shareholder of Tellus, thus damaging the rights and interests of Tellus and its minority shareholders; 4. The Company promises not to assist any party to engage in any business activities that are in substantial competition or potential competition with the main business of Tellus by using the information learned or known from Tellus; 5. If the Company or other enterprises controlled by the Company violate the above commitments and guarantees, the Company shall bear the economic losses caused to the listed company.	December 30, 2022	During the period of being the indirect controlling shareholder of Tellus Holding, a listed company	In performance
	Shenzhen	Reduce	1. The Company and the companies, enterprises and economic	December	During	In

	Investment Holdings Co., Ltd.	ce and standardized related party transactions	<p>organizations controlled or actually controlled by the Company (excluding enterprises controlled by listed companies, hereinafter collectively referred to as "affiliated companies") will exercise the rights of shareholders, fulfill the obligations of shareholders, and maintain the independence of listed companies in terms of assets, finance, personnel, business and institutions in strict accordance with the provisions of laws, regulations and other normative documents;</p> <p>2. The Company promises not to use its position as a controlling shareholder to urge the General Meeting of Shareholders or the Board of Directors of the listed company to make resolutions that infringe upon the legitimate rights and interests of other shareholders of the listed company;</p> <p>3. The Company or its affiliated companies will try to avoid related party transactions with listed companies. If it is inevitable to have related party transactions with listed companies, the Company or its affiliated companies will urge the controlled entities to trade with listed companies on an equal and voluntary basis in accordance with fair, reasonable and normal commercial transaction conditions;</p> <p>4. The Company or its affiliated companies will perform the decision-making procedures of related party transactions and the corresponding information disclosure obligations in strict accordance with the Articles of Association of the listed company and relevant laws and regulations;</p> <p>5. The Company or its affiliated companies will ensure that they will not seek special interests beyond the above provisions through related party transactions with the listed company, illegally transfer the funds and profits of the listed company through related party transactions, and maliciously damage the legitimate rights and interests of the listed company and its shareholders through related party transactions.</p> <p>In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>	December 30, 2022	the period of being the indirect controlling shareholder of Tellus Holding, a listed company	performance
Commitment made during the initial public offering or refinancing	Shenzhen Tellus Holding Co., Ltd.	Others	In the future, the Company will disclose relevant information regarding the progress of its new businesses in a timely, accurate and sufficient manner in accordance with relevant requirements.	October 17, 2014	Long term	In performance
Other commitments made for minority shareholders of the Company	Shenzhen Special Economic Zone Development Group Co., Ltd.	Horizontal competition	<p>Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, issued the Letter of Commitment to Avoiding Horizontal Competition on May 26, 2014. The commitments are as follows:</p> <p>1. The Company and other enterprises controlled by the Company other than Tellus Holding are not engaged in businesses that are in substantial competition with the main business of Tellus Holding, and there is no horizontal competition relationship with Tellus Holding;</p> <p>2. The Company and other enterprises controlled by the Company shall not directly or indirectly engage in or participate in any business that constitutes or may constitute competition with the main business of Tellus Holding in any form;</p> <p>3. If the Company and other enterprises controlled by the Company can engage in or participate in any business opportunity that may compete with the main business of Tellus Holding, they</p>	May 26, 2014	Long term	In performance

			shall notify Tellus Holding of the above business opportunity before implementing or signing relevant agreements. If Tellus Holding makes a positive reply within a reasonable period specified in the notice that it is willing to take advantage of the business opportunity, the business opportunity will be given priority to Tellus Holding.			
Other commitments	Shenzhen Tellus Holding Co., Ltd.	Dividend commitment	From 2023 to 2025, the Company's profits will be first used to cover the losses of previous years; After making up for the losses of previous years, on the premise that the Company's profits and cash flow meet the normal operation and long-term development of the Company, the Company will implement an active profit distribution method to reward shareholders. For details, please refer to the Shareholder Return Plan for the Next Three Years (2023-2025) disclosed on www.cninfo.com.cn on April 27, 2023.	April 27, 2023	December 31, 2025	In performance
Whether the commitments are duly performed	Yes					
If the commitment is not fulfilled after the time limit, the specific reasons for the failure of fulfillment and the next work plan shall be specified	N/A					

2. If the profit forecast can be carried out for the Company's assets or projects and the reporting period is within the period of profit forecast, the Company shall explain whether the assets and projects can realize the original profit forecast and specify the reasons.

Applicable Not applicable

II. Occupation of Non-operating Funds of the Listed Company of Controlling Shareholder and Other Related Parties

Applicable Not applicable

Non-operating fund occupied by the controlling shareholder and other related parties towards the listed company is not identified within the reporting period of the Company.

III. Illegal Foreign Guarantee

Applicable Not applicable

During the reporting period, the Company has no illegal foreign guarantees.

IV. Description of the Board of Directors on the Latest "Non-Standard Auditor's Report"

Applicable Not applicable

V. Description of the Board of Directors, Board of Supervisors and Independent Directors (If Any) on the "Non-Standard Auditor's Report" Issued by the Accounting Firm during the Reporting Period

Applicable Not applicable

VI. Description of the Changes in Accounting Policies and Accounting Estimates or Correction of Major Accounting Errors as Compared with Those in the Financial Report for the Previous Year

Applicable Not applicable

In November 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises (CK [2022] No. 31) (hereinafter referred to as "Interpretation No. 16"). According to the provisions of Interpretation No. 16, when it is an individual transaction that is not a business merger, affects neither accounting profits nor taxable income (or deductible losses) at the time of the transaction, and results in an equal taxable temporary differences and deductible temporary differences due to initial recognition of assets and liabilities, for the taxable temporary differences and deductible temporary differences arising from initial recognition of assets and liabilities, the corresponding deferred tax liabilities and deferred tax assets shall be recognized respectively at the time of transaction in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 18—Income Tax. For the above transactions that occur between the beginning of the earliest period for the presentation of the financial statements in which the above provisions are first applied and the date of implementation of this Interpretation, enterprises shall adjust the beginning retained earnings and other relevant financial statement items for the earliest period in which the financial statements are presented according to the above provisions for the cumulative effect. The above accounting treatment provisions shall come into force from January 1, 2023.

If taxable temporary differences and deductible temporary differences arise from the lease liabilities and right-of-use assets recognized by the Company in the lease business, adjustment shall be made in accordance with the provisions of Interpretation No. 16.

VII. Explanation on Change of Scope of Consolidated Financial Statements Compared with the Financial Statement of the Previous Year

Applicable Not applicable

The Company had multiple communications with the Japanese shareholder before and after the expiration of the business term of its subsidiary, SDG Huari, regarding SDG Huari's business term extension, equity

transactions, dissolution, and liquidation, but consensus was not reached on any of these issues. Under the circumstance that the business term of SDG Huari has expired, and the Company and the Japanese shareholder could not set up a liquidation team to carry out liquidation within fifteen days from the date of expiration of the business term of SDG Huari, as the shareholder holding 60% equity of SDG Huari, the Company applied in October 2022 for the appointment of a liquidation team designated by the People's Court to carry out compulsory liquidation of SDG Huari according to Articles 180 and 183 of the Company Law of the People's Republic of China and Article 7 of the Provisions (II) of the Supreme People's Court on Several Issues Concerning the Application of the Company Law of the People's Republic of China.

On December 21, 2022, the Shenzhen Qianhai Cooperation Zone People's Court in Guangdong Province issued [2023] Y0391 QS No.9 Civil Ruling, deciding to accept the Company's application for liquidation against SDG Huari.

On March 21, 2023, the Company received the Decision on Appointing a Liquidation Team ([2023] Y0391 QQ No. 4) served by the Shenzhen Qianhai Cooperation Zone People's Court, which designated King & Wood Mallesons Shenzhen Office as the SDG Huari Liquidation Team. The liquidation team reported its work to the court, accepted the supervision of the court and creditors and shareholders of the Company, and exercised various functions and powers in accordance with legal procedures during liquidation.

According to the relevant provisions of the Company Law, the liquidation team designated by the court shall be responsible for safeguarding, sorting, and disposing of the liquidated company's assets during the liquidation period, settling debts, and handling outstanding business until the final deregistration of the company. During the liquidation period, Tellus Holding as a shareholder could no longer control the business decisions of SDG Huari and could not unilaterally apply to the court to revoke the liquidation of SDG Huari. Therefore, after the court appointed a liquidation group, Tellus Holding lost control over SDG Huari and should not include SDG Huari in its consolidation scope unless there was significant influence.

VIII. Employment and Dismissal of Accounting Firms

Current employed accounting firm

Name of domestic accounting firm	Grant Thornton China (Special General Partnership)
Salary of domestic accounting firm (RMB 10,000)	75
Duration of audit service provided by domestic accounting firm	1
Name of CPA of domestic accounting firm	Wu Liang, Xie Mingming
Duration of audit service provided by CPA of domestic accounting firm	Wu Liang 1 year, Xie Mingming 1 year

Whether the employment of the accounting firm will be changed during the current period

Yes No

Whether the employment of the accounting firm will be changed during audit

Yes No

Whether the approval procedures are fulfilled for changing accounting firms

Yes No

Detailed description of the change in employment or alteration of accounting firms:

In view of the fact that RSM China (Special General Partnership) (hereinafter referred to as "RSM China") has provided audit services for the Company for many consecutive years and considering the development of the Company and the audit needs, the accounting firm was changed upon deliberation by the Board of Directors and the General Meeting of Shareholders of the Company after the expiration of cooperation with RSM China, and Grant Thornton China (Special General Partnership) was employed as the financial audit firm and internal control audit firm of the Company in 2023. The Company has fully communicated with RSM China on the change of accounting firm, and RSM China has clearly understood this matter and has no objection to this change.

Employment of accounting firm, financial consultant or sponsor for internal control audit

Applicable Not applicable

The Company employed Grant Thornton China (Special General Partnership) as its 2023 annual financial and internal control audit firm. The employment term was one year, and the internal control audit fee was RMB 250,000.

IX. Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Matters Relating to Bankruptcy Reorganization

Applicable Not applicable

Matters concerning bankruptcy reorganization are not identified within the reporting period of the Company.

XI. Major Litigation and Arbitration Matters

Applicable Not applicable

Basic information of litigation (arbitration)	Amount involved (RMB 10,000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) trial results and impacts	Execution of litigation (arbitration) judgment	Disclosure date	Disclosure index
Dispute over confirmation	19.84	No	Closed	The first-instance judgment confirmed the shareholder qualification of the Japanese	-	July 7, 2023	Announcement on Progress of Litigation Matters of Holding Subsidiaries

on of shareholder qualifications of SDG Huari				enterprise, and the second-instance judgment rejected the appeal and upheld the original judgment; there was no significant impact on the production and operation of the Company.			(Announcement No.: 2023-030) of Securities Times and CNINFO (www.cninfo.com.cn)
Dispute over project payment (the Company is the defendant)	33.81	No	Closed	The civil mediation document was received on July 7, 2023, and the Company does not need to bear responsibility; there is no significant impact on the production and operation of the Company.	-		
Dispute over land lease contract (the Company is the plaintiff)	1,403.76	No	Ongoing	The judgment of the first instance was received on September 6, 2023, rejecting the Company's litigation request. The Company has filed an appeal within the appeal period, and the second instance has not yet been held; It has no significant impact on the production and operation of the Company.	N/A		

XII. Punishment and Rectification

Applicable Not applicable

No punishment or rectification is identified within the reporting period of the Company.

XIII. Integrity Situation of the Company and its Controlling Shareholder and Actual Controller

Applicable Not applicable

XIV. Major Related Party Transactions

1. Related party transactions concerning daily operations

Applicable Not applicable

Related transaction parties	Relationship of related parties	Type of related party transactions	Content of related party transaction	Pricing principle of related party transaction	Price of related party transaction	Amount of related party transaction (RMB 10,000)	Proportion to transaction amount of the same kind	Approved transaction amount (RMB 10,000)	Exceed the approved amount or not	Settlement methods of related party transaction	Market price of available similar transaction	Disclosure date	Disclosure index
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Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	A Director of the Company concurrently serves as its Director	Daily related party transactions	Provide property leasing services	Market pricing	545.00	545	2.07%	545	No	According to the contract amount or agreement	545.00	April 27, 2023	Announcement on Daily Related Party Transactions in 2023 (Announcement No.: 2023-018) of Securities Times and CNINFO
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing services	Market pricing	13.49	13.49	0.05%	21	No	According to the contract amount or agreement	13.49		
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing and management services	Market pricing	124.22	124.22	0.47%	150	No	According to the contract amount or agreement	124.22		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing and parking services	Market pricing	363.05	363.05	1.38%	510	No	According to the contract amount or agreement	363.05		
Shenzhen Special Economic Zone Development Group Co., Ltd.	Controlling shareholder	Daily related party transactions	Provide vehicle maintenance and testing services	Market pricing	0.82	0.82	0.11%	3	No	According to the contract amount or agreement	0.82		
Shenzhen SDG Tellus Property	Subsidiary of controlling shareholder	Daily related party transactions	Provide vehicle	Market pricing	0.13	0.13	0.02%	2	No	According to the contract	0.13		

Management Co., Ltd.	Controlling shareholder	Transactions	Maintenance and testing services							Amount or agreement			
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept engineering supervision services	Market pricing	135.41	135.41	100.00%	200	No	According to the contract amount or agreement	135.41		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management and security services	Market pricing	1,768.37	1,768.37	84.21%	1,816	No	According to the contract amount or agreement	1,768.37		
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management services	Market pricing	261.39	261.39	12.45%	340	No	According to the contract amount or agreement	261.39		
Guoren Property & Casualty Insurance Co., Ltd.	Enterprises controlled by indirect controlling shareholders	Daily related party transactions	Accept insurance services	Market pricing	41.49	41.49	61.52%	0	Yes	According to the contract amount or agreement	41.49		
Total				--	--	3,253.37	--	3,587	--	--	--	--	--
Details of large sales return				N/A									
The actual performance during the reporting period (if any) if the total amount of daily related party transactions occurring in the current period is estimated by category				Normal performance									
Reasons for the great difference between the transaction price and				N/A									

market reference price (if applicable)	
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2. Related party transactions from acquisition and sale of assets or equity

Applicable Not applicable

During the reporting period, the Company has no related party transaction from the acquisition and sale of assets or equity.

3. Related party transaction of joint foreign investment

Applicable Not applicable

During the reporting period, the Company has no related party transaction of joint foreign investment.

4. Transaction related to credit and debt

Applicable Not applicable

Whether there are transactions of non-operating related credits and debts

Yes No

During the reporting period, the Company has no transactions related to credit and debt.

5. Transactions with related finance companies

Applicable Not applicable

There is no deposit, loan, credit or other financial business between the Company and related finance companies and related parties.

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

Applicable Not applicable

There is no deposit, loan, credit or other financial business between the finance companies controlled by the Company and related parties.

7. Other major related party transactions

Applicable Not applicable

During the reporting period, the Company has no other major related party transactions.

XV. Major Contracts and Performance

1. Trusteeship, contracting and leasing matters

(1) Trusteeship

Applicable Not applicable

During the reporting period, the Company has no trusteeship.

(2) Contracting

Applicable Not applicable

During the reporting period, the Company has no contracting.

(3) Leasing

Applicable Not applicable

During the reporting period, the Company has no major leases.

2. Significant guarantees

Applicable Not applicable

Unit: RMB 10,000

External guarantees of the Company and its subsidiaries (excluding the guarantees to subsidiaries)										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	September 30, 2014	3,500	March 15, 2022	1,277.5	Pledge	No	No	To the expiration date of the joint venture contract	No	Yes
Total external guarantee amount approved during the reporting period (A1)				0	Total actual external guarantee amount during the reporting period (A2)		1,277.5			
Total external guarantee amount approved at the end of the reporting period (A3)				3,500	Total actual external guarantee balance at the end of reporting period (A4)		0			
The Company's guarantee to subsidiaries										
Name of guaranteed party	Disclosure date of the relevant	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to

	announcement of the guarantee amount									related parties
Guarantee between subsidiaries										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Total amount of the Company's guarantee (i.e. total of the first three items)										
Total guarantee amount approved during the reporting period (A1 + B1 + C1)			0	Total actual guarantee amount during the reporting period (A2 + B2 + C2)						1,277.5
Total guarantee amount approved at the end of the reporting period (A3 + B3 + C3)			3,500	Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)						0
Proportion of total actual guarantee amount (i.e. A4 + B4 + C4) to the Company's net assets										0%
Including:										

Specific description of the composite guarantee

3. Management of cash assets by other entrusted parties

(1) Entrusted financial management

Applicable Not applicable

Overview of entrusted financial management during the reporting period

Unit: RMB 10,000

Category	Capital source of entrusted financial management	Amount of entrusted financial management	Unexpired balance	Overdue unrecovered amount	The amount of impairment accrued for overdue unrecovered financial management products
Bank financial products	Own funds	59,000	36,500	0	0

Total	59,000	36,500	0	0
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Details of high-risk entrusted financial management with large individual amount or low security and poor liquidity

Applicable Not applicable

Principal unable to be recovered or other conditions causing impairment for entrusted financial management

Applicable Not applicable

(2) Entrusted loan

Applicable Not applicable

During the reporting period, the Company has no entrusted loans.

4. Other major contracts

Applicable Not applicable

During the reporting period, the Company has no major contracts.

XVI. Clarification on Other Material Matters

Applicable Not applicable

The Company has no other major matters that need to be stated during the reporting period.

XVII. Major Matters of the Company's Subsidiaries

Applicable Not applicable

1. After the expiration of the business term of the Company's holding subsidiary SDG Huari, the shareholders could not reach an agreement, and the Company applied to the Shenzhen Qianhai Cooperation Zone People's Court for the compulsory liquidation of SDG Huari. The court has ruled to accept the liquidation application for SDG Huari filed by the Company and has designated King & Wood Mallesons Shenzhen Office as the liquidation team for SDG Huari. At present, all work is being carried out according to legal procedures. For details, please refer to the Company's Announcement on the Court's Acceptance of the Application for Compulsory Liquidation of Holding Subsidiaries (Announcement No.: 2023-003), Announcement on the Progress of Compulsory Liquidation of Holding Subsidiaries (Announcement No.: 2023-010) and other relevant contents.

2. The business premises of Huari Toyota were properties owned by SDG Huari, and Huari Toyota still faced the situation of having no business premises after a long period of exploration. Additionally, the economic benefits and strategic significance of Huari Toyota were not prominent enough. In view of this, the Company decided to dissolve Huari Toyota. For details, please refer to the Company's Announcement on the Dissolution of a Holding Subsidiary (Announcement No.: 2023-034) and other relevant contents.

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

	Before the change		Increase (+)/decrease (-) in this change					After the change	
	Quantity	Proportion	Issuance of new shares	Stock dividend	Conversion of the reserve funds into shares	Others	Subtotal	Quantity	Proportion
I. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
1. State shareholding	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Including: Domestic legal person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Domestic natural person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
4. Foreign shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Including: Foreign legal person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	431,058,320	100.00%	0	0	0	0	0	431,058,320	100.00%
1. RMB-denominated ordinary shares	392,778,320	91.12%	0	0	0	0	0	392,778,320	91.12%
2. Domestic listed foreign shares	38,280,000	8.88%	0	0	0	0	0	38,280,000	8.88%
3. Foreign listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total amount of shares	431,058,320	100.00%	0	0	0	0	0	431,058,320	100.00%

Reasons for changes in shares

 Applicable Not applicable

Status of authorization for changes in shares

 Applicable Not applicable

Status of transfer for changes in shares

 Applicable Not applicable

Effect of changes in shares on the financial indicators including basic earnings per share and diluted earnings per share in the most recent year and in the most recent period as well as net asset per share attributable to the Company's shareholders of ordinary shares

Applicable Not applicable

Other information disclosed as the Company deems necessary or required by securities regulatory authorities

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

II. Conditions on Issuance and Listing of Securities

1. Conditions on issuance of securities (excluding preferred shares) during the reporting period

Applicable Not applicable

2. Description of total number of shares of the Company, changes in shareholder structure and changes in the Company's asset and liability structure

Applicable Not applicable

3. Shares of existing internal staff

Applicable Not applicable

III. Shareholders and Actual Controller

1. Number of shareholders and shareholdings of the Company

Unit: share

Total number of ordinary share shareholders as at the end of the reporting period	57,239	Total number of ordinary share shareholders as at the end of the previous month before the disclosure date of the annual report	56,200	Total number of preferred share shareholders (if any) with restored voting rights as at the end of the reporting period (see Note 8)	0	Total number of preferred share shareholders (if any) with restored voting rights as at the end of the previous month before the disclosure date of the annual report (see Note 8)	0
Shareholders holding more than 5% shares or shareholding of top 10 shareholders (excluding shares lent through refinancing)							

Name of shareholder	Nature of shareholder	Shareholding proportion	Number of shares held at the end of the reporting period	Increase/decrease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledged, marked or frozen shares	
							Status of shares	Quantity
Shenzhen Special Economic Zone Development Group Co., Ltd.	State-owned legal person	48.81%	210,391,621	5,593,000	0	210,391,621	N/A	0
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	Domestic non-state-owned legal person	5.08%	21,919,153	-14,693,779	0	21,919,153	N/A	0
Li Xiaoming	Domestic natural person	0.71%	3,069,500	177,800	0	3,069,500	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.51%	2,180,659	2,180,659	0	2,180,659	N/A	0
Guotai Junan Securities (Hong Kong) Limited	Overseas legal person	0.40%	1,741,491	0	0	1,741,491	N/A	0
Industrial and Commercial Bank of China Limited—China Southern CSI All Share Real Estate ETF	Others	0.35%	1,518,675	681,200	0	1,518,675	N/A	0
Shenwan Hongyuan Securities	State-owned legal person	0.24%	1,044,530	1,044,530	0	1,044,530	N/A	0
Shanghai V-Invest Co., Ltd.—V-Invest Qimingxing No. 33 Private Securities Investment Fund	Others	0.21%	900,000	900,000	0	900,000	N/A	0
Li Daoqing	Domestic natural person	0.16%	706,600	706,600	0	706,600	N/A	0
Wu Qiu'an	Domestic natural person	0.16%	675,745	675,745	0	675,745	N/A	0
Status of the strategic investor or general legal person becoming one of top 10 shareholders due to rights issue (if any) (see Note 3)	N/A							
Explanations of the related relationship or concerted action of the above shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd. was not related to other shareholders and was not a person acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies. It was unknown whether other shareholders of tradable shares were persons acting in concert.							
Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with the	N/A							

right to vote and giving up the right.			
Special description of repurchase special account among the top 10 shareholders (if any) (see Note 10)	N/A		
Shareholding of top 10 shareholders of unrestricted shares			
Name of shareholder	Number of unrestricted shares held as at the end of reporting period	Share type	
		Share type	Quantity
Shenzhen Special Economic Zone Development Group Co., Ltd.	210,391,621	RMB ordinary shares	210,391,621
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	21,919,153	RMB ordinary shares	21,919,153
Li Xiaoming	3,069,500	RMB ordinary shares	3,069,500
Hong Kong Securities Clearing Company Limited	2,180,659	RMB ordinary shares	2,180,659
Guotai Junan Securities (Hong Kong) Limited	1,741,491	Domestic listed foreign shares	1,741,491
Industrial and Commercial Bank of China Limited—China Southern CSI All Share Real Estate ETF	1,518,675	RMB ordinary shares	1,518,675
Shenwan Hongyuan Securities	1,044,530	RMB ordinary shares	1,044,530
Shanghai V-Invest Co., Ltd.—V-Invest Qimingxing No. 33 Private Securities Investment Fund	900,000	RMB ordinary shares	900,000
Li Daoqing	706,600	RMB ordinary shares	706,600
Wu Qiu'an	675,745	RMB ordinary shares	675,745
Description on the related relationship or concerted action among top 10 shareholders of unrestricted tradable shares and between top 10 shareholders of unrestricted tradable shares and top 10 shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd., a state-owned legal-person shareholder, was not related to other shareholders and was not a person acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies. It was unknown whether other shareholders of tradable shares were persons acting in concert.		
Description of participation of the top 10 shareholders of ordinary shares in securities margin trading (if any) (see Note 4)	<p>1. Due to the refinancing business carried out by Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, the number of shares held at the end of this reporting period increased by 5,593,000 shares compared with that at the end of 2022. The increase in the number of shares held is due to the return of lent shares.</p> <p>2. The shareholder Shanghai V-Invest Co., Ltd.—V-Invest Qimingxing No. 33 Private Securities Investment Fund held 900,000 shares of the Company through guaranteed credit accounts and 0 shares of the Company through ordinary securities accounts, holding a total of 900,000 shares.</p>		

The situation of the top 10 shareholders participating in the shares lent through refinancing

Applicable Not applicable

Unit: share

The situation of the top 10 shareholders participating in the shares lent through refinancing				
Name of shareholder (full)	Ordinary account and credit account shareholding at the beginning of the period	Shares lent through refinancing at the beginning of the period	Ordinary account and credit account shareholding at the end of the period	Shares lent through refinancing at the end of the period and not yet

name)			and not yet returned				returned	
	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital
Shenzhen Special Economic Zone Development Group Co., Ltd.	204,798,621	47.51%	6,793,000	1.58%	210,391,621	48.81%	1,200,000	0.28%

Changes of the top 10 shareholders compared with the previous period

Applicable Not applicable

Unit: share

Changes of the top 10 shareholders as compared with the end of the previous period					
Name of shareholder (full name)	Addition/withdrawal during the reporting period	Number of shares lent through refinancing and not yet returned at the end of the period		Number of shares held by shareholders' ordinary accounts and credit accounts and shares lent through refinancing and not yet returned at the end of the period	
		Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital
Hong Kong Securities Clearing Company Limited	Newly added	0	0.00%	0	0.00%
Shenwan Hongyuan Securities	Newly added	0	0.00%	0	0.00%
Shanghai V-Invest Co., Ltd.—V-Invest Qimingxing No. 33 Private Securities Investment Fund	Newly added	0	0.00%	0	0.00%
Li Daoqing	Newly added	0	0.00%	0	0.00%
Wu Qiu'an	Newly added	0	0.00%	0	0.00%
Li Bozhi	Withdrawal	0	0.00%	0	0.00%
Ningbo Meishan Bonded Port Area Lingding Investment Management Co., Ltd.—Lingding Chuqi No. 2 Private Securities Investment Fund	Withdrawal	0	0.00%	0	0.00%
Nanjing Shengquan Hengyuan Investment Co., Ltd.—Shengquan Hengyuan Flexible Configuration No. 8 Private Securities Investment Fund	Withdrawal	0	0.00%	0	0.00%
Nanjing Shengquan Hengyuan Investment Co., Ltd.—Shengquan Hengyuan Quantitative Arbitrage No. 17 Private Securities Investment Fund	Withdrawal	0	0.00%	0	0.00%
China Merchants Securities Co., Ltd.	Withdrawal	0	0.00%	0	0.00%

Whether the Company's top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares have performed the agreed repurchase transactions during the reporting period

Yes No

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

2. Controlling shareholder of the Company

Nature of controlling shareholder: local state-owned holding

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/ person in charge of the unit	Date of establishment	Organization code	Main business
Shenzhen Special Economic Zone Development Group Co., Ltd.	Zhang Junlin	June 20, 1982	91440300192194195C	Investment in the development of industries (specific projects will be declared separately); investment in the development of the tourism industry; real estate development and operation; domestic trade and material supply and marketing (excluding monopoly, exclusive control and monopolized commodities); economic information consultation (excluding restricted items); operation of import and export business.
Equity of other domestic and foreign listed companies controlled and participated by the controlling shareholder during the reporting period	At the end of the reporting period, in addition to holding the equity of the Company, SDG Group also held equity of other listed companies as follows: 1. Holding 47.78% equity of Shenzhen SDG Service Co., Ltd. (stock abbreviation: SDG Service, stock code: 300917), and holding 0.98% equity of Shenzhen SDG Service Co., Ltd. through Shenzhen SDG Investment Co., Ltd.; 2. Holding 36.18% equity of Shenzhen SDG Information Co., Ltd. (stock abbreviation: SDG Information, stock code: 000070), and controlling 1.1% equity of Shenzhen SDG Information Co., Ltd. through Hanseco Sanho Co., Ltd.; 3. Holding 8.31% equity of Shenzhen Microgate Technology Co., Ltd. (stock abbreviation: Microgate Technology, stock code: 300319), and controlling 14.5% equity of Shenzhen Microgate Technology Co., Ltd. through the Company's holding subsidiary Shenzhen Capital Fortune Electronic Information Investment Enterprise (Limited Partnership).			

Change in controlling shareholder during the reporting period

Applicable Not applicable

During the reporting period, the Company had no change in the controlling shareholder.

3. Actual controllers and persons acting in concert of the Company

Nature of actual controller: local state-owned assets administrative authority

Type of actual controller: legal person

Name of actual controller	Legal representative/ person in charge of the unit	Date of establishment	Organization code	Main business
State-owned Assets Supervision and Management Commission of	Wang Yongjian	April 2, 2004	11440300K317280672	Perform the responsibilities of the investor on behalf of the state, and supervise and manage the state-owned assets authorized for supervision

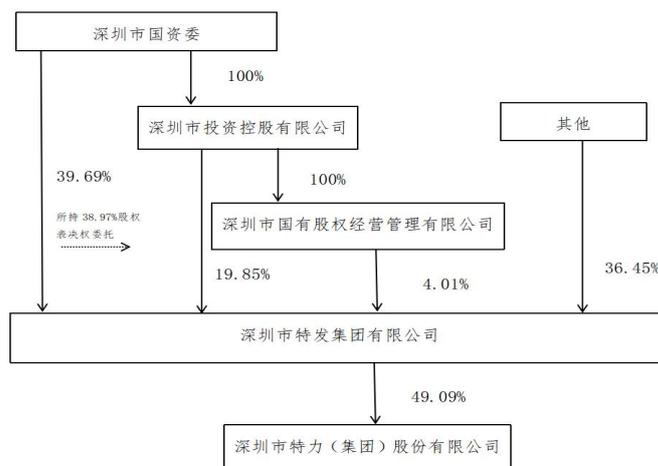
Shenzhen Municipal People's Government				according to law.
Equity of other domestic and foreign listed companies controlled by the actual controller during the reporting period	N/A			

Change in actual controller during the reporting period

Applicable Not applicable

During the reporting period, the Company had no change in the actual controller.

Block diagram of property rights and control relationship between the Company and the actual controller



Note: On December 28, 2022, by signing the Voting Rights Entrustment Agreement with its wholly-owned subsidiary SIHC, Shenzhen SASAC entrusted its 38.97% voting rights in SDG Group to its wholly-owned subsidiary SIHC, thereby enabling SIHC to indirectly hold equity in the Company through SDG Group.

Actual controller controlling the Company by way of trust or other asset management methods

Applicable Not applicable

4. The accumulative number of shares pledged by the Company's controlling shareholder or the first majority shareholder and its persons acting in concert accounted for 80% of the Company's shares held by them

Applicable Not applicable

5. Other legal person shareholders with more than 10% shares held

Applicable Not applicable

6. Restriction in reduction of shares held by controlling shareholder, actual controller, restructuring parties and other commitment units

Applicable Not applicable

IV. Specific Implementation of Share Repurchase during the Reporting Period

Progress in the implementation of share repurchase

Applicable Not applicable

Progress in the implementation of share repurchase reduction through centralized bidding

Applicable Not applicable

Section VIII Preferred Shares

Applicable Not applicable

During the reporting period, the Company has no preferred shares.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Auditor's Report

Audit opinion type	Standard unqualified opinion
Signing date of the auditor's report	March 26, 2024
Name of audit firm	Grant Thornton China (Special General Partnership)
Name of CPA	Wu Liang, Xie Mingming

Text of Auditor's Report

To the Shareholders of Shenzhen Tellus Holding Co., Ltd.:

I. Opinion

We have audited the financial statement of Shenzhen Tellus Holding Co., Ltd. (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in 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 consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2023, and its consolidated financial performance and its consolidated 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 (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 Items

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

(I) Revenue recognition

Please refer to Note III.26 and Note V.45 of the notes to the financial statements for details.

1. Description

The Company is mainly engaged in real estate leasing and services, gold and jewelry sales and services, automobile sales, automobile maintenance and inspection. In 2023, the operating revenue amounts to CNY 1.847 billion yuan, with a year-on-year growth by 120.46%. Due to the fact that operating revenue is one of the key performance indicators and there is a risk that management may use inappropriate revenue recognition to meet specific targets or expectations. Therefore, we have identified revenue recognition as a key audit matter.

2. Responses in audit procedures

Our main audit procedures for operating revenue recognition are as follows:

(1) We obtained understandings of key internal controls related to revenue recognition, assessed the design of these controls, determined whether they have been executed, and tested the effectiveness of the operation;

(2) We assessed the appropriateness of the company's operating revenue recognition policy by inquiring management, reviewing sales contracts, and analyzing the timing of the transfer of control related to operating revenue recognition;

(3) We performed analytical procedures on operating revenue, including: analysis of revenue, price and gross margin fluctuations, compared revenue, price and gross margin analysis for major products and services with the previous year, and comparative analysis with listed companies in the same industry.

(4) We selected major customers to confirm the sales in the year. For the samples that have not received the confirmation letter, we verified the transaction by checking to the subsequent cash receipts after the year end and the sales contract, invoice and other supporting documents.

(5) We checked supporting documents relating to revenue recognition by sampling method, including goods sales contracts, real estate lease contracts, orders, invoices, delivery lists, payment evidence, client acceptance receipts, etc., to check whether the revenue recognition is accurate.

(6) We checked the operating revenue recognized before and after the balance sheet date to supporting documents by the sampling method, including invoices, goods sales contracts, delivery lists and client acceptance receipts, and we evaluate whether operating revenue was recognized in the appropriate period.

(7) We checked the business registration information of new customers, customers with significant change in sales amount and their related parties during the year, and check whether there are any potential related party relationships and transactions that were not identified and physically visited important customers.

(II) Subsidiary under compulsory liquidation

Please refer to Note III. 11, 15 and Note V. 2, 52 and Note VI.2 to the financial statements for details.

1. Description

The company's subsidiary, Shenzhen Tefa Huari Automobile Enterprise Co., Ltd. (hereinafter referred to as Tefa Huari), had its operating period expire on March 14, 2022. The company had multiple communications with another shareholder regarding the extension of Tefa Huari's operating period or liquidation. However, they failed to reach an agreement. Consequently, the company applied for compulsory liquidation through the court. On March 21, 2023, the company received a "Decision on Designating Liquidation Team" ([2023] Yue 0391 Qiang Qing No. 4) from the Shenzhen Qianhai Cooperation Zone People's Court. The court designated Beijing JunHe (Shenzhen) Law Firm as the liquidation team for Tefa Huari. The liquidation team reports their work to the court and operates under the supervision of the court, company creditors, and shareholders. During the liquidation period, they exercise various powers according to legal procedures, including taking over Tefa Huari's assets, seals, and books, as well as making decisions on internal management affairs, daily expenses, and other necessary expenditures. After the court designated the liquidation team, the company lost control over Tefa Huari. The company's equity holdings in Tefa Huari, previously measured at cost as long-term equity investments, were reclassified as financial assets measured at fair value. Consequently, investment income of CNY 69,552,580.12 was recognized.

The compulsory liquidation of Tefa Huari constitutes a significant transaction during the year and has a significant impact on the company's operating results for the year 2023. Therefore, we will treat the compulsory liquidation of the subsidiary as a key audit matter.

2. Responses in audit procedures

The relevant procedures we implement for the compulsory liquidation of the subsidiary mainly include:

- (1) By inquiring and reviewing meeting minutes, we obtained the management's intentions regarding Tefa Huari's equity holdings and subsequent management strategies.
- (2) By consulting with Tefa Huari's liquidation team lawyers, we obtained and examined legal opinion letters and legal affairs confirmation letters from the company's executive legal counsel to verify the authenticity of the liquidation arrangements.
- (3) Based on the actual circumstances of the company, and in accordance with "Enterprise Accounting Standard No. 33 - Consolidated Financial Statements," we reviewed the reasonableness of management's determination of the consolidation scope for the annual financial statements and assessed the appropriateness of accounting treatment related to Tefa Huari's liquidation matters.
- (4) We obtained the asset appraisal report issued by the valuation experts engaged by Tefa Huari's

liquidation team as of the liquidation reference date, evaluated their competence, professional qualifications, and objectivity of the valuation experts, and utilized our internal valuation experts to review the valuation model, parameter selection, and evaluate the reasonableness of the valuation method.

(5) We recalculated the investment income generated from the compulsory liquidation of Tefa Huari and reviewed the adequacy and appropriateness of disclosures in the notes to financial statement made by management.

IV. Other information

The Company's management is responsible for the other information. Other information comprises the information included in the Company's Annual Report of 2023, but does not include 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 the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to 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, items related to going concern and use the going concern basis of accounting unless the Management either intend 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 the Audit of the 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 China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude 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, future events or conditions may cause Company to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within 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 communicate with those charged with governance regarding, among other items, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the items communicated with those charged with governance, we determine those items that were of most significance in the audit of the financial statements of the current period and are therefore the key audit items. We describe these items in our auditor's report unless law or regulation precludes public disclosure about the item or when, in extremely rare circumstances, we determine that an item 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.

II. Financial Statements

All amounts are in RMB

1. Consolidated Balance Sheet

Prepared by: Shenzhen Tellus Holding Co., Ltd.

December 31, 2023

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash at bank and on hand	220,340,961.64	413,028,327.36
Settlement reserve		
Lendings to banks and other financial institutions		
Trading financial assets	206,294,931.94	176,133,569.95
Derivative financial assets	298,320.00	
Notes receivable		87,812,500.00
Accounts receivable	99,635,751.52	41,752,179.56
Receivables financing		
Advances to suppliers	38,454,434.90	8,127,252.94
Premiums receivable		
Reinsurance account receivables		
Provision of cession receivable		
Other receivables	12,383,516.92	7,663,570.87
Including: interest receivable		
Dividends receivable	1,305,581.86	1,852,766.21
Financial assets purchased under agreements to resell		
Inventory	178,425,833.88	116,069,675.39
Contract assets		
Held-for-sale assets		
Current portion of non-current assets	55,206,250.00	
Other current assets	104,833,797.59	18,346,711.55
Total current assets	915,873,798.39	868,933,787.62
Non-current assets:		

Loans and advances to customers		
Debt investment		
Other debt investment	67,627,948.60	
Long-term receivables		
Long-term equity investment	76,511,487.57	81,024,365.94
Other equity instrument investments	383,317.67	10,176,617.20
Other non-current financial assets		
Investment properties	1,008,137,341.80	516,360,139.45
Fixed assets	78,935,843.49	102,689,546.42
Construction in progress	7,279,570.05	409,933,559.27
Productive biological assets		
Oil and gas assets		
Right-of-use assets	71,904,716.50	4,181,242.86
Intangible assets	3,915,770.61	49,808,015.72
Development expenditures		
Goodwill		
Long-term deferred expenses	38,392,179.02	25,876,099.49
Deferred tax assets	37,836,657.43	8,518,233.77
Other non-current assets	97,053,053.32	154,526,946.83
Total non-current assets	1,487,977,886.06	1,363,094,766.95
Total assets	2,403,851,684.45	2,232,028,554.57
Current liabilities:		
Short-term borrowings	145,131,694.44	20,000,000.00
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities	56,881,954.76	18,572,684.91
Derivative financial liabilities	1,380.00	489,360.00
Notes payable		
Accounts payable	135,834,414.39	124,716,800.71
Advances from customers	4,306,567.65	6,119,377.90
Contract liabilities	7,079,975.38	9,259,658.43
Financial assets sold under agreements to repurchase		
Deposits from banks and other financial institutions		
Acting trading securities		
Customer deposits for securities underwriting		
Employee compensation payable	33,425,356.15	38,550,181.70
Taxes payable	28,857,448.06	18,891,792.84
Other payables	126,826,966.60	105,180,279.00
Including: interest payable		

Dividends payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	7,304,647.32	2,009,819.15
Other current liabilities	3,388,998.35	68,361,007.70
Total current liabilities	549,039,403.10	412,150,962.34
Non-current liabilities:		
Insurance contract reserves		
Long-term loans		144,820,511.42
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	69,524,214.23	2,926,184.93
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Estimated liabilities	268,414.80	268,414.80
Deferred income	9,617,683.53	10,579,545.71
Deferred tax liabilities	40,409,890.41	1,135,031.11
Other non-current liabilities		
Total non-current liabilities	123,740,363.33	163,649,848.33
Total liabilities	672,779,766.43	575,800,810.67
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	430,866,408.50	431,449,554.51
Less: treasury shares		
Other comprehensive income	-7,318,552.65	26,422.00
Special reserve		
Surplus reserve	63,956,286.46	52,499,172.13
General risk provisions		
Undistributed profits	685,342,592.62	590,605,394.67
Total equity attributable to owners of the parent company	1,603,905,054.93	1,505,638,863.31
Minority shareholders' equity	127,166,863.09	150,588,880.59
Total owners' equity	1,731,071,918.02	1,656,227,743.90
Total liabilities and owners' equity	2,403,851,684.45	2,232,028,554.57

Legal representative: Fu Chunlong Person in charge of accounting: Huang Tianyang Person in charge of the accounting firm: Yu Taiping

2. Parent Company's Balance Sheet

Unit: RMB

Item	December 31, 2023	January 1, 2023
Current assets:		
Cash at bank and on hand	8,805,213.07	169,733,887.28
Trading financial assets	205,942,363.02	176,133,569.95
Derivative financial assets		
Notes receivable		
Accounts receivable	22,080,192.24	147,200.91
Receivables financing		
Advances to suppliers	16,240.74	249,559.50
Other receivables	47,432,527.04	4,966,987.96
Including: interest receivable		
Dividends receivable	1,305,581.86	1,852,766.21
Inventory		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	75,546,888.89	137,126.11
Total current assets	359,823,425.00	351,368,331.71
Non-current assets:		
Debt investment		
Other debt investment	47,081,615.27	
Long-term receivables		
Long-term equity investment	770,687,026.69	865,313,838.67
Other equity instrument investments	383,317.67	10,176,617.20
Other non-current financial assets		
Investment properties	545,303,744.96	26,915,545.20
Fixed assets	15,211,321.18	16,433,526.75
Construction in progress	589,761.00	419,793,938.49
Productive biological assets		
Oil and gas assets		
Right-of-use assets	74,533,199.59	
Intangible assets	2,559,885.65	48,413,279.08
Development expenditures		
Goodwill		
Long-term deferred expenses	21,243,445.23	8,465,289.34
Deferred tax assets	31,956,786.10	3,415,402.97
Other non-current assets	69,580,748.31	73,340,576.28
Total non-current assets	1,579,130,851.65	1,472,268,013.98
Total assets	1,938,954,276.65	1,823,636,345.69
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		

Derivative financial liabilities		
Notes payable		
Accounts payable	71,449,469.14	58,797,324.02
Advances from customers	1,060,721.19	962,064.00
Contract liabilities		
Employee compensation payable	27,402,400.00	28,220,652.45
Taxes payable	13,335,268.63	3,317,946.24
Other payables	271,180,563.27	249,870,213.63
Including: interest payable		
Dividends payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	6,706,250.92	
Other current liabilities	1,810,007.31	
Total current liabilities	392,944,680.46	341,168,200.34
Non-current liabilities:		
Long-term loans		144,820,511.42
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	72,936,147.42	
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	40,269,279.16	
Other non-current liabilities		
Total non-current liabilities	113,205,426.58	144,820,511.42
Total liabilities	506,150,107.04	485,988,711.76
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	428,256,131.23	428,256,131.23
Less: treasury shares		
Other comprehensive income	-7,344,974.65	
Special reserve		
Surplus reserve	63,956,286.46	52,499,172.13
Undistributed profits	516,878,406.57	425,834,010.57
Total owners' equity	1,432,804,169.61	1,337,647,633.93
Total liabilities and owners' equity	1,938,954,276.65	1,823,636,345.69

3. Consolidated Income Statement

Unit: RMB

Item	The year 2023	2022
I. Total operating revenue	1,846,738,841.89	837,656,274.51
Including: operating revenue	1,846,738,841.89	837,656,274.51
Interest revenue		
Premiums earned		
Handling charges and commission income		
II. Total operating cost	1,783,821,294.20	773,501,949.10
Including: operating cost	1,648,337,199.60	700,289,243.42
Interest expenses		
Handling charges and commission expenditure		
Surrender value		
Net payments for insurance claims		
Net provision for insurance contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	23,230,109.06	7,334,212.76
Selling expenses	19,128,514.75	22,034,712.48
Administrative expenses	85,621,795.09	47,077,679.99
R&D expenses	1,965,795.78	802,753.80
Financial expenses	5,537,879.92	-4,036,653.35
Including: interest expenses	9,444,953.16	338,730.75
Interest revenue	4,682,945.54	5,472,748.37
Add: other incomes	8,491,050.39	6,624,873.28
Investment income (loss to be listed with "-")	93,873,513.18	33,372,099.57
Including: income from investment in associates and joint ventures	19,872,836.15	10,897,171.28
Revenues from the derecognition of financial assets at amortized cost		
Exchange income (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-12,008,283.18	-1,592,750.24
Credit impairment loss (loss to be listed with "-")	-714,346.29	-1,635,359.90

Asset impairment loss (loss to be listed with "-")	-1,046,935.57	-1,839,486.29
Income of assets disposal (loss to be listed with "-")	-59,110.10	40,765.92
III. Operating profit (loss to be listed with "-")	151,453,436.12	99,124,467.75
Add: non-operating revenue	2,390,834.30	4,134,654.43
Less: non-operating expenses	319,297.02	416,462.25
IV. Total profit (total losses to be listed with "-")	153,524,973.40	102,842,659.93
Less: income tax expenses	42,084,506.48	21,523,196.08
V. Net profit (net loss to be listed with "-")	111,440,466.92	81,319,463.85
(I) Classified by operating continuity		
1. Net profit from continuing operations (net loss to be listed with "-")	111,440,466.92	81,319,463.85
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by attribution of ownership		
1. Net profit attributable to the parent company's shareholders	118,255,140.84	83,496,135.61
2. Minority shareholder's profits and losses	-6,814,673.92	-2,176,671.76
VI. Net after-tax amount of other comprehensive income	-7,344,974.65	
Net after-tax amount of other comprehensive income attributable to the owner of the parent company	-7,344,974.65	
(I) Other comprehensive incomes that cannot be reclassified into profits and losses	-7,344,974.65	
1. Changes arising from the re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments	-7,344,974.65	
4. Changes in fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Impairment provision for credit of other debt investments		
5. Reserves for cash flow hedge		

6. Translation difference arising from foreign currency financial statements		
7. Others		
Net after-tax amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive income	104,095,492.27	81,319,463.85
Total comprehensive income attributable to owners of the parent company	110,910,166.19	83,496,135.61
Total comprehensive income attributable to minority shareholders	-6,814,673.92	-2,176,671.76
VIII. Earnings per share		
(I) Basic earnings per share	0.2743	0.1937
(II) Diluted earnings per share	0.2743	0.1937

In case of a business merger under common control in the current period, the net profit realized by the merged party before the merger is RMB and the net profit realized by the merged party in the previous period is RMB .

Legal representative: Fu Chunlong Person in charge of accounting: Huang Tianyang Person in charge of the accounting firm: Yu Taiping

4. Parent Company's Income Statement

Unit: RMB

Item	The year 2023	2022
I. Operating revenue	86,993,917.15	39,568,530.33
Less: Operating costs	39,689,422.24	10,680,130.69
Taxes and surcharges	13,736,806.06	1,102,099.28
Selling expenses	4,396,824.98	
Administrative expenses	50,763,196.78	36,500,937.81
R&D expenses		
Financial expenses	3,446,761.53	-2,003,919.64
Including: interest expenses	3,344,312.82	
Interest revenue	1,929,975.93	2,226,376.85
Add: other incomes	500.00	112,656.14
Investment income (loss to be listed with "-")	164,693,779.53	267,169,944.69
Including: income from investment in associates and joint ventures	19,872,836.15	10,897,171.28
Income from derecognition of financial assets at amortized cost (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-10,680,391.42	-633,155.32
Credit impairment loss (loss to be listed with "-")	-350,592.82	-69,164.09
Asset impairment loss (loss to be		

listed with "-")		
Income of assets disposal (loss to be listed with "-")		
II. Operating profit (loss to be listed with "-")	128,624,200.85	259,869,563.61
Add: non-operating revenue	577,326.80	74,563.02
Less: non-operating expenses	111,423.00	396,639.55
III. Total profit (total losses to be listed with "-")	129,090,104.65	259,547,487.08
Less: income tax expenses	14,518,961.36	20,566.71
IV. Net profit (net loss to be listed with "-")	114,571,143.29	259,526,920.37
(I) Net profit from continuing operations (net loss to be listed with "-")	114,571,143.29	259,526,920.37
(II) Net profit from discontinued operations (net loss to be listed with "-")		
V. Net after-tax amount of other comprehensive income	-7,344,974.65	
(I) Other comprehensive incomes that cannot be reclassified into profits and losses	-7,344,974.65	
1. Changes arising from the re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments	-7,344,974.65	
4. Changes in fair value of the company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive incomes		
4. Impairment provision for credit of other debt investments		
5. Reserves for cash flow hedge		
6. Translation difference arising from foreign currency financial statements		
7. Others		
VI. Total comprehensive income	107,226,168.64	259,526,920.37
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	The year 2023	2022
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	1,963,588,534.65	969,342,149.01
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance operations		
Net increase in deposits of the insured and investment		
Cash received from interests, handling charges and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase from repurchasing business funds		
Net cash received from acting trading securities		
Refund of taxes received	2,622,913.63	11,635,764.89
Other cash received relating to operating activities	53,294,743.09	23,320,266.93
Subtotal of the cash inflows of operating activities	2,019,506,191.37	1,004,298,180.83
Cash paid for the purchase of goods and receipt of services	1,817,964,267.12	895,794,039.65
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claims of original insurance contract		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	92,874,692.73	66,872,318.98
Taxes and surcharges paid	61,298,201.45	74,780,657.47
Other cash paid relating to operating activities	107,509,036.53	18,818,929.02
Subtotal of the cash outflows of operating activities	2,079,646,197.83	1,056,265,945.12
Net cash flow from operating activities	-60,140,006.46	-51,967,764.29

II. Cash flow from investing activities:		
Cash received from the return of investment	628,726,990.40	1,333,567,068.74
Cash received from returns on investments	28,100,805.87	31,135,993.24
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	9,871,552.72	7,764,134.42
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	10,712,284.16	15,998,484.00
Subtotal of the cash inflows of investment activities	677,411,633.15	1,388,465,680.40
Cash paid to acquire fixed assets, intangible assets and other long-term assets	84,887,465.21	152,045,278.38
Cash paid for investments	717,659,265.39	1,177,618,780.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	8,072,396.24	8,955,842.00
Subtotal of the cash outflows of investment activities	810,619,126.84	1,338,619,900.38
Net cash flow of investment activities	-133,207,493.69	49,845,780.02
III. Cash flows from financing activities:		
Cash received from absorbing investments		128,500,000.00
Including: cash received by subsidiaries absorbing minority shareholders' investments		128,500,000.00
Cash received from borrowings	359,669,472.83	77,924,339.14
Other cash received relating to financing activities	253,420.00	
Subtotal of the cash inflows of financing activities	359,922,892.83	206,424,339.14
Cash paid for repayment of debts	358,930,058.69	
Cash paid for distribution of dividends and profits or interest repayment	31,604,191.60	20,834,386.73
Including: cash paid by subsidiaries as dividends or profits to minority shareholders		
Other cash paid relating to financing activities	7,224,685.15	2,874,145.90
Subtotal of the cash outflows of financing activities	397,758,935.44	23,708,532.63
Net cash flow of financing activities	-37,836,042.61	182,715,806.51
IV. Effect of exchange rate changes on cash and cash equivalents	101.09	-842,578.74
V. Net increase in cash and cash equivalents	-231,183,441.67	179,751,243.50
Add: Beginning balance of cash and cash equivalents	391,406,829.36	211,655,585.86
VI. Ending balance of cash and cash equivalents	160,223,387.69	391,406,829.36

6. Parent Company's Cash Flow Statement

Unit: RMB

Item	The year 2023	2022
I. Cash flows from operating activities:		
Cash received from sales of goods and provision of services	70,665,037.25	42,472,472.08
Refund of taxes received		8,518,912.36
Other cash received relating to operating activities	82,641,549.03	106,200,586.64
Subtotal of the cash inflows of operating activities	153,306,586.28	157,191,971.08
Cash paid for the purchase of goods and receipt of services	9,354,262.26	
Cash paid to and for employees	44,299,496.50	32,704,526.01
Taxes and surcharges paid	5,286,561.86	2,536,644.11
Other cash paid relating to operating activities	61,287,642.06	5,514,674.90
Subtotal of the cash outflows of operating activities	120,227,962.68	40,755,845.02
Net cash flow from operating activities	33,078,623.60	116,436,126.06
II. Cash flow from investing activities:		
Cash received from the return of investment	414,826,990.40	1,170,000,000.00
Cash received from returns on investments	96,430,863.56	29,719,248.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		500.00
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	10,712,284.16	15,998,484.00
Subtotal of the cash inflows of investment activities	521,970,138.12	1,215,718,232.83
Cash paid to acquire fixed assets, intangible assets and other long-term assets	74,600,974.42	153,782,004.60
Cash paid for investments	467,006,215.27	1,131,118,780.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		
Subtotal of the cash outflows of investment activities	541,607,189.69	1,284,900,784.60
Net cash flow of investment activities	-19,637,051.57	-69,182,551.77
III. Cash flows from financing activities:		
Cash received from absorbing investments		
Cash received from borrowings	25,693,122.83	57,924,339.14
Other cash received relating to financing activities		
Subtotal of the cash inflows of financing activities	25,693,122.83	57,924,339.14
Cash paid for repayment of debts	169,953,708.69	
Cash paid for distribution of dividends and profits or interest repayment	15,656,389.63	15,834,386.73

Other cash paid relating to financing activities	1,787,614.75	
Subtotal of the cash outflows of financing activities	187,397,713.07	15,834,386.73
Net cash flow of financing activities	-161,704,590.24	42,089,952.41
IV. Effect of exchange rate changes on cash and cash equivalents		-209,635.24
V. Net increase in cash and cash equivalents	-148,263,018.21	89,133,891.46
Add: Beginning balance of cash and cash equivalents	157,068,231.28	67,934,339.82
VI. Ending balance of cash and cash equivalents	8,805,213.07	157,068,231.28

7. Consolidated Statement of Changes in Owners' Equity

Amount for the current period

Unit: RMB

Item	The year 2023													Minority share holders' equity	Total owners' equity
	Equity attributable to the owners of the parent company														
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Ending balance of the previous year	431,058,320.00				431,449,554.51		26,422.00		52,499,172.13		590,605,394.67		1,505,638,863.31	150,588,880.59	1,656,227,743.90
Add: Changes in accounting policies											8,804.40		8,804.40		8,804.40
Correction of prior period															

d error s														
thers														
II. Begin ning g bala nce of the curre nt year	431, 058, 320. 00				431, 449, 554. 51	26,4 22.0 0		52,4 99,1 72.1 3		590, 614, 199. 07		1,50 5,64 7,66 7.71	150, 588, 880. 59	1,65 6,23 6,54 8.30
III. Incre ases/ decr eases in the curre nt perio d (decr eases to be liste d with "-")					- 583, 146. 01	- 7,34 4,97 4.65		11,4 57,1 14.3 3		94,7 28,3 93.5 5		98,2 57,3 87.2 2	- 23,4 22,0 17.5 0	74,8 35,3 69.7 2
(I) Total com preh ensiv e inco me						- 7,34 4,97 4.65				118, 255, 140. 84		110, 910, 166. 19	- 6,81 4,67 3.92	104, 095, 492. 27
(II) Capi tal inves ted and decr ease d by own ers													- 4,90 0,00 0.00	- 4,90 0,00 0.00
1. Ordi nary													- 4,90 0,00	- 4,90 0,00

share s inves ted by own ers													0.00	0.00
2. Capi tal inves ted by the hold ers of other equit y instr ume nts														
3. Amo unt of share - base d pay ment s char ged to own ers' equit y														
4. Othe rs														
(III) Profi t distri butio n								11,4 57,1 14.3 3		- 23,5 26,7 47.2 9		- 12,0 69,6 32.9 6		- 12,0 69,6 32.9 6
1. With draw al of surpl us								11,4 57,1 14.3 3		- 11,4 57,1 14.3 3				

capital (or share capital)															
3. Surplus reserve used to recover loss															
4. Retained earnings carried forward from changes in defined benefit plan															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special															

reserve															
1. Appropriation in the current period															
2. Use in the current period															
(VI) Others					- 583, 146. 01							- 583, 146. 01	- 11,7 07,3 43.5 8	- 12,2 90,4 89.5 9	
IV. Ending balance of the current period	431, 058, 320. 00				430, 866, 408. 50		- 7,31 8,55 2.65		63,9 56,2 86.4 6			685, 342, 592. 62	1,60 3,90 5,05 4.93	127, 166, 863. 09	1,73 1,07 1,91 8.02

Amount in the previous period

Unit: RMB

Item	2022														
	Equity attributable to the owners of the parent company													Minority shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Ending balance of	431, 058, 320. 00				431, 449, 554. 51		26,4 22.0 0		26,5 46,4 80.0 9		543, 843, 496. 85	1,43 2,92 4,27 3.45	24,2 65,5 52.3 5	1,45 7,18 9,82 5.80	

the previous year																		
Additional changes in accounting policies																		
Correction of prior period errors																		
Others																		
II. Beginning balance of the current year	431,058,320.00				431,449,554.51	26,422.00		26,546.49		543,843,496.85		1,432,924,273.45	24,265,552.35	1,457,189,825.80				
III. Increases/decreases in the current period (decreases to be listed with "-")								25,952,692.04		46,761,897.82		72,714,589.86	126,323,328.24	199,037,918.10				
(I) Total										83,496.1		83,496.1	-2,17	81,319.4				

comprehensive income											35.61		35.61	6,671.76	63.85
(II) Capital invested and decreased by owners														128,500,000.00	128,500,000.00
1. Ordinary shares invested by owners														128,500,000.00	128,500,000.00
2. Capital invested by the holders of other equity instruments															
3. Amount of share-based payments charged															

to own ers' equit y														
4. Othe rs														
(III) Profi t distri butio n								25,9 52,6 92.0 4		- 36,7 34,2 37.7 9		- 10,7 81,5 45.7 5		- 10,7 81,5 45.7 5
1. With draw al of surpl us reser ve								25,9 52,6 92.0 4		- 25,9 52,6 92.0 4				
2. Appr opria tion to gene ral risk provi sion														
3. Distr ibuti on to own ers (or share hold ers)										- 10,7 81,5 45.7 5		- 10,7 81,5 45.7 5		- 10,7 81,5 45.7 5
4. Othe rs														
(IV) Inter nal carry over of own ers' equit y														

1. Capital reserves transferred to capital (or share capital)															
2. Surplus reserve transferred to capital (or share capital)															
3. Surplus reserve used to recover loss															
4. Retained earnings carried forward from changes in defined benefit plan															
5. Retai															

ned earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in the current period															
2. Use in the current period															
(VI) Others															
IV. Ending balance of the current period	431,058,320.00				431,449,554.51		26,422.00		52,499,172.13		590,605,394.67		1,505,638,863.31	150,588,880.59	1,656,227,743.90

8. Parent Company's Statement of Changes in Owners' Equity

Amount for the current period

Unit: RMB

Item	The year 2023											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserve	Surpluses reserve	Undistributed profits	Others	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Ending balance of the previous year	431,058,320.00				428,256,131.23				52,499,172.13	425,834,010.57		1,337,647,633.93
Add: changes in accounting policies												
Correction of prior period errors												
Others												
II. Beginning balance of the current year	431,058,320.00				428,256,131.23				52,499,172.13	425,834,010.57		1,337,647,633.93
III. Increases/decreases in the current period (decreases to be listed with "-")							-7,344,974.65	11,457,114.33	91,044,396.00			95,156,535.68

surplus reserve												
2. Distribution to owners (or shareholders)											- 12,069,632.96	- 12,069,632.96
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital reserves transferred to capital (or share capital)												
2. Surplus reserve transferred to capital (or share capital)												
3. Surplus reserve used to recover loss												
4. Retained earnings carried												

forward from changes in defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23		-7,344,974.65		63,956,286.46	516,878,406.57		1,432,804,169.61

Amount in the previous period

Unit: RMB

Item	2022											
	Share capital	Other equity instruments			Capital reserve	Less: treasury	Other compr	Special	Surplu s	Undist ributed	Others	Total owners
		Preferr	Perpet	Others								

		ed shares	ual bonds		s	y shares	ehensi ve incom e	reserve	reserve	profits		' equity
I. Ending balanc e of the previo us year	431,0 58,32 0.00				428,2 56,13 1.23				26,54 6,480 .09	203,0 41,32 7.99		1,088 ,902, 259.3 1
A dd: change s in accoun ting policie s												
orrec ti on of prior period errors												
thers												
II. Beginn ing balanc e of the current year	431,0 58,32 0.00				428,2 56,13 1.23				26,54 6,480 .09	203,0 41,32 7.99		1,088 ,902, 259.3 1
III. Increas es/decr eases in the current period (decre ases to be listed with "- ")									25,95 2,692 .04	222,7 92,68 2.58		248,7 45,37 4.62
(I) Total compr ehensi ve incom e										259,5 26,92 0.37		259,5 26,92 0.37

(II) Capital investe d and decrea sed by owners												
1. Ordina ry shares investe d by owners												
2. Capital investe d by the holder s of other equity instru ments												
3. Amou nt of share- based payme nts charge d to owners , equity												
4. Others												
(III) Profit distrib ution								25,95 2,692 .04	- 36,73 4,237 .79			- 10,78 1,545 .75
1. Withdr awal of surplus reserve								25,95 2,692 .04	- 25,95 2,692 .04			
2. Distrib ution to owners (or									- 10,78 1,545 .75			- 10,78 1,545 .75

shareholders)												
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital reserves transferred to capital (or share capital)												
2. Surplus reserve transferred to capital (or share capital)												
3. Surplus reserve used to recover loss												
4. Retained earnings carried forward from changes in defined benefit plan												

5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Use in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23				52,499,172.13	425,834,010.57		1,337,647,633.93

III. Basic Information of the Company

Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as "the Company") is a limited liability company registered in Shenzhen Administration for Industry and Commerce on November 10, 1986. The Company was reorganized and established from the former Shenzhen Machinery Industry Company with the approval of the Reply on the Reorganization of Shenzhen Machinery Industry Company into Shenzhen Tellus Machinery Co., Ltd. (SFBF [1991] No. 1012) issued by the General Office of Shenzhen Municipal People's Government. The Company currently holds a business license with a unified social credit code of 91440300192192210U, with a registered capital of RMB 431,058,320.00 and a total of 431,058,320 shares, including 392,778,320 A shares and 38,280,000 B shares without trading restrictions. The business address of the Company's headquarters is

Floors 3 and 4, Tellus Building, Shuibei 2nd Road, Luohu District, Shenzhen. The legal representative is Fu Chunlong.

In 1993, with the approval from the Reply on the Reorganization of Shenzhen Tellus Machinery Co., Ltd. into a Public Limited Liability Company (SFBF [1992] No. 1850) issued by the General Office of Shenzhen Municipal People's Government and the Reply on the Issuance of Shares by Shenzhen Tellus Machinery Electric Co., Ltd. (SRYFZ [1993] No. 092) issued by Shenzhen Special Economic Zone Branch of the People's Bank of China, the Company was reorganized into a public limited liability company through an initial public offering, with a registered capital of RMB 166,880,000.00 and a total share capital of 166,880,000 shares. 120,900,000 shares were converted from former assets, 25,980,000 were issued as A shares and 20,000,000 were issued as B shares. Shares issued by the Company had a par value of RMB 1 per share. On June 21, 1993, the Company's shares were listed and traded on the Shenzhen Stock Exchange.

According to the resolution of the Company's 1993 Annual General Meeting of Shareholders, based on the share capital of 166,880,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 2 bonus shares to all shareholders for every 10 shares held, totaling 33,376,000 shares, which was implemented in 1994. After the share dividend, the registered capital was increased to RMB 200,256,000.00.

According to the resolution of the Company's 1994 Annual General Meeting of Shareholders, based on the share capital of 200,256,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 0.5 bonus shares to all shareholders for every 10 shares held, with 0.5 additional shares, totaling 20,025,600 shares, which was implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the share dividend and transfer.

According to the resolution of the Company's 1994 Annual General Meeting of Shareholders, based on the share capital of 200,256,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 0.5 bonus shares to all shareholders for every 10 shares held, with 0.5 additional shares, totaling 20,025,600 shares, which was implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the share dividend and transfer. According to the resolution of the fourth Extraordinary General Meeting of Shareholders of the Company in 2014, upon the approval of the Reply to the Approval of Non-public Offering of Shares by Shenzhen Tellus Holding Co., Ltd. (ZJXK [2015] No.173) issued by the China Securities Regulatory Commission, the Company issued 77,000,000 ordinary A shares to Shenzhen Special Economic Zone Development Group Co., Ltd. and Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership) in 2015. After the issuance, the registered capital was increased to RMB 297,281,600.00.

According to the resolution of the Company's 2018 Annual General Meeting of Shareholders, based on the share capital of 297,281,600 shares as of December 31 of that year, the Company increased 4.5 shares for every 10 shares to all shareholders with capital reserves, totaling 133,776,720 shares, which was implemented in 2019. After the transfer, the registered capital was increased to RMB 431,058,320.00.

Main business activities: property leasing and services, jewelry operation, automobile sales, automobile maintenance and testing, etc.

The financial statements and notes to the financial statements were approved by the Tenth Formal Meeting of the Tenth Board of Directors on March 26, 2024.

IV. Basis for Preparation of the Financial Statements

1. Preparation basis

The Company prepared the financial statements according to Accounting Standards for Business Enterprises issued by the Ministry of Finance and relevant application guidelines, interpretations and other provisions (hereinafter collectively referred to as "ASBE"). In addition, the Company also disclosed relevant financial information in accordance with the *Rules for the Preparation of Information Disclosure of Companies Issuing Securities to the Public No.15 — General Provisions on Financial Reports (Revised in 2023)* issued by the CSRC.

2. Going concern

The financial statements have been prepared on the basis of going concern.

V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

The company has determined the policies for investment property depreciation, fixed asset depreciation, and revenue recognition based on its own production and operational characteristics. Please see Notes 16, 17 and 26 for specific accounting policies.

1. Declaration on compliance with ASBE

The financial statements have been prepared in compliance with ASBE to truly and completely reflect the consolidated and company's financial positions as at December 31, 2023 and the consolidated and company's operating results and cash flows for the year then ended.

2. Accounting period

The accounting period of the Company is from January 1 to December 31 of each calendar year.

3. Business cycle

The business cycle of the Company is 12 months.

4. Bookkeeping base currency

The Company and its domestic subsidiaries take RMB as the bookkeeping base currency. The Company uses RMB to prepare the financial statements.

5. Method of determining significance criteria and basis of selection.

Applicable Not applicable

Item	Significance Criteria
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Significant receivables with provision for bad debts drawn on a single basis	Amount exceeding CNY 1,000,000.00 or account for more than 1% of all types of receivables
Significant construction in progress	Budget amount for individual projects exceeding CNY 20,000,000.00
Significant accounts payable and other payables	Individual accounts payable/other payable with aging exceeding 1 year is more than 1% of the total accounts payable, and amount greater than CNY 1,000,000.00
Significant non-wholly owned subsidiaries	Total revenue of the a subsidiary accounts for more than 10% of the total revenue of the consolidated statement or the absolute value of net profit accounts for more than 10% of the net profit of the consolidated statement.
Significant investing activities	Single investment activities account for more than 10% of the total cash inflows or outflows related to receiving or paying investment activities or the total outflow is greater than CNY 100,000,000.00
Significant joint ventures or associates	For individual long-term equity investments in investee entities, if the carrying amount exceeds CNY 15 million, or if the investment profit or loss under the equity method accounts for more than 3% of the consolidated net profit of the company.
Significant events after the balance sheet date	The company considers the profit distribution situation after the balance sheet date as significant.

6. Accounting treatment method for business merger under common control and not under common control

(1) Business merger under common control

For a business merger under common control, the merging party shall measure the assets and liabilities acquired from the merged party at their book value on the merger date in the consolidated financial statements of the ultimate controlling party. The difference between the book value of the net assets obtained in the business merger and the book value of the merger is used to adjust the capital reserve. Where the capital reserve is insufficient for offset, retained earnings shall be adjusted.

Business merger under common control realized step-by-step through multiple transactions

The assets and liabilities acquired by the merging party from the merged party shall be measured based on their book value on the merger date in the consolidated financial statements of the ultimate controlling party. According to the difference between the sum of the book value of holding investment before merger and the book value of newly paid consideration on the merger date and the book value of net assets obtained by merging, the capital reserve shall be adjusted; if the capital reserve is insufficient for offset, retained earnings may be adjusted. The long-term equity investment held before the acquisition of the merged party's control by the merging party and the profit or loss, other comprehensive incomes and changes in other owners' equities that have been recognized during the period from the date of acquisition of the original equity, or the date of common control of the merging party and the merged entity (which is later) to the merging date shall offset against the retained beginning earnings or current profits and losses respectively during the period of comparative statement.

(2) Business merger not under common control

For a business merger not under common control, the merger costs are the fair value of assets paid, liabilities incurred or assumed and equity securities issued by the Company on the acquisition date to obtain control over

the acquiree. The assets, liabilities and contingent liabilities of the acquiree obtained are recognized as per the fair value on the acquisition date.

The difference between the merging cost and the fair value of identifiable net assets obtained from the acquiree shall be recognized as goodwill, and successively measured by deducting the accumulative depreciation provision by cost; the difference between the merging cost and the fair value of identifiable net assets obtained from the acquiree shall be included in the current profits and losses after review.

Business merger not under common control realized step-by-step through multiple transactions

The merging cost shall be equal to the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity, which has been held before the acquisition date, on the acquisition date. The acquiree's equity held before the acquisition date shall be re-measured at its fair value on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income; If the acquiree's equity held before the date of acquisition involves other comprehensive income, changes in other owners' equity shall be transformed into the current profit on the acquisition date, except comprehensive income generated due to remeasuring the change in net liabilities or new assets of defined benefit plan by the investee and other comprehensive income related to non-trading equity instrument investment originally measured at fair value through other comprehensive income.

(3) Disposal of related handling charges for business merger

Intermediation costs such as audit, legal service and assessment and consultation and other administrative expenses incurred shall be included in the current profit and loss when incurred during the business merger. The transaction expenses of equity securities or debt securities issued as merger consideration shall be included in the initially recognized amount of equity securities or debt securities.

7. Judgment standard for control and preparation of consolidated financial statements

(1) Judgment standard for control

The consolidation scope of consolidated financial statements is determined on the basis of control. Control means the power of the Company over the investee, with which the Company enjoys variable returns through participating in related activities of the investee and is able to influence its amount of return by using the investee's power. Once changes in relevant facts and circumstances lead to changes in relevant elements involved in the above definition of control, the Company will conduct reassessment.

When determining whether to include a structured entity in the consolidation scope, the Company considers whether to control the structured entity based on all facts and circumstances, including the purposes and design of the structured entity, the types of variable returns, and whether participating in its related activities will fully or partially influence the variability of returns.

(2) Preparation of consolidated financial statements

Consolidated financial statements are prepared by the Company on the basis of the financial statements of the Company and its subsidiaries and other related data. In the preparation of consolidated financial statements, the

accounting policies and accounting periods of the Company and its subsidiaries are required to be consistent, and significant transactions and current balances between companies are offset.

Where a subsidiary or business has been acquired through a business merger under common control in the reporting period, the subsidiary or business shall be included in the consolidated financial statement from the date it is controlled by the ultimate controlling party. The operating results and cash flows from the date of its control by the ultimate controller shall be respectively incorporated into the consolidated income statement and consolidated cash flow statement.

Where a subsidiary or business has been acquired through a business merger not under common control in the reporting period, its revenues, expenses, and profits from the date of acquisition to the end of the reporting period shall be incorporated into the consolidated income statement and its cash flows into the consolidated cash flow statement.

The portion of shareholders' equity of subsidiaries not belonging to the Company shall be listed separately under the item "Shareholders' Equity" in consolidated balance sheet as minority shareholders' equity. The portion of net profit or loss of subsidiaries in current period belonging to minority shareholders' equity shall be listed separately under the item "Minority Shareholders' Profit or Loss" in the consolidated income statement. If the loss of a subsidiary borne by minority shareholders exceeds its share in the owner's equity of the subsidiary at the beginning of the period, the balance shall still offset the minority equity.

(3) Acquisition of equity from minority shareholders of subsidiaries

The capital reserve in consolidated balance sheet shall be adjusted due to the balance between the long-term equity investment cost newly obtained from minority equity and the net asset share of subsidiaries calculated continuously starting from the purchase date or consolidation as per new shareholding ratio and the balance between disposing money obtained from partial disposal of subsidiaries' equity investment without loss of control and the net asset share of subsidiaries calculated continuously starting from the purchase date or consolidation corresponding to the disposal of long-term equity investment. If the capital reserve is insufficient for offset, retained earnings may be adjusted.

(4) Disposal of the loss of control over subsidiaries

If the Company's control over the original subsidiaries is lost due to the disposal of part of equity investment or other reason, the remaining equity shall be recalculated at fair value on the day when the control is lost. The difference between the sum of consideration acquired from disposal of equity and the fair value of the remaining equity minus the sum of the share of net assets and the goodwill of the original subsidiaries calculated constantly based on the original shareholding proportion from the acquisition date shall be included in current investment income at the time of loss of control.

When the Company loses control over the original subsidiaries, other comprehensive income in connection with equity investment of the original subsidiaries shall be subject to accounting treatment using the same basis on which the original subsidiaries directly disposes relevant assets or liabilities, and other changes in owners' equity related to the original subsidiaries under the equity method shall be transferred into current profit or loss at the time of loss of control.

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

Joint arrangements refer to arrangements jointly controlled by two or more participants. The joint arrangements of the Company can be classified into joint operations and joint ventures.

(1) Joint operations

Joint operations refer to joint arrangements in which the Company enjoys assets related to the arrangements and bears liabilities related to the arrangements.

The Company recognizes the following items related to the quantum of interest in joint operations and carries out accounting treatment in accordance with relevant provisions of ASBE:

- A. Recognize the assets held solely and the assets held jointly identified as per its shares;
- B. Recognize the liabilities borne solely and the liabilities borne jointly identified as per its shares;
- C. Recognize the revenue generated from the sale of shares enjoyed in the joint operation;
- D. Recognize the revenue generated from the sale of shares enjoyed in the joint operation as per its shares;
- E. Recognize the expenses incurred separately and the expenses incurred from the joint operation as per their shares.

(2) Joint ventures

Joint ventures refer to joint arrangements in which the Company only has rights over the net assets of the arrangements.

The Company carries out accounting treatment for investment in joint ventures according to the provisions on equity method accounting of long-term equity investments.

9. Standards for defining cash and cash equivalents

Cash refers to cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term highly liquid investments held by the Company that are readily convertible into known amounts of cash and have an insignificant risk of change in value.

10. Foreign currency transaction and foreign currency statement translation

Foreign currency transactions of the Company are translated into bookkeeping base currency according to the spot exchange rate on the transaction date.

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi (“RMB”) by adopting the prevailing exchange rate on that date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and that at initial recognition or on the previous balance sheet date shall be included in current profit and loss; foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the transaction date; foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rate on the date when the fair

value is determined. The difference between the translated amount in recording currency and the original amount in recording currency shall be included in current profit and loss or other comprehensive income according to the nature of the non-monetary items.

11. Financial instruments

Financial instruments refer to contracts that form the financial assets of a party and form financial liabilities or equity instruments of other parties.

(1) Recognition and derecognition of financial instruments

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

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

- ① The contractual right to receive cash flow from the financial asset is terminated;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

If the current obligation of a financial liability has been discharged in whole or in part, such financial liability or part thereof shall be derecognized. The Company (the Debtor) and the Creditor sign an agreement to replace the existing financial liabilities by assuming new financial liabilities, and if the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized at the same time.

Financial assets transacted in a conventional way are subject to accounting recognition and derecognition on the transaction day.

(2) Classification and measurement of financial assets

According to the business mode of financial assets management and the contractual cash flow characteristics of financial assets, upon initial recognition, the Company classifies financial assets into financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value through profit or loss, the related transaction fees are directly included in the current profit or loss; for other financial assets, the related transaction fees are included in the initially recognized amount. For accounts receivable arising from the sale of products or the provision of labor services, which do not include or do not consider significant financing components, the amount of consideration the Company is expected to be entitled to receive is taken as the initial recognition amount.

Financial assets measured at amortized cost

The Company classifies the financial assets that meet all of the following conditions and are not designated to be measured at fair value through profit or loss as those measured at amortized cost:

The business model of the Company to manage such financial assets is aimed at collecting contractual cash flows;

The contract terms of the financial assets stipulate that cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Any gains or losses on financial assets at amortized cost that are not part of the hedging relationship are charged to the current profit and loss at derecognition, amortization using the effective interest method, or recognition of impairment.

Financial assets at fair value through other comprehensive income

The Company classifies financial assets that meet the following conditions and are not designated to be financial assets at fair value through profit or loss as financial assets at fair value through other comprehensive income:

- The Company manages the financial asset in a business mode that aims at both collecting contractual cash flows and selling the financial asset;
- The contract terms of the financial assets stipulate that cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount.

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

Financial assets measured at fair value through profit or loss

Except for the above-mentioned financial assets measured at amortized cost and fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized costs or at fair value through other comprehensive income as the financial assets at fair value through profit or loss.

Such financial assets are subsequently measured at fair value after initial recognition, and the resulting gains or losses (including interest and dividend revenue) are included in current profit and loss unless the financial assets are part of the hedging relationship.

However, the Company irrevocably designates, at the initial recognition, the non-trading equity instrument investment as financial assets at fair value through other comprehensive income. Such designation shall be made on the basis of individual investment, and such investment must conform to the definition of equity instrument from the issuer's point of view.

After initial recognition, such financial assets are subsequently measured at fair value. Dividend revenue that meets the conditions is included in profit or loss, and other gains or losses and changes in fair value are included in other comprehensive income. At the derecognition, the accumulated gains or losses previously included in other comprehensive incomes are transferred from there to the current profits or losses.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines whether the cash flow of financial assets managed by the Company comes from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets decided by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on the specific date is only the payment of principal and interest based on the principal amount outstanding. Among them, the principal refers to the fair value of financial assets upon initial recognition; interest includes consideration for the time value of money, credit risks related to the principal amount outstanding in the specific period, and other basic lending risks, costs and profits. In addition, the Company evaluates the contract terms that may lead to changes in the time distribution or amount of contractual cash flow of financial assets to determine whether they meet the requirements of the above-mentioned contractual cash flow characteristics.

Only when the Company changes the business mode of managing financial assets will all affected related financial assets be reclassified on the first day of the first reporting period after the business mode changes, otherwise, financial assets cannot be reclassified after initial recognition.

(3) Classification and measurement of financial liabilities

The Company's financial liabilities are classified into the following categories at the time of initial recognition: the financial liabilities at fair value through profit or loss, and the financial liabilities measured at amortized costs. For financial liabilities not classified as financial liabilities at fair value through profit or loss, the transaction costs are recognized in the initially recognized amount.

Financial liabilities measured at fair value through current profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities and those designated to be measured at fair value through profit or loss upon initial recognition. Such financial liabilities shall be subsequently measured at fair value, and the profits or losses arising from changes in fair value as well as dividends and interest expenses related to such financial liabilities shall be included in current profit and loss.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost with the effective interest method, and gains or losses arising from derecognition or amortization are included in current profits and losses.

Distinction between financial liabilities and equity instruments

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

- ① A contractual obligation to deliver cash or another financial asset to another entity.

② A contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company.

③ A non-derivative contract that will or may be settled in the Company's own equity instruments and the Company is obliged to deliver a variable number of the Company's own equity instruments according to the contract.

④ A derivative instrument contract that will or may be settled in the Company's own equity instruments, except for a derivative instrument contract that is settled by the exchange of a fixed number of the Company's own equity instruments for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that can prove the ownership of residual equity in an enterprise's assets after deducting all liabilities.

If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liabilities.

If a financial instrument must or can be settled with the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used for settlement of such instruments are used as substitutes for cash or other financial assets or to enable the instrument holder to enjoy residual equity in the assets of the issuer after deducting all liabilities. If it is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

The derivative financial instruments of the Company are initially measured at the fair value on the date of signing the derivative deal contract, and subsequently measured at fair value. Derivative financial instruments with positive fair values are recognized as an asset and those with negative fair values as a liability. Any gain or loss arising from changes in fair value that does not comply with the provisions of hedge accounting is directly included in current profit and loss.

For hybrid instruments containing embedded derivative instruments, if the main contract is financial assets, the relevant provisions of financial asset classification shall apply to the hybrid instruments as a whole. If the main contract is not a financial asset and the hybrid instrument is not measured at fair value through profit or loss for accounting treatment, the embedded derivative instruments are not closely related to the main contract in terms of economic characteristics and risks and have the same conditions as the embedded derivative instruments. If the separately existing instruments meet the definition of derivative instruments, the embedded derivative instruments shall be separated from the hybrid instruments and treated as separate derivative financial instruments. If the embedded derivative instruments cannot be measured separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instruments are designated as financial assets or financial liabilities at fair value through profit or loss as a whole.

(5) Fair value of financial instruments

See "Disclosure of Fair Value" for methods for determining the fair value of financial assets and financial liabilities.

(6) Impairment of financial assets

The Company carries out impairment accounting treatment and recognizes the loss provision for the following items on the basis of expected credit losses:

- Financial assets measured at amortized cost;
- Receivables and debt instrument investments at fair value through other comprehensive income;
- Contract assets as defined in the *Accounting Standards for Business Enterprises No. 14 - Revenue*;
- Lease receivables;
- Financial guarantee contracts (except for those measured at fair value through profit or loss, where the transfer of financial assets does not meet derecognition conditions or is continuously involved in the transferred financial assets).

Measurement of expected credit loss

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contract cash flow that the Company discounts at the original effective interest rate and is receivable in accordance with the contract and all cash flow expected to be received, that is, the present value of all cash shortages.

The Company considers reasonable and well-founded information about past events, current conditions and forecasts of future economic conditions, takes the risk of default as a weight, calculates the probability-weighted amount of the present value of the difference between the cash flow receivable under the contract and the expected cash flow to be received, and recognizes the expected credit loss.

The Company measures the expected credit losses of financial instruments at different stages respectively. If the credit risk of financial instruments has not increased significantly since initial recognition, it is in the first stage. The Company measures the loss provision according to the expected credit losses in the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage. The Company measures the loss provision according to the expected credit loss of the instrument throughout its duration; if a financial instrument has been credit-impaired since initial recognition, it is in the third stage. The Company measures the loss provision according to the expected credit loss of the instrument throughout its duration.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risks have not increased significantly since initial recognition and measures the loss provision according to the expected credit losses in the next 12 months.

The expected credit loss of the whole duration refers to the expected credit loss caused by all possible default events of financial instruments throughout the estimated duration. The expected credit loss in the next 12 months refers to the expected credit loss caused by the possible default events of financial instruments within 12 months (or, the expected duration, if the expected duration of financial instruments is less than 12 months) after the balance sheet date, which is part of the expected credit loss in the whole duration.

When measuring the expected credit loss, the longest term that the Company needs to consider is the longest contract term that the enterprise faces credit risk (including the option to renew the contract).

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income according to the book balance before deducting provision for impairment and the actual interest rate. For financial instruments in the third stage, the Company calculates interest income according to the amortized cost (that is, the book balance less the impairment provision) and the effective interest rate.

For notes receivable, accounts receivable and other receivables, if the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or the credit risk characteristics of the customer have changed significantly, the Company shall make provision for bad debts on the receivable item. Except for receivables with provision for bad debts drawn on a single basis, the Company divides receivables into portfolios according to credit risk characteristics and calculates provision for bad debts on the basis of portfolios.

Notes receivable and accounts receivable

For notes receivable and accounts receivable, regardless of whether there is a significant financing component, the Company always measures their loss provision according to the amount equivalent to the expected credit loss in the whole duration.

When the information of expected credit loss cannot be evaluated at a reasonable cost for a single financial asset, the Company divides the notes receivable and accounts receivable into portfolios according to the credit risk characteristics, calculates the expected credit loss on the basis of the portfolio, and determines the portfolio based on the following:

A. Notes receivable

- Notes receivable portfolio 1: bank acceptance bills
- Notes receivable portfolio 2: commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: leasing and other combinations
- Accounts receivable portfolio 2: jewelry sales business portfolio

For notes receivable divided into portfolios, the Company refers to the historical credit loss experience, combines the current situation with the forecast of the future economic situation, and calculates the expected credit loss through default risk exposure and the expected credit loss rate for the whole duration.

For notes receivable divided into portfolios, the Company refers to the historical credit loss experience, combines the current situation with the forecast of the future economic situation, and formulates the comparison table of aging of accounts receivable and the lifetime expected credit loss rate, and calculates the expected credit loss. The age of accounts receivable shall be calculated from the date of recognition.

Other receivables

The Company divides other receivables into several portfolios based on credit risk characteristics, calculates the expected credit loss on the basis of the portfolio, and determines the portfolio based on the following:

- Other receivables portfolio 1: aging portfolio
- Other receivables portfolio 2: portfolio of deposits and security deposits receivable
- Other receivables portfolio 3: portfolio of concerned intercourse funds within the consolidation scope of receivables

For other receivables that are divided into portfolios, the Company calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the whole duration. The age of other receivables divided into portfolios by aging shall be calculated from the date of recognition.

Long-term receivables

The long-term receivables of the Company include concerned intercourse funds receivable, etc.

The Company divides concerned intercourse funds receivable into several portfolios based on credit risk characteristics, calculates the expected credit loss on the basis of the portfolio, and determines the portfolio based on the following:

- Long-term receivables portfolio 1: other receivables

For concerned intercourse funds receivable divided into portfolios, the Company refers to the historical credit loss experience, combines the current situation with the forecast of the future economic situation, and calculates the expected credit loss through default risk exposure and the expected credit loss rate for the whole duration.

For other receivables and long-term receivables divided into portfolios except for concerned intercourse funds receivable and labor payments receivable, the expected credit loss is calculated based on the default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.

Debt investment and investment in other debentures

For debt instruments and investment in other debentures, the Company calculates the expected credit loss according to the nature of the investment and various types of counterparty and risk exposure through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.

Assessment of significant increase in credit risk

In order to determine the relative changes in the default risk of financial instruments during their expected life and to assess whether the credit risk of financial instruments has increased significantly since initial recognition, the Company compares the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date.

When determining whether the credit risk has significantly increased since the initial recognition, the Company considers reasonable and well-founded information obtained without unnecessary additional cost or effort, including forward-looking information. The information considered by the Company includes:

- The debtor fails to pay the principal and interest by the contract expiration date;
- The external or internal credit ratings (if any) of financial instruments, which have occurred or are expected, deteriorate significantly;
- The debtor's operating results, which have occurred or are expected, deteriorate significantly;
- Changes in the existing or expected technical, market, economic or legal environment will have a significant adverse impact on the debtor's ability to repay the Company.

According to the nature of financial instruments, the Company evaluates whether the credit risk has increased significantly on the basis of individual financial instruments or portfolios of financial instruments. When evaluating on the basis of portfolios of financial instruments, the Company may classify the financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If the financial instrument is overdue for more than 30 days, the Company determines that its credit risk has significantly increased.

The Company considers that a default of a financial asset occurs when:

- The borrower is unlikely to pay in full what is owed to the Company and the assessment does not cover realization of the collateral (if held) or other recourse actions by the Company;
- Financial assets are overdue for more than 90 days.

Credit-impaired financial assets

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

- The issuer or debtor is caught in a serious financial difficulty;
- The debtor breaches the agreement of contract, such as default or overdue payment of interest or principal;
- The Company gives concessions to the debtor that will not be made under any other circumstances for economic or contractual considerations related to the debtor's financial difficulties;
- There lies a great probability of bankruptcy or other financial restructuring for the debtor;

- The issuer or debtor is caught in financial difficulties, which leads to the disappearance of the active market of the financial asset;

Presentation of provision for expected credit loss

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit loss on each balance sheet date. The increase or reversal amount of provision for loss therefrom shall be regarded as impairment loss or gain and included in the current profit and loss. For the financial assets measured at amortized cost, the provision for loss shall be used to offset against the book value of financial assets presented in the balance sheet; for debt investment measured at fair value through other comprehensive income, the Company recognizes the provision for loss in other comprehensive income, and the book value of financial assets will not be deducted.

Write-off

When the Company no longer reasonably expects that the contract cash flow of the financial asset can be recovered in whole or in part, the book balance of the financial asset is directly written down. Such write-down constitutes the derecognition of related financial assets. This usually happens when the Company determines that the debtor has no assets or sources of revenue to generate sufficient cash flow to repay the amount to be written off. However, according to the Company's procedures for recovering due amounts, written-down financial assets may still be affected by implementation activities.

If the written-off financial assets are recovered later, they shall be regarded as the reversal of impairment loss and included in the current profit and loss.

(7) Transfer of financial assets

Transfer of financial assets refers to the assignment or delivery of financial assets to a party other than the issuer of such financial assets (the transferee).

If the Company has transferred substantially all risks and rewards of ownership of a financial asset to the transferee, the financial asset shall be derecognized; if it retains substantially all risks and rewards of ownership of the financial asset, the financial asset shall not be derecognized.

If the Company neither transfers nor retains almost all risks and rewards of ownership of a financial asset, it shall deal with them as follows: if the control over the financial asset is waived, the financial asset shall be derecognized and the assets and liabilities incurred shall be recognized; if the control over the financial asset is not waived, the relevant financial asset shall be recognized to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

(8) Offset of financial assets and financial liabilities

When the Company has a legal right to offset the recognized financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle on a net basis or realize the financial assets and pay off the financial liabilities simultaneously, the financial assets and financial liabilities are presented in the balance sheet at the amount after offsetting each other. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset.

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure* for jewelry-related business.

12. Inventories

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure* for jewelry-related business.

(1) Classification of inventories

The Company's inventories include raw materials, finished goods, hedged items, materials processed on a commission basis, and goods sold on a commission basis.

(2) Valuation methods for inventories transferred out

The Company's inventories are valued by the actual cost when acquired. Raw materials and finished goods are valued by the first-in first-out method and the specific identification method when transferred out.

(3) Recognition and withdrawal of provision for decline in the value of inventories

On the balance sheet date, inventories are valued by cost or net realizable value, whichever is lower. If the net realizable value is lower, the provision for decline in the value of inventories is provided.

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventories, the obtained concrete evidence is taken as basis, and the purpose of holding inventories and the impact of events after the balance sheet date are taken into consideration.

The Company usually withdraws the inventory falling price reserves on single inventory item basis. For the inventories with high quantity and low unit price, inventory falling price reserves may be withdrawn by inventory class.

On the balance sheet date, if the factors affecting the previous write-down of inventory value have disappeared, the provision for decline in the value of inventories shall be reversed within the amount originally withdrawn.

(4) Inventory system

The Company adopts the perpetual inventory system.

(5) Amortization method for low-value consumables

The Company adopts the one-off amortization method for low-value consumables collected.

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. Where the Company can exercise significant influence over the investee, the investee is an associate.

(1) Recognition of initial investment cost

Long-term equity investment acquired through business merger: For long-term equity investment acquired through business merger under common control, the book value share of owner's equity obtained from the merged party in the consolidated financial statements of the ultimate controlling party shall be recognized as the investment cost on the date of merger; for long-term equity investment acquired through business merger not under common control, the merger cost shall be recognized as the investment cost of long-term equity investment.

Long-term equity investment acquired through other method: For long-term equity investment acquired through cash payment, the actually paid purchase price is taken as the initial investment cost; for long-term equity investment acquired through issuing equity securities, the fair value of the issued equity securities is taken as the initial investment cost.

(2) Subsequent measurement and recognition of profit or loss

Investment in subsidiaries shall be calculated with the cost method, unless the investment meets the conditions for treatment as an asset held for sale; the investment in associates and joint ventures shall be calculated with the equity method.

For long-term equity investment calculated with the cost method, except for the declared but not yet released cash dividends or profits included in the actual price or consideration paid when acquiring the investment, the distributed cash dividends or profits declared by the investee shall be recognized as investment income and included in current profit and loss.

When long-term equity investment is accounted by equity method, where the investment cost exceeds entitled share of fair value of investee's net identifiable assets upon investment, no adjustment is made to investment cost of such long-term equity investment; where the investment cost is less than entitled share of fair value of investee's net identifiable assets upon investment, the adjustment is made to the book value of such long-term equity investment. The balance shall be included in current profit or loss.

For long-term equity investments accounted with the equity method, the Company shall recognize the investment income and other comprehensive income respectively according to its share of the realized net profit or loss and other comprehensive income which the investee should enjoy or share, and adjust the book value of long-term equity investments at the same time. The book value of long-term equity investments shall be decreased accordingly according to the calculated part of the profit or cash dividends declared and distributed by the investee which the investee should enjoy. For other variation of owners' equity other than the net profit or loss, other comprehensive income and profit distribution, the book value of long-term equity investments are adjusted and included in capital reserves (other capital reserves). When recognizing the share of net profit or loss of the investee, the Company shall recognize the net profit of the investee after adjustment based on the fair value of various identifiable assets of the investee when acquiring the investment and in accordance with the accounting policies and accounting periods of the Company.

If it is possible to exert significant influence on the investee or implement common control but does not constitute control due to additional investment and other reasons, the sum of the fair value of the original equity plus the new investment cost shall be taken as the initial investment cost calculated by the equity method on the conversion date. If the original equity is classified as non-trading equity instrument investment at fair value through other comprehensive income, the related accumulated changes in fair value originally included in other comprehensive income shall be transferred to retained earnings when accounting by the equity method.

If the Company loses joint control over or significant influence on the investee due to disposal of partial equity investment and other reasons, the remaining equity after disposal shall be subject to accounting treatment according to the *Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments* on the date of losing joint control or significant influence, and the difference between fair value and book value shall be included in current profit and loss. Other comprehensive income from original equity investment accounted and recognized with the equity method shall be subject to the accounting treatment on the same basis for direct disposal of relevant assets or liabilities of the investee when the equity method is not used anymore. Other owners' equity variation related to the original equity investment shall be transferred in the current profit and loss.

In case that the Company loses control over the investee due to such reason as the disposal of part of the equity investment, if the remaining equity after disposal can exert joint control over or significant influence on the investee, it shall be accounted with the equity method, and it shall be adjusted as it is calculated by the equity method since it is acquired. If the remaining equity after disposal cannot exert joint control over or significant influence on the investee, the accounting treatment shall be carried out as per the *Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments*, and the balance between the fair value and the book value since the date of losing the control shall be included in current profit or loss.

If the shareholding proportion of the Company decreases due to capital increase by other investors, resulting in loss of control but common control over or significant influence on the investee, the Company's share of net assets increased due to capital increase and share expansion of the investee shall be recognized according to the new shareholding proportion, and the difference between the original book value of long-term equity investment corresponding to the decrease in shareholding proportion that shall be carried forward shall be included in current profit and loss; the new shareholding proportion is then adjusted as if it had been accounted for using the equity method since the acquisition of the investment.

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. However, the unrealized loss on the internal transaction among the Company and its investees attributable to impairment loss of asset transferred shall not be offset.

(3) Basis for determining joint control and significant influence on the investee

Common control refers to the sharing of control over certain arrangements under related agreements, and related activities of the arrangement can be determined only when the unanimous consent of the parties sharing the control right is obtained. In determining whether or not it is a common control, the Company considers whether all the participants or group of participants collectively control the arrangement, and whether the decisions for the activities related to the arrangement must be agreed by participants who collectively control the arrangement. Where the activities related to certain arrangement must be agreed by all such participants or groups of participant, the arrangement is considered to be jointly controlled by all the participants or groups of participants, while two or more groups of participants that can jointly control certain arrangement do not constitute common control. Protective rights are not taken into account in determining whether or not there is joint control.

Significant influence means the power of the investor to participate in making decisions on the financial and operating policies of an investee, but the investor cannot control or jointly control with other parties over the formulation of these policies. When determining whether significant influence can be exerted on the investee, consider the impact of voting shares directly or indirectly held by the investor and current executable potential voting rights held by the investor and other parties after they are assumed to be converted into equity in the investee, including the impact of current convertible warrants, share options and convertible corporate bonds issued by the investee.

If the Company directly owns or indirectly owns, via its subsidiaries, more than 20% (including) but less than 50% of voting shares of the investee, the condition shall be recognized as being of significant influence on the investee unless concrete evidence shows that participation in the production and business decisions of the investee is not allowed without constituting significant influence. If the voting shares of the investee owned by the Company is less than 20% (not including), the condition shall not be considered as being of significant influence on the investee in general unless concrete evidence shows that the Company can participate in the production and business decisions of the investee under this condition, constituting significant influence.

(4) Impairment test method and accrual method for impairment provision

For investments in subsidiaries, associates and joint ventures, please see Note V. 19 for the accrual method for impairment provision.

14. Investment properties

Measurement model of investment properties

Cost method

Depreciation or amortization method

Investment properties are properties held for the purpose of earning rent or capital appreciation, or both. Investment properties of the Company include the land right of use which has already been rented, the land right of use held for transfer after appreciation and the buildings which have been rented.

Investment properties of the Company shall be initially measured as per the price upon acquisition and depreciated or amortized on schedule as per relevant provisions on fixed assets or intangible assets.

Investment properties are measured subsequently as per the cost model. See Note V. 19 for provision method of assets impairment.

The disposal income from the sale, transfer, discard or destruction of the investment properties shall be included in the current profit or loss after deducting their carrying amount and relevant taxes.

15. Fixed assets

(1) Recognition conditions

Fixed assets of the Company refer to tangible assets held for producing goods, rendering labor services, renting, or business management and have a service life of over one fiscal year.

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

Fixed assets of the Company shall be initially measured at the actual cost when acquired.

For the subsequent expenses related to fixed assets, if the economic benefits of the assets are likely to flow into the Company and the cost can be reliably measured, they are included in the cost of fixed assets; daily repair costs of fixed assets that do not meet the conditions for subsequent expenses for capitalization of fixed assets are included in current profits and losses or in the cost of relevant assets according to the beneficiaries upon occurrence. The book value of the part being replaced will be derecognized.

(2) Depreciation method

Type	Depreciation method	Depreciation period	Residual ratio	Annual depreciation rate
Houses and buildings	Straight-line method	10 and 35-40	0 and 3	10 and 2.43-2.77
Including: decoration of self-owned houses	Straight-line method	10	0	10
Machinery and equipment	Straight-line method	12	3	8.08
Electronic equipment	Straight-line method	5-7	3	13.86-19.4
Transportation equipment	Straight-line method	7	3	13.86
Office and other equipment	Straight-line method	7	3	13.86

The depreciation rate of fixed assets with provision for impairment shall be calculated by deducting the accumulated amount of provision for impairment of fixed assets.

16. Construction in progress

The cost of construction in progress of the Company is determined according to the actual construction expenditures, including various necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalized before the project reaches the expected serviceable condition and other relevant expenses.

Construction in progress is transferred to fixed assets when it is ready for its intended use.

See Note V. 19 for the providing method of assets impairment of the construction in progress.

17. Borrowing costs

(1) Recognition principle for capitalization of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets eligible for capitalization shall be capitalized and included in relevant asset costs; other borrowing costs shall be recognized as expenses according to their amount when incurred and included in current profit and loss. Borrowing costs shall be capitalized when all of the following conditions are satisfied:

- ① Expenditures on an asset have incurred, and expenditures on the asset comprise payments in cash, transfer of non-cash assets or assumption of debts with interests for acquisition and construction or production of the asset qualifying for capitalization;
- ② Borrowing costs have been occurred;
- ③ The acquisition, construction, or production activities necessary to bring the assets to their intended use or sale have started.

(2) Period of borrowing costs capitalization

The capitalization of borrowing costs shall cease when the assets eligible for capitalization acquired, constructed or produced by the Company are ready for their intended use or sale. Borrowing costs incurred after the assets meeting capitalization conditions are ready for their intended use or sale shall be recognized as expenses according to the amount incurred and included in the current profit and loss.

If the acquisition, construction or production of assets eligible for capitalization is interrupted abnormally and the interruption period exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended; the borrowing costs during the normal interruption period shall continue to be capitalized.

(3) Calculation method for borrowing costs capitalization rate and capitalized amount

The balance of the interest from special borrowings actually occurred in current period deducting the interest income acquired from unused borrowings which are deposited in banks, or deducting investment income from temporary investment of the borrowings shall be capitalized. The capitalized amount of general borrowing shall be determined by multiplying the weighted average of the asset expenditures from the accumulative asset expenditures exceeding the special borrowing by the capitalization rate of general borrowing occupied. The capitalization rate is calculated and recognized as per the weighted average interest rate of general borrowing.

During capitalization period, the balance of exchange for special foreign currency borrowing shall be capitalized in full amount, while that of general foreign currency borrowing shall be included in current profit and loss.

18. Intangible assets

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

The Company's intangible assets include land use rights, computer software, and trademarks.

Intangible assets are initially measured at cost and their service life is determined upon acquisition. If the service life of an intangible asset is limited, it shall be amortized within the estimated service life with an amortization method that can reflect the expected realization mode of economic benefits related to the asset since the asset is available for use; if the expected realization mode cannot be reliably determined, the asset shall be amortized with the straight-line method; intangible assets with uncertain service life shall not be amortized.

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

Category	Service life	Determination basis of service life	Amortization method	Note
Land use right	50 years	Legal right to use	Straight-line method	
Computer software	5 years	Determine the service life with reference to the term that can bring economic benefits to the Company	Straight-line method	
Trademark	10 years	Determine the service life with reference to the term that can bring economic benefits to the Company	Straight-line method	

At the end of each year, the Company shall recheck the service life and amortization method of intangible assets with finite service life. If it is different from the previous estimate, the original estimate shall be adjusted and the change shall be handled according to the accounting estimate.

If an intangible asset is expected no longer to generate future economic benefits for the Company at the balance sheet date, the book value of the asset is charged to the current profit and loss.

See Note V. 19 for the providing method of assets impairment of the intangible assets.

(2) Collection scope of R&D expenditures and relevant accounting treatment methods

The R&D expenditures of the Company refer to expenditures directly related to the R&D activities of the Company, including salaries of R&D personnel, direct R&D investments, depreciation expenses and long-term deferred expenses, design expenses, equipment commissioning expenses, amortization expenses of intangible assets, expenses incurred from commissioned external R&D, and other expenses. The salaries of R&D personnel are included in R&D expenditures according to the project working hours.

The Company divides the expenditure of internal R&D projects into research stage expenditure and development stage expenditure.

Expenditures at the research stage shall be included in current profit and loss when incurred.

Expenditures at the development stage can be capitalized only when all of the following conditions are met, namely: it is technically feasible to complete the intangible assets so that they can be used or sold; there is an intention to complete the intangible asset and use or sell it; ways for intangible assets to generate economic benefits, including proving that there is a market for the products produced by using the intangible assets or the intangible assets themselves, and proving their usefulness if they are to be used internally; there are sufficient technical, financial and other resources to complete the development of the intangible assets and have the ability to use or sell them; the expenditures attributable to the development stage of intangible assets can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit and loss.

After the R&D projects of the Company meet the above conditions, pass the technical feasibility and economic feasibility study, and form the project establishment, they shall enter the development stage.

The capitalized expenditures in the development stage shall be presented as development costs on the balance sheet and shall be transferred into intangible assets from the date when the project meets the expected usage.

19. Impairment of long-term assets

The impairment of the long-term equity investments in subsidiaries, associates and joint ventures, investment properties subsequently measured by cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, etc. (except for inventories, investment properties measured by fair value model, deferred income tax assets and financial assets) shall be determined by the Company according to the following methods:

The Company judges whether there is a sign of impairment to assets on the balance sheet date. If such a sign exists, the Company estimates the recoverable amount and conducts the impairment test. For goodwill arising from a business merger, intangible assets with indefinite service life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount is the net amount that the fair value of assets deducts the disposal fees, or the present value of estimated future cash flow of the assets, whichever is higher. The Company estimates the recoverable amount on a single asset basis. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. The assets group is determined by whether the main cash flow generated by the assets group is independent of those generated by other assets or assets groups.

When the asset or asset group's recoverable amount is lower than its book value, the Company reduces its book value to its recoverable amount, the reduced amount is recorded in the current profit and loss and the provision for impairment of assets is recognized.

For the impairment test of goodwill, the book value of goodwill formed by the business merger shall be amortized to relevant asset groups with a reasonable method since the acquisition date; if it is difficult to amortize to relevant asset groups, it shall be amortized to relevant asset group portfolios. Asset group or portfolio of asset group is an asset group or portfolio of asset group that can benefit from synergies of a business merger and is not greater than the reportable segment of the Company.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its book value and its recoverable amount. If the recoverable amount is less than the book value, impairment loss of goodwill is recognized.

Once recognized, the impairment loss of assets shall not be reversed in future accounting periods.

20. Long-term deferred expenses

Long-term deferred expenses of the Company shall be valued as per actual cost and averagely amortized as per the expected benefit period. If the long-term deferred expense project will not benefit the future accounting period, the amortized value of the project shall be included in the current profit and loss in full amount.

21. Employee compensation

(1) Accounting treatment for short-term compensation

During the accounting period when employees provide services, the Company recognizes the actual salary and bonus of employees, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums and maternity insurance premiums paid for employees according to the specified benchmark and proportion, and housing fund as liabilities, and includes them in current profit and loss or relevant asset costs.

(2) Accounting treatment for post-employment benefits

Post-employment benefit plans include defined contribution plans and defined benefit plans. Among them, the defined contribution plan refers to a post-employment benefit plan in which the enterprise has no further payment obligation after paying fixed expenses to an independent fund; the defined benefit plan refers to a post-employment benefit plan other than a defined contribution plan.

Defined contribution plans

The defined contribution plan includes the basic endowment insurance, unemployment insurance, etc.

During the accounting period when employees provide services, the amount payable calculated according to the defined contribution plan is recognized as a liability and included in the current profit and loss or related asset costs.

Defined benefit plans

For defined benefit plans, an independent actuary shall carry out actuarial valuation on the annual balance sheet date, and determine the cost of providing benefits with the expected cumulative welfare unit method. The employee compensation costs arising from the defined benefit plan of the Company include the following components:

① Service cost, including current service cost, past service cost and any gain or loss on settlement. Among them, the current service cost refers to the increase in the present value of defined benefit plan obligations caused by employees providing services in the current period; the past service cost refers to the increase or decrease in the present value of defined benefit plan obligations related to employee services in previous periods caused by modifications of defined benefit plans.

② Net interest on the defined benefit plan net 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 plan liabilities or assets.

Unless other accounting standards require or allow employee's benefit costs to be included in assets costs, the above items ① and ② shall be included by the Company in current profit or loss and item ③ shall be included in other comprehensive income and be not reversed to profit or loss. When the original defined benefit plan is terminated, the amount included in other comprehensive income before shall be completely carried forward the undistributed profit.

(3) Accounting treatment for termination benefits

If the Company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits shall be recognized at the earliest of the following two dates and included in the current profit and loss: when the Company cannot unilaterally withdraw the termination benefits provided due to the labor relationship termination plan or layoff proposal; the Company recognizes the costs or expenses related to the restructuring involving the payment of termination benefits.

If an employee's internal retirement plan is implemented, the economic compensation before the official retirement date belongs to the termination benefits. During the period from the date when the employee stops providing services to the normal retirement date, the wages to be paid to the early retired employees and the social insurance premiums to be paid are included in the current profit and loss in a lump sum. Economic compensation after the official retirement date (such as normal pension) is treated as post-employment benefits.

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

Other long-term benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. If it meets the defined benefit plan, it shall be handled in accordance with the relevant provisions on the defined benefit plan above, but the part of "changes arising from re-measuring the net liabilities or net assets of the defined benefit plan" in the relevant employee compensation costs shall be included in the current profit and loss or the relevant asset costs.

22. Estimated liabilities

Obligations related to contingencies, if satisfying the following conditions at the same time, will be recognized as estimated liabilities by the Company:

(1) Such obligation is a current obligation undertaken by the Company;

(2) Performance of such obligation will probably cause outflow of economic interest of the Company;

(3) The amount of such obligation can be measured reliably.

Estimated liabilities are initially measured at the optimal estimate required to perform the relevant current obligation, in comprehensive consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. Where the time value of money is of significant influence, the optimal estimate is recognized through the discount of relevant future cash outflows. At the balance sheet date, the book value of the estimated liabilities is reviewed and adjusted by the Company to reflect the current best estimate.

If all or part of the expenditures necessary for clearing off the recognized estimated liabilities are expected to be compensated by a third party or any other party, the amount of compensation shall be recognized as assets separately only when it is basically sure that the amount can be obtained. The recognized amount of compensation shall not exceed the book value of recognized liabilities.

23. Revenue

Accounting policies for revenue disclosure recognition and measurement by business types

(1) General principle

The Company has fulfilled its performance obligations of the Contract, which means it recognizes the revenue when the customer has acquired the control rights of the relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, at the beginning date of the contract, apportion the transaction price to each performance obligation according to the relative proportion of the individual selling price of the commodities or services promised by each performance obligation, and measure the revenue according to the transaction price apportioned to each performance obligation.

A performance obligation is deemed satisfied within a period of time when one of the following conditions is met; or otherwise it is satisfied at a point of time:

- ① The customer obtains and consumes the economic benefits brought by the performance of the contract by the Company at the same time.
- ② The customer can control the goods under construction during the Company's performance;
- ③ The goods generated during the performance of the Company are irreplaceable, and the Company is entitled to receive payment for the performance accumulated so far throughout the term of the contract.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue within that period according to the performance progress. If the performance progress cannot be reasonably confirmed, and the costs incurred by the Company can be expected to be compensated, the revenue shall be recognized according to the amount of costs incurred until the performance progress can be reasonably

confirmed.

For performance obligations performed at a certain time point, the Company shall confirm the revenue at the time point when the customer gains control rights of the relevant commodities or services. In determining whether a customer has obtained the control rights of the goods or services, the Company shall take the following indications into consideration:

- ① The Company enjoys the current collection right in regard to such goods or services, i.e., the customers have the obligation to pay immediately with respect to the goods.
- ② The Company has transferred the legal ownership of the goods to the customer, i.e., The customer owns the legal ownership of the goods;
- ③ The Company has transferred the goods to the customer in kind, i.e., the customer has possessed the goods.
- ④ The Company has transferred the major risks and remuneration on the ownership of the goods to the customer, i.e., the customer has obtained the major risks and remuneration on the ownership of the goods.
- ⑤ The customer has accepted such goods or services.
- ⑥ Other signs indicate that the customer has obtained the right to control the goods.

(2) Specific method

The Company's revenue is mainly derived from the following businesses: automobile sales, automobile maintenance and testing, property leasing and services, and jewelry sales and services.

① Automobile sales

The contract for sales of goods between the Company and the customer includes the performance obligation of the transferred goods, which belongs to the performance obligation at a particular time point.

The Company has delivered the contracted goods to the customer, and the customer has accepted the goods, the payment for goods has been recovered or the receipt voucher has been obtained, the related economic benefits are likely to flow in, the significant risks and rewards on the ownership of the goods have been transferred, and the legal ownership of the goods has been transferred. The revenue will be confirmed when the Company has delivered vehicles to the consumer, and the ownership of the goods or vehicles is transferred to the consumer.

② Vehicle maintenance and testing services

The contract for sales of goods between the Company and the customer includes the performance obligation of the transferred goods, which belongs to the performance obligation at a particular time point.

The Company has completed the contracted vehicle maintenance and testing services and settled all materials

and man-hour expenses with customers. Then, the revenue will be confirmed when the vehicles leave the repair factory.

③ Property lease and services

During each period of the lease term, the Company recognizes lease receipts as rental income on a straight-line basis, and capitalizes and apportions the initial direct costs incurred on the same basis as rental income, which shall be charged to the current profits and losses. The Company's variable lease payment which is related to operating lease and not included in lease receipts is included in the current profits and losses when it actually occurs.

The contract for the provision of services between the Company and the customer includes the performance obligation of services related to the lease of real estate. Since the customer obtains and consumes the economic benefits brought by the Company's performance at the same time, the Company regards it as the performance obligation to be performed within a certain period of time, and the revenue is equally apportioned and recognized during the service provision period.

④ Sales and services of gold and jewelry

The Company determines whether it is the main responsible person or the agent during transactions according to its control over the goods or services before transferring them to customers. If the Company has control over the goods or services before transferring them to customers, it will be the main responsible person and recognize the revenue according to the total consideration received or receivable; otherwise, the Company acts as an agent and recognizes the revenue according to the amount of commission or handling charge expected to be entitled, which is determined according to the net amount of the total consideration received or receivable after deducting the price payable to other related parties, or according to the established commission amount or proportion.

The specific recognition method of revenues generated from gold and jewelry sales is as follows:

In gold and jewelry sales, the Company mainly takes the direct-sales model, with the sales agency model as a supplement. For the direct-sales model, the sales channels include wholesalers, e-commerce, and retail in direct-sales stores. The time points for revenue recognition under the sales models with such channels as wholesalers, e-commerce, and retail are as follows:

① In wholesaler sales, purchasers contact the Company directly. The time point is when the goods-related control rights have been transferred to the purchasers, which marks the performance obligation is completed according to the sales contracts. The revenue will then be recognized after customers accept the goods and issue receipts. This is a performance obligation performed at a certain time point.

② In e-commerce sales, the Company sells goods on e-commerce platforms. The sales revenue will be recognized when customers have signed for the goods, and the Company has received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.

③ In retail through direct-sales stores, the Company sells its goods in its self-owned real estates. The sales revenue will be recognized when the Company has sold goods to customers and received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.

④ In the sales agency model, the Company sends products to stores of entrusted sellers. The sales revenue will be recognized when the sellers have sold goods to end consumers, end consumers have signed, and the control

right has been transferred to end consumers. This is also the time point marking the obligation performance is done after completing the sales contract. This is a performance obligation performed at a certain time point.

Specific revenue recognition method of the Company is as follows:

In the independent gold repurchase business, the Company obtains old gold from the market and entrusts refineries to process it into standard gold bars. The standard gold bars will then be sold to the Shanghai Gold Exchange. According to the set price by the Shanghai Gold Exchange at specific time points, the Company confirms the selling (counting) in the trading system and recognizes the revenue after obtaining the settlement document of the Shanghai Gold Exchange.

In the gold and jewelry sales agency business, the Company acts as an agent and provides agency services for principals according to the agency purchase agreement to earn commission fees. The Company recognizes the agency fee revenue when customers make the payments for goods and confirm the receipt by signing.

In the agency gold repurchase business, the Company acts as a supplier agent to repurchase gold and collect service fees. The revenue is recognized according to the time when it repurchases gold and is calculated according to the contracted service fees.

24. Government subsidies

The government subsidies shall be recognized when all the attached conditions can be satisfied and the government subsidies can be received.

The government subsidies considered monetary assets shall be measured at the amount received or receivable. The government subsidies considered non-monetary assets are measured based on the fair value, or the nominal amount of RMB 1 if the fair value cannot be acquired reliably.

Asset-related government subsidies refer to the ones that are acquired by the Company and used for establishing long-term assets or forming long-term assets in other ways. Other government subsidies are considered revenue-related government subsidies.

For the government subsidies with the grant objects not expressly stipulated in the government documents, if they can be used to form long-term assets, the government subsidies corresponding to the value of the assets are deemed as asset-related government subsidies while the rest are deemed as revenue-related government subsidies. For the government subsidies that are difficult to differentiate, the government subsidies as a whole are deemed as revenue-related government subsidies.

The asset-related government subsidies shall be recognized as deferred income, which shall be included in the profit and loss in installment in a reasonable and systematic way within the service life of the relevant assets. For revenue-related government subsidies, they shall be included in the current profit and loss if used to compensate for the incurred related costs or losses; if used to compensate for the related costs or losses during future periods, they shall be included in the deferred income and included in the current profit and loss during the period when the related costs or losses are recognized. Government subsidies measured at the nominal amount shall be directly included in the current profit or loss. The Company adopts the same treatment for those transactions of similar government subsidies.

The government subsidies related to daily activities shall be included in other incomes according to the essence of business transactions. Government subsidies irrelevant to daily activities are included in non-operating revenue.

For the government subsidies recognized to be refunded, if the government subsidies are used to offset the book value of the related assets when they are initially recognized, the book value of assets shall be adjusted. If there is deferred income concerned, the government subsidies shall be offset against the book balance of the deferred income, and the excess shall be included in the current profit or loss. They shall be directly included in the current profit or loss in other cases.

25. Deferred tax assets/deferred tax liabilities

Income tax includes current income tax and deferred income tax. Current tax and deferred income tax are included in current profit and loss as income tax, except for the income taxes related to the regulation of goodwill due to business merger or deferred income tax related to transactions or events that are directly recognized in shareholders' equity.

The Company shall recognize deferred income tax with the balance sheet liability method according to the temporary differences between the book value of assets and liabilities and their tax bases at the balance sheet date.

Relevant deferred income tax liabilities shall be recognized for each taxable temporary difference unless the taxable temporary difference arises from the following transactions:

(1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction with the following features: the transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);

(2) For taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, it is able to control the time of the reversal of the temporary difference and it is likely that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses and tax deduction that can be carried forward to the next year, except for the deductible temporary differences incurred in following transactions, the Company recognizes the deferred tax assets to the extent that it is likely that future taxable income will be available for deducting the deductible temporary differences, deductible losses and tax deduction:

(1) The transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);

(2) For deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, if the following conditions are satisfied at the same time, corresponding deferred tax assets are recognized: the temporary difference will likely be reversed in the foreseeable future and it is likely that taxable income will be available in the future for deducting the deductible temporary differences.

On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, and reflect the income tax effect of the method of the expected recovery of assets and settlement of liability on the balance sheet date.

On the balance sheet date, the Company reviews the book value of any deferred tax asset. If it is likely that sufficient taxable profits will not be available in future periods to deduct the benefit of the deferred tax assets, the book value of the deferred tax assets is reduced. Any such write-down shall be subsequently reversed where it becomes probable that sufficient taxable income will be available.

On a balance sheet date, the deferred tax assets and deferred tax liabilities are presented in the net value after set-off when the following conditions are satisfied:

- (1) The taxpayer has the legal right of income tax assets and liabilities in the current period settled at the net amount;
- (2) Deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection agency on the same taxpayer within the Company;

26. Leases

(1) Accounting treatment method for lease as the lessee

On the commencement date of the lease term, the Company shall recognize the right-of-use assets and the lease liabilities for all leases, except for the short-term leases and low-value asset leases that are subject to simplified treatment.

Lease liabilities shall be initially measured at the present value calculated by the interest rate implicit in lease according to the unpaid lease payment on the commencement date of the lease term. If the interest rate implicit in lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. Lease payments include fixed payments and substantially fixed payments; the amount related to lease incentive (if any) shall be deducted; variable lease payments that depend on an index or rate; the exercise price of a purchase option, provided that the lessee reasonably determines that the option will be exercised; payments required to exercise the lease termination option, provided that the lease term reflects that the lessee will exercise the lease termination option; payments expected to be made based on the guaranteed residual value provided by the lessee. The interest expenses of the lease liabilities within each lease term shall be calculated subsequently according to the fixed periodic rate and included in the current profit and loss. The variable lease payment that is not included in the measurement of lease liabilities is included in the current profit and loss when it actually occurs.

Short-term lease

Short-term lease refers to a lease with a lease term of not more than 12 months on the commencement date of the lease term, except for the lease containing the purchase option.

The Company includes the payment amount of short-term leases into relevant asset costs or current profit and loss by the straight-line method at each period within the lease term.

For short-term leases, the Company selects the above-simplified treatment method for the items meeting the short-term lease conditions in the following asset types according to the category of leased assets.

Low-value asset lease

A low-value asset lease refers to a lease with a value lower than RMB 40,000 when an individual leased asset is brand new.

The Company includes the lease payment amount of low-value asset leases into relevant asset costs or current profit and loss by the straight-line method at each period within the lease term.

For low-value asset leases, the Company selects the above simplified treatment method according to the specific conditions of each lease.

Lease change

If the lease changes and meets the following conditions at the same time, the Company will take the lease change as a separate lease for the accounting treatment: ① the lease change expands the lease scope by increasing the right to use one or more leased assets, and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

If the lease change is not taken as a separate lease for accounting treatment, the Company shall, on the effective date of the lease change, reallocate the consideration of the changed contract, redetermine the lease term, and remeasure the lease liabilities according to the changed lease payment and the present value calculated by the revised discount rate.

If the lease scope is reduced or the lease term is shortened due to the lease change, the Company will correspondingly reduce the carrying amount of right-of-use assets and include relevant profits or losses from partial or complete termination of the lease in the current profit and loss.

If the lease liabilities are remeasured due to other lease changes, the Company will adjust the carrying amount of right-of-use assets accordingly.

(2) Accounting treatment method for lease as the lessor

When the Company is the lessor, the lease that substantially transfers all risks and rewards related to the ownership of the assets is recognized as a finance lease, and leases other than finance leases are recognized as operating leases.

Financial lease

In a finance lease, at the commencement of the lease term, the Company takes the net investment in a lease as the entry value of the finance lease receivables, and the net investment in a lease is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement of the lease term discounted at the interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes interest income in each lease term at a fixed periodic rate. Variable lease payments obtained by the Company as the lessor but not considered in the measurement of net investment in leases are recognized in the current profit and loss when actually incurred.

The derecognition and impairment of finance lease receivables shall be subject to accounting treatment according to the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets.

Operating lease

Lease income from operating leases is included in current profit and loss by the Company as per the straight-line method over the lease term. The occurred initial direct cost related to the operating lease shall be capitalized, amortized within the lease term according to the same base with the recognition of rent revenue, and included in the current profit and loss by stages. The variable lease receipts obtained by the Company related to operating leases and not charged to the lease receipts shall be charged to the current profit and loss when actually incurred.

Lease change

If there is a change in the operating lease, the Company will take it as a new lease from the effective date of the change to carry out accounting treatment, and the lease receipts received in advance or receivable related to the lease before the change will be regarded as the receipts for the new lease.

If the finance lease changes and meets the following conditions, the Company will take the change as a separate lease for accounting treatment: ① the change expands the lease scope by increasing the right to use one or more leased assets; and ② the increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

If the change of finance lease is not accounted for as a separate lease, the Company shall deal with the changed lease based on the following circumstances: ① If the change takes effect on the commencement date of the lease and the lease is classified as an operating lease, the Company shall take it as a new lease for the accounting treatment from the effective date of lease change and take the net lease investment made before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the commencement date of the lease and the lease is classified as a finance lease, the Company shall carry out accounting treatment according to the regulations on modifying or renegotiating contracts described in Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

27. Other significant accounting policies and accounting estimates

The Company continuously evaluates the significant accounting estimates and key assumptions adopted based on historical experience and other factors, including reasonable expectations for future events. Significant accounting estimates and critical assumptions that may lead to major adjustment of the carrying amount of assets and liabilities in the next accounting year are listed as follows:

Classification of financial assets

Major judgments involved in determining the classification of financial assets include the analysis of business models and the contractual cash flow characteristics.

The Company determines the business model of managing financial assets at the level of financial asset portfolio, considering the way of evaluating and reporting financial asset performance to key executives, the risks affecting the financial asset performance and their management methods, and the way for the relevant business management personnel to obtain the remuneration.

When evaluating whether the contractual cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: whether the principal may change in the time distribution or amount in the duration due to prepayment and other reasons; whether the interest includes only the time value of money, credit risk, other basic borrowing risks and consideration with costs and profits. For example, whether the amount prepaid reflects only the outstanding principal and interest based on the outstanding principal, as well as reasonable compensation paid for early termination.

Measurement of expected credit loss of accounts receivable

The Company calculates the expected credit loss of accounts receivable through default risk exposure and expected credit loss rate of accounts receivable, and determines the expected credit loss rate based on default probability and loss given default. In determining the expected credit loss rate, the Company uses the internal historical credit loss experience and other data, and adjusts the historical data according to the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Company include risks of economic downturn, changes in external market environment, technological environment and customer conditions. The Company regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Deferred tax assets

To the extent that there is probably enough taxable profit to offset loss, the Company recognizes the deferred tax assets with respect to the unused tax loss. This requires the Management to make great judgment to estimate the date of occurrence and amount of future taxable profit and to determine the recognized amount of deferred tax assets combining with tax planning strategy.

Determination of fair value of unlisted equity investment

The fair value of unlisted equity investment is determined according to the estimated future cash flows discounted using current discount rates for projects with similar terms and risk characteristics. This valuation involves uncertainty because it requires the Company to estimate expected future cash flows and discount rates. Under limited circumstances, if the information for determining the fair value is insufficient or the range of possible estimates of fair value is wide, and the cost represents the best estimate for the fair value within this range, such cost could represent its appropriate estimate for the fair value within this distribution range.

28. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Not applicable

2. Interpretation No. 16 of the Accounting Standards for Business Enterprises

In November 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises (CK [2022] No. 31) (hereinafter referred to as "Interpretation No. 16").

According to the provisions of Interpretation No. 16, when it is an individual transaction that is not a business merger, affects neither accounting profits nor taxable income (or deductible losses) at the time of the transaction, and results in an equal taxable temporary differences and deductible temporary differences due to initial recognition of assets and liabilities, for the taxable temporary differences and deductible temporary differences

arising from initial recognition of assets and liabilities, the corresponding deferred tax liabilities and deferred tax assets shall be recognized respectively at the time of transaction in accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 18—Income Tax. For the above transactions that occur between the beginning of the earliest period for the presentation of the financial statements in which the above provisions are first applied and the date of implementation of this Interpretation, enterprises shall adjust the beginning retained earnings and other relevant financial statement items for the earliest period in which the financial statements are presented according to the above provisions for the cumulative effect. The above accounting treatment provisions shall come into force from January 1, 2023.

If taxable temporary differences and deductible temporary differences arise from the lease liabilities and right-of-use assets recognized by the Company in the lease business, adjustment shall be made in accordance with the provisions of Interpretation No. 16.

The impact of the implementation of the above accounting policies on the consolidated balance sheet as of December 31, 2023 and the consolidated income statement for the year then ended is as follows:

Consolidated Balance Sheet Items (December 31, 2023)	Affected amount
Deferred tax assets	19,917,904.83
Deferred tax liabilities	18,633,299.90
Undistributed profit	1,284,604.93

Consolidated Income Statement (2023)	Affected amount
Income Tax Expense	-1,275,800.53
Net profit	1,275,800.53
Including: Attributable to shareholders of the parent company	1,275,800.53
Minority interests	-

The impact of the implementation of the above accounting policies on the consolidated balance sheet as at December 31, 2022 and the consolidated income statement for the year 2022 is as follows:

Consolidated Balance Sheet Items (December 31, 2022)	Before adjustment	Amount adjusted	After adjustment
Deferred tax assets	8,518,233.77	126,841.83	8,645,075.60
Deferred tax liabilities	1,135,031.11	118,037.43	1,253,068.54
Undistributed profits	590,605,394.67	8,804.40	590,614,199.07

Consolidated Income Statement (2022)	Before adjustment	Amount adjusted	After adjustment
Income Tax Expense	21,523,196.08	-11,430.83	21,511,765.25
Net profit attributable to shareholders of the parent company	83,496,135.61	11,430.83	83,507,566.44

The effect of the implementation of the above accounting policies on the consolidated balance sheet as of January 1, 2022 is as follows:

Item in consolidated balance sheet	Amounts before adjustments	Adjustment amounts	Amounts after adjustments
Deferred tax assets	8,499,551.03	461,922.89	8,961,473.92
Deferred tax liabilities	963,045.49	464,549.32	1,427,594.81
Undistributed profit	543,843,496.85	-2,626.43	543,840,870.42

(2) Changes in significant accounting estimates

Applicable Not applicable

(3) Conditions of the first implementation of new accounting standards from 2023 to adjust the relevant items in financial statements at the beginning of the first implementation year

Applicable Not applicable

VI. Taxes

1. Main taxes and tax rates

Tax type	Tax basis	Tax rate
Value-added tax	Taxable value-added tax (taxable amount shall be subject to the balance of taxable sales amount multiplying applicable tax rate and then deduct the deductible income tax in current period)	13%, 9%, 5%, 6%, and 3%
Urban maintenance and construction tax	Actually paid turnover tax	7%
Corporate income tax	Taxable income	25%, 20%
Real estate tax	For taxation according to price, the taxes payable shall be calculated as per 1.2% of the remaining price after deducting 30% of the original value of house properties; for taxation according to lease, the taxes payable shall be calculated as per 12% of the rent revenue.	1.2%, 12%
Education surcharges	Actually paid turnover tax	3%
Local educational surcharges	Actually paid turnover tax	2%

Disclosure statement of taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate (%)
Shenzhen Tellus Chuangying Technology Co., Ltd.	20
Shenzhen Bao'an Shiquan Industry Co., Ltd.	20
Shenzhen SDG Tellus Real Estate Co., Ltd.	20
Shenzhen Automobile Industry Supply and Marketing Company	20
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	20
Shanghai Fanyue Diamond Co., Ltd.	20
Other taxable entities other than the above	25

2. Tax preference

① Corporate income tax

According to the Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises (Announcement [2022] No.13 of the Ministry of Finance and the State Taxation Administration), from January 1, 2022 to December 31, 2024, for small micro-profit enterprises, the portion of their annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be reduced by 25% of their taxable income, and they shall pay enterprise income tax at a rate of 20%. According to the Announcement on Implementing Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses (Announcement No.6 [2023] of the Ministry of Finance and the State Administration of Taxation), from January 1, 2023 to December 31, 2024, the portion of their annual taxable income but not exceeding RMB 1 million shall be reduced by 25% of their taxable income, and they shall pay enterprise income tax at a rate of 20%. The subsidiaries of the Company, including Tellus Chuangying, Bao'an Shiquan, Tellus Real Estate Company, Automobile Supply and Marketing Company, Shanghai Fanyue, and Xinyongtong Testing, enjoy the above tax preferences.

② Value-added tax

According to the Notice of the State Administration of Taxation on Adjusting the Relevant Tax Policies of Diamonds and Shanghai Diamond Exchange (CS [2006] No. 65), taxpayers are exempted from import VAT for rough diamonds sold through Shanghai Diamond Exchange to the domestic market; for finished diamonds sold by taxpayers through Shanghai Diamond Exchange to the domestic market, the part with an actual import VAT burden exceeding 4% shall be refunded upon collection by the customs. In the domestic link, taxpayers shall deduct the input tax by the VAT amount indicated on the tax payment receipt issued by the customs. After taxpayers follow the policy of VAT exemption and refund-upon-collection for diamonds sold to the domestic market through Shanghai Diamond Exchange, diamonds sold to the domestic market will be managed by the customs in accordance with current regulations when they leave Shanghai Diamond Exchange. Shanghai Fanyue Diamond Co., Ltd., the Company's subsidiary, is a member of Shanghai Diamond Exchange and enjoys the above tax preferences when importing finished diamonds through Shanghai Diamond Exchange.

VII. Notes to Consolidated Financial Statements

1. Cash at bank and on hand

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	17,215.98	25,673.67
Deposits at bank	120,961,253.61	394,258,891.55
Other cash at bank and on hand	99,362,492.05	18,743,762.14
Total	220,340,961.64	413,028,327.36

Other notes:

The cash at the bank and on hand with limited use rights by the Company is mainly gold leasing and futures margins.

Details of limited cash at bank and on hand are as follows:

Item	Ending balance	Ending balance of the previous year
Supervision funds for plot project of industrial park 03 upgrading and reconstruction	–	10,665,656.00
Performance bond deposit	–	2,000,000.00
Deposit and interest of gold lease	51,328,583.35	–
Futures and options account margin	8,188,990.60	8,955,842.00
Amount of judicial control	600,000.00	
Total	60,117,573.95	21,621,498.00

2. Trading financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through profit or loss	206,294,931.94	176,133,569.95
Including:		
Structured deposits and financial products	131,495,916.67	176,133,569.95
Equity instrument investment	74,799,015.27	
Including:		
Total	206,294,931.94	176,133,569.95

3. Derivative financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Hedging instruments—derivative financial assets in designated hedging relationship	298,320.00	
Total	298,320.00	

4. Notes receivable

(1) Classified presentation of notes receivable

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance notes		87,812,500.00
Total		87,812,500.00

5. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
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Within 1 year (inclusive)	100,107,755.14	42,172,221.79
1 to 2 years	555,132.97	–
Over 3 years	48,749,943.16	48,784,845.16
Over 5 years	48,749,943.16	48,784,845.16
Total	149,412,831.27	90,957,066.95

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Accounts receivable with provision for bad debts made on a single basis	48,746,583.16	32.63%	48,746,583.16	100.00%		48,781,485.16	53.63%	48,781,485.16	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by portfolio	100,666,248.11	67.37%	1,030,496.59	1.02%	99,635,751.52	42,175,581.79	46.37%	423,402.23	1.00%	41,752,179.56
Including:										
Including: Leasing and other business portfolio	41,303,639.85	27.64%	436,870.51	1.06%	40,866,769.34	41,508,602.26	45.64%	416,732.43	1.00%	41,091,869.83
Jewelry sales business portfolio	59,362,608.26	39.73%	593,626.08	1.00%	58,768,982.18	666,979.53	0.73%	6,669.80	1.00%	660,309.73
Total	149,412,831.27	100.00%	49,777,079.75	33.32%	99,635,751.52	90,957,066.95	100.00%	49,204,887.39	54.10%	41,752,179.56

Provision for bad debts is accrued on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision proportion	Reasons for provision
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00	9,846,607.00	9,846,607.00	9,846,607.00	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44	4,060,329.44	4,060,329.44	4,060,329.44	100.00%	Long account receivable age, and expected to be unrecoverable
Wang Changlong	2,370,760.40	2,370,760.40	2,370,760.40	2,370,760.40	100.00%	Long account receivable age, and expected to be unrecoverable
Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.	2,021,657.70	2,021,657.70	2,021,657.70	2,021,657.70	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong GW Holdings Group Co., Ltd.	1,191,059.98	1,191,059.98	1,862,000.00	1,862,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Jiangling Motors Factory	1,150,000.00	1,150,000.00	1,191,059.98	1,191,059.98	100.00%	Long account receivable age, and expected to be unrecoverable
Yangjiang Automobile Trading Co., Ltd.	1,862,000.00	1,862,000.00	1,150,000.00	1,150,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	26,279,070.64	26,279,070.64	26,244,168.64	26,244,168.64	100.00%	Long account receivable age, and expected to be unrecoverable
Total	48,781,485.16	48,781,485.16	48,746,583.16	48,746,583.16		

Withdraw of provision for bad debts: leasing and other business portfolio

Unit: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Within 1 year	40,745,146.88	407,433.86	1.00%
1-2 years	555,132.97	27,756.65	5.00%
2-3 years			

Over 3 years	3,360.00	1,680.00	50.00%
Total	41,303,639.85	436,870.51	

Provision for bad debts drawn by portfolio: portfolio of jewelry sales business

Unit: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Within 1 year (inclusive)	59,362,608.26	593,626.08	1.00%
Total	59,362,608.26	593,626.08	

Whether to accrue bad debt provision of accounts receivable according to expected credit loss:

Applicable Not applicable

Unit: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the lifetime (no credit impairment occurred)	Expected credit loss over the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	423,402.23		48,781,485.16	49,204,887.39
Balance as of January 1, 2023 in the current period				
Accrual in the current period	607,094.36			607,094.36
Other changes			34,902.00	34,902.00
Balance as of December 31, 2023	1,030,496.59		48,746,583.16	49,777,079.75

Division basis at each stage and proportion of bad debt provision accrual

Notes on significant changes in the book balance of receivables for which changes in the allowance for losses occurred during the current period:

(3) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision provided in the reporting period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Accrual	Accounts recovered or transferred back	Write-off	Others	
Bad debt provision	49,204,887.39	607,094.36			34,902.00	49,777,079.75
Total	49,204,887.39	607,094.36			34,902.00	49,777,079.75

(4) Accounts receivable and contractual assets with top five ending balance collected as per the borrowers

Unit: RMB

Company Name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contractual assets
Shenzhen Foreway Jewellery Group Co., Ltd.	24,198,500.00		24,198,500.00	16.20%	241,985.00
Guojin Gold Co., Ltd.	20,460,300.00		20,460,300.00	13.69%	204,603.00
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00		9,846,607.00	6.59%	9,846,607.00
Shenzhen Yichao Gold Fashion Co., Ltd.	5,390,440.00		5,390,440.00	3.61%	53,904.40
Shenzhen Kong Fook Jewelry Supply Chain Co., Ltd.	4,696,569.37		4,696,569.37	3.14%	46,965.69
Total	64,592,416.37		64,592,416.37	43.23%	10,394,065.09

6. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	1,305,581.86	1,852,766.21
Other receivables	11,077,935.06	5,810,804.66
Total	12,383,516.92	7,663,570.87

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

Project (or the investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,852,766.21
Total	1,305,581.86	1,852,766.21

2) Dividends receivable of important account receivable age of over 1 year

Unit: RMB

Project (or the investee)	Ending balance	Account receivable age	Reason for non-recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1-2 years	Not paid yet	The financial and operating conditions of

				the Company are normal, and the dividends receivable are not impaired.
Total	1,305,581.86			

(2) Other receivables**1) Classification of other receivables by nature**

Unit: RMB

Nature of payment	Period-end book balance	Period-beginning book balance
Temporary payments of receivables	58,543,570.60	57,765,312.21
Deposits and security deposits	3,092,523.97	1,182,793.87
Total	61,636,094.57	58,948,106.08

(2) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	6,100,909.61	4,043,874.77
1-2 years	982,244.61	345,930.24
2-3 years	192,615.11	447,871.38
Over 3 years	54,360,325.24	54,110,429.69
3-4 years	249,895.55	
Over 5 years	54,110,429.69	54,110,429.69
Total	61,636,094.57	58,948,106.08

3) Classified and disclosed according to the method for recognizing bad debt Applicable Not applicable

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts recognized individually	52,224,555.56	84.73%	50,017,691.31	95.77%	2,206,864.25	55,282,157.72	93.78%	52,825,293.47	95.56%	2,456,864.25
Including:										
Provision	9,411,5	15.27%	540,468	5.74%	8,871,0	3,665,9	6.22%	312,007	8.51%	3,353,9

n for bad debt reserves on a portfolio basis	39.01		.20		70.81	48.36		.95		40.41
Including:										
Account receivable age portfolio	6,319,015.04	10.25%	433,367.62	6.86%	5,885,647.42	2,483,154.49	4.21%	197,657.45	7.96%	2,285,497.04
Portfolio of deposit and security deposit receivable	3,092,523.97	5.02%	107,100.58	3.46%	2,985,423.39	1,182,793.87	2.01%	114,350.50	9.67%	1,068,443.37
Total	61,636,094.57	100.00%	50,558,159.51	82.03%	11,077,935.06	58,948,106.08	100.00%	53,137,301.42	90.14%	5,810,804.66

Provision for bad debts made on a portfolio basis

Unit: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Account receivable age portfolio	6,319,015.04	433,367.62	6.86%
Portfolio of deposit and security deposit receivable	3,092,523.97	107,100.58	3.46%
Total	9,411,539.01	540,468.20	

Notes of the basis of recognizing the group:

Accrue bad debt provision of accounts receivable according to expected credit loss:

Unit: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the lifetime (no credit impairment occurred)	Expected credit loss over the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	312,007.95		52,825,293.47	53,137,301.42
Balance as of January 1, 2023 in the current period				
Accrual in the current period	258,892.87			258,892.87
Reversal amount in the current period	20,284.72		144,762.52	165,047.24
Other changes	10,147.90	0.00	2,689,652.24	2,699,800.14
Balance as of December 31, 2023	540,468.20		50,017,691.31	50,558,159.51

Division basis at each stage and proportion of bad debt provision accrual

Changes of book balance with significant amount changed of loss provision in the reporting period

Applicable Not applicable

4) Bad debt provision provided, recovered or reversed in the current period

Bad debt provision provided in the reporting period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Accrual	Accounts recovered or transferred back	Write-off or verification	Others	
Bad debt provision	53,137,301.42	238,608.15	144,762.52		2,672,987.54	50,558,159.51
Total	53,137,301.42	238,608.15	144,762.52		2,672,987.54	50,558,159.51

5) Other receivables of the top five ending balances by the owing party

Unit: RMB

Company Name	Nature of payment	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
China Automobile South China Automobile Sales Co., Ltd.	Intercourse funds	9,832,956.37	Over 3 years	15.95%	9,832,956.37
Shenzhen Nanfang Industry and Trade Industrial Co., Ltd.	Intercourse funds	7,359,060.75	Over 3 years	11.94%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	8.11%	5,000,000.00
Shenzhen Kaifeng Special Automobile Industry Co., Ltd.	Intercourse funds	4,413,728.50	Over 3 years	7.16%	2,206,864.25
Shenzhen Jinbeili Electric Appliance Co., Ltd.	Collection and payment on behalf of others	2,706,983.51	Over 3 years	4.39%	2,706,983.51
Total		29,312,729.13		47.55%	27,105,864.88

7. Prepaid accounts

(1) Prepaid accounts listed by account receivable age

Unit: RMB

Account receivable age	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	38,395,924.17	99.85%	8,114,727.00	99.85%
1-2 years	45,984.79	0.12%		

Over 3 years	12, 525. 94	0. 03%	12, 525. 94	0. 15%
Total	38, 454, 434. 90		8, 127, 252. 94	

Explanation of reasons for delayed settlement of important prepaid accounts with account receivable age over 1 year:

N/A

(2) Advances to suppliers with top five ending balance collected as per the supplier

Name of debtor	Book balance	Proportion in total advances to suppliers (%)	Bad debt provision
Shanghai Gold Coin Investment Co., Ltd.	37, 507, 823. 13	97. 54	-
ISSTech Information Technology Co., Ltd.	593, 247. 17	1. 54	
Shenzhen Wuhua Tianbao Software Co., Ltd.	102, 574. 26	0. 27	-
Shenzhen Lebang Construction Engineering Co., Ltd.	41, 600. 00	0. 11	-
Guangdong (Shenzhen) Petroleum Branch, Sinopec Sales Co., Ltd.	16, 240. 74	0. 04	-
Total	38, 261, 485. 30	99. 50	-

8. Inventories

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

(1) Inventory classification

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for decline in the value of inventories	Book value	Book balance	Provision for decline in the value of inventories	Book value
Raw material	104, 324, 596. 41	15, 028, 496. 75	89, 296, 099. 66	32, 186, 382. 35	14, 959, 426. 51	17, 226, 955. 84
Goods in stocks	8, 789, 356. 39	8, 789, 356. 39		35, 204, 271. 37	15, 553, 427. 93	19, 650, 843. 44
Hedged items	85, 802, 395. 07		85, 802, 395. 07	79, 191, 876. 11		79, 191, 876. 11
Consigned processing materials	327, 656. 05		327, 656. 05			
Goods sold on a commission basis	2, 999, 683. 10		2, 999, 683. 10			
Total	202, 243, 687. 02	23, 817, 853. 14	178, 425, 833. 88	146, 582, 529. 83	30, 512, 854. 44	116, 069, 675. 39

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — Industrial Information Disclosure* for jewelry-related business.

(2) Provision for decline in the value of inventories/contract performance cost impairment

Unit: RMB

Item	Beginning balance	Increase in current year		Decrease in current year		Ending balance
		Accrual	Others	Reversal or write-off	Others	
Raw material	14,959,426.51	116,803.81			47,733.57	15,028,496.75
Goods in stocks	15,553,427.93	92,009.98		1,459,231.10	5,396,850.42	8,789,356.39
Total	30,512,854.44	208,813.79		1,459,231.10	5,444,583.99	23,817,853.14

9. Current portion of non-current assets

Unit: RMB

Item	Ending balance	Beginning balance
Certificates of deposit and interests due within one year	55,206,250.00	
Total	55,206,250.00	

10. Other current assets

Unit: RMB

Item	Ending balance	Beginning balance
Input VAT to be deducted	27,618,761.58	17,764,057.26
Taxes pre-paid	1,423,927.12	582,654.29
Certificates of deposit for one year	75,791,108.89	
Total	104,833,797.59	18,346,711.55

11. Other debt investments**(1) Information on other debt investments**

Unit: RMB

Item	Beginning balance	Accrued interests	Interest adjustment	Changes in fair value in the current period	Ending balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Note
Negotiable certificates of deposit					67,627,948.60	67,038,381.94	589,566.66		
Total					67,627,948.60	67,038,381.94	589,566.66		

Changes in provision for impairment of other debt investments in the current period

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Negotiable certificates of deposit		67,627,948.60		67,627,948.60
Total		67,627,948.60		67,627,948.60

12. Other equity instrument investments

Unit: RMB

Project Name	Ending balance	Beginning balance	Gains or losses included in other comprehensive income in the current period	Gains or losses included in other comprehensive income in the current period	Gains accumulated into other comprehensive income at the end of current period	Losses accumulated into other comprehensive income at the end of current period	Dividend income recognized in the current period	Reasons for being measured at designated fair value with their changes included in other comprehensive income
Investment in unlisted equity instruments	383,317.67	10,176,617.20		-9,793,299.53		-9,793,299.53		
Total	383,317.67	10,176,617.20		-9,793,299.53		-9,793,299.53		

13. Long-term receivables

(1) Long-term receivables

Unit: RMB

Item	Ending balance			Beginning balance			Discount rate range
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Transactions with related parties	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		-
Total	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance			Beginning balance		
	Book balance	Bad debt provision	Bo	Book balance	Bad debt provision	B

	Amount	Proportion	Amount	Provision proportion	Book value	Amount	Proportion	Amount	Provision proportion	Book value
Provision for bad debts recognized individually	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	
Including:										
Including:										
Total	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	

14. Long-term equity investments

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Changes in the current period							Ending balance (book value)	Ending balance of impairment provision	
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments in other comprehensive income	Changes in other equity	Cash dividend or profit declared to distribute	Provisions for impairment			Others
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	47,143,720.13				17,107,124.93				15,000,000.00		49,250,845.06	
Shenzhen Telixing Investment Co., Ltd.	14,200,897.13				-898,585.53						13,302,311.60	
Subtot	61,344,617.26				16,208,539.40				15,000,000.00		62,553,156.66	

al	4,617 .26				8,539 .40			0,000 .00			3,156 .66	
II. Associates												
Shenz hen Renfu Tellus Autom obiles Servic e Co., Ltd.	19,67 9,748 .68				3,664 ,296. 75			9,385 ,714. 52			13,95 8,330 .91	
Shenz hen Tellus Autom obile Servic e Chain Co., Ltd.												
Shenz hen Yongt ong Xinda Testin g Equip ment Co., Ltd.												
Hunan Chang yang Industr ial Co., Ltd.		1,810 ,540. 70										1,810 ,540. 70
Shenz hen Jieche ng Electro nics Co., Ltd.		3,225 ,000. 00										3,225 ,000. 00
Shenz hen Xianda o New Materi als Co., Ltd.		4,751 ,621. 62										4,751 ,621. 62
China Autom		400,0 00.00										400,0 00.00

otive Industr y Shenz hen Tradin g Co., Ltd.												
Shenz hen Univer sal Standa rd Parts Co., Ltd.		500,0 00.00										500,0 00.00
Shenz hen China Autom obile South China Autom obile Sales Co., Ltd.		2,250 ,000. 00										2,250 ,000. 00
Shenz hen Bailiy uan Power Supply Co., Ltd.		1,320 ,000. 00										1,320 ,000. 00
Shenz hen Yimin Auto Tradin g Co., Ltd.		200,0 01.10										200,0 01.10
Shenz hen Torch Spark Plug Industr y Co., Ltd.		17,84 9.20										17,84 9.20
Shenz hen Hanli High Tech Ceram		1,956 ,000. 00										1,956 ,000. 00

ics Co., Ltd.												
Shenz hen Nanfa ng Autom obile Repair Center		6,700 ,000. 00									6,700 ,000. 00	
Subtot al	19,67 9,748 .68	23,13 1,012 .62			3,664 ,296. 75			9,385 ,714. 52			13,95 8,330 .91	23,13 1,012 .62
Total	81,02 4,365 .94	23,13 1,012 .62			19,87 2,836 .15			24,38 5,714 .52			76,51 1,487 .57	23,13 1,012 .62

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

Applicable Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

Applicable Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information or external information used in the impairment test of previous years

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

Other notes:

15. Investment properties

(1) Investment properties measured at cost

Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construct ion in progress	Total
I. Original book value				
1. Beginning balance	630,510,174.94	49,079,520.00		679,589,694.94
2. Amount increased in the current period	474,081,142.76	46,587,562.86		520,668,705.62
(1) Outsourcing				
(2) Transferred from inventory / fixed assets / construction in progress	474,081,142.76			474,081,142.76
(3) Increase due to business merger				
(4) Transferred from intangible assets		46,587,562.86		46,587,562.86
3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	1,104,591,317.70	95,667,082.86		1,200,258,400.56

II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	158,767,972.34	4,461,583.15	163,229,555.49
2. Amount increased in the current period	27,023,293.56	1,868,209.71	28,891,503.27
(1) Provision or amortization	27,023,293.56	1,868,209.71	28,891,503.27
3. Amount decreased in the current period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance	185,791,265.90	6,329,792.86	192,121,058.76
III. Provision for impairment			
1. Beginning balance			
2. Amount increased in the current period			
(1) Accrual			
3. Amount decreased in the current period			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance			
IV. Book value			
1. Ending book value	918,800,051.80	89,337,290.00	1,008,137,341.80
2. Beginning book value	471,742,202.60	44,617,936.85	516,360,139.45

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

Applicable Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

Applicable Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information or external information used in the impairment test of previous years

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

(2) Investment properties measured at fair value

Applicable Not applicable

(3) Investment properties whose property certificates are not obtained

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Shops in Building 12, Sungang	23,163.75	Due to historical reasons, the property ownership certificate has not been handled
CNNC Office Building	3,953,969.61	Due to historical reasons, the property

		ownership certificate has not been handled
Building 12, Sungang	9, 517. 89	Due to historical reasons, the property ownership certificate has not been handled
Total	3, 986, 651. 25	

16.Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	78, 935, 843. 49	102, 689, 546. 42
Fixed assets for disposal		
Total	78, 935, 843. 49	102, 689, 546. 42

(1) Details of fixed assets

Unit: RMB

Item	Houses and buildings	Machinery and equipment	Transportation equipment	Electronic equipment	Fixed assets of decoration	Office and other equipment	Total
I. Original book value:							
1. Beginning balance	282, 928, 324. 11	22, 445, 763. 74	5, 475, 367. 29	10, 893, 270. 06	1, 569, 294. 59	8, 869, 127. 96	332, 181, 147. 75
2. Amount increased in the current period		508, 297. 35	559, 625. 73	348, 390. 45		415, 160. 52	1, 831, 474. 05
(1) Purchase		508, 297. 35	559, 625. 73	348, 390. 45		415, 160. 52	1, 831, 474. 05
(2) Transferred from projects under construction							
(3) Increase due to business merger							
3. Amount decreased in the current period	64, 346, 975. 91	6, 290, 377. 75	3, 948, 465. 29	3, 823, 103. 17	427, 835. 53	1, 108, 639. 69	79, 945, 397. 34
(1) Disposal or scrapping		1, 608, 826. 89	3, 948, 465. 29	249, 409. 37		813, 673. 24	6, 620, 374. 79
(2) Changes	64, 346, 975	4, 681, 550.		3, 573, 693.	427, 835. 53	294, 966. 45	73, 325, 022

in consolidation scope	. 91	86		80			. 55
4. Ending balance	218, 581, 34 8. 20	16, 663, 683 . 34	2, 086, 527. 73	7, 418, 557. 34	1, 141, 459. 06	8, 175, 648. 79	254, 067, 22 4. 46
II. Accumulated depreciation							
1. Beginning balance	197, 126, 97 0. 69	10, 908, 692 . 02	3, 794, 318. 81	7, 350, 551. 82	949, 921. 75	4, 992, 292. 92	225, 122, 74 8. 01
2. Amount increased in the current period	6, 059, 966. 56	1, 046, 575. 24	237, 810. 32	829, 644. 52	19, 252. 60	839, 459. 79	9, 032, 709. 03
(1) Accrual	6, 059, 966. 56	1, 046, 575. 24	237, 810. 32	829, 644. 52	19, 252. 60	839, 459. 79	9, 032, 709. 03
3. Amount decreased in the current period	53, 463, 711 . 74	4, 223, 403. 61	2, 280, 559. 64	3, 337, 058. 61	109, 098. 02	790, 293. 76	64, 204, 125 . 38
(1) Disposal or scrapping		426, 806. 73	1, 436, 181. 30	249, 069. 27		588, 303. 21	2, 700, 360. 51
(2) Changes in consolidation scope	53, 463, 711 . 74	3, 796, 596. 88	844, 378. 34	3, 087, 989. 34	109, 098. 02	201, 990. 55	61, 503, 764 . 87
4. Ending balance	149, 723, 22 5. 51	7, 731, 863. 65	1, 751, 569. 49	4, 843, 137. 73	860, 076. 33	5, 041, 458. 95	169, 951, 33 1. 66
III. Provision for impairment							
1. Beginning balance	3, 555, 385. 70	411, 135. 22	6, 165. 00	49, 190. 85	281, 382. 73	65, 593. 82	4, 368, 853. 32
2. Amount increased in the current period		465, 698. 40		249, 335. 72		123, 087. 66	838, 121. 78
(1) Accrual		465, 698. 40		249, 335. 72		123, 087. 66	838, 121. 78
3. Amount decreased in the current		5, 215. 34		21, 710. 45			26, 925. 79

period							
(1) Disposal or scrapping				2,215.73			2,215.73
(2) Changes in consolidation scope		5,215.34		19,494.72			24,710.06
4. Ending balance	3,555,385. 70	871,618.28	6,165.00	276,816.12	281,382.73	188,681.48	5,180,049. 31
IV. Book value							
1. Ending book value	65,302,736 .99	8,060,201. 41	328,793.24	2,298,603. 49		2,945,508. 36	78,935,843 .49
2. Beginning book value	82,245,967 .72	11,125,936 .50	1,674,883. 48	3,493,527. 39	337,990.11	3,811,241. 22	102,689,54 6.42

(2) Fixed assets leased out by operating lease

Unit: RMB

Item	Book value at the end of the period
Houses and buildings	59,573,894.32

(3) Fixed assets whose property certificates are not obtained

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	22,426,095.19	Due to historical reasons, the property ownership certificate has not been handled
Automobile Building	20,682,213.64	Due to historical reasons, the property ownership certificate has not been handled
Parking Lot of Tellus Building	7,451,101.64	The property ownership certificate of the parking lot cannot be handled.
Floor 3-5, Plant 1#, 2# and 3#, Taoyuan Road	2,752,765.03	Due to historical reasons, the property ownership certificate has not been handled
Transfer floor(s) of Tellus Building	1,202,660.36	Unable to apply for property ownership certificate
No.16 Apartment of Taohuayuan	1,006,978.98	Due to historical reasons, the property ownership certificate has not been handled
Warehouse	707,217.25	Due to historical reasons, the property ownership certificate has not been handled
First Floor of Bao'an Commercial and Residential Building	681,044.12	Due to historical reasons, the property ownership certificate has not been handled

Shuibe Zhongtian Building	510,646.80	Due to historical reasons, the property ownership certificate has not been handled
Warehouse of Trade Department	49,143.49	Due to historical reasons, the property ownership certificate has not been handled
Songquan Apartment (mixed)	10,086.79	Due to historical reasons, the property ownership certificate has not been handled
Buxin Generator Room	8,046.78	Due to historical reasons, the property ownership certificate has not been handled
Factory and shop 5-7 of Buxin Road	35,578.82	Due to historical reasons, the property ownership certificate has not been handled
Guest House on Renmin North Road	5,902.41	Due to historical reasons, the property ownership certificate has not been handled
Total	57,529,481.30	

(4) Impairment test of fixed assets

Applicable Not applicable

17. Projects under construction

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	7,279,570.05	409,933,559.27
Total	7,279,570.05	409,933,559.27

(1) Information of projects under construction

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Tellus Gold and Diamond Trading Building				409,808,714.95		409,808,714.95
Renovation of Exhibition Hall and Treasury Area of the Sunken Area on B1 of Tellus Jewelry Building	4,740,393.23		4,740,393.23			
Reconstruction and Upgrading of Shuibe	808,507.65		808,507.65			

Zhongtian Building						
Decoration of Annex Building of Tellus Gold and Diamond Building	108,945.00		108,945.00			
Other projects	1,621,724.17		1,621,724.17	124,844.32		124,844.32
Total	7,279,570.05		7,279,570.05	409,933,559.27		409,933,559.27

(2) Changes in major construction-in-progress projects in the current period

Unit: RMB

Project Name	Budget	Beginning balance	Increase in current year	Amount transferred into fixed assets in the current period	Other decreases in the current period	Ending balance	Proportion of accumulated project investment in budgets	Construction progress	Accumulated amount of capitalized interest	Including: Amount of capitalized interest in the current period	Capitalization rate for current interest	Source of funds
Tellus Gold and Diamond Trading Building	491,060.00	409,808,714.95	53,179,815.06	462,988,530.01		0.00	94.28%	100%	8,087,368.43	1,776,046.66	3.50%	Others
Total	491,060.00	409,808,714.95	53,179,815.06	462,988,530.01		0.00			8,087,368.43	1,776,046.66	3.50%	

(3) Impairment test of projects under construction

Applicable Not applicable

18. Right-of-use assets

(1) Right-of-use assets

Unit: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	10,149,723.83	10,149,723.83
2. Amount increased in the current period	74,305,047.63	74,305,047.63
(1) Rent	74,305,047.63	74,305,047.63
3. Amount decreased in the current period	3,823,465.75	3,823,465.75

period		
(1) Due	3,823,465.75	3,823,465.75
4. Ending balance	80,631,305.71	80,631,305.71
II. Accumulated depreciation		
1. Beginning balance	5,968,480.97	5,968,480.97
2. Amount increased in the current period	6,481,996.22	6,481,996.22
(1) Accrual	6,481,996.22	6,481,996.22
3. Amount decreased in the current period	3,723,887.98	3,723,887.98
(1) Disposal		
(2) Due	3,723,887.98	3,723,887.98
4. Ending balance	8,726,589.21	8,726,589.21
III. Provision for impairment		
1. Beginning balance		
2. Amount increased in the current period		
(1) Accrual		
3. Amount decreased in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	71,904,716.50	71,904,716.50
2. Beginning book value	4,181,242.86	4,181,242.86

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

Applicable Not applicable

19. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use right	Patent right	Non-patented technologies	Trademark	Computer software	Total
I. Original book value						
1. Beginning balance	50,661,450.00			128,500.00	6,981,220.20	57,771,170.20
2. Amount increased in the current period	1,485,157.77				388,165.70	1,873,323.47

(1) Purchase					388,165.70	388,165.70
(2) Internal R&D						
(3) Increase due to business merger						
(4) Other increases	1,485,157.77					1,485,157.77
3. Amount decreased in the current period	50,178,756.77				173,000.00	50,351,756.77
(1) Disposal						
(2) Transfer to investment properties	50,178,756.77					50,178,756.77
(3) Changes in consolidation scope					173,000.00	173,000.00
4. Ending balance	1,967,851.00		128,500.00		7,196,385.90	9,292,736.90
II. Accumulated amortization						
1. Beginning balance	3,945,345.32		105,675.32		3,912,133.84	7,963,154.48
2. Amount increased in the current period	448,525.08		5,312.46		724,168.18	1,178,005.72
(1) Accrual	448,525.08		5,312.46		724,168.18	1,178,005.72
3. Amount decreased in the current period	3,591,193.91				173,000.00	3,764,193.91
(1) Disposal						
(2) Transfer to investment properties	3,591,193.91					3,591,193.91
(3) Changes in consolidation scope					173,000.00	173,000.00
4. Ending balance	802,676.49		110,987.78		4,463,302.02	5,376,966.29
III. Provision for impairment						
1. Beginning balance						
2. Amount increased in the current period						
(1) Accrual						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	1,165,174.51		17,512.22		2,733,083.88	3,915,770.61
2. Beginning book value	46,716,104.68		22,824.68		3,069,086.36	49,808,015.72

(2) Impairment test of intangible assets

Applicable Not applicable

20. Long-term deferred expenses

Unit: RMB

Item	Beginning balance	Increase in current year	Amortization amount of the current period	Other decreased amount	Ending balance
Decoration engineering	25,876,099.49	18,963,461.68	6,447,382.15		38,392,179.02
Total	25,876,099.49	18,963,461.68	6,447,382.15		38,392,179.02

21. Deferred tax assets/deferred tax liabilities**(1) Deferred tax assets not offset**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deductible losses	12,429,491.12	3,107,372.77		
Credit impairment provision	35,059,422.28	8,764,855.57	34,072,935.08	8,518,233.77
Deferred income	687,408.75	171,852.19		
Changes in fair value of held-for-trading financial assets	13,705,388.76	3,426,347.19		
Changes in fair value of other equity instrument investments	9,793,299.53	2,448,324.88		
Lease liabilities	79,671,619.30	19,917,904.83		
Total	151,346,629.74	37,836,657.43	34,072,935.08	8,518,233.77

(2) Deferred tax liabilities not offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Accelerated depreciation of fixed assets	562,445.00	140,611.25		
Time difference of income tax due to allocation of rent-free period income	19,145,855.24	4,786,463.81	4,540,124.44	1,135,031.11
Measurement of remaining equity fair value	67,398,061.80	16,849,515.45		
Right-of-use assets	74,533,199.60	18,633,299.90		
Total	161,639,561.64	40,409,890.41	4,540,124.44	1,135,031.11

(3) Deferred tax assets or liabilities presented in net amount after being offset

Unit: RMB

Item	Mutual off-set amount of deferred tax assets and liabilities at the period end	Ending balance of deferred tax assets or liabilities after offset	Mutual off-set amount of deferred tax assets and liabilities at the period beginning	Beginning balance of deferred tax assets or liabilities after offset
Deferred tax assets		37,836,657.43		8,518,233.77
Deferred tax liabilities		40,409,890.41		1,135,031.11

(4) Details of unrecognized deferred tax assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	123,519,997.09	128,561,177.79
Deductible losses	22,073,706.37	23,458,252.21
Total	145,593,703.46	152,019,430.00

(5) Deductible losses of unrecognized deferred tax assets will become mature and due in the following years

Unit: RMB

Year	Ending amount	Opening amount	Note
Year 2023			
2024		113,396.51	
2025	3,230,232.35	9,002,510.80	
2026	8,589,171.35	8,816,324.17	
2027	4,821,009.13	5,526,020.73	
2028	5,433,293.54		
Total	22,073,706.37	23,458,252.21	

22. Other non-current assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for project	47,071,710.51		47,071,710.51	49,631,706.19		49,631,706.19
Reclassification of VAT debit balance	8,385,565.03		8,385,565.03	8,572,664.86		8,572,664.86
Large-denomination certificates of deposit and interest due	41,431,777.78		41,431,777.78	96,322,575.78		96,322,575.78

over one year					
Prepayments for software	164,000.00		164,000.00		
Total	97,053,053.32		97,053,053.32	154,526,946.83	154,526,946.83

23. Assets with restricted ownership or use right

Unit: RMB

Item	End of period				Beginning of period			
	Book balance	Book value	Restricted type	Restrictions	Book balance	Book value	Restricted type	Restrictions
Cash at bank and on hand	60,117,573.95	60,117,573.95	Security deposits	Security deposits and futures margin for bank gold leasing	21,621,498.00	21,621,498.00	Supervision funds and security deposits	Supervision funds and futures & option account margin of Plot 03 of the Tellus Gimeng Gold Jewelry Industry Park Upgrading and Reconstruction Project
Intangible assets					45,447,359.01	45,447,359.01	Mortgage	Bank borrowing mortgage
Total	60,117,573.95	60,117,573.95			67,068,857.01	67,068,857.01		

24. Short-term borrowing

(1) Classification of short-term borrowing

Unit: RMB

Item	Ending balance	Beginning balance
Credit borrowing	145,131,694.44	
Discounted borrowings of notes receivable not derecognized		20,000,000.00
Total	145,131,694.44	20,000,000.00

25. Held-for-trading financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Including:		
Financial liabilities designated as measured at fair value through profit and	56,881,954.76	18,572,684.91

loss		
Including:		
Gold leasing	56,881,954.76	18,572,684.91
Total	56,881,954.76	18,572,684.91

Other notes:

Note: The financial liabilities designated to be measured at fair value and with their changes included in current profits and losses are the liabilities formed by the accounting company's gold physical leasing business with banks. The Company rents gold from the bank and buys gold of the same quantity and specification through Shanghai Gold Exchange on the maturity date to repay the bank and pay the agreed rental interest. The lease term is within 1 year. As of December 31, 2023, the cost of financial liabilities is RMB 53,588,960.00, the change in fair value is RMB 3,002,660.00 as a loss, and the interest payable is RMB 290,334.76.

26. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Derivative financial liabilities with designated hedging relationship	1,380.00	489,360.00
Total	1,380.00	489,360.00

27. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Ending balance	Beginning balance
Purchase payment for goods and services	6,150,884.19	5,397,040.27
Payment for engineering equipment	129,683,530.20	119,319,760.44
Total	135,834,414.39	124,716,800.71

(2) Significant accounts payable with the account receivable age of over 1 year

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying over
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,298,954.80	Project(s) unsettled
China Construction First Building (Group) Corporation Limited	7,341,720.70	Project(s) unsettled
Shenzhen SDG Real Estate Co., Ltd.	6,054,855.46	Outstanding by related companies
Shenzhen Yinuo Construction Engineering Co., Ltd.	3,555,095.22	Project(s) unsettled
Shenzhen SDG Engineering Management Co., Ltd.	1,104,477.06	Outstanding by related companies
Total	46,355,103.24	

28. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	126,826,966.60	105,180,279.00
Total	126,826,966.60	105,180,279.00

(1) Other payables**1) Other payables presented by nature of payment**

Unit: RMB

Item	Ending balance	Beginning balance
Deposit and security deposit	61,572,033.08	42,765,478.88
Current accounts associated	13,217,780.83	18,990,738.98
Withdrawal in advance	14,559,784.33	11,499,312.36
Temporary receipts payable	37,477,368.36	31,924,748.78
Total	126,826,966.60	105,180,279.00

2) Other significant accounts payable with the account receivable age of over 1 year or overdue

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying over
Shenzhen Kong Fook Jewelry Supply Chain Co., Ltd.	3,000,000.00	Undue security
Hongkong Yujia Investment Limited	2,146,404.58	No repayment from related company
Total	5,146,404.58	

29. Advances from customers**(1) Advances from customers**

Unit: RMB

Item	Ending balance	Beginning balance
Rent	4,306,567.65	6,119,377.90
Total	4,306,567.65	6,119,377.90

30. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Goods fees receivable in advance	2,628,855.25	4,581,999.11
Services fees receivable in advance	4,451,120.13	4,677,659.32
Total	7,079,975.38	9,259,658.43

31. Employee compensation payable**(1) Employee compensation payable**

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	38,550,181.70	56,983,637.48	62,108,463.03	33,425,356.15
II. Post-employment benefits— Defined contribution plan		4,806,720.83	4,806,720.83	
III. Dismissal welfare		29,544,249.87	29,544,249.87	
Total	38,550,181.70	91,334,608.18	96,459,433.73	33,425,356.15

(2) Short-term employee benefits

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Salaries, bonuses, allowances, and subsidies	37,734,999.53	48,669,608.71	53,066,391.15	33,338,217.09
2. Employee benefits	23,190.00	47,953.26	71,143.26	
3. Social insurance premiums		2,208,891.43	2,208,891.43	
Including: medical insurance premium		1,965,092.38	1,965,092.38	
Work-related injury insurance premium		80,964.71	80,964.71	
Maternity insurance premium		162,834.34	162,834.34	
4. Housing provident fund	1,012.80	3,886,186.53	3,886,186.53	1,012.80
5. Trade union funds and staff education funds	224,279.37	1,008,573.00	1,232,226.11	626.26
8. Others	566,700.00	1,162,424.55	1,643,624.55	85,500.00
Total	38,550,181.70	56,983,637.48	62,108,463.03	33,425,356.15

(3) Defined contribution plan

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance		4,771,126.10	4,771,126.10	
2. Unemployment insurance		35,594.73	35,594.73	
Total		4,806,720.83	4,806,720.83	

32. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance
Value-added tax	1,753,636.75	3,220,124.57
Corporate income tax	7,692,722.34	6,942,460.17
Individual income tax	1,174,933.55	1,895,926.96

Urban maintenance and construction tax	89,600.86	178,605.67
Education surcharges	79,842.74	143,450.67
Land use tax		40,949.07
Land appreciation tax	17,386,832.46	5,362,682.64
Stamp duty	526,135.54	
Other taxes and fees	153,743.82	1,107,593.09
Total	28,857,448.06	18,891,792.84

33. Current portion of non-current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of lease liabilities	7,304,647.32	2,009,819.15
Total	7,304,647.32	2,009,819.15

34. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Output tax to be transferred	3,388,998.35	548,507.70
Reversal of notes receivable not derecognized		67,812,500.00
Total	3,388,998.35	68,361,007.70

35. Long-term borrowings

(1) Classification of long-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Mortgage loan		144,820,511.42
Total		144,820,511.42

36. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	69,524,214.23	2,926,184.93
Total	69,524,214.23	2,926,184.93

37. Long-term payables

Unit: RMB

Item	Ending balance	Beginning balance
Long-term payables	3,920,160.36	3,920,160.36
Total	3,920,160.36	3,920,160.36

(1) Long-term payables by nature of payment

Unit: RMB

Item	Ending balance	Beginning balance
Employee housing deposit	3,908,848.40	3,908,848.40
Grants for technology innovation projects	11,311.96	11,311.96
Subtotal	3,920,160.36	3,920,160.36

38. Estimated liabilities

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation	268,414.80	268,414.80	Pending litigation
Total	268,414.80	268,414.80	

39. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government subsidy	10,579,545.71	1,085,610.00	2,047,472.18	9,617,683.53	
Total	10,579,545.71	1,085,610.00	2,047,472.18	9,617,683.53	--

40. Capital stock

Unit: RMB

	Beginning balance	Increase or decrease (+, -)					Ending balance
		Issuance of new shares	Stock dividend	Conversion of the reserve funds into shares	Others	Subtotal	
Total shares	431,058,320.00						431,058,320.00

41. Capital reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (stock premium)	425,768,053.35		583,146.01	425,184,907.34
Other capital reserves	5,681,501.16			5,681,501.16
Total	431,449,554.51		583,146.01	430,866,408.50

Decrease in the current period: Nisen International Co., Ltd. withdrew from the merger scope of its subsidiary Shenzhen Tefa Huari Automobile Enterprise Co., Ltd. in 2007, and the unmade losses directly included in the equity portion were returned to the capital reserve adjusted by share ratio. The compulsory liquidation of the current factor company, Shenzhen Tefa Huari

Automobile Enterprise Co., Ltd. is no longer included in the scope of the merger, and the corresponding capital reserves are transferred out.

42. Other comprehensive income

Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive incomes in the previous period but transferred to profit and loss in the current period	Less: Profit or loss included in other comprehensive income at early stage and transferred to the retained earnings in the current period	Less: income tax expenses	Net after-tax income attributable to parent company	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified through profit or loss						-7,344,974.65		-7,344,974.65
Changes in fair value of other equity instrument investments						-7,344,974.65		-7,344,974.65
II. Other comprehensive income to be reclassified through profit or loss	26,422.00							26,422.00
Including: Other comprehensive income convertible to profit or loss under the equity method	26,422.00							26,422.00
Total of other comprehensive income	26,422.00					-7,344,974.65		-7,318,552.65

43. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserve	52,499,172.13	11,457,114.33		63,956,286.46
Total	52,499,172.13	11,457,114.33		63,956,286.46

44. Undistributed profit

Unit: RMB

Item	Current period	Previous period
Undistributed profit before adjustment at the end of the previous year	590,605,394.67	543,843,496.85
Adjust the total undistributed profit at the beginning of the year (increase to be marked by +, decrease to be marked by -)	8,804.40	
Undistributed profits at the beginning of the period after adjustment	590,614,199.07	543,843,496.85
Add: current net profit attributable to the parent company's owners	118,255,140.84	83,496,135.61
Less: withdrawal of statutory surplus reserves	11,457,114.33	25,952,692.04
Ordinary share dividends payable	12,069,632.96	10,781,545.75
Undistributed profits at the end of the period	685,342,592.62	590,605,394.67

Breakdown of adjustments to undistributed profits at the beginning of the period

- 1) Due to retroactive adjustment of Accounting Standards for Business Enterprises and its relevant new regulations, the affected retained earning at the beginning of the period is RMB 0.00.
- 2) Due to changes in accounting policies, the affected undistributed profit at the beginning of the period is RMB 8,804.40.
- 3) Due to correction of major accounting error, the affected retained earnings at the beginning of the period are 0.00 yuan.
- 4) The amount that will affect the undistributed profit at the beginning of the year due to change of consolidation scope as a result of common control is RMB 0.00.
- 5) Amount of the undistributed profit at the beginning of the year that will be affected due to total of other adjustments is RMB 0.00.

45. Operating revenue and operating cost

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	1,840,775,590.72	1,644,301,037.12	830,367,312.21	693,409,590.68
Other business	5,963,251.17	4,036,162.48	7,288,962.30	6,879,652.74
Total	1,846,738,841.89	1,648,337,199.60	837,656,274.51	700,289,243.42

Audited net profit before and after deducting non-recurring gains and losses (whichever is lower, negative value or not)

□Yes No

Breakdown information of operating revenues and operating costs:

Unit: RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business Type								
Including:								
Jewelry sales and services	1,542,107,225.96	1,514,822,240.15					1,542,107,225.96	1,514,822,240.15
Leasing and services	250,517,470.48	85,282,344.36					250,517,470.48	85,282,344.36
Automobile sales	42,638,840.47	38,385,230.69					42,638,840.47	38,385,230.69
Automobile maintenance and testing	11,475,304.98	9,847,384.40					11,475,304.98	9,847,384.40
By operating regions								
Including:								
South China	1,417,912,052.46	1,227,470,886.16					1,417,912,052.46	1,227,470,886.16
East China	335,179,719.17	328,741,786.92					335,179,719.17	328,741,786.92
North China	85,710,840.18	84,311,790.11					85,710,840.18	84,311,790.11
Central China	6,925,197.35	6,817,436.10					6,925,197.35	6,817,436.10
Other regions	1,011,032.73	995,300.32					1,011,032.73	995,300.32
By market or customer type								
Including:								
By contract type								
Including:								
By time of transfer of goods								
Including:								
By contract term								

Including:								
By sales channel								
Including:								
Total	1,846,738,841.89	1,648,337,199.60					1,846,738,841.89	1,648,337,199.60

46. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	1,077,410.34	673,134.05
Education surcharges	461,747.20	293,781.70
Real estate tax	7,253,212.27	4,699,229.57
Land use tax	412,099.40	255,483.11
Land appreciation tax	11,997,689.82	
Stamp duty	1,718,798.56	1,211,281.94
Local educational surcharges	307,831.47	195,854.47
Vehicle and vessel use tax	1,320.00	5,447.92
Total	23,230,109.06	7,334,212.76

47. Administrative expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	68,670,655.46	36,915,969.42
Consulting and service fees	7,233,752.18	2,371,263.21
Depreciation and amortization	4,513,002.32	3,380,339.87
Office expenses	899,835.11	501,941.40
Hospitality expenses	130,697.36	227,403.28
Advertising expenses	151,938.34	233,491.72
Transport and travel expenses	359,259.18	156,715.15
Others	3,662,655.14	3,290,555.94
Total	85,621,795.09	47,077,679.99

48. Selling expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	7,129,402.58	11,309,494.91
Depreciation and amortization	2,562,163.21	4,461,473.09
Advertising marketing expenses	1,946,341.18	1,452,543.07
Utilities and cleaning fees	1,735,848.97	911,189.85
Office expenses	291,536.03	386,796.03
Hospitality expenses	301,268.22	369,463.33
Material consumption	9,253.40	131,482.51
Others	5,152,701.16	3,012,269.69
Total	19,128,514.75	22,034,712.48

49. R&D expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,849,878.34	517,100.50
Information technology service fee		268,755.28
Depreciation and amortization	115,917.44	16,898.02
Total	1,965,795.78	802,753.80

50. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Net interest expenses	9,444,953.16	338,730.75
Interest revenue	-4,682,945.54	-5,472,748.37
Exchange loss/profit	670,928.14	842,578.74
Handling charges and others	104,944.16	254,785.53
Total	5,537,879.92	-4,036,653.35

51. Other incomes

Unit: RMB

Sources of other incomes	Amount incurred in the current period	Amount incurred in the previous period
I. Government subsidies included in other incomes	8,480,891.46	6,575,043.88
Including: government subsidy related to deferred income	1,747,472.18	1,488,875.50
Government subsidies included in the current profits and losses	6,733,419.28	5,086,168.38
II. Other items related to daily activities and included in other incomes	10,158.93	49,829.40
Including: service fee for individual income tax withholding	10,158.93	49,829.40
Total	8,491,050.39	6,624,873.28

52. Income from changes in fair value

Unit: RMB

Source of gain from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets	-10,477,822.50	-860,218.33
Trading financial liabilities	-2,215,610.00	-787,050.00
Income from changes in fair value of hedging instruments	786,300.00	-489,360.00
Income from changes in fair value of hedging items	-101,030.68	543,878.09
Others	-120.00	
Total	-12,008,283.18	-1,592,750.24

53. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated by the equity method	19,872,836.15	10,897,171.28
Investment income from the disposal of long-term equity investments		8,785,410.47
Investment income from holding trading financial assets	3,132,190.40	12,132,798.02
Dividend income from investments in other equity instruments during the holding period		1,305,581.86
Profit from re-measurement of residual equity at fair value after loss of the right of control	69,552,580.12	
Closing income from commodity futures contracts and T+D contracts (hedging)	-5,314,788.02	-26,164.18
Closing income from commodity futures contracts and T+D contracts (no hedging specified)	-939,938.97	277,302.12
Interest income from large-denomination certificates of deposit	7,570,633.50	
Total	93,873,513.18	33,372,099.57

54. Credit impairment loss

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss of accounts receivable	-607,094.36	-206,852.71
Bad debt loss of other receivables	-107,251.93	-1,428,507.19
Total	-714,346.29	-1,635,359.90

55. Asset impairment losses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss on diminution in value of inventories and impairment loss on contract performance cost	-208,813.79	-1,616,086.03
IV. Loss on impairment of fixed assets	-838,121.78	-123,400.26
XII. Others		-100,000.00
Total	-1,046,935.57	-1,839,486.29

56. Income on disposal of assets

Unit: RMB

Sources of income from asset disposal	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposal of fixed assets (losses to be listed with "-")	-59,110.10	40,765.92

57. Non-operating income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount charged to non-recurring profit or loss
Gains from unpayable payments	1,620,390.54	2,031,600.42	1,620,390.54
Others	770,443.76	2,103,054.01	770,443.76
Total	2,390,834.30	4,134,654.43	2,390,834.30

58. Non-operating expenditures

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount charged to non-recurring profit or loss
Loss from retirement of non-current assets	17,991.92	26,698.77	17,991.92
Inventory loss of fixed assets		344.92	
Overdue fine and liquidated damage expenditure	185,239.70	35.56	185,239.70
Others	116,065.40	389,383.00	116,065.40
Total	319,297.02	416,462.25	319,297.02

59. Income tax expenses

(1) List of income tax expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	29,670,941.56	21,369,893.20
Deferred income tax expenses	12,413,564.92	153,302.88
Total	42,084,506.48	21,523,196.08

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Amount incurred in the current period
Total profit	153,524,973.40
Income tax expenses at legal/applicable tax rate	38,381,243.35
Impact of the different tax rate applicable to subsidiaries	-1,507,681.03
Impact of income tax adjusted in previous period	1,416,729.31
Effect of cost, expense and loss nondeductible	3,383,829.40
Profit or loss of joint ventures and associates calculated by equity method	-4,786,295.21

Effect of using previously unrecognized deductible losses of previous years and deductible temporary differences (to be listed with "-")	-1, 571, 079. 25
Effect of using previously unrecognized deductible losses and deductible temporary differences	6, 767, 759. 91
Income Tax Expense	42, 084, 506. 48

60. Other comprehensive income

Refer to Note V 42 for details.

61. Items in the cash flow statement

(1) Other cash related to operating activities

Other received cash related to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Deposit and security deposit	30, 178, 690. 12	1, 107, 514. 15
Interest revenue	4, 601, 226. 17	1, 871, 273. 53
Government subsidies received	5, 489, 668. 98	6, 838, 363. 60
Gold leasing deposit received	4, 040, 160. 00	
Current accounts and others	8, 984, 997. 82	13, 503, 115. 65
Total	53, 294, 743. 09	23, 320, 266. 93

Other cash paid relating to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Out-of-pocket expenses	24, 693, 611. 96	13, 437, 173. 48
Deposit and security deposit	18, 200, 617. 62	583, 931. 98
Penalty for breach of contract	78, 857. 09	389, 418. 56
Gold leasing deposit paid	49, 095, 661. 55	
Current accounts and others	15, 440, 288. 31	4, 408, 405. 00
Total	107, 509, 036. 53	18, 818, 929. 02

(2) Other cash related to investing activities

Other received cash related to investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Supervision funds received	10, 665, 656. 00	15, 998, 484. 00
Others	46, 628. 16	
Total	10, 712, 284. 16	15, 998, 484. 00

Other received cash related to important investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Structured deposits and financial products	210, 000, 000. 00	350, 000, 000. 00
Total	210, 000, 000. 00	350, 000, 000. 00

Other cash paid related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Security deposit for hedging instruments	1,466,070.40	8,955,842.00
List of SDG Huari	6,527,338.78	
Others	78,987.06	
Total	8,072,396.24	8,955,842.00

Other paid cash related to important investment activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Structured deposits and financial products	320,000,000.00	320,000,000.00
Total	320,000,000.00	320,000,000.00

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Lease security deposit received	253,420.00	
Total	253,420.00	

Other cash paid related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Capital paid to minority shareholders*	4,900,000.00	
Lease security deposit paid	1,515,467.96	
Principal and interest on lease liabilities paid	809,217.19	2,874,145.90
Total	7,224,685.15	2,874,145.90

Changes in liabilities due to financing activities

 Applicable Not applicable

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings		333,976,350.00	3,736,901.47	192,581,557.03		145,131,694.44
Long-term loans	144,820,511.42	25,693,122.83	4,511,712.61	175,025,346.86		
Lease liability	4,936,004.08		1,710,282.74	3,271,797.88		76,828,861.55
Total	149,756,515.50	359,669,472.83	9,958,896.82	370,878,701.77		221,960,555.99

62. Supplementary information of cash flow statement**(1) Supplementary information of cash flow statement**

Unit: RMB

Supplementary information	Amount for the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	111,440,466.92	81,319,463.85
Add: Provision for impairment of assets	1,761,281.86	3,474,846.19
Depreciation/consumption of fixed assets, oil and gas assets, and bearer biological assets	37,924,212.30	36,135,739.82
Depreciation of right-of-use assets	6,481,996.22	2,992,203.84
Intangible asset amortization	1,178,005.72	318,457.10
Amortization of long-term deferred expenses	6,447,382.15	5,145,426.72
Losses on the disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	-59,110.10	-14,067.15
Losses from retirement of fixed assets (gains to be listed with "-")	17,991.92	344.92
Losses from changes in fair value (gains to be listed with "-")	12,008,283.18	1,592,750.24
Financial expenses (gains to be listed with "-")	9,444,953.16	-2,420,165.35
Investment losses (gains to be listed with "-")	-93,873,513.18	-33,372,099.57
Decrease in deferred tax assets (increase to be listed with "-")	-29,318,423.66	-18,682.74
Increases in deferred tax liabilities (decrease to be listed with "-")	36,817,730.02	171,985.62
Decrease in inventories (increase to be listed with "-")	-54,724,534.68	-91,706,958.29
Decrease in operating receivables (increase to be listed with "-")	-102,166,911.92	109,076,820.34
Increase in operating items payable (decrease to be listed with "-")	-3,519,816.37	53,489,810.85
Others		
Net cash flow from operating activities	-60,140,006.46	-51,967,764.29
2. Major investment and financing activities not related to cash deposit and withdrawal		
Conversion of debt into capital		
Current portion of convertible corporate bonds		
Fixed assets acquired under financial leases	74,305,047.63	
3. Net changes in cash and cash equivalents:		
Ending balance of cash	160,223,387.69	391,406,829.36
Less: beginning balance of cash	391,406,829.36	211,655,585.86
Add: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-231,183,441.67	179,751,243.50

(2) Net cash received from disposal of subsidiaries in the current period

Unit: RMB

	Amount
Including:	

Less: cash and cash equivalents held by the subsidiary on the date when the control is lost	6,527,338.78
Including:	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	6,527,338.78
Including:	
Net cash received from the disposal of subsidiaries	-6,527,338.78

(3) Composition of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	160,223,387.69	391,406,829.36
Including: cash on hand	17,215.98	25,673.67
Bank deposits ready for payment	120,361,253.61	381,593,235.55
Other monetary capital ready for payment	39,844,918.10	9,787,920.14
III. Ending balance of cash and cash equivalents	160,223,387.69	391,406,829.36

(4) Monetary funds not belonging to cash or cash equivalents

Unit: RMB

Item	Amount for the current period	Amount in the previous period	Reasons for not belonging to cash and cash equivalents
Supervision funds for plot project of industrial park 03 upgrading and reconstruction		10,665,656.00	Constrained supervision funds for upgrading projects
Performance bond deposit		2,000,000.00	Performance bonds restricted
Gold lease security deposit	51,000,666.67		Deposits for gold leasing business restricted
Futures and options account margin	8,188,990.60	8,955,842.00	Deposits for gold futures trading business restricted
Amount of judicial control	600,000.00		Judicial control
Make deposit interest	327,916.68	-	Not actually received
Total	60,117,573.95	21,621,498.00	

63. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Foreign currency ending balance	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand			
Including: USD	9,855.92	7.0827	69,806.52

EUR			
HKD	32,246.93	0.9062	29,222.17
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term loans			
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	205,381.99	7.0827	1,454,659.02
Other payables			
Including: USD	12,481.28	7.0827	88,401.16

(2) The description of overseas operating entities, including main premises abroad, bookkeeping base currency and selection basis to be disclosed for the important overseas operating entities; reasons shall also be disclosed for the changed bookkeeping base currency.

Applicable Not applicable

64. Lease

(1) The Company as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Lease expenses for short-term leases or low-value assets that are simplified

Applicable Not applicable

(2) The Company as the lessor

Operating leases with the Company as the lessor

Applicable Not applicable

Unit: RMB

Item	Lease income	Including: incomes related to variable lease payment which is not included in the measurement of lease receipts
Lease	250,517,470.48	0.00
Total	250,517,470.48	

Finance lease with the Company as the lessor

Applicable Not applicable

Annual undiscounted lease receipts in the next five years

Applicable Not applicable

VIII. Changes in Consolidation Scope

1. Business merge under common control

2. Changes in consolidation scope for other reasons

Changes in the scope of consolidation due to other reasons (such as establishing new subsidiaries, liquidating subsidiaries) and related information:

The Company had multiple communications with the Japanese shareholder before and after the expiration of the business term of its subsidiary, SDG Huari, regarding SDG Huari's business term extension, equity transactions, dissolution, and liquidation, but consensus was not reached on any of these issues. Under the circumstance that the business term of SDG Huari has expired, and the Company and the Japanese shareholder could not set up a liquidation team to carry out liquidation within fifteen days from the date of expiration of the business term of SDG Huari, as the shareholder holding 60% equity of SDG Huari, the Company applied in October 2022 for the appointment of a liquidation team designated by the People's Court to carry out compulsory liquidation of SDG Huari according to Articles 180 and 183 of the Company Law of the People's Republic of China and Article 7 of the Provisions (II) of the Supreme People's Court on Several Issues Concerning the Application of the Company Law of the People's Republic of China.

On December 21, 2022, the Shenzhen Qianhai Cooperation Zone People's Court in Guangdong Province issued [2023] Y0391 QS No.9 Civil Ruling, deciding to accept the Company's application for liquidation against SDG Huari.

On March 21, 2023, the Company received the Decision on Appointing a Liquidation Team ([2023] Y0391 QQ No. 4) served by the Shenzhen Qianhai Cooperation Zone People's Court, which designated King & Wood Mallesons Shenzhen Office as the SDG Huari Liquidation Team. The liquidation team reported its work to the court, accepted the supervision of the court and creditors and shareholders of the Company, and exercised various functions and powers in accordance with legal procedures during liquidation.

According to the relevant provisions of the Company Law, the liquidation team designated by the court shall be responsible for safeguarding, sorting, and disposing of the liquidated company's assets during the liquidation period, settling debts, and handling outstanding business until the final deregistration of the company. During the liquidation period, Tellus Holding as a shareholder could no longer control the business decisions of SDG Huari and could not unilaterally apply to the court to revoke the liquidation of SDG Huari. Therefore, after the court appointed a liquidation group, Tellus Holding lost control over SDG Huari and should not include SDG Huari in its consolidation scope unless there was significant influence.

IX. Equity in Other Entities

1. Interests in subsidiaries

(1) Composition of the group

Unit: RMB

Name of subsidiary	Registered capital	Principal place of businesses	Registered location	Business nature	Shareholding proportion		Acquisition method
					Direct	Indirect	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	32,900,000.00	Shenzhen	Shenzhen	Commerce	5.00%	95.00%	Establishment
Shenzhen Bao'an Shiquan Industry Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce		100.00%	Establishment
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,150,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Tellus Chuangying Technology Co., Ltd.	3,000,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%		Establishment
Shenzhen Automobile Industry and Trade Co., Ltd.	58,960,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Automobile Industry Supply and Marketing Company	11,110,000.00	Shenzhen	Shenzhen	Commerce		100.00%	Establishment
Shenzhen Zhongtian Industry Co., Ltd.	366,221,900.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Huari Toyota Sales & Service Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%		Establishment
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Jewelry Industry Service Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Commerce	65.00%		Establishment
Shanghai Fanyue Diamond Co., Ltd.	3,500,000.00	Shanghai	Shanghai	Commerce		100.00%	Establishment
Guorun Gold Shenzhen Co., Ltd.	200,000,000.00	Shenzhen	Shenzhen	Commerce	36.00%	3.25%	Establishment

Explanation of the fact that the shareholding percentage is different from proportion of votes in subsidiaries:

The shareholding proportion in Guorun Gold Shenzhen Co., Ltd. is different from the proportion of voting rights, and the basis for holding half or less of the voting rights but still controlling the investee:

In June 2022, the Company cooperated with its subsidiaries Shenzhen Jewelry Industry Service Co., Ltd., Shenzhen HTI Group Co., Ltd., Chow Tai Fook Jewellery Park (Wuhan) Co., Ltd., Chow Tai Seng Jewelry Co., Ltd., Beijing Caishikou Department Store Co., Ltd. and Shenzhen ZHL Industrial Co., Ltd. to jointly invest in the establishment of Guorun Gold Shenzhen Co., Ltd. Among them, the Company contributed RMB 72 million, with a shareholding ratio of 36%; Shenzhen Jewelry Industry Service Co., Ltd., a subsidiary of the Company, contributed RMB 10 million, with a shareholding ratio of 5%; Shenzhen HTI Group Co., Ltd. held 10%, and other shareholders held 49% in total. The Company signed a concerted action agreement with Shenzhen HTI Group Co., Ltd., stipulating that Shenzhen Hi-tech Investment Group Co., Ltd. shall maintain a consensus with the Company when voting at the shareholders' meeting and the board of directors of Guorun Gold Shenzhen Co., Ltd. Therefore, the Company and its

subsidiaries actually hold 51% of the voting rights of Guorun Gold Shenzhen Co., Ltd., and have control over Guorun Gold Shenzhen Co., Ltd.

The basis for the Company's control over the investee when holding half or less of the voting rights and the Company's control over the investee when holding more than half of the voting rights:

Basis for control over the important structured entities incorporated in consolidated scope:

Basis to determine the company is the agent or the principal:

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority interests at the end of the period
Shenzhen Huari Toyota Sales & Service Co., Ltd.	40.00%	-8,910,086.07		-4,529,354.51
Guorun Gold Shenzhen Co., Ltd.	60.75%	-928,634.55		116,731,860.02

Notes on the difference between the shareholding percentage of minority shareholders of subsidiaries and the voting rights ratio:

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

Unit: RMB

Name of subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shenzhen Huari Toyota Sales & Service Co., Ltd.	5,008,846.45		5,008,846.45	16,332,232.72		16,332,232.72	64,370,969.91	2,808,698.79	67,179,668.70	56,227,839.79		56,227,839.79
Guorun Gold Shenzhen Co., Ltd.	401,436,296.18	7,409,377.22	408,845,673.40	205,997,337.37	4,935,809.24	210,933,146.61	308,524,705.19	3,459,491.14	311,984,196.33	110,466,340.68	2,076,712.32	112,543,053.00

Unit: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Shenzhen Huari	53,354,433.99	-	-	-	239,554,992.87	-	-	6,742,295.97
		22,275,21	22,275,21	15,594,71		232,597.3	232,597.3	

Toyota Sales & Service Co., Ltd.		5.18	5.18	9.04		6	6	
Guorun Gold Shenzhen Co., Ltd.	1,492,021,725.24	1,528,616.54	1,528,616.54	182,332,552.52	328,034,404.58	558,856.67	558,856.67	107,590,934.59

2. Equities in joint ventures or associates

(1) Important associates and joint ventures

Name of joint venture or associate	Principal place of business	Registered location	Business nature	Shareholding proportion		Accounting methods for the investment in joint ventures or associates
				Direct	Indirect	
I. Joint ventures						
Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen	Shenzhen	Leasing services	50.00%		Accounted for under the equity method
II. Associates						
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen	Shenzhen	Automobile sales	35.00%		Accounted for under the equity method

Explanation of the fact that the shareholding percentage is different from the proportion of voting rights in joint ventures or associates:

Basis for determining a shareholder holding less than 20% of the voting rights has significant influence, or a shareholder holding 20% or more of the voting rights does not have significant influence:

(2) Main financial information of important joint ventures

Unit: RMB

	Ending balance / amount incurred in the current period	Beginning balance / amount incurred in the previous period
	Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen Tellus-Gmond Investment Co., Ltd.
Current assets	60,614,147.72	44,368,420.83
Including: cash and cash equivalents	59,631,516.56	42,326,853.66
Non-current assets	326,363,493.98	346,703,460.52
Total assets	386,977,641.70	391,071,881.35
Current liabilities	47,521,951.61	37,674,441.11
Non-current liabilities	240,954,000.00	259,110,000.00
Total liabilities	288,475,951.61	296,784,441.11
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	98,501,690.09	94,287,440.24
Shares of net assets at the shareholding percentage	49,250,845.05	47,143,720.12

Adjustment matters		
-Goodwill		
-Unrealized profit of internal transaction		
Others		
Book value of equity investment in joint ventures	49,250,845.05	47,143,720.13
Fair value of equity investment in joint ventures with public offer		
Operating revenue	114,967,524.80	102,987,695.69
Financial expenses	10,656,384.56	14,200,209.90
Income Tax Expense	11,463,999.39	10,548,286.43
Net profit	34,214,249.85	29,305,958.68
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	34,214,249.85	29,305,958.68
Dividends received from joint ventures in the current year	15,000,000.00	15,000,000.00

(3) Major financial information of important associates

Unit: RMB

	Ending balance / amount incurred in the current period	Beginning balance / amount incurred in the previous period
	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.
Current assets	167,519,575.18	206,438,043.83
Non-current assets	32,145,888.83	31,677,397.21
Total assets	199,665,464.01	238,115,441.04
Current liabilities	158,552,555.81	167,288,864.40
Non-current liabilities	1,231,962.74	14,598,723.35
Total liabilities	159,784,518.55	181,887,587.75
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	39,880,945.46	56,227,853.29
Shares of net assets at the shareholding percentage	13,958,330.91	19,679,748.68
Adjustment matters		
-Goodwill		
-Unrealized profit of internal transaction		
Others		
Book value of equity investments in associates	13,958,330.91	19,679,748.68
Fair value of equity investment in associates with public offer		

Operating revenue	1,023,951,420.71	1,088,150,561.97
Net profit	10,469,419.27	-18,782,486.31
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	10,469,419.27	-18,782,486.31
Dividends received from associates in the current year	9,385,714.52	3,183,672.81

(4) Summary of financial information of unimportant joint ventures and associates

Unit: RMB

	Ending balance / amount incurred in the current period	Beginning balance / amount incurred in the previous period
Joint ventures:		
Total book value of investments	13,302,311.60	14,200,897.13
Total amount of the following items at the shareholding percentage		
-Net profit	-898,585.53	748,674.78
-Total comprehensive income	-898,585.53	748,674.78
Associates:		
Total amount of the following items at the shareholding percentage		

(5) Excess losses incurred to joint ventures or associates

Unit: RMB

Name of joint venture or associate	Unrecognized loss accumulated in the previous period	Unrecognized loss in the current period (or net profit shared in the current period)	Unrecognized loss accumulated at the end of the current period
Shenzhen Tellus Automobile Service Chain Co., Ltd.	98,865.26		98,865.26
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	1,176,212.73		1,176,212.73

X. Government subsidies

1. Government subsidies recognized as receivable amount at the end of reporting period

Applicable Not applicable

Reasons for not receiving the estimated amount of government subsidies at the expected time point

Applicable Not applicable

(2) Liabilities projects with government subsidies

Applicable Not applicable

Unit: RMB

Accounting subject	Beginning balance	Newly added subsidies in the current period	Amount included in the non-operating income in the current period	Amount transferred to other incomes in the current period	Other changes in the current period	Ending balance	Related to assets/incomes
Deferred income	10,579,545.71	785,610.00		1,747,472.18		9,617,683.53	Related to assets

3. Government subsidies included in the current profits and losses

Applicable Not applicable

Unit: RMB

Accounting subject	Amount incurred in the current period	Amount incurred in the previous period
Other incomes	6,733,419.28	5,086,168.38

XI. Risks Related to Financial Instruments

1. Various risks arising from financial instruments

The major financial instruments of the Company include monetary capitals, notes receivable, accounts receivable, other receivables, current portion of non-current assets, other current assets, trading financial assets, other creditor's rights investment, other equity instrument investment, long-term receivables, accounts payable, other payables, short-term borrowings, trading financial liabilities, current portion of non-current liabilities, lease liabilities, and long-term payables. Details of each financial instrument of the Company are disclosed in the notes related. Risks related to these financial instruments and risk management policies for reducing these risks adopted by the Company are described as follows. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled in the limited scope.

Objectives and policies of risk management

The major risks that may be caused by the Company's financial instruments include credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and commodity price risk).

The overall risk management plan of the Company strives to reduce the potential adverse effect to the financial performance of the Company according to the unpredictability of financial market.

The Company has made proper risk management policies to identify and analyze all the risks faced by the Company, to set up the acceptable risk level, and to design corresponding internal control procedures to monitor the Company's risk level. These risk management policies and related internal control systems will be reviewed regularly to accommodate market conditions or changes in the Company's operating activities. The internal audit department will also regularly or irregularly check whether the implementation of such internal control systems complies with risk management policies.

The Company diversifies the risk of financial instruments through appropriate diversified investments and business combinations and reduces the risk of focusing on any single industry, specific region, or specific counterparty by developing appropriate risk management policies.

(1) Credit risk

A credit risk is the risk of financial loss of the Company caused by the counterparty's failure to meet its obligations in the contract.

The Company manages credit risks by classification. The credit risk mainly arises from deposit in bank, notes receivable, accounts receivable, other receivables, long-term receivables, other debt investments, etc.

Bank deposits of the Company are mainly kept in state-owned banks and other large and medium-sized listed banks, which are mainly deposited in financial institutions with good reputation and high credit ratings. It is expected that there will be no significant credit risk for bank deposits of the Company. For notes receivable, accounts receivable, other receivables, and long-term receivables, relevant policy is established by the Company to control credit risk exposure. The Company evaluates customers' credit qualifications based on their financial status, credit records and other factors such as current market conditions and sets corresponding credit periods. The Company will monitor the credit record of the customer periodically. For customers with poor credit record, measures such as written collection, shortening credit period or canceling the credit period will be adopted by the Company, to ensure the overall credit risk being in the controllable scope.

The Company's debtors of accounts receivable are customers distributed in different industries and geographical area. The Company continuously performs credit assessment on the debtors and purchases credit guarantee insurance when necessary.

The maximum credit risk exposure tolerable by the Company is the book amount of each of the financial assets in the balance sheet. The Company does not provide any other guarantee that allows the Company to accept credit risk.

For the accounts receivable of the Company, the accounts receivable from the five biggest debtors account for 43.23% of its total accounts receivable (2022: 31.21%); for other accounts receivable, the accounts receivable from the five biggest debtors account for 47.55% of the total other accounts receivable (2022: 49.72%).

(2) Liquidity risks

The liquidity risk refers to the risk of shortage of funds arising from the performance of the Company's obligations to settle by delivery of cash or other financial assets.

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effect of fluctuations in cash flows. The management of the Company monitors the utilization of bank loans and ensures compliance with borrowing agreements. Meanwhile, the Company has obtained commitments from major financial institutions in respect of provision of adequate reserve funds to meet the Company's liquidity requirements in short and long terms.

The sources of the Company's working capital include funds generated from operating activities, bank loans and other borrowings. At the end of the period, the unused bank borrowing limit of the Company was RMB 667 million (RMB 450 million at the end of the previous year).

At the end of the period, financial liabilities and off-balance sheet guaranteed items held by the Company are analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Item	Ending balance				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	14,513.17				14,513.17
Trading financial liabilities	5,688.20				5,688.20
Derivative financial liabilities	0.14				0.14
Accounts payable	13,583.44				13,583.44
Other payables	12,682.70				12,682.70
Current portion of non-current liabilities	1,066.04				1,066.04
Lease liabilities		995.42	912.07	6,102.07	8,009.56
Long-term payables				392.02	392.02
Total financial liabilities and contingent liabilities	47,533.69	995.42	912.07	6,494.09	55,935.27

At the end of the previous year, financial liabilities and off-balance sheet guaranteed items held by the Company were analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Item	Ending balance of the previous year				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Accounts payable	12,471.68	-	-	-	12,471.68
Other payables	10,518.03	-	-	-	10,518.03
Current portion of non-current liabilities	200.98	-	-	-	200.98
Long-term loans	694.87	907.01	1,024.18	18,356.71	20,982.77
Lease liabilities	26.84	-	-	-	26.84
Long-term payables	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	23,912.40	907.01	1,024.18	18,748.73	44,592.32

The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and may therefore differ from their carrying amounts in the balance sheet.

The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

(3) Market risk

The market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development, including interest rate risk, 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 come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Company's interest rate risk mainly arises from long-term borrowings from banks, bonds payable, and other long-term debts with interest. Due to financial liabilities with a floating interest rate, the Company faces cash flow interest rate risk; due to financial liabilities with a fixed interest rate, the Company faces fair value interest rate risk. The Company determines the ratio of fixed-rate and floating-rate contracts based on the current market environment and maintains an appropriate combination of fixed-rate and floating-rate instruments by regular reviewing and monitoring.

The Company keeps an eye on the effect of the fluctuation in interest rates on its interest rate risk. At present, the Company does not take any interest rate hedging strategy. However, the management is responsible for monitoring interest rate risks and will consider hedging significant interest rate risks when necessary. The increase in interest rates will increase the cost of new interest-bearing debts and the Company's unpaid interest expense on interest-bearing debts accrued at floating interest rates, which will have a significant adverse effect on the Company's financial results. The management will duly make adjustments according to the latest market conditions. These adjustments may reduce interest rate risks via interest rate swaps.

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact after re-measurement of the above financial instruments according to the new interest rate assuming that the interest rate on the balance sheet date changes. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the estimated annual interest expenses or income. The previous year's analysis was based on the same assumption and methodology.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flow of financial instruments due to changes in foreign exchange rates. Exchange rate risk may come from financial instruments valued at a foreign currency other than the bookkeeping base currency.

The main business of the Company is conducted in China and settled in RMB. Therefore, the Company believes that the exchange rate risk faced is not significant.

The Company keeps an eye on the effect of the fluctuation in exchange rates on its exchange rate risk. At present, the Company does not take any action to avoid the exchange rate risk. However, the management is

responsible for monitoring exchange rate risks and will consider hedging significant interest rate risks when necessary.

Capital management

The objective of the Company's capital management policy is to guarantee the going concern of the Company to provide returns to shareholders and bring benefits to other parties concerned, and to maintain the best capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the financing method and the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce liabilities.

The Company monitors capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). At the end of the period, the Company's asset-liability ratio is 27.99% (25.80% at the end of the previous year).

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

In order to avoid the risk of changes in fair value of gold raw materials held by them (i.e. the hedged risk), the subsidiaries of the Company, Guorun Gold Shenzhen Co., Ltd. and Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd., analyzed the expected purchase transactions of gold raw materials based on the number of gold bars booked and invested by customers and used hedging instruments such as deferred delivery contracts for spot gold of Shanghai Gold Exchange, gold futures contracts of Shanghai Futures Exchange, and exchange gold options on this basis. In this way, the risk of gold product price decline caused by the sharp drop in gold price can be avoided. Guorun Gold, a subsidiary of the Company, formulated the *Hedging Transaction Management Guidelines*, which clearly stipulates the approval authority, operation process, and risk control for the Company to carry out hedging business. The hedge is a fair value hedge and the accounting period specified for the hedging relationship is from January 1, 2023 to December 31, 2023.

The approval procedures for the Company to use its own funds to carry out hedging business comply with relevant national laws, regulations, and the Articles of Association. The gold deferred transaction hedging business carried out to avoid fluctuations in gold prices is conducive to controlling operational risks and improving the Company's ability to resist market fluctuations.

(2) The Company carries out eligible hedging business and applies hedge accounting

The book value of the hedged items and related adjustments are as follows:

Year 2023

Item	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2023
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventories	85,802,395.07	-	442,847.41	-	Inventory	-

Year 2022

Item	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2022
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventories	78,647,998.02	-	543,878.09	-	Inventory	-

Changes in the book value and fair value of hedging instruments are as follows:

Year 2023

Item	Nominal amount of hedging instruments	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2023
		Assets	Liabilities		
Commodity price risk-inventories	85,802,395.07	298,320.00	1,380.00	Derivative financial assets/liabilities	-

Year 2022

Item	Nominal amount of hedging instruments	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2022
		Assets	Liabilities		
Commodity price risk-inventories	78,647,998.02	-	489,360.00	Derivative financial liabilities	-

Note: The void part of the hedge mainly comes from the basis risk, the risk of supply and demand changes in the spot or futures market and other uncertainty risks in the spot or futures market. The amount of void hedges recognised in the current and previous years is not material.

(3) The Company carries out hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

Applicable Not applicable

3. Financial assets

(1) Classification of transfer modes

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Financial assets transferred for continuous involvement

Applicable Not applicable

XII. Disclosure of Fair Value

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

Unit: RMB

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Trading financial assets		131,495,916.67	74,799,015.27	206,294,931.94
1. Financial assets at fair value through profit or loss		131,495,916.67	74,799,015.27	206,294,931.94
(2) Investment in equity instruments			74,799,015.27	74,799,015.27
(4) Structured deposits and financial products		131,495,916.67		
(VI) Derivative financial assets	298,320.00			298,320.00
1. Hedging instruments	298,320.00			298,320.00
(VII) Other debt investments		67,627,948.60		67,627,948.60
1. Large-denomination certificate of deposit		67,627,948.60		67,627,948.60
(IX) Other equity instrument investments			383,317.67	383,317.67
(X) Hedged items	85,802,395.07			85,802,395.07
Total amount of assets continuously measured at fair value	86,100,715.07	199,123,865.27	75,182,332.94	360,406,913.28
(VII) Specified as financial liabilities at fair value through profit or loss	56,881,954.76			56,881,954.76
(1) Gold leasing	56,881,954.76			56,881,954.76

(VIII) Derivative financial liabilities	1,380.00			1,380.00
1. Hedging instruments	1,380.00			1,380.00
Total amount of liabilities continuously measured at fair value	56,883,334.76			56,883,334.76
II. Non-continuous fair value measurement	---	---	---	---

2. Basis for determining the market price of items subject to continuous and non-continuous level 1 fair value measurement

Level 1: Quotations for the same assets or liabilities in active markets (unadjusted).

The Company designates the financial liabilities measured at fair value through profit or loss as the physical gold leasing business from banks by the Company. There is an active market for gold (i.e. Shanghai Gold Exchange), and the Shanghai Gold Exchange publishes the closing price of gold contract transactions on each trading day. At the end of the period, the Company uses the closing price published by the Shanghai Gold Exchange on the last trading day as the basis for determining the market price.

The hedged items of the Company are gold product inventories, and the hedging instruments are assets/liabilities arising from changes in the fair value of gold futures contracts and gold spot deferred settlement contracts held by the Company. The Company determines the fair value based on the public quotations of gold spot transactions and futures transactions of Shanghai Gold Exchange and Shanghai Futures Exchange.

3. Qualitative and quantitative information about valuation techniques and key parameters of items subject to continuous and non-continuous level 2 fair value measurement

Level 2: Observable input values other than market quotations for assets or liabilities in level 1 are used directly (i.e. price) or indirectly (i.e. derived from price).

The trading financial assets held by the Company are bank financial products with one-year principal guaranteed floating income, and their fair value is determined based on discounted future cash flows calculated at an agreed expected rate of return. There is no material difference between the fair value and book cost of other non-current financial assets held by the Company.

Relevant information on level 2 fair value measurement

Content	Ending fair value	Valuation technique	Input value
Derivative instrument:			
Derivative financial assets	---	Discounted cash flow method	Expected interest rate
Derivative financial liabilities	---	Discounted cash flow method	Expected interest rate

4. Qualitative and quantitative information about valuation techniques and key parameters of items subject to continuous and non-continuous level 3 fair value measurement

5. Information on adjustment between beginning book value and ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of unobservable parameters

Level 3: Any input value (unobservable input value) that is not based on observable market data is used for assets or liabilities.

Equity instrument investments are measured by the Company based on the investment cost as a reasonable estimate of the fair value, because the operating environment, operating conditions, and financial conditions of the investee, China PUFA Machinery Industry Co., Ltd., have not changed significantly.

Quantitative information of significant unobservable input values used in level 3 fair value measurement

Content	Ending fair value	Valuation technique	Unobservable input value	Range (weighted average)
Equity instrument investment:				
Unlisted equity investment	383,317.67	Net assets	N/A	N/A

6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period

In this year, the fair value measurement of financial assets and financial liabilities of the Company did not transfer between Level 1 and Level 2, or transfer into or out of Level 3.

The fair value of financial instruments traded in the active market shall be determined as per the quotation in the active market by the Company; that of financial instruments not traded in the active market shall be determined by using valuation techniques. The valuation models used are mainly the discounted cash flow model and the market comparable company model. The input values of valuation techniques mainly include the risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, discount for lack of liquidity, etc.

XIII. Related Parties and Related Transactions

1. Information of the parent company

Name of the parent company	Registered location	Business nature	Registered capital	Shareholding proportion of the parent company to the Company	Votes proportion of the parent company to the Company
Shenzhen Special Economic Zone Development Group Co., Ltd.	Shenzhen	Real estate development and operation, domestic	RMB 617,940.60	48.81%	49.09%

		commerce			
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Information of the parent company

Shenzhen Special Economic Zone Development Group Co., Ltd. (hereinafter referred to as "SDG Group") was established on June 20 1982 with the investment of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government. The Company now holds a business license with a unified social credit code of 91440300192194195C, and a registered capital of RMB 617,940.60. The reason for the inconsistency between the proportion of voting rights and the shareholding ratio of SDG Group in the Company is that SDG Group has carried out the refinancing securities lending business.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government.

2. Information of the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to Note IX.1.

3. Information of the joint ventures and associates of the Company

The important joint ventures or associates of the Company are detailed in Note IX. 2.

The information on other joint ventures or associates that produced balance by conducting related-party transactions with the Company in the current period or in the earlier period is shown as follows:

Name of joint ventures or associates	Relationship with the Company
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Associate
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associate
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Associate
Shenzhen Xiandao New Materials Co., Ltd.	Associate
Shenzhen Telixing Investment Co., Ltd.	Joint venture

4. Information of other related parties

Name of other related parties	Relationship between other related parties and the Company
Shenzhen SDG Microfinance Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen SDG Tiane Industrial Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen Machinery & Equipment Import & Export Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen SDG Real Estate Co., Ltd.	Controlled subsidiary of the parent company
Hongkong Yujia Investment Limited	Controlled subsidiary of the parent company
Shenzhen SDG Engineering Management Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen Tellus Yangchun Real Estate Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen Longgang Tellus Real Estate Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen SDG Tellus Property Management Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen SDG Service Co., Ltd.	Controlled subsidiary of the parent company
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Associate of the parent company
Gu Zhiming	Key management personnel
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Enterprise subject to significant impact by key management personnel
Shenzhen ZHL Industrial Co., Ltd.	Minority shareholder of important subsidiaries
Shenzhen Niubisi Jewelry Trading Co., Ltd.	Enterprise controlled by the minority shareholder of important subsidiaries
Shenzhen Yuepengjin Jewelry Co., Ltd.	Enterprise controlled by the minority shareholder of important subsidiaries
Shenzhen Yuepengjin E-commerce Co., Ltd.	Enterprise controlled by the minority shareholder of important subsidiaries

Guoren Property & Casualty Insurance Co., Ltd.	Controlling subsidiary of the actual controlling shareholder
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary previously controlled within 12 months

5. Information of related transactions

(1) Related transactions of purchase/sales of commodities and rendering/receiving of labor services

Information on purchase of commodities/receipt of labor services

Unit: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Approved transaction amount	Exceeding the transaction amount or not	Amount incurred in the previous period
Shenzhen SDG Service Co., Ltd.	Receiving labor services	16,915,283.92	18,160,000.00	No	10,354,683.50
Shenzhen SDG Tellus Property Management Co., Ltd.	Receiving labor services	2,130,623.04	3,400,000.00	No	3,148,143.25
Shenzhen ZHL Industrial Co., Ltd.	Receiving labor services	3,023,066.13		No	1,032,213.33
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Purchasing commodities	56,492.11		No	16,814.16
Shenzhen Yuepengjin Jewelry Co., Ltd.	Receiving labor services	173,547.82		No	631,540.56
Shenzhen SDG Engineering Management Co., Ltd.	Receiving labor services	1,314,123.15	2,000,000.00	No	2,384,060.38
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Software usage fee	990,566.01		No	
Guoren Property & Casualty Insurance Co., Ltd.	Purchasing services	414,886.00		No	

Information on sales of commodities/provision of labor services

Unit: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Beijing Caishikou Department Store Co., Ltd.	Sales of commodities	2,832,890.26	
Shenzhen Niubisi Jewelry Trading Co., Ltd.	Rendering labor services	2,615,621.84	1,309,102.16
Shenzhen ZHL Industrial Co., Ltd.	Rendering labor services	274,809.68	
Shenzhen Yuepengjin E-commerce Co., Ltd.	Sales of commodities	105,249,451.43	26,848,858.40
Shenzhen SDG Service Co., Ltd.	Rendering labor services	3,251,252.21	8,500.10
Shenzhen SDG Microfinance Co., Ltd.	Rendering labor services	161,205.24	202,126.23
Shenzhen Yuepengjin Jewelry Co., Ltd.	Rendering labor services	368,035.44	
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Rendering labor services	566.04	
Shenzhen Zhongminglong Investment Co., Ltd.	Rendering labor services	8,490.60	

(2) Information of related lease

The Company as the lessor:

Unit: RMB

Name of the lessee	Type of leasing assets	Lease income recognized in the current period	Lease income recognized in the previous period
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	House leasing	5,190,476.11	5,190,476.19
Shenzhen SDG Service Co., Ltd.	House leasing	99,521.16	1,962,815.40
Shenzhen SDG Tellus Property Management Co., Ltd.	House leasing	158,518.11	38,262.91
Shenzhen SDG Microfinance Co., Ltd.	House leasing	1,020,346.44	1,069,279.56
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	House leasing	32,000.04	16,000.00
Shenzhen Yuepengjin Jewelry Co., Ltd.	House leasing	1,886,387.76	
Shenzhen Zhigu Jinyun Technology Co., Ltd.	House leasing	7,428.58	
Shenzhen Zhongminglong Investment Co., Ltd.	House leasing	52,231.80	
Shenzhen Yuepengjin Jewelry Co., Ltd.	Advertising space leasing	15,428.57	

(3) Remuneration of key management personnel

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	5,756,900.00	8,381,400.00

6. Receivables and payables by related parties**(1) Receivables**

Unit: RMB

Project Name	Related parties	Ending balance		Beginning balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Beijing Caishikou Department Store Co., Ltd.	656,267.50	6,562.68		
Accounts receivable	Shenzhen Niubisi Jewelry Trading Co., Ltd.	246,015.46	2,460.15	666,979.53	6,669.80
Accounts receivable	Shenzhen SDG Tellus Property Management Co., Ltd.	127.66	1.28	5,362.00	53.62
Accounts receivable	Shenzhen SDG Microfinance Co.,	142,112.35	1,421.12	355,565.61	3,555.66

	Ltd.				
Accounts receivable	Shenzhen Yuepengjin Jewelry Co., Ltd.	1,401,995.50	14,019.96		
Prepayments	Shenzhen SDG Engineering Management Co., Ltd.	21,226.42		6,900.00	
Other receivables	Shenzhen SDG Tellus Electronics Co., Ltd.	23,852.64	23,852.64	23,852.64	23,852.64
Other receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,360,390.00	1,360,390.00	1,360,390.00	1,360,390.00
Other receivables	Shenzhen Xiandao New Materials Co., Ltd.	660,790.09	660,790.09	660,790.09	660,790.09
Other receivables	Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	2,886.00	2,886.00	2,886.00	2,886.00
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	33,318.36	1,473.18	16,959.19	409.59
Other receivables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	Shenzhen Telixing Investment Co., Ltd.	259,566.39	2,595.66	37,608.61	376.09
Other receivables	Shenzhen ZHL Industrial Co., Ltd.	2,607,443.00	26,074.43	10,000.00	100.00
Long-term receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	6,146,228.91	6,146,228.91	6,146,228.91	6,146,228.91

(2) Payables

Unit: RMB

Project Name	Related parties	Period-end book balance	Period-beginning book balance
Accounts payable	Shenzhen SDG Real Estate Co., Ltd.	6,054,855.46	6,054,855.46
Accounts payable	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	45,300.00	45,300.00
Accounts payable	Shenzhen SDG Tellus Property Management Co., Ltd.	336,533.57	336,533.57
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	212,993.43	235,873.17
Accounts payable	Shenzhen Yuepengjin Jewelry Co., Ltd.	20,680.00	31,300.00
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	334,493.34	432,712.27

Accounts payable	Shenzhen SDG Service Co., Ltd.	3,368,791.51	1,654,014.40
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	79,000.00	2,568,038.46
Accounts payable	Shenzhen Zhigu Jinyun Technology Co., Ltd.	53,714.23	
Advances from customers	Shenzhen SDG Engineering Management Co., Ltd.	21,226.42	
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen SDG Service Co., Ltd.	40,992.00	25,596.00
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.	2,000.00	
Other payables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	5,602.99	5,602.99
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	800.00	
Other payables	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	833,334.00	833,334.00
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	15,841.59	145,043.21
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.	3,000.00	12,345,594.94
Other payables	Shenzhen Tellus Yangchun Real Estate Co., Ltd.	476,217.49	476,217.49
Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,554,196.80	1,575,452.52
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	401,140.08	16,933.72
Other payables	Shenzhen SDG Engineering Management Co., Ltd.	149,338.46	40,000.00
Other payables	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	11,436,392.71	
Other payables	Hongkong Yujia Investment Limited	2,146,404.58	2,164,650.90
Other payables	Shenzhen SDG Tiane Industrial Co., Ltd.	23,930.50	28,766.05
Other payables	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50

XIV. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

(1) Capital commitment

Capital commitments contracted but not yet recognized in the financial statements	Ending balance	Ending balance of the previous year
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Large-amount contract	-	70,136,870.42
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As of December 31, 2023, there are no other commitments that the Company should disclose.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

As of December 31, 2023, the Company has no pending litigation, external guarantee, and other contingencies that shall be disclosed.

(2) In case of no important contingencies to be disclosed, a description shall be given

The Company has no important contingencies to be disclosed.

XV. Events after the Balance Sheet Date

1. Profit distribution

Number of dividends per 10 shares to be distributed (RMB)	0.31
Number of dividends per 10 shares declared after deliberation and approval (RMB)	0.31
Profit distribution scheme	According to the proposal passed in the tenth meeting of the tenth Board of Directors of the Company on March 26, 2024, regarding the "Proposal on the Profit Distribution Plan for the Year 2023", the Company intends to distribute a cash dividend of CNY 0.31 (including tax) for every 10 shares to all shareholders, based on the total share capital of 431,058,320 shares as of December 31, 2023. The total cash dividend distribution amounted to CNY13,362,807.92. There will be no bonus shares issued and no capital reserve converted into share capital for the current year.

2. Descriptions for other events after the balance sheet date

As of March 26, 2024, the Company has no other events after the balance sheet date that shall be disclosed.

XVI. Other Significant Matters

1. Segment information

(1) Determination basis and accounting policy of reporting segments

According to the Company's internal organizational structure, management requirements, and internal reporting system, the business of the Company is divided into four reporting segments. These reporting segments are determined based on the financial information required by the Company's daily internal management. The

Group's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources to them and evaluate their performance.

The reporting segments of the Company include:

- (1) Vehicle sales, 4S point sales of vehicles;
- (2) Vehicle maintenance and detection, 4S point detection and maintenance of vehicles;
- (3) Leasing and services, real estate and commercial real estate leasing;
- (4) Jewelry sales and services, wholesale and retail of gold jewelry.

The segment reporting information is disclosed according to the accounting policy and measurement standard adopted when each segment reports to the management, and the accounting policy and measurement basis are in correspondence with those of formulating financial statements.

(2) Financial information of reporting segments

Unit: RMB

Item	Automobile sales	Vehicle inspection, maintenance, and testing	Leasing and services	Jewelry wholesale and retail services	Inter-segment offset	Total
Operating revenue	42,638,840.47	13,368,747.52	253,392,431.36	1,542,157,106.92	-4,818,284.38	1,846,738,841.89
Operating cost	38,385,230.69	11,719,946.94	86,694,475.52	1,514,872,121.11	-3,334,574.66	1,648,337,199.60
Total assets	2,556,702.58	22,617,624.69	2,961,749,798.55	556,167,028.18	-1,139,239,469.55	2,403,851,684.45
Total liabilities	7,136,866.99	29,654,180.14	730,703,499.74	275,873,585.55	-370,588,365.99	672,779,766.43

XVII. Notes to Major Items of the Parent Company's Financial Statements

1. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	22,182,052.01	146,990.82
1-2 years	124,487.53	
Over 3 years	488,163.08	488,163.08
Over 5 years	488,163.08	488,163.08
Total	22,794,702.62	635,153.90

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable with provision for bad debts made on a single basis	484,803.08	2.13%	484,803.08	100.00%		484,803.08	76.33%	484,803.08	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by portfolio	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24	150,350.82	23.67%	3,149.91	2.10%	147,200.91
Including:										
Including: account receivable age portfolio	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24	150,350.82	23.67%	3,149.91	2.10%	147,200.91
Total	22,794,702.62	100.00%	714,510.38	3.13%	22,080,192.24	635,153.90	100.00%	487,952.99	76.82%	147,200.91

Provision for bad debts is accrued on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision proportion	Reasons for provision
Shenzhen Bijiashan Club Co., Ltd.	172,000.00	172,000.00	172,000.00	172,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Gong Yanqing	97,806.64	97,806.64	97,806.64	97,806.64	100.00%	Long account receivable age, and expected to be unrecoverable
Guangzhou	86,940.00	86,940.00	86,940.00	86,940.00	100.00%	Long account

Tianhe Lemin Computer Center						receivable age, and expected to be unrecoverable
Others	128,056.44	128,056.44	128,056.44	128,056.44	100.00%	Long account receivable age, and expected to be unrecoverable
Total	484,803.08	484,803.08	484,803.08	484,803.08		

Withdraw of provision for bad debts: account receivable age portfolio

Unit: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Within 1 year	22,182,052.01	221,802.92	1.00%
1-2 years	124,487.53	6,224.38	5.00%
2-3 years			
Over 3 years	3,360.00	1,680.00	50.00%
Total	22,309,899.54	229,707.30	

Whether to accrue bad debt provision of accounts receivable according to expected credit loss:

 Applicable Not applicable

Unit: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the lifetime (no credit impairment occurred)	Expected credit loss over the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	3,149.91		484,803.08	487,952.99
Balance as of January 1, 2023 in the current period				
Accrual in the current period	226,557.39			226,557.39
Balance as of December 31, 2023	229,707.30		484,803.08	714,510.38

(3) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision provided in the reporting period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Accrual	Accounts recovered or transferred back	Write-off	Others	
Bad debt provision	487,952.99	226,557.39				714,510.38
Total	487,952.99	226,557.39				714,510.38

(4) Accounts receivable and contractual assets with top five ending balance collected as per the borrowers

Unit: RMB

Company Name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contractual assets
Shenzhen Southwest Gold Management Center Co., Ltd.	2,046,208.16		2,046,208.16	8.98%	20,462.08
Chow Sang Sang (China) Co., Ltd.	1,935,060.54		1,935,060.54	8.49%	19,350.61
Shenzhen Helin Bijouterie Co., Ltd.	1,286,721.23		1,286,721.23	5.64%	12,867.21
Zhongbao Jinyuan (Shenzhen) Industrial Development Co., Ltd.	1,203,415.57		1,203,415.57	5.28%	12,034.16
Shenzhen Xinyufu Jewelry Co., Ltd.	631,483.95		631,483.95	2.77%	6,314.84
Total	7,102,889.45		7,102,889.45	31.16%	71,028.90

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	1,305,581.86	1,852,766.21
Other receivables	46,126,945.18	3,114,221.75
Total	47,432,527.04	4,966,987.96

(1) Dividends receivable**1) Category of dividends receivable**

Unit: RMB

Project (or the investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,852,766.21
Total	1,305,581.86	1,852,766.21

2) Dividends receivable of important account receivable age of over 1 year

Unit: RMB

Project (or the investee)	Ending balance	Account receivable age	Reason for non-recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1-2 years	Not paid yet	The financial and operating conditions of

				the Company are normal, and the dividends receivable are not impaired.
Total	1,305,581.86			

(2) Other receivables**1) Classification of other receivables by nature**

Unit: RMB

Nature of payment	Period-end book balance	Period-beginning book balance
Other temporary payments of receivables	15,738,436.97	14,255,119.76
Deposits and security deposits	1,774,070.79	46,698.00
Concerned intercourse funds within the consolidation scope of receivables	42,400,084.74	2,474,015.88
Total	59,912,592.50	16,775,833.64

(2) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	43,614,137.53	2,416,319.22
1-2 years	1,937,642.51	655,714.30
2-3 years	643,606.04	25,867.36
Over 3 years	13,717,206.42	13,677,932.76
3-4 years	39,273.66	
Over 5 years	13,677,932.76	13,677,932.76
Total	59,912,592.50	16,775,833.64

3) Classified and disclosed according to the method for recognizing bad debt

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts recognized individually	13,644,641.06	22.77%	13,644,641.06	100.00%		13,631,234.76	81.26%	13,631,234.76	100.00%	
Including:										
Provision	46,267,	77.23%	141,006	0.30%	46,126,	3,144,5	18.74%	30,377.	0.97%	3,114,2

n for bad debt reserves on a portfolio basis	951.44		.26		945.18	98.88		13		21.75
Including:										
Aging portfolio	2,093,795.91	3.49%	72,610.51	3.47%	2,021,185.40	617,774.03	3.68%	7,028.13	1.14%	610,745.90
Portfolio of deposit and security deposit receivable	1,774,070.79	2.96%	68,395.75	3.86%	1,705,675.04	46,698.00	0.28%	23,349.00	50.00%	23,349.00
Current accounts associated within the consolidation scope	42,400,084.74	70.77%			42,400,084.74	2,480,126.85	14.78%			2,480,126.85
Total	59,912,592.50	100.00%	13,785,647.32	23.01%	46,126,945.18	16,775,833.64	100.00%	13,661,611.89	81.44%	3,114,221.75

Provision for bad debts made on a portfolio basis

Unit: RMB

Name	Ending balance		
	Book balance	Bad debt provision	Provision proportion
Aging portfolio	2,093,795.91	72,610.51	3.47%
Portfolio of deposit and security deposit receivable	1,774,070.79	68,395.75	3.86%
Current accounts associated within the consolidation scope	42,400,084.74		
Total	46,267,951.44	141,006.26	

Accrue bad debt provision of accounts receivable according to expected credit loss:

Unit: RMB

Bad debt provision	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the lifetime (no credit impairment occurred)	Expected credit loss over the lifetime (credit impairment has occurred)	
Balance as of January 1, 2023	30,377.13		13,631,234.76	13,661,611.89
Balance as of January 1, 2023 in the current period				

Accrual in the current period	110,629.13			110,629.13
Other changes			13,406.30	13,406.30
Balance as of December 31, 2023	141,006.26		13,644,641.06	13,785,647.32

Division basis at each stage and proportion of bad debt provision accrual

Changes of book balance with significant amount changed of loss provision in the reporting period

Applicable Not applicable

4) Bad debt provision provided, recovered or reversed in the current period

Bad debt provision provided in the reporting period:

Unit: RMB

Type	Beginning balance	Amount changed in the current period				Ending balance
		Accrual	Accounts recovered or transferred back	Write-off or verification	Others	
Bad debt provision	13,661,611.89	110,629.13			13,406.30	13,785,647.32
Total	13,661,611.89	110,629.13			13,406.30	13,785,647.32

5) Other receivables of the top five ending balances by the owing party

Unit: RMB

Company Name	Nature of payment	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Internal current accounts	40,051,509.11	0-2 years	66.85%	
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	8.35%	5,000,000.00
Shenzhen Jinbeili Electric Appliance Co., Ltd.	Intercourse funds	2,706,983.51	Over 3 years	4.52%	2,706,983.51
Shenzhen Jewelry Industry Service Co., Ltd.	Internal current accounts	2,275,281.59	0-2 years	3.80%	
Shenzhen Petrochemical (Group) Co., Ltd.	Intercourse funds	1,923,910.07	Over 3 years	3.21%	1,923,910.07
Total		51,957,684.28		86.73%	9,630,893.58

3. Long-term equity investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Investments in subsidiaries	696,131,539.12	1,956,000.00	694,175,539.12	786,245,472.73	1,956,000.00	784,289,472.73
Investments in associates and joint ventures	86,298,649.89	9,787,162.32	76,511,487.57	90,811,528.26	9,787,162.32	81,024,365.94
Total	782,430,189.01	11,743,162.32	770,687,026.69	877,057,000.99	11,743,162.32	865,313,838.67

(1) Investments in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Changes in the current period				Ending balance (book value)	Ending balance of impairment provision
			Addition investment	Reduced investment	Provisions for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	14,000,000.00			11,000,000.00			3,000,000.00	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	57,672,885.22					54,789,240.96	2,883,644.26	
Shenzhen Zhongtian Industry Co., Ltd.	369,680,522.90						369,680,522.90	
Shenzhen Automobile Industry and Trade Co., Ltd.	126,251,071.57						126,251,071.57	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	19,224,692.65			19,224,692.65				
Shenzhen Huari Toyota Sales & Service Co., Ltd.	1,807,411.52						1,807,411.52	

Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	10,000,000.00			5,100,000.00			4,900,000.00	
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00						50,000,000.00	
Shenzhen Hanli High Tech Ceramics Co., Ltd.		1,956,000.00						1,956,000.00
Shenzhen Jewelry Industry Service Co., Ltd.	32,500,000.00						32,500,000.00	
Guorun Gold Shenzhen Co., Ltd.	72,000,000.00						72,000,000.00	
Total	784,289,472.73	1,956,000.00		35,324,692.65		54,789,240.96	694,175,539.12	1,956,000.00

(2) Investments in associates and joint ventures

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Changes in the current period							Ending balance (book value)	Ending balance of impairment provision	
			Additional investment	Reduced investment	Investment gains and losses recognized under the equity method	Adjustments in other comprehensive income	Changes in other equity	Cash dividend or profit declared to distribute	Provisions for impairment			Others
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	47,143,720.13				17,107,124.93				15,000,000.00		49,250,845.06	

Shenzhen Telixing Investment Co., Ltd.	14,200,897.13				-898,585.53						13,302,311.60	
Subtotal	61,344,617.26				16,208,539.40			15,000,000.00			62,553,156.66	
II. Associates												
Shenzhen Renfu Tellus Automobile Service Co., Ltd.	19,679,748.68				3,664,296.75			9,385,714.52			13,958,330.91	
Hunan Changyang Industrial Co., Ltd.		1,810,540.70									1,810,540.70	
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00									3,225,000.00	
Shenzhen Xianda New Materials Co., Ltd.		4,751,621.62									4,751,621.62	
Shenzhen Tellus Automobile Service Chain Co., Ltd.												
Subtotal	19,679,748.68	9,787,162.32			3,664,296.75			9,385,714.52			13,958,330.91	9,787,162.32
Total	81,02	9,787			19,87			24,38			76,51	9,787

	4,365	,162.			2,836			5,714			1,487	,162.
	.94	32			.15			.52			.57	32

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

Applicable Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

Applicable Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information or external information used in the impairment test of previous years

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

4. Operating revenue and operating cost

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	86,993,917.15	39,689,422.24	39,568,530.33	10,680,130.69
Total	86,993,917.15	39,689,422.24	39,568,530.33	10,680,130.69

Other descriptions

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet is RMB 0.00 at the period-end, among which RMB XXX is expected to be recognized in the year of XXX, RMB XXX in the year of XXX, and RMB XXX in the year of XXX.

Major contract changes or major transaction price adjustments

Unit: RMB

Item	Accounting treatment method	Amount of impact on income

Other notes:

5. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by the cost method	69,369,094.20	244,000,000.00
Income from long-term equity investments calculated by the equity method	19,872,836.15	10,897,171.28
Investment income from holding trading financial assets	3,132,190.40	10,967,191.55
Dividend income from investments in other equity instruments during the holding period		1,305,581.86
Interest income from large-denomination certificates of deposit	4,921,596.99	
Profit from re-measurement of residual equity at fair value after loss of the right of control	67,398,061.79	

Total	164,693,779.53	267,169,944.69
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XVIII. Supplementary Information

1. Breakdown of non-recurring profit or loss of the current period

Applicable Not applicable

Unit: RMB

Item	Amount	Description
Profit or loss from disposal of non-current assets	69,475,478.10	Gains from the remeasurement at fair value of the remaining equity following the loss of control over a subsidiary
Government grants recognized in the current gains and losses (excluding government grants related to the Company's normal operating activities, compliant with national policies, enjoyed based on established standards, and having a continuous impact on the Company's gains and losses)	6,476,027.99	Subsidies under the government's preferential policies for enterprises
Gains or losses on the fair value changes of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses on the disposal of financial assets and financial liabilities, excluding effective hedging related to the Company's normal operating activities.	-9,882,368.06	After the loss of control of the subsidiary, the fair value change loss of the remaining equity is reassessed at the end of the year, as well as investment income
Reversal of impairment provisions for accounts receivable tested for impairment separately	150,000.00	Recovery of provisions for accrued impairments
Other non-operating revenues and expenses other than the above	2,089,529.20	Liquidated damages, forfeited deposits, etc.
Other gains or losses conforming to the definition of non-recurring gains or losses	-36,363,757.77	Staff resettlement expenses, etc.
Less: Effect on income tax	13,674,541.65	
Effect on minority equity (after-tax)	-9,598,055.82	
Total	27,868,423.63	---

Other gains or losses conforming to the definition of non-recurring gains or losses:

Applicable Not applicable

The Company has no other gains or losses conforming to the definition of non-recurring gains or losses.

Explanation on defining the non-recurring gains or losses set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public — Non-Recurring Gains or Losses* as recurring gains or losses

Applicable Not applicable

2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share

		(RMB/share)	(RMB/share)
Net profit attributed to ordinary shareholders of the Company	7.59%	0.2743	0.2743
Net profit attributed to ordinary shareholders of the Company after deducting non-recurring profits and losses	5.80%	0.2097	0.2097

3. Difference in accounting data under domestic and foreign accounting rules

(1) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the International Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

(2) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the foreign accounting standards and Chinese Accounting Standards

Applicable Not applicable

(3) Specify the reasons for differences in accounting data under domestic and foreign accounting standards; if the adjustment is made to data audited by the overseas audit firm, specify the name of such audit firm