

深圳市深粮控股股份有限公司
SHENZHEN CEREALS HOLDINGS CO.,LTD.

ANNUAL REPORT 2023



【April 2024】

Section I. Important Notice, Contents and Interpretation

Board of Directors, the board of supervisors, all directors, supervisors and senior executives of SHENZHEN CEREALS HOLDINGS CO., LTD. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Principal of the Company Wang Zhikai, Head of Accounting Lu Yuhe and Head of Accounting Institution (Accounting Supervisor) Huang Xidi hereby confirm that the Financial Report of Annual Report 2023 is authentic, accurate and complete.

All Directors have attended the Board Meeting for deliberation of this Report.

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

The Company has analyzed the risk factors that the Company may exist and its countermeasures in the report. Investors are advised to pay attention to read “Prospect for future development of the Company” in the report of Section III Management Discussion and Analysis. This report has been prepared in Chinese and English version respectively. In the event of difference in interpretation between the two versions, Chinese report shall prevail.

The profit distribution plan that was deliberated and approved by the Board Meeting is: based on total share capital of 1,152,535,254, distributed cash bonus of 2.00 yuan (tax inclusive) for every 10 shares, 0 share bonus issued (tax inclusive) and no transfer of capital reserve into share capital.

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Documents Available for Reference

1. Text of financial statement with signature and seals of legal person, person in charge of accounting works and person in charge of accounting institution;
2. Original audit report with seal of accounting firm and signature and seal of the CPA;
3. Original and official copies of all documents which have been disclosed on *Securities Times*, *China Securities Journal* and Juchao Website (www.cninfo.com.cn) in the reporting period;
4. Original copies of 2023 Annual Report with signature of the legal representative.

Interpretation

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

Section II Company Profile and Main Financial Indexes

I. Company information

Short form for share	SZCH, Shenliang B	Stock code	000019, 200019
Short form of share before change(if applicable)	Shenshenbao, Shenbao B		
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市深粮控股股份有限公司		
Abbr. of Chinese name of the Company	深粮控股		
English name of the Company(if applicable)	SHENZHEN CEREALS HOLDINGS CO.,LTD		
Legal Representative	Wang Zhikai		
Registrations add.	8/F, Tower B, No.4 Building, Software Industry Base, South District, Science & Technology Park, Xuefu Rd., Yuehai Street, Nanshan District, Shenzhen		
Code for registrations add	518057		
Historical changes of registered address	The registered address of the Company, when listed in 1992, was No.10, Tianbei East, Wenjin North Road, Luohu District, Shenzhen; in 1999 the registered address changed to No.1058, Wenjin North Road, Luohu District, Shenzhen; in 2002 the registered address changed to 28/F, Tower B,C of Bao'an Square, No.1002 Sungang Road, Luohu District, Shenzhen; in 2010 the registered address changed to South half of the 20 th floor, Tower of Zhuzilin Education and Technology Building, Futian District, Shenzhen; in 2015 registered address changed to 8/F, Tower B, No.4 Building, Software Industry Base, South District, Science & Technology Park, Xuefu Rd., Yuehai Street, Nanshan District, Shenzhen		
Offices add.	13/F, Tower A, World Trade Plaza, No.9 Fuhong Rd., Futian District, Shenzhen		
Codes for office add.	518033		
Company's website	www.slkg1949.com		
E-mail	szch@slkg1949.com		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Chen Xiaohua	Chen Kaiyue, Liu Muya
Contact add.	13/F, Tower A, World Trade Plaza, No.9 Fuhong Rd., Futian District, Shenzhen	13/F, Tower A, World Trade Plaza, No.9 Fuhong Rd., Futian District, Shenzhen
Tel.	0755-83778690	0755-83778690
Fax.	0755-83778311	0755-83778311
E-mail	000019@slkg1949.com	chenky@slkg1949.com,liumy@slkg1949.com

III. Information disclosure and preparation place

Website of the Stock Exchange where the annual report of the Company is disclosed	<i>Securities Times; China Securities Journal ; shanghai Securities Journal</i>
Media and Website where the annual report of the Company is disclosed	Juchao Website: www.cninfo.com.cn
Preparation place for annual report	Office of the Board of Directors

IV. Registration changes of the Company

Organization code	91440300192180754J
Changes of main business since listing (if applicable)	On February 18, 2019, the company completed the registration procedures of changes in industry and commerce for business scope and other matters. The main business has newly increased the modern food supply chain services as grain & oil trading, processing, storage and logistics.

Previous changes for controlling shareholders (if applicable)	<p>On September 10, 1999, Shenzhen Investment Management Co., Ltd. entered into the “Equity Transfer Agreement of Shenzhen Shenbao Industrial Co., Ltd.” with Agricultural Products for 58,347,695 shares of the Company (35% in total shares of the Company) transfer to Agricultural Products with price of RMB 1.95 per share. Agricultural Products comes to the first majority shareholder of the Company after transfer and procedures for the above equity transfer has completed in June 2003.</p> <p>On April 3, 2018, Shenzhen Investment Holdings Co., Ltd. completed the transfer of all of its 79,484,302 shares of A shares in the company to Fude Capital(changed its name to Food Materials Group later). After the completion of the equity transfer, Food Materials Group directly holds 79,484,302 shares of A shares in the company (accounting for 16% of the company’s original total share capital) and controls 19.09% shares of the company through Agricultural Products indirectly, becoming the controlling shareholder of the company.</p> <p>In 2018, the company implemented a major asset restructuring by issuing 669,184,735 A-shares to purchase 100% equity of Shenzhen Grain Group held by controlling shareholder Fude Capital. On November 12, 2018, the above-mentioned issued shares were registered and listed, and the controlling shareholder Fude Capital (now renamed into “Shenzhen Agricultural Power”) directly held 735,237,253 A-shares of the company (accounting for 63.79% of the total share capital of the company), and indirectly held 8.23% of the company's shares through Agricultural Products.</p>
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V. Other relevant information

CPA engaged by the Company

Name of CPA	Grant Thornton Certified Public Accountant LLP(Special General Partnership)
Offices add. for CPA	5 th Floor, Saite Plaza, No. 22 Jianguomenwai Street, Chaoyang District, Beijing, China
Signing Accountants	Gao Hong, Wang Zhongnian

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

In RMB

	2023	2022		Changes in the current year over the previous year (+/-)	2021	
		Before adjustment	After adjustment		Before adjustment	After adjustment
Operating revenue (RMB)	6,190,005,356.8 2	8,312,723,058.1 9	8,312,723,058.1 9	-25.54%	10,139,563,710. 11	10,139,563,710.1 1
Net profit attributable to shareholders of the listed Company (RMB)	347,824,733.68	420,594,871.27	420,764,671.03	-17.34%	428,720,226.09	428,699,023.92
Net profit attributable to shareholders of	328,171,024.17	402,423,745.44	402,593,545.20	-18.49%	377,558,306.28	377,537,104.11

the listed Company after deducting non-recurring gains and losses (RMB)						
Net cash flow arising from operating activities (RMB)	585,816,656.19	531,888,766.64	531,888,766.64	10.14%	440,396,029.54	440,396,029.54
Basic earnings per share (RMB/Share)	0.3018	0.3649	0.3649	-17.29%	0.3720	0.3720
Diluted earnings per share (RMB/Share)	0.3018	0.3649	0.3649	-17.29%	0.3720	0.3720
Weighted average ROE	7.26%	8.96%	8.96%	-1.70%	9.13%	9.13%
	Year-end of 2023	Year-end of 2022		Changes in the current year over the previous year (+/-)	Year-end of 2021	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Total assets(RMB)	7,398,528,190.94	7,441,334,674.98	7,441,489,372.63	-0.58%	7,669,618,906.32	7,669,630,248.87
Net assets attributable to shareholder of listed Company(RMB)	4,824,452,103.84	4,762,973,461.81	4,763,122,059.40	1.29%	4,630,292,102.34	4,630,270,900.17

Reasons for changes in accounting policies and correction of accounting errors

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

Interpretation No. 16 stipulates that, for a single transaction that is not a business merger, does not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and results in equal taxable temporary differences and deductible temporary differences due to the initial recognition of assets and liabilities, the corresponding deferred income tax liabilities and deferred income tax assets shall be recognized separately at the time of transaction in accordance with relevant provisions such as Enterprise Accounting Standard No. 18- Income Tax. For the above-mentioned transactions that occurred between the beginning of the earliest period for the first implementation of the above regulations in financial statement presentation and the date of implementation of this interpretation, the enterprise shall adjust the cumulative impact to the beginning retained earnings and other related financial statement items in the earliest period for financial statement presentation in accordance with the above regulations. The above accounting treatment regulations will be implemented from January 1, 2023.

If the leasing liabilities and right of use assets recognized by the company for leasing business, as well as the estimated liabilities and corresponding assets related to abandonment obligations, result in taxable temporary differences and deductible temporary differences, adjustments shall be made in accordance with the provisions of Interpretation No. 16.

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

The lower one of net profit before and after deducting the non-recurring gains/losses in the last three fiscal years is negative, and the audit report of last year shows that the ability to continue operating is uncertain

Yes No

The lower one of net profit before and after deducting the non-recurring gains/losses is negative

Yes No

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

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

Applicable Not applicable

The company has no difference of the net profit and net assets disclosed in financial report.

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

Applicable Not applicable

The Company has no above mentioned condition occurred in the period

VIII. Main financial index disclosed by quarter

In RMB

	Q 1	Q 2	Q 3	Q 4
Operating revenue	1,338,942,951.54	1,493,053,850.28	1,647,407,257.06	1,710,601,297.94
Net profit attributable to shareholders of the listed Company	105,444,874.99	62,704,893.32	106,071,822.03	73,603,143.34
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses	102,828,146.08	56,275,807.17	101,920,371.35	67,146,699.57
Net cash flow arising from operating activities	-186,820,400.70	270,323,752.91	624,601,692.90	-122,288,388.92

Are there significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the Company's quarterly report and semi-annual report?

Yes No

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

Applicable Not applicable

In RMB

Item	2023	2022	2021	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	2,394,378.42	-3,470,850.06	29,351,180.57	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	14,544,417.04	8,775,672.58	15,871,621.28	
Except for effective hedging business related to the normal operation of the company, gains/losses arising from changes in fair value of trading financial assets and trading financial liabilities held by non-financial enterprises, as well as investment income obtained from disposal of trading financial assets, trading financial liabilities, and available for sale financial	182,701.67	18,546.91	299,292.76	

assets				
Gains/losses of assets delegation on others' investment or management	6,622,492.60	8,455,442.20	4,014,308.85	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	679,204.22	881,986.09	4,076,676.65	
Other non-operating income and expenditure except for the aforementioned items	644,754.74	7,042,268.06	13,089,042.88	
Other profit and loss items that meet the definition of non-recurring profit and loss		1,064,111.79		
Less: impact on income tax	5,027,939.98	4,583,525.90	14,600,145.88	
Impact on minority shareholders' equity (after-tax)	386,299.20	12,525.84	940,057.30	
Total	19,653,709.51	18,171,125.83	51,161,919.81	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Section III Management Discussion and Analysis

I. Industry of the Company during the reporting period

(i) Basic information of the industry, development stage, cyclical characteristics, and the company's position in the industry

In the international market, the prices of major grain varieties fell month by month, while rice prices rose against the trend. Since 2023, the status of imbalanced food supply has continued to improve, and the global tight supply and demand pattern of major agricultural products has gradually eased, with prices of major grain varieties falling. However, the main rice exporting country, India, reduced rice production due to weather and other reasons, and has implemented restrictions on rice exports, leading to a rise in global rice prices. At the end of 2023, the prices of wheat, corn, and soybeans on the Chicago Board of Trade (CBOT) decreased by 20.5%, 30.6%, and 14.9% year-on-year, respectively. The price of rice started to rise in July 2023 and reached its highest level in recent years by the end of the year. At the end of 2023, the prices of rice in Thailand, Vietnam, and Pakistan increased by 38.2%, 42.4%, and 32.2% year-on-year, respectively. According to data released by the Food and Agriculture Organization of the United Nations (FAO) in January 2024, the food price index for 2023 was 124 points, a decrease of 19.7 points (13.7%) from the average of the previous year. Among them, the grain price index was 130.9 points, reducing 23.8 points or 15.4% from the previous year. The rice price index increased by 21% compared to the previous year, reaching a new 15 year high since the global financial crisis in 2008. In addition, the vegetable oil price index was 126.3 points, a significant decrease of 61.5 points or 32.7% from the previous year, reaching a new low in three years.

In the domestic market, there has been another bumper harvest in grain production, with overall prices of grain and oil falling and imports of grain and oil increasing in quantity and decreasing in price. Firstly, various regions and departments continued to increase their support for grain production, effectively overcoming adverse factors such as "rotten rain", severe floods and droughts in certain areas, and achieving a new historical high in grain production throughout the year. Secondly, domestic raw grain and edible vegetable oil prices fell. According to monitoring data from the National Grain and Oil Information Center, at the end of 2023, the prices of early indica rice and early rice (tertiary) in China increased by 6.04% and 6.51% year-on-year, respectively, while the prices of wheat and corn decreased by 15.23% and 10.08% year-on-year, the wholesale prices of rapeseed oil, soybean oil, palm oil, and soybean meal decreased by 9.24%, 5.04%, 4.91%, and 14.18% year-on-year, respectively.

(The above content is from the "2023 Grain and Oil Market Review and Future Outlook" released by the Guangdong Provincial Grain and Material Reserve Bureau.)

(ii) The significant impact of newly released laws, administrative regulations, departmental rules, and industry policies on the industry

In February 2023, the Central Committee of the Communist Party of China and the State Council issued the Opinions of the Central Committee of the Communist Party of China and the State Council on the Key Work of Comprehensively Promoting Rural Revitalization in 2023 (hereinafter referred to as "the Opinions"), which is the 20th No. 1 central document guiding the work of "agriculture, rural areas and farmers" since the new century. The Opinion deployed the key work of comprehensively promoting rural revitalization in 2023, and emphasized the primary position of food security and stable production and supply of important agricultural products. In the field of ensuring national food security, the No. 1 central document of the Central Government in 2023 continued to give top priority to grain production and the supply of important agricultural products. The document clearly states that it is necessary to ensure that the national grain production remains above 1.3 trillion kilograms, and to make every effort to stabilize and expand the production of crops such as soybeans and oilseeds. In order to achieve this goal, the document proposes a series of specific measures, including strengthening farmland protection and use control, stabilizing and improving food production capacity, and optimizing agricultural production structure and regional layout.

The Food Security Law of the People's Republic of China was promulgated in 2023. This law clarifies the national food security strategy, adheres to the principle of storing grain in the land and technology, improves grain production capacity, and ensures basic self-sufficiency of grains and absolute food security. Besides, the law also stipulates the responsibility system for food security, strengthens macroeconomic regulation of food, optimizes the structure and regional layout of food varieties, and constructs a scientific, reasonable, safe and efficient food supply guarantee system. In addition, the introduction of relevant regulations such as the Measures for the Supervision of Grain Quality and Safety aims to strengthen the supervision of grain quality and safety, protect the enthusiasm of grain producers, and safeguard the legitimate rights and interests of grain operators and consumers.

In summary, the policy documents and laws and regulations on food issued in 2023 reflect the country's high attention to food security and agricultural production. Such series of specific policies and measures are purposed for ensuring stability and growth of food production, and national food security.

II. Main businesses of the Company during the reporting period

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

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

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

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

III. Core Competitiveness Analysis

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

(1) Operation mechanism

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

(2) Business model

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

(3) Information technology

The company attaches great importance to the transformation and upgrading of traditional industries with modern technological means, and actively introduces new-generation information technologies such as the Internet of Things, cloud computing, big data, and mobile Internet into grain management, forming an information system that can cover the entire industrial chain of the grain industry, and promoting the “Internet + Grain” industry development. The company’s informatization construction capability is at the leading level in the grain reserves industry, taking the lead in building the warehouse management of “standardization,

mechanization, informatization, and harmlessness” in the industry, the self-developed “Grain Logistics Information System (SZCG GLS)” has built a framework for the construction of grain informatization work, innovated the grain management model, led the development direction of the grain industry, and became a benchmark for the national grain industry. The project was awarded the “National IoT Major Application Demonstration Project” by the National Development and Reform Commission and the Ministry of Finance. The company has undertaken a number of national-level research projects, the results of a number of informatization projects have won national, provincial and municipal awards, and dozens of information systems have been developed and are operating normally.

(4) R&D capabilities

The company has strong research and development capabilities in the field of food and beverage, and gathers leading technological advantages and equipment systems. The subsidiary Shenbao Huacheng owns the Jiangxi provincial enterprise technology center, Shenzhen municipal research and development center (technology center) and Shenzhen plant deep processing technology engineering laboratory and have obtained national high-tech enterprise certification. And also owns a number of patented technologies for tea powder, tea concentrated juice and plant extraction independently researched and developed, published dozens of scientific papers, and won a number of awards such as Science and Technology Progress Award of the Ministry of Agriculture, Shennong Chinese Agricultural Science & Technology Award of the Chinese Society of Agriculture, Science & Technology Achievement Award of Chinese Academy of Agricultural Sciences, Science and Technology Award of China National Light Industry Council, Zhejiang Science and Technology Award, Jiangxi Science and Technology Progress Award and Shenzhen Science & Technology Progress Award, etc., presided over or participated in the preparation of a national standards “GBT 21733-2008 Tea Beverages” and two industry standards, i.e. “Tea Concentrates for Food Industry - Light Industry Standard QB-T 4068- 2010” and “Instant Tea for Food Industry - Light Industry Standard QB-T 4067-2010”.

(5) Quality control

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

(6) Brand effect

The company was awarded the “Top 500 Service Enterprises in China”, “China’s Most Influential Grain & Oil Group”, “China Top Ten Grain and Oil Groups”, “China Top 100 Grain and Oil Enterprises”, “National Leading Enterprise Supporting Grain and Oil Industrialization”, “National Quality Benchmark” and “Top 10 Food Digital Technology Applications”. It has been selected as one of the “First Batch of National Emergency Food Security Enterprises”, “Top 100 Agricultural Industrialized Head Enterprises in China”, “Top 10 Head Enterprise in the Grain Industry” and “The National Demonstration Enterprise of Assured Gain & Oil Demonstration Project”, etc.. It is the “Rice Bag” trusted by the public. Strengthen brand leadership, actively explore and cultivate excellent public

brands, rely on quality to win recognition, reputation and market share, and form a series of high-quality grain and oil products centered on China Good Grain and Oil, Shenzhen Well-known Brands, and Shenzhen Products. The company owns well-known brands and platforms, such as “Shenzhen Flour”, “SZCH Duoxi”, “SZCH Yushuiqing”, “Big Kitchen”, “Shenbao Teabank”, “Ju Fang Yong”, “Cha Mi Xiang Qi”, “Sanjing”, “www.zglsjy.com.com”, and “doximi.com”, and gradually build an industrial system with complete “rice” + “tea” elements.

IV. Main business analysis

1. Overview

2023 is a pivotal year bridging the “14th Five-Year Plan”. The company faced complex domestic and international situations. With a strategic goal centered around “building a smart grain and oil food supply chain quality service provider,” the company adhered to the general tone of steady progress and pursued high-quality development. It focused on strengthening the synergy of the grain “production-purchase-storage-processing-sales” chain, solidly advancing infrastructure construction, and improving institutional mechanisms to better coordinate development and security. Efforts were concentrated on addressing weaknesses, enhancing strengths, stabilizing fundamentals, and leveraging advantages, effectively raising the level of construction in the grain industry chain and supply chain. In 2023, the company achieved total operating income of 6.19 billion yuan, a decrease of 25.54% year-on-year; a total profit of 421 million yuan, a decrease of 10.52% year-on-year; and a net profit attributable to shareholders of the listed company of 348 million yuan, a decrease of 17.34% year-on-year.

(1) Main business development

In 2023, with the ongoing downturn in the grain and oil market demand, the company focused on exploring “growth points” in profitability. It enhanced product quality and operational efficiency, conducted in-depth research on various varieties, and made advance judgments on market trends to accurately grasp market dynamics and price changes. The company made new progress in rice sales business; efforts were made to strengthen the sales capabilities of packaged oils and the production capacity of small-packaged flour, actively matching terminal markets; the product matrix continued to be enriched with ongoing additions such as the ready-to-eat food of ,Big Kitchen, the instant tea concentrate and fresh extract of Shenbao Huacheng, the tea gifts of Shenbao Investment Company and the oyster sauce of Shenzhen Shenliang Food, continuously meeting the needs of citizens for “rice, flour, oil, tea, wine, and condiments”.

(2) Progress of key projects

The Northeast Grain Source Base has improved its rice production equipment to achieve refined management throughout the rice production process. It has obtained ISO9001 and ISO22000 certifications, comprehensively enhancing the level of quality and safety management and increasing market competitiveness.

The completion and acceptance of Nodes A2 and A3 projects of Dongguan Logistics have been achieved. Among them, the Phase I project of the A2 plot has been awarded the “Guangdong Province High-Quality Structural Award for Construction Projects in 2023” and recognized as a “Demonstration Construction Site for Safe and Civilized Construction of Housing and Municipal Engineering in Dongguan City”.

(3) Other key works

Firstly, strengthen innovation leadership. Guided by the goal of building a world-class enterprise, drove reform and innovation by benchmarking against leading practices. Focused on key core technology breakthroughs and promoting the application of innovative achievements. Activities such as the “Smart Creation, Technology-Driven Grain Prosperity” national science and technology event week have been organized, along with the “Leading Innovation, Gathering Momentum” innovation workshop and innovation

achievement exhibition. Facilitated the application process for innovation support projects and technological transformation support projects in 2023; two invention patents have been granted national patent authorization, and three new software copyrights have been obtained; collaborated with Henan University of Technology and related units to conducted the "Key Information Technology and Application of Grain Reserve Security" project.

Secondly, enhanced internal management. Revised the company's articles of association and supported rules of procedure, improving the decision-making rules and decision-making item lists under the "Three Controls and One Major" framework; Conducted a comprehensive review and compilation of the company's institutional documents, strengthening the "abolition, amendment, establishment, and clarification" of financial, capital, investment, property rights, engineering, internal control, quality, safety, and personnel systems, weaving a dense network of institutional systems. To meet the needs of enterprise development, continuously improved the EVA assessment system, optimized the salary system, and the total salary mechanism. Advanced the organic integration of comprehensive risk management systems, internal control systems, and compliance management systems; built a unified fund supervision platform, fully implemented the direct banking function, and strictly enforced the fund payment review mechanism.

Thirdly, consolidated safety production and food safety. Strictly implemented the "three controls and three musts" of work safety and the transmission mechanism of "shared responsibility between the Party and government, dual responsibility for one position, and accountability for dereliction of duty". Emphasized individual responsibility and personal duties, fortified our own work safety and operation positions, strengthened awareness of safety red lines and bottom-line thinking. Regularly convened work safety analysis meetings to grasp the company's safety management status in a timely manner and promoted closed-loop management of hazard rectification. The company has implemented comprehensive management of critical control points for multiple food business units, ledger management for various food products and related information, and conducted multiple on-site inspections and quality management and food safety training sessions to ensure quality is paramount and to comprehensively strengthen our food safety defenses.

2. Revenue and cost

(1) Component of operating revenue

In RMB

	2023		2022		Increase/decrease y-o-y (+/-)
	Amount	Ratio in operating revenue	Amount	Ratio in operating revenue	
Total operating revenue	6,190,005,356.82	100%	8,312,723,058.19	100%	-25.54%
By industries					
Wholesale and retail	4,466,378,701.20	72.15%	6,478,281,826.57	77.93%	-31.06%
Leasing and business services	967,047,827.95	15.62%	998,700,581.84	12.01%	-3.17%
Manufacturing	756,578,827.67	12.23%	835,740,649.78	10.06%	-9.47%
By products					
Grain & oil trading and processing	4,954,330,328.57	80.04%	7,060,875,537.13	84.94%	-29.83%
Grain & oil storage logistics and services	847,768,124.02	13.70%	914,687,968.81	11.00%	-7.32%
Food, beverage and tea processing	268,627,200.30	4.34%	253,146,939.22	3.05%	6.12%
Leasing and others	119,279,703.93	1.92%	84,012,613.03	1.01%	41.98%
By region					
Domestic market	6,150,511,661.23	99.36%	8,273,944,947.64	99.53%	-25.66%

Overseas market	39,493,695.59	0.64%	38,778,110.55	0.47%	1.85%
By sale model					
Direct sale	6,190,005,356.82	100.00%	8,312,723,058.19	100.00%	-25.54%

(2) Industries, products, regions and sales model that account for more than 10% of the operating revenue or operating profit of the Company

Applicable Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
By industry						
Wholesale and retail	4,466,378,701.20	4,238,501,198.60	5.10%	-31.06%	-30.29%	-1.05%
By products						
Grain & oil trading and processing	4,954,330,328.57	4,728,113,869.55	4.57%	-29.83%	-28.78%	-1.40%
By region						
Domestic market	6,150,511,661.23	5,198,929,779.81	15.47%	-25.66%	-27.20%	1.79%
By sale model						
Direct sale	6,190,005,356.82	5,228,845,801.34	15.53%	-25.54%	-27.10%	1.82%

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

Applicable Not applicable

(3) Revenue from physical sales larger than revenue from labors

Yes No

Industries	Item	Unit	2023	2022	Increase/decrease y-o-y (+/-)
Wholesale and retail	Sales volume	Ton	1,577,925.32	2,187,056.83	-27.85%
	Output				
	Storage	Ton	1,073,790.95	1,160,079.24	-7.44%

Reasons for y-o-y relevant data with over 30% changes

Applicable Not applicable

(4) Performance of significant sales contracts, major procurement contract entered into by the company up to the current reporting period

Applicable Not applicable

(5) Component of operation cost

Classification of industries and products

In RMB

Industries	Item	2023		2022		Increase/decrease y-o-y
		Amount	Ratio in	Amount	Ratio in	

			operation cost		operation cost	(+/-)
Wholesale and retail	Raw materials	4,238,501,198.60	81.06%	6,080,180,348.76	84.77%	-30.29%

Explanation

The main business income of the company is from grain and oil trade, and the corresponding cost expenditure is mainly the procurement cost of grain and oil trade.

(6) Whether changes in the scope of consolidation in reporting period

Yes No

(7) Material changes or adjustment for products or services of the Company in reporting period

Applicable Not applicable

(8) Major sales clients and main suppliers

Major sales clients of the Company

Total top five clients in sales (RMB)	1,663,217,449.12
Proportion in total annual sales volume for top five clients	26.87%
Proportion in total annual sales volume for related sales among top five clients	0.00%

Top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Client I	707,231,088.72	11.43%
2	Client II	283,130,674.51	4.57%
3	Client III	237,153,834.55	3.83%
4	Client IV	229,845,418.87	3.71%
5	Client V	205,856,432.47	3.33%
Total	--	1,663,217,449.12	26.87%

Other explanation on main clients

Applicable Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	1,859,306,785.49
Proportion in total annual purchase amount for top five suppliers	38.34%
Proportion in total annual purchase amount from related purchase among top five suppliers	0.00%

Top five suppliers of the Company

Serial	Name	Sum of purchase (RMB)	Proportion in total annual sum of purchase
1	Supplier I	520,275,623.69	10.73%
2	Supplier II	466,647,256.26	9.62%
3	Supplier III	372,093,441.50	7.67%
4	Supplier IV	325,387,066.31	6.71%
5	Supplier V	174,903,397.73	3.61%
Total	--	1,859,306,785.49	38.34%

Other explanation on main suppliers

Applicable Not applicable

3. Expenses

In RMB

	2023	2022	Increase/decrease y-o-y (+/-)	Note of major changes
Sales expenses	176,429,835.98	175,760,616.70	0.38%	
Administration expenses	212,979,557.64	280,557,640.12	-24.09%	Mainly due to the decrease in salary expenses
Financial expenses	40,062,737.27	51,357,048.55	-21.99%	Mainly due to a decrease in the average annual borrowing balance and a decrease in interest expense expenses
R&D expenses	20,045,364.68	18,549,053.04	8.07%	

4. R&D investment

☞ Applicable ☐ Not applicable

Projects	Purpose	Progress	Goals to be achieved	Expected impact on the future development of the Company
Reserve Grain and Oil Data Management Platform	Develop grain and oil data interfaces to collect and consolidate data from multiple subsystems within the company, and aggregate them into relevant information management platforms.	Completed	Meet the information management requirements for reserve grain and oil data, enabling synchronized uploading of relevant data.	Enhance the company's digital management capabilities for reserve grain, improving data quality and governance standards, and strengthening supervision over data management.
Binary Separation Optimization Project	Optimize the functionality of the EAS system in accordance with the requirements of "separating" reserve operations and commercial operations.	Completed	Establish rotation grain and oil accounts within the EAS system to further meet the management requirements for reserve grain and oil.	Achieve differentiation and independent management of reserve grain and commercial grain based on financial accounting entities.
Optimization and Adjustment Project for "Separating" In-house Management System and Cloud Supply Chain System	Optimize the functionality of the self-developed system and cloud supply chain system according to the company's grain and oil business management requirements.	Completed	Complete adjustments to the self-developed system and cloud supply chain system, enabling intelligent upgrades and renovations to warehouses.	Ensure the accuracy, clarity, and smooth operation of supply chain data, financial data, and reporting data.
Commodity Inventory Nature Data Repair Project	Address data imperfection within the system, particularly handling pre-2022 inbound detail data.	Completed	Rectify the inventory nature of outbound, inbound, cost adjustment documents, and inventory balance sheets.	Rectify historical data to meet system management requirements and enhance the overall data quality of the company.
Office Supplies Management Platform	Establish an office supplies management platform to standardize and digitize the process of materials	Completed	Integrate a materials management module into the OA system to meet office requirements for	Improve administrative logistics management and internal operational efficiency, promote high-quality

	management.		material management, enhance full-process management including material requisition, inventory management, and material procurement, and interface with OA approval results.	development of the company, and realize digital and information empowerment to enhance the quality and efficiency of administrative logistics management.
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Personnel of R&D

	2023	2022	Increase(+)/Decrease(-) by
Number of R&D (people)	144	136	5.88%
Ratio of number of R&D	11.86%	11.00%	0.86%
Education background			
Undergraduate	60	65	-7.69%
Master	33	29	13.79%
Age composition			
Under 30	34	44	-22.73%
30~40	65	49	32.65%

R&D investment

	2023	2022	Increase(+)/Decrease(-)
R&D investment (RMB)	54,614,733.25	58,336,915.06	-6.38%
Ratio of R&D investment in operation revenue	0.88%	0.70%	0.18%
Capitalization of R&D investment (RMB)	0.00	0.00	0.00%
Ratio of capitalization of R&D investment in R&D investment	0.00%	0.00%	0.00%

Describe reasons for significant changes in component of the R&D personnel and related impact

Applicable Not applicable

Describe reasons for significant changes in the proportion of total R&D investment accounting for operation income compared with that of last year

Applicable Not applicable

Describe reason for the great change in R&D investment capitalization rate and relevant rationality.

Applicable Not applicable

5. Cash flow

In RMB

Item	2023	2022	Increase(+)/decrease(-) y-o-y
Subtotal of cash inflow from operation activity	6,705,107,578.90	8,994,941,611.03	-25.46%
Subtotal of cash outflow from operation activity	6,119,290,922.71	8,463,052,844.39	-27.69%
Net cash flow arising from operating activities	585,816,656.19	531,888,766.64	10.14%
Subtotal of cash inflow from investment activity	1,575,902,755.32	1,289,883,392.34	22.17%
Subtotal of cash outflow from	1,690,621,094.50	1,304,661,803.05	29.58%

investment activity			
Net cash flow from investment activity	-114,718,339.18	-14,778,410.71	
Subtotal of cash inflow from financing activity	1,931,277,809.13	3,643,844,014.55	-47.00%
Subtotal of cash outflow from financing activity	2,226,523,738.31	4,157,396,506.10	-46.44%
Net cash flow arising from financing activity	-295,245,929.18	-513,552,491.55	
Net increased amount of cash and cash equivalent	179,294,017.16	3,725,389.06	4712.76%

Describe reasons for major y-o-y changes of relevant data

Applicable Not applicable

(1) The cash inflow from operating activities in this period decreased by 25.46% compared to the same period last year, mainly because the company's grain and oil trade revenue decreased, resulting in a decrease in cash inflow, as the oil and grain market demand reduced;

(2) The cash outflow from operating activities in this period decreased by 27.69% compared to the same period last year, mainly because the company's grain and oil trade revenue decreased, and related procurement expenses decreased, resulting in a decrease in cash outflow, as the oil and grain market demand reduced;

(3) The cash inflow from investment activities in this period reduced by 47.00% compared to the same period last year, mainly because the company's operating cash flow continues to flow in, resulting in a decrease in temporary working capital loans;

(4) The cash outflow from investment activities in this period increased by 46.44% compared to the same period last year, mainly because the temporary turnover loans of the company decreased, resulting in a decrease in the corresponding repayment of loan expenses. The proportion of the decrease is basically consistent with the cash inflow from financing activities;

Describe reasons for major difference between the cash flow of operation activity in reporting period and net profit of the Company

Applicable Not applicable

V. Analysis of non-main business

Applicable Not applicable

In RMB

	Amount	Ratio in total profit	Description of formation	Sustainable or not(Y/N)?
Investment income	9,954,884.45	2.36%	Mainly financial management income	N
Gains/losses of fair value variation	182,701.67	0.04%		N
Asset impairment	-104,336,237.13	-24.76%	Mainly due to provision for inventory depreciation	N
Non-operating income	2,445,728.23	0.58%		N
Non-operating expense	1,800,973.49	0.43%		N

VI. Analysis of assets and liabilities

1. Major changes of assets component

In RMB

	Year-end of 2023		Year-begin of 2023		Ratio changes	Notes of major changes
	Amount	Ratio in	Amount	Ratio in		

		total assets		total assets		
Monetary fund	236,384,606.60	3.20%	54,103,771.00	0.73%	2.47%	
Account receivable	179,828,493.98	2.43%	236,829,100.95	3.18%	-0.75%	
Inventory	3,458,443,989.04	46.75%	3,599,041,970.52	48.36%	-1.61%	Mainly due to a decrease in inventory of grain and oil
Investment real estate	263,597,031.89	3.56%	217,137,461.76	2.92%	0.64%	
Long-term equity investment	74,008,926.48	1.00%	70,676,534.63	0.95%	0.05%	
Fix assets	2,171,969,725.22	29.36%	2,141,336,538.86	28.78%	0.58%	Mainly due to the conversion of some engineering projects into fixed assets after completion and use
Construction in progress	51,288,301.16	0.69%	186,884,912.13	2.51%	-1.82%	Mainly due to the conversion of some engineering projects into fixed assets after completion and use
Right-of-use assets	56,933,148.16	0.77%	78,304,838.28	1.05%	-0.28%	
Short-term loans	1,223,462,519.16	16.54%	1,192,211,087.37	16.02%	0.52%	
Contract liability	86,566,253.73	1.17%	110,177,908.96	1.48%	-0.31%	
Lease liability	37,744,951.74	0.51%	60,436,879.66	0.81%	-0.30%	

Foreign assets account for a relatively high proportion

Applicable Not applicable

2. Assets and liabilities measured by fair value

Applicable Not applicable

In RMB

Item	Amount at the beginning period	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Amount of sale in the period	Other changes	Amount in the end of period
Financial assets								
1.Tradable financial assets (excluding derivative financial assets)	46,676,652.91					45,554,305.06		1,122,347.85
5.Other non-current financial assets	57,500.00							57,500.00
6.Large fixed deposit					30,226,849.32			30,226,849.32
Subtotal of financial assets	46,734,152.91				30,226,849.32	45,554,305.06		31,406,697.17
Aforementioned total	46,734,152.91				30,226,849.32	45,554,305.06		31,406,697.17
Financial liabilities	288,486.18					288,486.18		0.00

Other change

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

Yes No

3.The assets rights restricted till end of the period

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

Item	Ending balance	Ending balance of last period
Guarantee deposit	1,800,000.00	1,000,000.00
Letter of credit deposit	691,708.31	
Litigation related freezing	2,973,129.00	
Other		8,301.74
Total	5,464,837.31	1,008,301.74

VII. Investment analysis

1. Overall situation

Applicable Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Changes (+/-)
80,361,097.00	78,284,825.00	2.65%

2.The major equity investment obtained in the reporting period

Applicable Not applicable

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

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Capital Source
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						and loss								
Dome stic and overs eas stock	00001 7	Zhong hua-A	0.00	Fair value measu remen ts	1,228, 132.3 6	- 105,7 84.51	0.00	0.00	0.00	- 105,7 84.51	1,122, 347.8 5	Trada ble financ ial assets	Debt resche duled shares	
Total			0.00	--	1,228, 132.3 6	- 105,7 84.51	0.00	0.00	0.00	- 105,7 84.51	1,122, 347.8 5	--	--	

(2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period

5. Application of raised proceeds

Applicable Not applicable

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

VIII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company had no sales of major assets in the reporting period.

2. Sales of major equity

Applicable Not applicable

IX. Analysis of main holding company and stock-jointly companies

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

In RMB

Compa ny name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzh en Cereals Group Co., Ltd	Subsidi ary	Grain & oil trading processing, grain and oil reserve service	1,530,000, 000	7,582,827,09 1.74	4,045,574,20 2.44	5,771,901,54 7.09	317,583,42 0.26	231,791,78 1.04
Shenzh en Hualian Grain and Oil Trading	Subsidi ary	Grain & oil trading	100,000,0 00	1,285,109,77 4.64	280,425,849. 01	2,041,817,80 4.89	66,309,341. 11	58,133,479. 12

Co., Ltd.								
Dongguan Shenliang Logistics Co., Ltd.	Subsidiary	Grain & oil trading processing, warehouse, and logistics	298,000,000	2,641,182,087.16	390,296,857.83	1,102,439,408.64	54,020,829.20	38,288,511.78

Particular about subsidiaries obtained or disposed in reporting period

Applicable Not applicable

Explanation on main holding/stock-jointly enterprise:

Shenzhen Cereals Group Co., Ltd: Business scope: general business items: grain and oil purchase and sales, grain and oil storage; grain and oil and products management and processing (operated by branches); operation and processing of feed (operated by outsourcing); investment in grain and oil, feed logistics projects; establishing grain and oil and feed trading market (including e-commerce market) (market license is also available); storage (operated by branches); development, operation and management of free property; providing management services for hotels; investing and setting up industries (specific projects are separately declared); domestic trade; engaging in import and export business; E-commerce and information construction; and grain circulation service. Licensed business items: the following projects shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: information services (internet information service only); general freight, professional transport (refrigerated preservation). Register capital is 1,530,000,000.00 yuan. As of the end of current period, total assets reached 7,582,827,091.74 yuan, and net assets amounted to 4,045,574,202.44 yuan, and shareholders' equity attributable to parent company was 3,820,283,971.29 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 5,771,901,547.09 yuan, 231,791,781.04 yuan and 213,490,625.43 yuan respectively.

Shenzhen Hualian Grain and Oil Trading Co., Ltd.: Business scope: general business items: domestic trade (except for projects that laws, administrative regulations, and decisions of the State Council require approval before registration); engaging in import and export business (except for projects prohibited by laws, administrative regulations, and decision of the State Council, restricted projects can be operated only after obtaining permission); online feed sales; information consultation, self-owned housing leasing (excluding talent agency services and other restricted items); international freight forwarding, domestic freight forwarding (can only be operated after being approved by the transport department if laws, administrative regulations, State Council decision require the approval of transport department); Licensed business items: following items shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: purchase and sale of grain and oil, online sales of grain and oil; information service business (internet information service business only). Register capital is 100,000,000.00 yuan. As of the end of current period, total assets reached 1,285,109,774.64 yuan, and net assets amounted to 280,425,849.01 yuan, and shareholders' equity attributable to parent company was 251,319,373.93 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 2,041,817,804.89 yuan, 58,133,479.12 yuan and 56,761,134.19 yuan respectively.

Dongguan Shenliang Logistics Co., Ltd. Business scope: General business items: Container and bulk cargo storage and other supporting services; Container and bulk cargo transportation; Production: food (grain and oil), feed and feed additives; Grain procurement; Wholesale and retail: prepackaged food (grain and oil), bulk food (grain and oil), feed and feed additives; Port operations, loading and unloading of steel and general cargo at ports; Road freight transportation; Water transportation, water transportation services; Grain and oil storage; Internet Information Services; Technical services for grain, oil, and feed quality inspection; hotel management; Industrial investment; Market operation management; Supply chain management services; International freight forwarding, domestic freight forwarding; Customs declaration agency and inspection agency; Property management and leasing; Import and export of goods and technology. Projects that require approval according to law can only be

operated with the approval of relevant departments. Its registered capital is 2,980,000.00 yuan. As of the end of current period, total assets reached 2,641,182,087.16 yuan, and net assets amounted to 390,296,857.83 yuan, and shareholders' equity attributable to parent company was 390,296,857.83 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 1,102,439,408.64 yuan, 38,288,511.78 yuan and 38,288,511.78 yuan respectively.

X. Structured vehicle controlled by the Company

Applicable Not applicable

XI. Prospects on future development

(i) Development trend and competition layout of the industry

At present, the domestic grain and oil trade, processing, and logistics industries are full-circulation sectors, with high degree of marketization, numerous participating companies and fierce competition. Central enterprises and large local grain enterprises have relatively complete warehousing and logistics facilities, and enjoy a number of national policies; in recent years, a large number of outstanding national and regional private grain enterprises have come to the fore; with the development of China's grain marketization, foreign grain enterprises have emerged in our country's grain market, and further intensified the competition in the grain and oil industry by relying on abundant resources, strong financial strength and mature management experience. The grain industry in Shenzhen is developing vigorously, there are many grain and oil processing enterprises with a certain scale and many small and medium-sized enterprises in the area, with the advancement of the "dual-zone construction", the population of cities in the Pearl River Delta has increased, and people's living standards have improved, the competition in the food market is orderly and unprecedentedly fierce.

(ii) The company's development strategy

During the 14th Five-Year Plan, the Company will focus on the main business of grain, oil and food, conform to the country's new development requirements for the grain industry, i.e. "agriculture head and industry tail", "grain head and food tail", "three chains integration", etc., seize the major historical opportunities of current significant historical opportunities such as the construction of the Guangdong - Hong Kong - Macao Greater Bay Area and the construction of the Shenzhen Pilot Demonstration Area, and innovate the development strategy of "one chain, two parks and N platforms", to build a regional leading "grain eastern and southern coastal logistic corridor" with "high-quality grain source base + regional comprehensive park + urban distribution center" and create a national first-class "smart grain, oil and food supply chain quality service providers".

(iii) Operation plan for the year of 2024

In 2024, the company will closely adhere to the central ideology of "seeking progress while maintaining stability, and innovating while adhering to the fundamentals". Building upon our core business, the company will seek new breakthroughs, extend the grain industry chain, enhance the value chain, and construct a comprehensive supply chain, establishing a "big grain", "big industry", and "big circulation" framework spanning from raw grain to finished products, from production areas to distribution areas, and from fields to tables. Key focuses include:

1. Enhance market expansion capabilities. Actively expand bulk trade business, intensifying market development efforts, leverage information on grain usage, inventory structures, procurement channels of terminal enterprises, and our company's existing resources such as docks, warehousing, and funds to provide end-to-end services for upstream and downstream customers. Elevate marketing capabilities for B and C segments, revitalize traditional channels, innovate marketing channels, nurture specialized marketing teams, form joint operation "1+N" mechanism, strengthen "online + offline" integrated sales, integrate and expand sales channels and layouts, and create synergy in product circulation.

2. Enhance brand building capabilities. Elevate the visibility, appeal, and reputation of the brand of SZCH, systematically

implement brand building work from brand architecture, brand recognition, brand communication to value management, craft flagship grain and oil products, and establish a good brand image with excellent products and services.

3. Strengthen technological innovation. Play the leading role in enterprise technological innovation, increase investment in technological innovation, enhance exchange and cooperation with domestic and foreign universities, and research institutions in the “industry-university-research” nexus, facilitate the integration and application of industrial R&D and innovative technologies, promote the transformation of scientific and technological innovation achievements into real productivity. Actively participate in the formulation of industry standards in the grain and oil, warehousing, and other industries, continuously explore and output the digital product and service value of “SZCH Standards”.

4. Accelerate business model innovation. Strengthen product function research, enrich product formats, drive the extension of the industry chain into segmented fields, and support new business formats with innovative product capabilities. Persistently iterate business marketing models for grain and oil B and C ends, continuously optimize operational quality through innovation.

5. Enhance risk prevention and resolution capabilities. Continuously advance comprehensive risk management and internal control system construction, strictly implement safety production responsibilities, solidly conduct a three-year action plan to address fundamental safety production issues, strengthen the construction of food safety management systems, and firmly guard the bottom line of safety and stability.

(iv) Potential risks

1. Fluctuation risks in grain and oil purchasing and sales prices

In the year of 2023, uncertainties stemming from external factors such as continued interest rate hikes by the Federal Reserve, Russia-Ukraine conflicts and extreme weather events, led to significant fluctuations in domestic and international grain and oil purchasing and sales prices. Additionally, export controls on agricultural products imposed by some countries directly impact the supply of bulk agricultural products, further exacerbating the volatility of grain and oil prices.

The company will actively address the risks posed by price fluctuations to its operations by strengthening market forecasting, establishing strategic partnerships, optimizing supply management, and implementing refined management measures to enhance utilization rates.

2. Food safety risks

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

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

3. Risk of intensified market competition

As a representative enterprise of regional grain, oil and food business, compared with central enterprises and large multinational grain, oil and food enterprises, the company still has a certain gap in scale and brand awareness. In the future, the competition in the

grain, oil and food industry will become more intense, if the company cannot effectively promote its own brand and broaden its marketing channels, it may face greater risks when market competition intensifies.

In response to possible market and business risks, on the one hand, the company makes overall plans for annual procurement, carefully optimizes procurement channels, and ensures sufficient grain supply and orderly supply. On the other hand, the company continues to strengthen communication with upstream and downstream customers in the industry chain, vigorously expands sales channels, focuses on customer needs, deepens brand and service, and enhances the company's brand value and competitiveness.

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

Applicable Not applicable

Reception time	Reception place	Reception mode	Reception object type	Reception Object	Main content talked about and materials provided	Index of basic situation of research
May 12, 2023	Online Value www.ir-online.cn	Network platform online communication	Other	All investors	2021 annual performance briefing	For details, please refer to the “Investor Communication Record Form of the Company's 2022 Annual Performance Explanation Meeting” disclosed on Juchao Website (www.cninfo.com.cn) on May 12, 2023
December 15, 2023	Conference room of the company in 14 th floor	Spot investigation	Institution	Guoxin Securities	Development of the company's business operations, brand and sales channels, information technology construction, etc	For details, please refer to the “Company Investor Relations Activity Record Form” disclosed on Juchao Website (www.cninfo.com.cn) on December 12, 2023

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

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

Yes No

Section IV Corporate Governance

I. Corporate governance of the Company

During the reporting period, the Company constantly improved the corporate governance structure, improved the quality of corporate governance, and established a sound internal control system, strictly in accordance with corporate governance requirements of normative documents released by the Company Law, Securities Law, Corporate Governance Guidelines and Standard Operational Guidelines to Main Board Listed Companies of Shenzhen Stock Exchange. The Company continued to carry out the governance activities, improved the standard operation level, and safeguarded the legitimate interests of the Company and investors.

Accountability among Shareholders' General Meeting, the Board of Directors and the board of supervisors were clear. We strictly implemented the rules from the Articles of Association during the reporting period as well as work regulations and other basic management system to ensure the effective implementation of the internal control system.

The Company received no relevant documents with administrative regulation concerned from regulatory authorities in reporting period, and has no particular about rectification within a time limit. From point of the Board, corporate governance of the Company shows no difference to requirement from relevant documents with actual condition.

Is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed Company from CSRC?

Yes No

There are no differences between the actual condition of corporate governance and relevant regulations about corporate governance for listed Company from CSRC.

II. Independence of the Company relative to controlling shareholder and the actual controller in ensuring the Company's assets, personnel, finance, organization and businesses

By the end of the reporting period, Shenzhen Agricultural Power Group is the actual controller of the Company. The Company, in strict accordance with the governance rules of listed companies and other relevant provisions, completely separates from the controlling shareholders in business, finance, personnel, assets, organizations, and has independent full business and self management ability.

1. Independent Business:

The business of the Company is independent from controlling shareholders and has complete business and self management ability, and is not dependent on the shareholders and their affiliated enterprises, which has no competition with controlling shareholder and its subordinate enterprises. The controlling shareholder has no direct or indirect intervention in the Company business activities.

2. Independent Staff:

The Company has special organization to manage labor and payment, and has independent perfect personnel system and collective management system. General Manager of the Company as well as deputy GM, secretary of the Board, CFO and other senior executives receive remuneration from the Company, and don't receive remuneration from shareholders' unit and subordinate enterprises and holding the post except director or supervisor.

3. Independent Assets:

The Company has independent and integrity asset structure; There is no situation where funds or assets of the company are occupied

by controlling shareholders for non operational purposes.

4. Independent Organization:

The Company has set up a sound organizational structure system and operates independently; there is no mixed operation between the Company and controlling shareholders.

5. Financial Independence:

The Company, with independent financial department, has set up independent accounting system and financial management system and makes financial decision independently. With independent bank accounts, and tax payment, the Company strictly follows the financial system and has independent operation and standardized management.

III. Horizontal Competition

Applicable Not applicable

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

1. Annual General Meeting in the reporting period

Ordinal number of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolutions
Annual General Meeting of 2022	AGM	72.19%	2023-05-17	2023-05-18	Resolutions of the Annual General Meeting of 2022 (Notice No. 2023-11) disclosed on Juchao Website(www.cninfo.com.cn) on May 18, 2023
The 1 st extraordinary general meeting of shareholders of 2023	Extraordinary general meeting of shareholders	72.13%	2023-09-14	2023-09-15	Resolutions of the 1 st Extraordinary General Meeting of Shareholders of 2023 (Notice No. 2023-21) disclosed on Juchao Website(www.cninfo.com.cn) on September 15, 2023
The 2 nd extraordinary general meeting of shareholders of 2023	Extraordinary general meeting of shareholders	72.14%	2023-11-03	2023-11-04	Resolutions of the 2 nd Extraordinary General Meeting of Shareholders of 2023 (Notice No. 2023-28) disclosed on Juchao Website(www.cninfo.com.cn) on November 4, 2023
The 3 rd extraordinary general meeting of shareholders of 2023	Extraordinary general meeting of shareholders	72.13%	2023-12-21	2023-12-22	Resolutions of the 3 rd Extraordinary General Meeting of Shareholders of 2023 (Notice No. 2023-37) disclosed on Juchao Website(www.cninfo.com.cn) on December 22, 2023

2. Request for extraordinary general meeting by preferred stockholders whose voting rights are restored

Applicable Not applicable

V. Directors, supervisors and senior executives

1. Basic information

Name	Gender	Age	Title	Working status	Start dated of office term	End date of office term	Shares held at period-begin (share)	Number of shares increased in this period (share)	Number of shares decreased in this period (share)	Other changes (share)	Shares held at period-end (share)	Reasons for increase or decrease of shares
Wang Zhikai	Male	52	Party Secretary, Chairman of BOD	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Hu Xianghai	Male	59	Deputy Party Secretary, Director, GM	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
Gu Cheng	Male	51	Director	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Zhang Guoyuan	Male	50	Director	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Zheng Xiangpeng	Male	48	Deputy Party Secretary, Director	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Lu Yuhe	Female	46	Director, CFO	Currently in office	2021-08-02	2026-11-03	0	0	0	0	0	-
Zhao Rubing	Male	67	Independent director	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
Bi Weimin	Female	67	Independent director	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
Liu Haifeng	Male	52	Independent director	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
You Hongxia	Female	53	Supervisor	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Liu Xinqing	Female	51	Supervisor	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Zheng Shengqiao	Male	56	Deputy Party Secretary, employee supervisor	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
Ma Zenghai	Male	59	Employee supervisor	Currently in office	2019-02-21	2026-11-03	0	0	0	0	0	-
Chen Xiaohua	Male	57	Member of the Party Committee, Deputy GM, and Secretary of the Board of Directors	Currently in office	2020-08-24	2026-11-03	0	0	0	0	0	-
Shen Hua	Mmle	49	Member of the Party Committee, Deputy GM	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-

Xiao Hui	Male	45	Member of the Party Committee, Deputy GM	Currently in office	2020-02-28	2026-11-03	0	0	0	0	0	-
Du Jianguo	Male	51	Member of the Party Committee, Deputy GM	Currently in office	2023-11-03	2026-11-03	0	0	0	0	0	-
Ni Yue	Female	49	Original director	Office leaving	2018-05-15	2023-11-03	0	0	0	0	0	-
Wang Huimin	Female	56	Former Secretary of the Commission for Discipline Inspection and Chairman of the Supervisory Board	Office leaving	2018-05-15	2023-09-15	0	0	0	0	0	-
Liu Ji	Male	48	Former supervisor	Office leaving	2019-02-21	2023-11-03	0	0	0	0	0	-
Qian Wenying	Female	51	Former supervisor	Office leaving	2019-02-21	2023-11-15	0	0	0	0	0	-
Dai Bin	Male	59	Former member of the Party Committee, Deputy GM	Office leaving	2019-02-21	2023-11-15	0	0	0	0	0	-
Meng Xiaoxian	Male	51	Former member of the Party Committee, Deputy GM	Office leaving	2019-09-11	2023-09-11	0	0	0	0	0	-
Total		--		--			0	0	0	0	0	--

During the reporting period, is there any departure of directors and supervisors and dismissal of senior executives

Yes No

1. The board of directors of the company received a written resignation report from Mr. Meng Xiaoxian, a member of the company's party committee and deputy GM, on September 11, 2023. Due to job transfer, Mr. Meng Xiaoxian applied to resign from the position of deputy GM and he will no longer hold any other positions in the company after resigning.

2. The company's supervisory board received a written resignation report from Ms. Wang Huimin, the secretary of the Discipline Inspection Commission and Chairman of the Supervisory Board, on September 15, 2023. Due to job transfer, Ms. Wang Huimin applied to resign from her position as Chairman of the Supervisory Board and she will no longer hold any other positions in the company after resigning.

3. The second extraordinary general meeting of shareholders held by the company on November 3, 2023, reviewed and approved the Proposal for the Election of Non-independent Directors, the Proposal for the Election of Independent Director and the the Proposal for the Election of Supervisory Board. The 11th session of directors and supervisors of the company were elected, and Ms. Ni Yue, Mr. Liu Ji, and Ms. Qian Wenying, the 10th session of the directors, left after their terms of office expired.

4. On November 3, 2023, the first meeting of the 11th session of the Board of Directors of the company reviewed and approved the Proposal on the Appointment of Senior Management Personnel. The 11th senior management personnel of the company were appointed, and Mr. Dai Bin, the 10th deputy GM of the company, resigned upon the expiration of his term.

Changes of directors, supervisors and senior officers

☞ Applicable ☐ Not applicable

Name	Title	Type	Date	Reason
Meng Xiaoxian	Member of the Party Committee, Deputy GM	Dismissed	Sep. 11, 2023	Job transfer
Wang Huimin	Secretary of the Commission for Discipline Inspection and Chairman of the Supervisory Board	Resigned	Sep 15, 2023	Job transfer
Ni Yue	Director	Resigned upon expiration of term	Nov 3, 2023	Transition
Liu Ji	Supervisor	Resigned upon expiration of term	Nov 3, 2023	Transition
Qian Wenyong	Supervisor	Resigned upon expiration of term	Nov 3, 2023	Transition
Dai Bin	Member of the Party Committee, Deputy GM	Resigned upon expiration of term	Nov 3, 2023	Transition
Wang Zhikai	Party Secretary. Chairman of BOD	Elected	Nov 3, 2023	Transition
Gu Cheng	Director	Elected	Nov 3, 2023	Transition
Zhang Guoyuan	Director	Elected	Nov 3, 2023	Transition
Zheng Xiangpeng	Deputy Party Secretary. Chairman of BOD	Elected	Nov 3, 2023	Transition
You Hongxia	Supervisor	Elected	Nov 3, 2023	Transition
Liu Xinqing	Supervisor	Elected	Nov 3, 2023	Transition
Shen Hua	Member of the Party Committee, Deputy GM	Employed	Nov 3, 2023	Transition
Du Jianguo	Member of the Party Committee, Deputy GM	Employed	Nov 3, 2023	Transition

2. Post-holding

Professional background, major working experience and present main responsibilities in Company of directors, supervisors and senior executive

(i) Director

Mr. Wang Zhikai: Born in 1971, holds a master's degree. Formerly served as deputy director and director of the Enterprise Second Division of the State owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government, and Director of the Strategic Development Division; deputy GM and Party Committee Member of Shenzhen Talent Anju Group Co., Ltd. He is currently member of the Party Committee of Shenzhen Agricultural Power Group Co., Ltd, the secretary of the company's Party Committee and Chairman.

Mr. Hu Xianghai: born in 1964, master's degree and a senior economist. He successively served as the lecturer of Shenzhen Institute of Education; director of general office of Asia Branch of the Shenzhen Huale Industrial Co., Ltd.; director of the Shenzhen Enterprise Management Cadre Training Center; deputy secretary general and office director of the Secretarial Shenzhen Association of Enterprise Management and Shenzhen Association of Chinese and Foreign Entrepreneurs; director of development dept. and director of the marketing management dept. of Shenzhen Special Economic Zone Duty-Free Commodity Enterprise Company; GM of Temian Electronic Technology Professional Market Management Co., Ltd.; assistant to the GM and GM of enterprise dept., GM, deputy secretary of the party committee, director and GM of Shenzhen Agricultural Products Co., Ltd; served as the president of Shenzhen South Agricultural Products Logistics Co., Ltd. while take post as assistant to the deputy GM, and the president of

Shenzhen Qianhai Agricultural Products Exchange Co., Ltd; deputy secretary of the party committee, director and GM of Shenzhen Cereals Group Co., Ltd. Now he serves as deputy secretary of the party committee, director and GM of the Company.

Mr. Gu Cheng: Born in 1973, hold a master's degree. He formerly served as the Secretary of the Youth League Committee of the Education Bureau of Longgang District, Shenzhen; the director and deputy director of the Office of the Shenzhen Federation of Trade Unions, minister of Legal Work, minister of Grassroots Organization Construction, Minister of Grassroots Organization Construction and Economic Work, member of the Party Group and vice chairman of the Shenzhen Federation of Trade Unions; member of the Party Working Committee of Shenzhen's Two New Organizations; and members of the Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference and other positions. Now, he is deputy secretary of the Party Committee and director of Shenzhen Agricultural Power Group Co., Ltd; supervisor of Shenzhen Agricultural Products Group Co., Ltd; and director of the company.

Mr. Zhang Guoyuan: Born in 1973, holds a master's degree. He previously served as a cadre of Shenzhen Special Zone Development Company; employee of Shenzhen Yantian District Investment Service Center; member of the Investment Promotion Department and deputy director of the Office of the Yantian District Economic and Trade Bureau in Shenzhen; deputy chief staff member and chief staff member of the Supervision and Inspection Department of Shenzhen State-owned Assets Supervision and Administration Commission; director of the Supervision and Inspection Department of Shenzhen State-owned Assets Supervision and Administration Bureau; Director, Deputy Director, and Director of the Supervision and Inspection Department of the State owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government; Director of the Property Rights Management and Regulations Department of the State owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government. He is currently member of the Party Committee and deputy GM of Shenzhen Agricultural Power Group Co., Ltd and director of the company.

Mr. Zheng Xiangpeng: Born in 1975, holds a bachelor's degree and is a senior journalist. He formerly served as an editor and journalist for Shenzhen Special Zone Daily, deputy director of the Political News Department (in this period, he was appointed as a member of the Longgang Street Party Working Committee and Deputy Director of the Office), deputy director and director of the Regional News Department, and member of Shenzhen Special Zone Daily Editorial Committee; assistant to the President of Shenzhen Press Group, director of the Office of Shenzhen Press Group, and chairman of Shenzhen Press Education Media Group; deputy secretary of the Party Committee, director, and chairman of the Trade Union of Shenzhen Food Materials Group Co., Ltd. He is current deputy secretary and director of the company's Party Committee.

Ms. Lu Yehe: born in 1977, master's degree and CPA. She previously worked as the senior auditor of Ernst & Young; the independent non-executive director, Director and CFO of China Trends Holdings Limited; CFO of VIEIN; Director and CFO of the Shenzhen Exhibition & Convention Center Management Co., Ltd., the Director and CFO of Shenzhen Tong Chan Group and CFO of Shenzhen Yinhu Convention Center (Hotel) Co., Ltd. Now she is the Director and CFO of the Company.

Mr. Zhao Rubin: born in 1956, master's degree and professor of engineering. He successively served as the director and secretary of Gezhouba Station for EHVDC transmission from Gezhouba to Shanghai; director of office and director of foreign affairs office of Gezhouba Hydro-power Plant; the secretary of party group and GM of Huaneng South Development Company; party secretary and GM of Huaneng Real Estate Development Company; Director, deputy president, deputy party secretary of Great Wall Securities; president of Jingshun Great Wall Fund Management Co., Ltd.; deputy president of Sunshine Insurance Assets Management Corporation Limited; the outside director of Shenzhen Cereals Group Co., Ltd; independent director of Bros Eastern Co., Ltd. Now he serves as independent director of the Company; independent director of Southwest Securities Co., Ltd and Director of Bosera Fund Management Co., Ltd.

Ms. Bi Weimin: born in 1956, doctor's degree, and a senior accountant. She successively served as engineer of the Gezhouba Power Plant, assistant director and deputy director; deputy president and director of Three Gorges Finance Company; chief economist and supervisor of China Yangtze Power Co., Ltd.; deputy chief accountant of China Three Gorges Corporation, the member of

investment committee and director of asset finance dept. As well as the director of enterprise management dept and legal affairs department. Now she serves as the independent director of the Company.

Mr. Liu Haifeng: born in 1971, doctor' degree and a lawyer. He successively served as director of legal department of Shenzhen Property Development (Group); the partner of Guangdong Xintong Laws Firm. Now he serves as independent director of the Company and first-level partner of Guangdong Hancheng Laws Firm.

(ii) Supervisor

Ms. You Hongxia: Born in 1971, holds a master's degree and is a senior accountant and registered accountant. He formerly served as a member of the Biotechnology Department of the Building Materials Bureau of Exi Prefecture, and was appointed as an assistant to the district chief of Huangjindong District in Xianfeng, lecturer at the Department of Business and Economics, School of Economics and Trade, Huazhong Agricultural University, financial manager of Shenzhen Shenbao Industrial Co., Ltd., secretary of the GM's Office, assistant to the Minister of Finance and Accounting, and assistant to the Minister of Human Resources; assistant to the Minister of Finance of Shenzhen Shenbao Sanjing Food and Beverage Development Co., Ltd, assistant director of the Office of the Board of Directors of Shenzhen Shenbao Industrial Co., Ltd; accounting, deputy director of Audit Department, director of Risk Control Office, director of Risk Control Department of Finance and Information Center, director of Risk Control Department of Audit Risk Control Center, and Deputy General Manager of Audit Risk Control Center of Shenzhen Agricultural Products Co., Ltd; deputy GM (in charge of work) and GM of the Audit Risk Management Headquarters of Shenzhen Agricultural Products Group Co., Ltd. She is current GM of the Audit Risk Control Department of Shenzhen Agricultural Power Group Co., Ltd and the supervisor of the Company.

Ms. Liu Xinqing: Born in 1972, holds a bachelor's degree and is a registered management accountant. She has previously served as an accountant of Shantou Special Economic Zone Foreign Commercial Corporation, the employee , accountant, cashier in charge of the finance and accounting department, chief clerk, assistant to the department head, senior manager, deputy director of the fund settlement and operation center, deputy director of the finance and accounting department, deputy general manager and head of the fund operation department of the finance and information center, head of the fund operation department of the finance center, and deputy general manager of the finance center of Shenzhen Agricultural Products Co., Ltd. , GM of Shenzhen Agricultural Products Small Loan Co., Ltd, deputy GM of the Financial Management Headquarters (Fund Management Center) of Shenzhen Agricultural Products Group Co., Ltd, GM of Shenzhen Agricultural Products Financing Guarantee Co., Ltd, GM of the Financial Management Headquarters (Fund Management Center) of Shenzhen Agricultural Products Group Co., Ltd. She is currently GM of the Planning and Finance Department of Shenzhen Agricultural Power Group Co., Ltd and the supervisor of the Company.

Mr. Zheng Shengqiao, born in 1967, holds a bachelor degree and an intermediate accountant. He successively served as member of the special representative office of the state audit administration in Guangzhou; deputy manager of accounting department of Hong Kong Yuehai Enterprise (Group) Co., Ltd; deputy GM of CTS Logistics; CFO of the AVSHD Technology Co., Ltd; the deputy director of finance department, deputy director of enterprise management department, director of board office, deputy secretary of discipline inspection commission, secretary of the BOS and director of discipline inspection and supervision office (office of BOS) of the Shenzhen Cereals Group Co., Ltd. Now he serves as the staff supervisor, deputy secretary of discipline inspection commission and director of discipline inspection and supervision office (office of BOS) of the Company.

Mr. Ma Zenghai: born in 1964, master's degree and an intermediate economist, lecturer. He successively served as the general representative of Thailand project in Shenzhen Cereals Group Co., Ltd; president and GM of Shenzhen Hualian Grain & Oil Trade Co., ltd.; GM and secretary of the Party branch of Grease branch of Shenzhen Cereals Group Co., Ltd; head of the risk management department of Shenzhen Cereals Group Co., Ltd. Now he serves as staff supervisor and head of the risk management and internal audit department of the company.

(iii) Senior executives

Mr. Chen Xiaohua, born in 1966, holds a master's degree and is an economic manager. He served successively as chief of the

secretarial section, deputy director and director of the office of the board of directors, and secretary of the board, director, and vice president of Shenzhen Agricultural Products Group Co., Ltd., concurrently served as chairman of Guangxi Haijixing International Logistics Co., Ltd., chairman of Tianjin Haijixing Agricultural Products Market Management Co., Ltd., and chairman of Tianjin Haijixing Agricultural Products Logistics Co., Ltd. He currently serves as the member of party committee, deputy general manager and secretary of the board of the company.

Mr. Shen Hua: Born in 1975, holds a master's degree and is an economist. He has formerly served as the deputy manager of the Management Department of Shenzhen Buji Agricultural Products Wholesale Center, deputy GM, GM and Chairman of Nanchang Shenzhen Agricultural Products Wholesale Market Co., Ltd., and deputy GM of Shenzhen Agricultural Products Group Co., Ltd. He currently serves as member of the party committee and deputy GM of the Company.

Mr. Xiao Hui, born in 1978, holds a master's degree and is a master of finance and a master of business administration. He served as a staff member of the Personnel and Education Department, and a staff member, a deputy chief staff member, a chief staff member, deputy director, and director of the General Office of the People's Bank of China,; and the deputy head of the Nanshan District People's Government. He currently serves as the member of party committee and deputy GM of the company.

Mr. Du Jianguo: Born in 1973, holds a master's degree and an economist. He has formerly served as a clerk in the Comprehensive Control Department of Qingdao Price Bureau. deputy director of the GM's Office of Shenzhen Agricultural Products Co., Ltd, chairman of Changsha Mawangdui Agricultural Products Co., Ltd, director of the GM's Office and director of the Transportation Department of Shenzhen Agricultural Products Co., Ltd, chairman of Shenzhen Zhongnong Aquatic Products Co., Ltd. and Chairman of Shenzhen Buji Seafood Market Co., Ltd, investment director of the Investment Department of Shenzhen Cereals Group Co., Ltd; Minister of Investment Department and Secretary of the Board of Directors of Shenzhen Duoxi Equity Investment Fund Management Co., Ltd., Chairman of Dongguan Shengliang Logistics Co., Ltd; Member of the Party Committee, Deputy General Manager, and Chairman of Shenzhen Zhenchu Supply Chain Co., Ltd. of Shenzhen Food Materials Group Co., Ltd. Current member of the company's party committee and deputy general manager.

Post-holding in shareholding entities

☼ Applicable Not applicable

Name	Name of shareholding entities	Start dated of office term	End date of office term	Whether receiving remuneration from shareholding entities(Y/N)?
Wang Zhikai	Shenzhen Agricultural Power Group Co., Ltd.	2023-09-01		N
Gu Cheng	Shenzhen Agricultural Power Group Co., Ltd.	2022-09-01		Y
Gu Cheng	Shenzhen Agricultural Products Group Co., Ltd	2023-01-17		N
Zhang Guoyuan	Shenzhen Agricultural Power Group Co., Ltd.	2023-08-01		Y
You Hongxia	Shenzhen Agricultural Power Group Co., Ltd.	2023-10-01		Y
Liu Xinqing	Shenzhen Agricultural Power Group Co., Ltd.	2023-10-01		Y
Explanation of employment in shareholder units	NA			

Post-holding in other entities

☼ Applicable Not applicable

Name	Name of other entities	Position	Start dated of office term	End date of office term	Whether receiving remuneration from other entities(Y/N)?
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Zhao Rubing	Bosera Fund Management Co., Ltd.	Independent director	2017-12-01		Y
Zhao Rubing	Southwest Securities Co., Ltd	Independent director	2017-03-01	2023-12-25	Y
Liu Haifeng	Guangdong Hancheng Laws Firm	First-level partner	2007-02-01		Y
Explanation on post-holding in shareholding entities	N/A				

Punishment of securities regulatory authorities in recent three years to the Company's current and outgoing directors, supervisors and senior management during the reporting period

Applicable Not applicable

3. Remuneration for directors, supervisors and senior executives

Decision-making procedures, determination bases and actual payment of remunerations of directors, supervisors and senior executives

During the reporting period, according to the Company Performance Management Measures, the remuneration and appraisal committee of the Company's board of directors combined with the Company's annual business situation and individual performance appraisal result and determined the salary of senior executives. During the reporting period, the subsidiary standard of independent directors is subject to the resolution by the Fifth Extraordinary General Meeting of 2019 and adjusted as 138,000 yuan (tax inclusive) per year for one person.

Remuneration for directors, supervisors and senior executives in reporting period

Unit: 10 thousand Yuan

Name	Title	Gender	Age	Post-holding status	Total remuneration obtained from the Company	Whether remuneration obtained from related party of the Company
Wang Zhikai	Male	52	Party Secretary and Chairman	Currently in office	14.69	N
Hu Xianghai	Male	59	Deputy Secretary of the Party Committee, Director, and GM	Currently in office	140.18	N
GuCheng	Male	50	Director	Currently in office	0	Y
ZhangGuoyuan	Male	50	Director	Currently in office	0	Y
Zheng Xiangpeng	Male	48	Deputy Secretary of the Party Committee and Director	Currently in office	13.01	N
Lu Yuhe	Female	46	Director and CFO	Currently in office	50	Y
Zhao Rubing	Male	67	independent director	Currently in office	13.8	N
Bi Weimin	Female	67	independent director	Currently in office	13.8	N
Liu Haifeng	Male	52	independent director	Currently in office	13.8	N
Zheng Shengqiao	Male	56	Deputy Secretary of the Commission for Discipline Inspection and employee supervisor	Currently in office	115.91	N

Ma Zenghai	Male	59	Employee supervisor	Currently in office	107.07	N
Chen Xiaohua	Male	57	Deputy GM and Secretary of the Board of Directors	Currently in office	125.72	N
Shen Hua	Male	48	Deputy GM	Currently in office	13.01	N
Xiao Hui	Male	45	Deputy GM	Currently in office	127.24	N
Du Jianguo	Male	50	Deputy GM	Currently in office	13.01	N
Ni Yue	Female	49	Former Director	Office leaving	12.5	Y
Wang Huimin	Female	56	Former Secretary of the Commission for Discipline Inspection and Chairman of the Supervisory Board	Office leaving	35.42	Y
Liu Ji	Male	48	Former supervisor	Office leaving	0	N
Qian Wenying	Female	51	Former supervisor	Office leaving	0	N
Dai Bin	Male	59	Former Deputy GM	Office leaving	127.02	N
Meng Xiaoxian	Male	51	Former Deputy GM	Office leaving	114.56	N
Total	--	--	--	--	1,050.74	--

Other explanation

Applicable Not applicable

VI. Responsibility performance of directors during the reporting period

1. The board of directors during the reporting period

Meeting	Date of meeting	Disclosure date	Meeting resolutions
The 26 th meeting of 10 th session of the BOD	2023-02-16	2023-02-17	The “Resolution of the 26 th meeting of 10 th session of the BOD” (Notice No.: 2023-01) released on Juchao Website (www.cninfo.com.cn) on Feb. 17, 2023
The 27 th meeting of 10 th session of the BOD	2023-04-24	2023-04-26	The “Resolution of the 27 th meeting of 10 th session of the BOD” (Notice No.: 2023-04) released on Juchao Website (www.cninfo.com.cn) on April 26, 2023
The 28 th meeting of 10 th session of the BOD	2023-05-30	2023-05-31	The “Resolution of the 28 th meeting of 10 th session of the BOD” (Notice No.: 2023-12) released on Juchao Website (www.cninfo.com.cn) on May 31, 2023
The 29 th meeting of 10 th session of the BOD	2023-07-80	2023-07-11	The “Resolution of the 29 th meeting of 10 th session of the BOD” (Notice No.: 2023-14) released on Juchao Website (www.cninfo.com.cn) on July 11, 2023
The 30 th meeting of 10 th session of the BOD	2023-08-25	2023-08-29	The “Resolution of the 30 th meeting of 10 th session of the BOD” (Notice No.: 2023-15) released on Juchao Website (www.cninfo.com.cn) on Aug. 29, 2023
The 31 st meeting of 10 th session of the BOD	2023-09-20	2023-09-21	The “Resolution of the 31 st meeting of 10 th session of the BOD” (Notice No.: 2023-23) released on Juchao Website (www.cninfo.com.cn) on Sep. 21, 2023
The 32 nd meeting of 10 th session of the BOD	2023-10-18	2023-10-19	The “Resolution of the 32 nd meeting of 10 th session of the BOD” (Notice No.: 2023-25) released on Juchao Website (www.cninfo.com.cn) on Oct. 19, 2023
The 33 rd meeting of 10 th session of the BOD	2023-10-26	2023-10-28	The “Resolution of the 1 st meeting of 11 th session of the BOD” (Notice No.: 2023-27) released on Juchao Website (www.cninfo.com.cn) on Oct. 28, 2023
The 1 st meeting of 11 th session of the BOD	2023-11-03	2023-11-04	The “Resolution of the 1 st meeting of 11 th session of the BOD” (Notice No.: 2023-29) released on Juchao Website (www.cninfo.com.cn) on Nov. 4, 2023

The 2 nd meeting of 11 th session of the BOD	2023-11-24	2023-11-25	The “Resolution of the 2 nd meeting of 11 th session of the BOD” (Notice No.: 2023-30) released on Juchao Website (www.cninfo.com.cn) on Nov. 25, 2023
The 3 rd meeting of 11 th session of the BOD	2023-12-05	2023-12-06	The “Resolution of the 3 rd meeting of 11 th session of the BOD” (Notice No.: 2023-34) released on Juchao Website (www.cninfo.com.cn) on Dec. 6, 2023
The 4 th meeting of 11 th session of the BOD	2023-12-21	2023-12-22	The “Resolution of the 4 th meeting of 11 th session of the BOD” (Notice No.: 2023-38) released on Juchao Website (www.cninfo.com.cn) on Dec. 22, 2023

2. The attendance of directors to Board meetings and shareholders general meeting

The attendance of directors to Board Meeting and Shareholders General Meeting							
Director	Times of Board meeting supposed to attend in the reporting period	Times of Presence	Times of attending the Board Meeting by communication	Times of entrusted presence	Times of Absence	Absent the Meeting for the second time in a row (Y/N)	Times of attend the general meeting
Wang Zhikai	4	3	1	0	0	N	1
Hu Xianghai	12	7	4	1	0	N	3
Gu Cheng	4	2	1	1	0	N	0
Zhang Guoyuan	4	2	1	1	0	N	0
Zheng Xiangpeng	4	3	1	0	0	N	1
Lu Yuhe	12	9	3	0	0	N	4
Zhao Rubing	12	8	4	0	0	N	4
Bi Weimin	12	6	6	0	0	N	4
Liu Haifeng	12	11	1	0	0	N	4
Ni Yue	8	6	2	0	0	N	2

Explanation of not attending the board meeting in person for two consecutive times

Nil

3. Objection for relevant events from directors

Directors come up with objection about Company’s relevant matters

Yes No

No directors come up with objection about Company’s relevant matters in the Period

4. Other explanation about responsibility performance of directors

The opinions from directors have been adopted

Yes No

Explanation on whether the director’s proposal about the Company has been or has not been adopted

During the reporting period, independent directors of the Company were in strict accordance with provisions of Articles of Association, the Company Law, Guidance to Establishment of Independent Director System in Listed Companies and other relevant laws and regulations, and actively attended board meetings, shareholders’ meetings. The independent directors of the company issued independent professional opinions for important issues, paid sustained attention to company’s operation, inspected and guided the operation and management work of the company from time to time, learned about internal control system, implementation progress of the equity investment project, etc., continued to enhance consciousness of performing duties according to provisions of law, and expressed independent and impartial advice for investment outside, related party transactions, hiring auditors and other matters

occurred during the reporting period in time. Duties performance of independent directors has improved the corporate governance structure and safeguarded the interests of the Company and its shareholders. From performance of duties of independent directors, please refer to “2023 Annual Work Report of Independent Directors” disclosed in www.cninfo.com.cn.

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

Committee name	Members	Number of meetings held	Date of meeting	Meeting content	Important comments and suggestions made	Other performance of duties	Specific circumstances of the objection (if applicable)
The Audit Committee of the 10th session of Board of Directors of the Company	Bi Weimin, Zhao Rubing, Lu Yuhe	4	April 24, 2023	(1) Deliberated the 2022 Internal Control Evaluation Report of the Company; (2) Deliberated the 2023 Internal Audit and Post Investment Evaluation Work Plan of the Company; (3) Deliberated the Company's 2022 Financial Report; (4) Deliberated the Company's Q1 2023 Financial Report.	-	-	NA
			May 30, 2023	(1) Deliberate the 2022 Internal Control System Work Report of the Company; (2) Deliberated the 2023 Major Risk Assessment Report of the Company.	-	-	NA
			August 25, 2023	(1) Deliberated the Company's 2023 Half Year Financial Report; (2) Deliberated the Proposal on Financial Write-off of Asset Disposal and Asset Impairment Provision of Subsidiaries; (3) Deliberated the Implementation Plan and Annual	-	-	NA

				Plan for the Construction of the Company's Compliance Management System.			
			October 26, 2023	Deliberated the Company's Third Quarter Financial Report for 2023	-	-	NA
The 10th session of Board of Directors Remuneration and Assessment Committee of the Company	Zhao Rubing, Bi Weimin, Ni Yue	3	February 16, 2023	Deliberated the Proposal on "One Agreement and Two Letters of Responsibilities" for Members of the Company's Management Team	-	-	NA
			April 24th, 2023	Deliberated the Proposal on the Remuneration of Directors and Senior Management Personnel of the Company for the Year 2022	-	-	NA
			June 11, 2023	Report, Inquiry, and Evaluation of Senior Management Personnel of the Company for the Year 2022	Inquire and evaluate the performance of senior management personnel for the year 2022 and provide assessment opinions	-	NA
The Nomination Committee of the 10th session of Board of Directors of the Company	Zhao Rubing, Bi Weimin, Liu Haifeng	1	October 18, 2023	Deliberated the Proposal on Nominating Candidates for the 11 th Session of Board of Directors of the Company	After collecting, organizing, and verifying the educational background, professional title, and work experience of the candidates for the 11th session of Board of Directors, the candidates were nominated	-	NA
The Strategy Committee of the 10th session of	Zhao Rubing, Liu Haifeng,	3	April 24, 2023	(1) Deliberated the Draft Comprehensive Budget for the Year	-	-	NA

Board of Directors of the Company	Hu Xianghai			2023 of the Company; (2) Deliberated the Proposal on Dongguan Logistics Company's Investment in the Construction of Berth 3.			
			July 8, 2023	Deliberated the Proposal on the Public Listing and Transfer of 51% Equity of Wuhan Jiacheng Biological Products Co., Ltd	-	-	NA
			September 20, 2023	Deliberated the Proposal on the Public Listing and Transfer of 51% Equity and Debt of Wuhan Jiacheng Biological Products Co., Ltd	-	-	NA
The Audit Committee of the 11th session of Board of Directors of the Company	Bi Weimin, Zhao Rubing, Zhang Guoyuan	1	November 24, 2023	(1) Deliberated the Proposal on Amending the Work Regulations of the Audit Committee of the Company's Board of Directors (2) Deliberated the Work Plan for Supervision and Evaluation of the Company's Internal Control System from 2023 to 2025 (3) Deliberated the Proposal on Hiring an Accounting Firm for the Year 2023	Propose to hire Grant Thornton Certified Public Accountant LLP(Special General Partnership)as the company's financial audit and internal control audit agency for the year 2023	-	NA
The 11th session of Board of Directors Remuneration and Assessment Committee of the Company	Zhao Rubing, Bi Weimin, Lu Yuhe	2	November 24, 2023	Deliberated the Proposal on Amending the Work Regulations of the Company's Board of Directors Compensation and Assessment Committee	-	-	NA
			December 21, 2023	Deliberated the Proposal on the Appointment Agreement of Company Management	-	-	NA

				Members and the Annual Business Performance Responsibility Letter			
The Nomination Committee of the 11th session of Board of Directors of the Company	Zhao Rubing, Wang Zhikai, Liu Haifeng	1	November 24, 2023	Deliberated the Proposal on Amending the Work Regulations of the Nomination Committee of the Company's Board of Directors	-	-	NA
The Strategy Committee of the 11th session of Board of Directors of the Company	Wang Zhikai, Zhao Rubing, Gu Cheng	1	November 24, 2023	(1) Proposal on Amending the Work Regulations of the Strategic Committee of the Board of Directors of the Company (2) Proposal on the Acquisition of 30% Minority Equity Project of Big Kitchen by Shenzhen Cereals Group Co., Ltd	-	-	NA

VIII. Works of the Board of Supervisors

Does the the board of supervisors discover any risks in the company during its supervisory activities during the reporting period?

Yes No

The board of supervisors has no objection about supervision events in reporting period

IX. Particulars of workforce

1. Number of Employees, Professional composition, Education background

Employee in-post of the parent Company at period-end (people)	114
Employee in-post of main subsidiaries at period-end (people)	1,101
The total number of current employees at period-end (people)	1,215
The total number of current employees to receive pay (people)	1,215
Retired employee' s expenses born by the parent Company and main subsidiaries (people)	0
Professional composition	
Category of professional composition	Numbers of professional composition (people)
Production personnel	374
Salesperson	108
Technicians	144
Financial personnel	93
Administrative personnel	496
Total	1,215
Education background	
Education	Numbers (people)

Postgraduate	161
Undergraduate	479
3-years regular college graduate	254
Graduate of secondary special school	72
High school and below	249
Total	1,215

2. Remuneration Policy

During the reporting period, employee wages was paid monthly according to salary management provisions set by the Company, and the performance-related pay was issued based on the actual situation of benefit and individual performance assessment results at the year-end, remuneration and benefit are connected as a whole.

3. Training Plan

In 2023, based on the deepening of the implementation of a classified and layered talent training plan, the role characteristics of the phased population were sorted out from the perspective of organizational development and talent demand, focusing on the talent management pyramid that has been gradually built in the early stage. Based on the construction of talent echelons, training goals and directions were formed, while actively responding to the training needs of higher-level units to carry out training effectively. Continuously improved the professional level and ability of talent cultivation in the company, achieved efficient utilization of resources, and provided a continuous source of intelligence for the company's development.

4. Labor outsourcing

Applicable Not applicable

X. Profit distribution plan and capitalizing of common reserves plan

Formulation, Implementation and Adjustment of Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

The profit distribution policy of the Company is specified in the Article of Association as:

(1) Profit distribution of the Company should pay attention to the reasonable investment return to investors, and the profit distribution policy should maintain continuity and stability;

(2) The Company may distribute dividends in the form of cash or a combination of cash and stocks, and may pay interim cash dividends;

(3) The following conditions shall be met at the same time when the Company intends to implement cash dividends:

1. Earnings per share for the year is not less than 0.1 yuan;
2. The audit institution shall issue a standard unqualified audit report on the company's annual financial report;
3. The company has no major investment plans or major cash expenditures (except for fund-raising projects). Major investment plans

or major cash expenditures refer to the cumulative expenditures that the company intends to invest, acquire assets, or purchase equipment in the next twelve months reach or exceed 30% of the company's most recent audited total assets, and exceed 50 million yuan;

(4) In principle, the company's annual profits distributed in cash should not be less than 10% of the attributable profits realized in the year; and the company's cumulative profits distributed in cash in the last 3 years should not be less than 30% of the annual average attributable profits realized in the last 3 years. Under the premise of ensuring the distribution of cash profits, the company can additionally adopt the method of stock dividend distribution for profit distribution; the company's annual profit distribution amount shall not exceed the company's accumulated undistributed profits at the end of the year, and shall not damage the company's ability to continue operations;

(5) The specific profit distribution plan shall be drawn up by the board of directors and submitted to the general meeting of shareholders for deliberation. The company provides a variety of ways to accept the recommendations and supervision of all shareholders, independent directors and supervisors on the company's dividends distribution. If the annual reporting period is profitable but the board of directors does not propose a cash dividend plan in accordance with the Articles of Association, it shall be disclosed in the periodic report the reasons for not proposing a cash dividend plan in accordance with the Articles of Association, and the purpose of funds not used for dividends but retained by the company. The independent directors shall express independent opinions on this purpose. In addition to on-site meetings, the company shall also provide shareholders with an online voting platform when convening a general meeting of shareholders;

(6) If the company has not distributed cash profits in the last 3 years, it can not issue new shares to the public, issue convertible corporate bonds or allot shares to original shareholders;

(7) Where a shareholder illegally occupies the company's funds, the company shall deduct the cash dividends distributed to the shareholder in order to repay the capital occupied;

(8) When the company adjusts its profit distribution policy, it should take the protection of shareholders, especially small and medium shareholders' rights and interests, as the starting point for detailed argumentation, and the board of directors should submit it to the general meeting of shareholders for review and approval by a special resolution, while independent directors should express clear independent opinions;

(9) The company provides multiple channels (telephone, fax, e-mail, interactive platform, etc.) to accept all shareholders' suggestions and supervision on the company's dividends.

The foreign exchange conversion rate of domestically-listed foreign share dividends is calculated based on the central parity rate of Hong Kong dollar against RMB announced by the People's Bank of China on the first working day after the resolution date of the general meeting of shareholders.

During the reporting period, the company's profit distribution complied with the company's articles of association and review procedures, and fully protected the legitimate rights and interests of small and medium investors. Independent directors expressed their opinions, and the profit distribution procedures were compliant and transparent. During the reporting period, the company's profit distribution policy has not been adjusted or changed.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Y/N):	Y
Well-defined and clearly dividend standards and proportion (Y/N):	Y
Completed relevant decision-making process and mechanism (Y/N):	Y
Independent directors perform duties completely and play a	Y

proper role (Y/N):	
If the company does not distribute cash dividends, specific reasons should be disclosed, as well as the measures to be taken next to enhance investor returns:	Y
Minority shareholders have opportunity to express opinions and demands totally and their legal rights are fully protected (Y/N):	Y
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Y/N):	Not applicable

The Company gains profits in reporting period and the parent company has positive profit available for distribution to shareholders of the parent company but no cash dividend distribution plan has been proposed

Applicable Not applicable

Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

Bonus shares for every 10-share (Share)	0
Dividends for every 10-share (RMB) (tax inclusive)	2.0
Equity base of distribution plan (Share)	1152535254
Cash bonus distribution (RMB) (tax inclusive)	230,507,050.80
Cash bonus distribution in other ways (i.e. share buy-backs) (RMB)	0.00
Total cash bonus (including other ways) (RMB)	230,507,050.80
Profit available for distribution(RMB)	416,632,837.22
Ratio of total cash dividend (other ways included) in total profit distribution	100%

Cash dividend

In case the Company is in a development stage and has the arrangement of major capital expenses, the ratio of cash dividend in profit distribution should reach a minimum of 20% in profit distribution.

Detailed explanation on profit distribution or capital accumulation fund conversion plan

After audited by Grant Thornton Certified Public Accountant LLP(Special General Partnership), in consolidate statement for year of 2023, the net profit attributable to shareholders of parent company amounted to 347,824,733.68 yuan; As of Dec. 31, 2022, the profit of parent company that can be distributed for shareholders was 416,632,837.22 yuan.

In accordance with relevant regulations and Article of Association, combined with the actual development needs of the Company and in consideration of the interests of shareholders, BOD plans to submit the equity distribution plan for year of 2023 to shareholders general meeting: based on total share capital 1,152,535,254 shares of the Company on Dec. 31, 2023, distribute 2.0 yuan (tax inclusive) for every 10-share to all shareholders with zero share bonus (tax inclusive), and no capital share converted from capital reserve

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

Applicable Not applicable

During the reporting period, the Company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

In accordance with the Company Law, the Guidelines for Governance of Listed Companies, the relevant regulations of the China Securities Regulatory Commission and other relevant national laws and regulations, the company has established the general meeting of shareholders, the board of directors, the board of supervisors, the party committee, and managers. The board of directors consists of strategy committee, remuneration and appraisal committee, nominations committee and audit committee, clarified the responsibilities and authorities of decision-making, execution, and supervision, and formed a scientific and effective division of

responsibilities and checks and balances mechanism, providing a good internal environment for the establishment and operation of the company's internal control system.

On the aspect of construction and implementation of the internal control system, the board of directors is responsible for the establishment, improvement and effective implementation of the internal control system, the board of supervisors supervises the establishment and implementation of the internal control system of the board of directors, and the managers are responsible for organizing the daily operation of the company's internal control system, and the company's risk management and internal audit department is specifically responsible for organizing and coordinating the establishment, implementation, evaluation and daily work of the internal control system.

The company has established management systems and procedures in line with internal control management norms in the fields of organizational structure, development strategy, internal audit and supervision, human resources, social responsibility, corporate culture, capital management, procurement business, sales business, asset management, engineering project management, research and development, guarantee business, investment management, contract management, budget management, financial reports, and information communication, which have been effectively implemented in the daily business operation and management process.

2. Details of major defects in internal control identified during the reporting period

Yes No

XIII. Management and controls on subsidiaries during reporting period

Name	Integration plans	Integration progress	Problems encountered in integration	Measures taken to resolve	Progress in solution	Follow-up solution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal control self-appraisal report or internal control audit report

1. Self-appraisal report of internal control

Disclosure date of full internal control evaluation report	April 16, 2024	
Disclosure index of full internal control evaluation report	"Internal control self-appraisal report of Shenzhen Cereals Holdings Co., Ltd. in 2023" published on Juchao Website (http://www.cninfo.com.cn)	
The ratio of the total assets of entities included in the scope of evaluation accounting for the total assets on the Company's consolidated financial statements	100.00%	
The ratio of the operating income of entities included in the scope of evaluation accounting for the operating income on the Company's consolidated financial statements	100.00%	
Defects Evaluation Standards		
Category	Financial Reports	Non-financial Reports
Qualitative criteria	1. Major defects: Defect alone or together with other defects in a timely manner cause unpreventable or undetectable and uncorrectable material misstatement in the	1. Qualitative criteria for major defects are as follows: (1) The lack of democratic decision-making process, such as the lack of decision-making on major issues, an important appointment and dismissal of cadres, major investment decisions,

	<p>financial statements.</p> <p>The Company may indicate the presence of significant deficiencies in internal control over financial reporting if following circumstances:</p> <p>(1) The directors, supervisors and senior management fraud;</p> <p>(2) Enterprise corrects mistake which has been published in financial statements;</p> <p>(3) CPA finds material misstatement in current financial statements, but internal control during operation fails to find the misstatements;</p> <p>(4) Oversight of internal control by corporate audit committee and the internal audit is invalid;</p> <p>(5) Particularly important or significant deficiencies found during internal control has not been rectified;</p> <p>(6) The lack of business-critical system or invalid system.</p> <p>2. Important defect: defect alone or together with other defects in a timely manner cause unpreventable or undetectable and uncorrectable material misstatement in the financial statements, although not reach and exceed the level of importance, should lead to management attention misstatements.</p> <p>3. General Defects: other internal defects do not pose a significant or important defect control deficiency.</p>	<p>large sums of money using the decision-making process;</p> <p>(2) Decision-making process is not scientific, such as major policy mistakes, resulting in significant property damage to the Company;</p> <p>(3) Serious violations of national laws and regulations;</p> <p>(4) Loss of key executives or loss of a large number of key talent;</p> <p>(5) Frequent negative news in media, which causes nationwide impact.</p> <p>2. The qualitative criteria for important defects are as follows:</p> <p>(1) The decision-making process is not perfect;</p> <p>(2)The company's internal management system has not been effectively implemented, resulting in losses;</p> <p>(3) Frequent occurrence of negative news in the media with certain influence;</p> <p>(4) The general defects in the internal control evaluation have not been corrected.</p> <p>3. General defects refer to other internal control defects that do not constitute major defects or important defects.</p>
Quantitative standard	<p>Major defects:</p> <p>Potential misstatement of total assets $\geq 1\%$ of total assets;</p> <p>Potential misstatement of operating revenue $\geq 1\%$ of operating income;</p> <p>Potential misstatement of total profit $\geq 5\%$ of total profit.</p> <p>Important defects:</p> <p>0.5% of total assets \leq Potential misstatement of total assets $< 1\%$ of total assets,</p> <p>0.5% of operating income \leq Potential misstatement of operating revenue $< 1\%$ of</p>	<p>Major defects: the amount of direct property loss ≥ 12 million yuan, have been officially disclosed outside the Company disclosed in periodic reports and adversely affected.</p> <p>Important defects: 3 million yuan $<$ the amount of direct property loss < 12 million yuan, punished by the state government but no negative impact on the disclosure of the company's regular reports;</p> <p>General defects: the amount of direct property loss ≤ 3 million yuan, punished by the provincial (including provincial) government but no</p>

	operating income, 2.5% of total profit ≤ Potential misstatement of total profit <5% of total profit; General defects: Potential misstatement of total assets <0.5% of total capital; Potential misstatement of Operating revenue <0.5% of operating income; Potential misstatement of total profit <2.5% of total profit;	negative impact on the disclosure of our company's regular reports;
Amount of significant defects in financial reports		0
Amount of significant defects in non-financial reports		0
Amount of important defects in financial reports		0
Amount of important defects in non-financial reports		0

2. Internal control audit report

Applicable Not applicable

Deliberations in Internal Control Audit Report	
BDO China Shu Lun Pan Certified Public Accountant LLP believes as of Dec. 31, 2022, the company maintained effective internal control over financial reporting in all significant aspects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations	
Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	2023-04-16
Index of audit report of internal control (full-text)	The internal control audit report of SHENZHEN CEREALS HOLDINGS CO., LTD. in 2023 published on Juchao Website (www.cninfo.com.cn)
Opinion type of auditing report of internal control	Standard unqualified
Whether the non-financial report had major defects	No

Does the accounting firm issue an internal control audit report with non-standard opinions?

Yes No

Is the internal control audit report issued by the accounting firm consistent with the self-evaluation report of the board of directors?
the Board

Yes No

XV. Rectification of Self-examination Problems in Special Governance Actions in Listed Company

During the reporting period, the company conducted self-examination and self-correction on corporate governance in accordance with the requirements of the Announcement on Launching Special Actions on Corporate Governance of Listed Companies of the China Securities Regulatory Commission. Through this self-examination, the company has established and improved a relatively complete and reasonable corporate governance structure and internal control system in accordance with relevant laws and regulations such as the Company Law, Guidelines for Governance of Listed Companies, Self Regulatory Guidelines for Listed Companies No. 1- Standardized Operation of Main Board Listed Companies, etc.. The company didn't find any major deficiencies and risks in

standardized operations.

In the future, the company will focus on improving the high-quality development of the listed company, continue to improve the corporate governance system, effectively improve the effectiveness of corporate governance and scientificity of decision-making, and achieve stable operation and sustainable development of the company.

Section V. Environmental and Social Responsibility

I. Major environmental

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

Yes No

Administrative punishment for environmental problems during the reporting period

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

Other environmental information disclosed by reference to key pollutant discharge entities

Nil

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

Applicable Not applicable

Reasons for not disclosing other environmental information

The company attached great importance to environmental protection work, and each subsidiary has built corresponding environmental protection facilities according to the actual situation of production and operation to treat waste gas, dust, wastewater and solid waste generated in the production process, so as to make its emissions reach the national and local relevant standards.

II. Social responsibility

During the reporting period, the Company has been strictly in accordance with Company Law, Securities Law, Articles of Association and other relevant laws and regulations, continues to improve governance structure and regulate operation. The Company attaches importance to social responsibility, sustains attention to social create value, integrity management according to law, provides consumers with safe and secure products, high-quality, green and healthy products to enhance the capacity for sustainable development and overall competitiveness; and make efforts to improve management, enhance innovation capability and core competencies; the Company upholds a fair, just and open principles of treatment for all investors, with particular emphasis on safeguarding the interests of minority shareholders; the Company strictly complies with national environmental laws and regulations, thoroughly implements green philosophy, strengthens ecological protection, complies with the overall development of the country and society, and strives to achieve economic and social benefits, short-term interests and long-term interests of their own development and social development, coordination, thus achieving healthy and harmonious development of the Company, staff, society, and environment.

III. Consolidating and expanding the achievements of poverty alleviation and rural revitalization

Thoroughly implement the important teachings of General Secretary Xi Jinping regarding the “work of agriculture, rural areas and farmers”, as well as the strategy of rural revitalization, in accordance with the relevant work arrangements of the provincial and municipal committees, focusing on the objectives of the “High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Myriad Villages”. Fully leverage the advantages of company resources, strengthen communication and collaboration with counterpart assistance units, mobilize social forces extensively, and solidly promote the effective connection between consolidating and expanding the achievements in poverty alleviation and rural revitalization.

First, enhance industrial drive to promote the high-quality and efficient development of local specialty agricultural industries. Leveraging our strengths and experience in grain and oil production, processing, and storage, we focus on the peanut industry in the assisted towns and key villages where the first secretaries are stationed. We coordinate internal and external resources of the company to provide assistance and support in various aspects including grain and oil processing technology, quality control, food safety, and expanding channel sales. Second, strengthen guidance on "Zhenpin" declaration to support the upgrading of local high-quality agricultural products. We provide comprehensive guidance to enterprises in assisted areas on the policies and procedures for "Zhenpin" declaration, assisting local specialty agricultural products in applying for the "Zhenpin" designation, and helping establish a sound connection with deep food standards system. Third, strengthen the connection between production and sales to assist farmers in achieving abundant yields and smooth sales. The company's subsidiaries have signed a joint agreement for industrial assistance and development with the town and village assistance team stationed in Tuocheng Town, Longchuan County. Leveraging the company's operational platform and the market resources of both parties, we aim to expand the market channels for high-quality agricultural products through collaborative branding, effectively promoting the integrated development of industries and rural revitalization. Fourth, increase consumer assistance efforts to fully promote rural revitalization. We meticulously plan party building, industrial assistance, and consumer assistance in assisted areas, adopting the method of "purchase instead of sales, and buying instead of assistance". In 2023, we purchased agricultural and sideline products from assisted areas such as Heyuan in Guangdong, Liangshan and Litang in Sichuan, exceeding 8.5 million yuan. This solidly supports the industrial development of assisted areas and continues to consolidate and expand the achievements in poverty alleviation.

Section VI. Important Events

I. Implementation of commitment

1. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

☉ Applicable □ Not applicable

Commitment reason	Made by	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments in assets reorganization	Shenzhen Agricultural Power Group	Other commitments	Commitment to non-normal business enterprises: For non-normal business enterprises under Shenzhen Cereals Group (including but not limited to enterprises that have been revoked business licenses, discontinued operation, etc.), the commitment party will fully assist, urge and promote Shenzhen Cereals Group to implement the corresponding write-off procedures. After the completion of this reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the abnormal operation of the non-normal business enterprises or the failure to handle write-off procedures in time, the commitment party will bear the relevant legal liability, and fully compensate the listed company and the target company within 30 working days after the actual loss occurs.	2018-03-23	Implement as promised	Normal performance
	Shenzhen Agricultural Power	Other commitments	Relevant Commitments Regarding the Existence of Flaws in Leased Property: The leased house property of Shenzhen Cereals Group and its holding subsidiaries has the following conditions: (1) The lessor has not provided the ownership documentary evidence of the property and/or the documentary evidence proving the lessor has the right to rent out the house property. (2) The lease term of part of the leased house property is more than 20 years; (3) Shenzhen Cereals Group and its	2018-03-23	Implement as promised	Normal performance

			<p>subsidiaries sublet part of the leased house property to a third party without the consent of the lessor; (4) The leased house property of Shenzhen Cereals Group and its holding subsidiary has not been registered for the housing lease. If Shenzhen Cereals Group and its holding subsidiaries are imposed any form of punishment by the relevant government departments or assume any form of legal responsibility, or suffer from any losses or expenses because their leased place and / or house property do not comply with relevant laws and regulations, the commitment party will be willing to bear any losses, damages, claims, costs and expenses incurred, suffered and assumed by Shenzhen Cereals Group and its holding subsidiaries, and protect Shenzhen Cereals Group and its holding subsidiaries from damages. In addition, the commitment party will support Shenzhen Cereals Group and its holding subsidiaries to actively advocate their rights against the corresponding parties in order to safeguard and protect the interest of Shenzhen Cereals Group and the listed companies to the maximum extent.</p>			
Shenzhen Agricultural Power	Other commitments	Commitment Letter on Flaws in House Property and Land: In the case that some of the house properties held by Shenzhen Cereals Group fail to rename the obligee of the property ownership certificate, the commitment party will fully assist, urge and promote Shenzhen Cereals Group or its subsidiaries to go through the formalities. After the completion of this reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the failure to rename the obligee of the property ownership certificate, the commitment party will bear the relevant legal liability, and fully	2018-03-23	Implement as promised	Normal performance	

			<p>compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that some house properties held by Shenzhen Cereals Group fail to complete the registration procedures for ownership transfer, the commitment party will fully assist, urge and promote Shenzhen Cereals Group to complete the relevant transfer procedures. After the completion of this reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the failure to rename the obligee of above-mentioned property, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In response to the conversion of non-market commercial housing held by Shenzhen Cereals Group into market commercial housing, the commitment party will fully assist, urge and promote Shenzhen Cereals Group to go through the formalities. After the completion of this reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the failure to complete the conversion of non-market commercial housing into market commercial housing, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that some house properties of Shenzhen Cereals Group have not been renewed for the land use period, the commitment party will fully assist, urge</p>		
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			<p>and promote Shenzhen Cereals Group to renew the corresponding land use right period. After the completion of this reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the failure to renew the land use right period, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that some house properties of Shenzhen Cereals Group have not been registered for ownership transfer or renewed the land use period, the commitment party will fully assist, urge and promote Shenzhen Cereals Group to handle the corresponding land use rights renewal and ownership transfer registration procedures. After the completion of the reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses due to the failure to complete the above-mentioned land use right renewal and ownership transfer registration procedures, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that the property of SZCG Sungang Warehouse has not completed the registration for converting non commercial housing into commercial housing, after the completion of the reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses as the property of Sungang Warehouse is not registered for converting non</p>			
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			<p>commercial housing into commercial housing in time, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that the land and property of SZCG Shuguang Grain Depot have not passed the completion acceptance nor completed the registration of commercial housing, after the completion of the reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses as the land and property of Shuguang Grain Depot have not timely passed the completion in time nor completed the registration of commercial housing, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that the property of SZCG Flour Factory has not completed the conversion of non-commercial housing into commercial housing and the relocation, after the completion of the reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers from any losses as Flour Factory doesn't complete the conversion of non-commercial housing into commercial housing and the relocation, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. In view of the fact that the land of Heilongjiang Hongxinglong Nongken Shenxin Grain Industry Park Co., Ltd., a subsidiary of Shenzhen Cereals Group, has not</p>		
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			<p>applied for land use right certificates, the commitment party will fully assist, urge and promote the subsidiary of Shenzhen Cereals Group to manage the application procedures of the corresponding land use right certificates. After the completion of the reorganization, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses because the land use right certificate cannot be issued due to any ownership disputes in the above-mentioned land use right, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs. If Shenzhen Cereals Group and its holding subsidiaries are required to take back the sites and/or properties or imposed any form of punishment by the relevant government departments or assume any legal liability, or suffer any losses or expenses arising from the modification for flaws in sites and/or properties as the above-mentioned and other self-owned or leased sites and/or properties fail to comply with the relevant laws and regulations, the commitment party will assume any losses, damages, claims, costs and expenses incurred, suffered and assumed by Shenzhen Cereals Group and its holding subsidiaries, and protect the list companies and Shenzhen Cereals Group from damages. In addition, the commitment party will support the company and its holding subsidiaries to actively advocate their rights against the corresponding parties in order to safeguard and protect the interest of the company and its holding subsidiaries to the maximum extent.</p>			
	Shenzhen Agricultural Power	Other commitments	Commitment Letter on the Company's System Reform and System Evaluation of	2018-03-23	Implement as promised	Normal performance

	Group		Shenzhen Cereals Group in 1998: After the completion of this restructuring, if Shenzhen Cereals Group or the listed company is called to account, receives administrative punishment or suffers any losses as the system reform is not evaluated or other reasons related to this reform, the commitment party will bear the relevant legal liability, and fully compensate the listed company and Shenzhen Cereals Group within 30 working days after the actual loss occurs.			
	Shenzhen Agricultural Power	Other commitments	Commitment to Maintain the Position of Controlling Shareholders of Listed Companies: Within 60 months from the date of completion of this transaction, the Company promises not to voluntarily give up the controlling shareholder status in the listed company, and guarantees that the controlling shareholder status of the listed company will not be changed due to reasons of the Company during this period, nor assists any other party to seek the controlling shareholder status of the listed company. Within 60 months from the date of completion of this transaction, the Company will not take the initiative to change the status of the controlling shareholder of the listed company through any actions including reducing the share holding in the listed company.	2018-03-23	2023-11-12	Normal performance
	Shenzhen Agricultural Power	Other commitments	Commitment on the public shares: After the completion of the transaction, the commitment party will cautiously nominate directors and supervisors, and will not nominate candidates for directors, supervisors and senior management to the listed company that will cause the proportion of public shares of the listed company not meet the requirements of the Listing Rules of Shenzhen Stock Exchange.; nor will vote for the relevant shareholders' meeting and/or board resolutions for	2018-03-23	Implement as promised	Normal performance

			selecting directors, supervisors and senior executives of listed companies that will make the proportion of public shares of listed companies not meet the requirements of the Listing Rules of Shenzhen Stock Exchange.			
Shenzhen Agricultural Power	Other commitments	Commitment letter of Shenzhen Food Materials Group Co., Ltd on pending litigation of Shenzhen Cereals Group Co., Ltd.: Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as “Shenshenbao”, “Listed Company”) intends to purchase the 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as “SZCG”, “target company”) held by the shareholders of SZCG through issuance of shares. In view of the two unfinished major lawsuits/arbitration of SZCG, Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as “the commitment party”), the controlling shareholder of SZCG, has made the following commitments: If SZCG and its controlling subsidiaries suffer any claims, compensation, losses or expenses due to the unsettled major lawsuits/arbitration about the contract dispute of international sale of soybean with Noble Resources Co., Ltd. and the contract dispute with Guangzhou Jinhe Feed Co., Ltd. and Huangxianning Import Agent, the commitment party will assume the compensation or loss caused by the above two outstanding major lawsuits/arbitration.	2018-04-02	Implement as promised	Normal performance	
Shenzhen Agricultural Power	Other commitments	Commitment letter of Shenzhen Food Materials Group Co., Ltd. on risks of making a supplementary payment for the rent at earlier stage of Pinghu Grain Depot: Shenzhen Shenbao Industrial Co., Ltd. intends to purchase the 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as “SZCG”) held by the shareholders of SZCG	2018-04-02	Implement as promised	Normal performance	

			through issuance of shares. Shenzhen Food Materials Group Co., Ltd. (hereinafter referred to as “the commitment party”), the controlling shareholder of SZCG, has made the following commitments: If SZCG needs to make a supplementary payment for the rent before assessment basis date to the property right unit of Pinghu Grain Depot (or its authorized unit), the total amount of the rent and other related charges and expenses shall be borne by the commitment party.			
	Shenzhen Agricultural Power	Other commitments	Commitment letter on the house properties of Shenzhen Cereals Group and its subsidiaries that have not obtained the housing ownership certificate: Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as “Shenshenbao” and “listed company”) intends to purchase the 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as “SZCG”, “target company”) held by the shareholders of SZCG through issuance of shares. Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as “the commitment party”), the controlling shareholder of SZCG, has made the following commitments: If SZCG and its subsidiaries suffer any administrative punishment or losses due to their house properties without the housing ownership certificate, the commitment party will bear the relevant legal responsibilities and fully compensate the listed company and SZCG within 30 working days after the actual loss occurs.	2018-04-02	Implement as promised	Normal performance
	Shenzhen Agricultural Power	Commitment on restricted sale of shares	Commitment on Shenzhen Food Materials Group Co., Ltd to accept the restricted shares of non-tradable shares reform of Shenzhen Shenbao Industrial Co., Ltd. held by Shenzhen Investment Holdings Co., Ltd.: Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as “Food	2018-04-04	Implement as promised	Normal performance

			<p>Materials Group”) accepts 79,484,302 shares of A shares of Shenshenbao A (000019) (including 66,052,518 shares of unrestricted A shares and 13,431,784 shares of restricted A shares) held by Shenzhen Investment Holdings Co., Ltd. (hereinafter referred to as “Shenzhen Investment Holdings”) by the free transfer, totally accounting for 16% of the total share capital of Shenshenbao. Shenzhen Investment Holdings made the following commitments in the reform of non-tradable shares of Shenshenbao in 2006: “To make effective and long-term incentives for the management, after the completion of the share reform, Shenzhen Agricultural Products Co., Ltd. (hereinafter referred to as “Agricultural Products”) and Shenzhen Investment Holdings, the company’s non-tradable shareholders, will sell their shareholdings after consideration which account for 6%-8% of the company’s total share capital to the management of the company in three years based on the shareholding ratio of Agricultural Products and Shenzhen Investment Holdings after the share reform (i.e. accounting for 6%-8% of the company’s total share capital of 181,923,088 shares after the share reform).” Food Materials Group made a commitment that after the completion of the free transfer of the state-owned shares, Food Materials Group would continue to perform the above commitments it made when Shenzhen Investment Holdings makes the non-tradable shares reform to Shenshenbao, which is effective in the long run.</p>			
Shenzhen Agricultural Power	Commitments on inter-industry competition, related transactions and capital	Commitment Letter on Avoiding Horizontal Competition: In view of the fact that Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as “Listed Company”) intends	2018-06-08	Implement as promised	Normal performance	

		occupancy	<p>to acquire 100% equity of Shenzhen Cereals Group Co., Ltd. held by Shenzhen Food Materials Group Co., Ltd(hereinafter referred to as “the Company”) by issuing shares to purchase assets, the Company has made the following commitments: 1. As of the issue date of this Commitment Letter, the Company and other enterprises controlled by the Company have not engaged in any business or activity that directly or indirectly constitute horizontal competition to the Listed Company and its subsidiaries in the business, and guarantees that it will not engage or induce any enterprise controlled by the Company to engage in any business or activity that directly or indirectly constitute horizontal competition to the Listed Company and its subsidiaries in the future. 2. If the business opportunity obtained by the Company and other enterprises controlled by the Company constitutes horizontal competition or may constitute horizontal competition to the main business of the Listed Company and its subsidiaries, the Company will immediately notify the Listed Company and try its best to give the business opportunity to the Listed Company to avoid horizontal competition or potential horizontal competition with the Listed Company and its subsidiaries and ensure the interests of Listed Company and other shareholders of Listed Company are not impaired. 3. If the main business of the Listed Company and its subsidiaries constitutes horizontal competition or may constitute horizontal competition to the Company and other enterprises controlled by the Company due to business development or extension, the Company and other enterprises controlled by the Company shall take the following</p>			
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			feasible measures based on specific circumstance to avoid competition with the Listed Company: (1) Stop business that constitutes competition or may constitute competition to the Listed Company; (2) Transfer the competitive businesses and assets to the Listed Company at fair prices; (3) Transfer the competitive business to an unrelated third party; (4) Other ways to protect the interests of the Listed Company; 4. If the Company violates the above commitments and causes losses to the Listed Company, the Company will compensate the Listed Company for the incurred losses after the losses are determined. 5. The above commitments continue to be valid during the period when the Company is the controlling shareholder of the Listed Company.			
Shenzhen Agricultural Power	Commitments on inter-industry competition, related transactions and capital occupancy	Commitment Letter on Reducing and Regulating Related Transactions: In view of the fact that Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as "Listed Company") intends to acquire 100% equity of Shenzhen Cereals Group Co., Ltd. held by Shenzhen Food Materials Group Co., Ltd. (hereinafter referred to as "the Company") by issuing shares to purchase assets, the Company has made the following commitments: 1. The enterprises directly or indirectly controlled or affected by the Company and the restructured company and its holding companies will regulate and minimize the related transactions. For related transactions that cannot be avoided or have reasonable reasons to occur, the Company promises to follow the market-oriented principle of justice, fairness and openness, and sign agreements in accordance with relevant laws and regulations, regulatory documents and articles of association, perform legal procedures, fulfill information disclosure	2018-06-08	Implement as promised	Normal performance	

			<p>obligations and handle relevant approval procedures in accordance with the law, and ensure not to damage the legitimate rights and interests of the company and other shareholders through related transactions. 2. The enterprises directly or indirectly controlled or affected by the Company will strictly avoid borrowing from the company and its holding and shareholding companies, occupying the funds of the company and its holding and shareholding companies, or embezzling the company's funds by taking advance payments and compensatory debts from the company and its holding and shareholding companies. 3. After the completion of this transaction, the Company will continue to exercise its shareholder rights in strict accordance with the relevant laws and regulations, regulatory documents and the relevant provisions of the Articles of Association; and fulfill its obligation of avoiding voting when the company's general meeting of shareholders is voting on related transactions involving the Company. 4. The Company guarantees not to obtain any improper interests through the related transactions or cause the company and its holding and shareholding companies to bear any wrongful obligations. If the company or its holding and shareholding companies suffer losses or the interests of the company or its holding and shareholding companies are embezzled by related transactions, the Company will the losses of the company and its holding and shareholding companies.</p>			
	Shenzhen Agricultural Power	Other commitments	<p>Commitment on the Standardized Operation of Listed Company: Shenzhen Shenbao Industrial Co., Ltd. intends to purchase 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as "SZCG") held by Shenzhen Food Materials Group Co., Ltd (hereinafter</p>	2018-06-08	Implement as promised	Normal performance

		<p>referred to as “the Company”) through issuance of shares. In response to the above transactions, the Company has made the following commitments: After the completion of this transaction, the commitment party promises to ensure that the listed company will strictly follow the requirements of laws and regulations such as the “Guidelines for the Governance of Listed Companies” and the changes in internal management and external operation and development of listed company to revise the Articles of Association and related rules of procedure so as to adapt to the business operations and corporate governance requirements after the reorganization, continue to improve the governance structure of listed company, continuously strengthen the system construction to form a corporate governance structure that each performs their own duties, effectively checks and balances, makes scientific decisions and coordinates the operation so as to more effectively and feasibly protect the interests of the listed company and all its shareholders. The commitment party will urge the listed company to perform the functions of the shareholders’ meeting in strict accordance with the Articles of Association and the Rules of Procedures of the Shareholders Meeting, ensure that all shareholders, especially small and medium shareholders, enjoy equal rights as stipulated by laws, administrative regulations and the Articles of Association, and ensure that all shareholders legally exercise their rights and interests. The commitment party will also urge the listed company to further improve the institutional requirements of the board of directors, ensure that the board of directors fairly, scientifically and efficiently makes decisions, ensure that</p>			
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			<p>independent directors can perform their duties in accordance with laws and regulations during their employment, actively understand the various operations of the listed company, consciously perform responsibilities, play a positive role in the scientific decision-making of the board of directors and the development of the listed company, promote the sound development of the listed company, and effectively safeguard the overall interests of the listed company and the interests of small and medium-sized shareholders. In addition, the Company will urge the listed company to give full play to the positive role of independent directors in regulating the operation of the company, strictly abide by relevant national laws, regulations, rules and relevant provisions of the Articles of Association to select independent directors, and further enhance corporate governance.</p>			
	Shenzhen Agricultural Power	Other commitments	<p>Commitment Letter on the Legal Compliance of the Underlying Asset Operation: Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as "Shenshenbao", "Listed Company") intends to purchase 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as "SZCG", "Target Company") held by Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as "the Company") through issuance of shares. The Company has made the following commitments: 1. The Target Company is a limited liability company established according to law and is validly existing, possesses statutory business qualifications, and the Target Company has obtained all the approvals, consents, authorizations and licenses required for its establishment and operation, and all approvals, consents and authorizations and licenses</p>	2018-06-08	Implement as promised	Normal performance

			<p>are valid and there is no reason or case that may result in the invalidation of the above approvals, consents, authorizations and licenses. 2. The Target Company has no major violations of laws and regulations in the production and operation in the last three years, there is no case that the Target Company should be terminated according to relevant laws, regulations, normative documents and the company's articles of association. Except for litigations, arbitrations and administrative penalties disclosed in the Restructuring Report, the Target Company does not have any unsettled or foreseeable major litigation, arbitration and administrative penalty that adversely affect its operations or the amount is more than 10 million yuan. 3. The Target Company will perform the labor contracts with its employees independently and completely. 4. If the Target Company is subject to the fees or penalties of the relevant competent authorities in terms of industry and commerce, taxation, employee salaries, social security, housing provident fund, business qualifications or industry supervisors due to the facts already existing before the reorganization, the Company will fully compensates all the outstanding fees of the Target Company and bear all the losses suffered by Shenshenbao and the Target Company. 5. The Target Company legally owns the ownership and/or use rights of the offices, office equipment, trademarks and other assets required for normal production and operation, has independent and complete assets and business structure, and has legal ownership of its main assets, and the ownership of assets is clear. 6. There is no case that the Target Company impedes the</p>			
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			<p>transfer of ownership of the company, such as litigation, arbitration, judicial enforcement, etc., and there is no external guarantee that violates the law or the articles of association. After this reorganization, if the Company violates the above commitments and causes losses to Shenshenbao and the Target Company, the Company agrees to bear the aforementioned compensation/ liability for damage to Shenshenbao/ Target Company.</p>			
Shenzhen Agricultural Power	Other commitments		<p>Commitment on the Independence of Listed Company: In view of the fact that Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as "Shenshenbao") intends to acquire 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as "Target Company") held by Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as "the Company") by issuing shares to purchase assets, the Company has made the following commitments: 1. Guarantee the independence of the personnel of Shenshenbao and the Target Company (1) Guarantee that the labor, personnel and compensation management of Shenshenbao and Target Company are completely independent of the Company and other companies and enterprises controlled by the Company or other economic organizations and related parties after the completion of this restructuring. (2) Guarantee that the senior management personnel of Shenshenbao and Target Company are fully employed in Shenshenbao and Target Company and receive remuneration after the completion of this restructuring, and do not hold any post except for directors and supervisors in the Company and other companies, enterprises controlled by the Company or other economic organizations and related</p>	2018-06-08	Implement as promised	Normal performance

			<p>parties. (3) Ensure not to intervene into the shareholders' meeting and the board of directors of Shenshenbao and Target Company to exercise their powers to determine the appointment and dismissal of personnel after the completion of this restructuring. 2. Guarantee the institutional independence of Shenshenbao and Target Company (1) After the completion of this restructuring, Shenshenbao and Target Company will establish a sound corporate governance structure and have an independent and complete organization. (2) After the completion of this restructuring, the shareholders meeting, the board of directors and the board of supervisors of Shenshenbao and Target Company shall independently exercise their functions and powers in accordance with the laws, regulations and the articles of association of Shenshenbao and Target Company. 3. Ensure that the assets of Shenshenbao and Target Company are independent and complete. (1) After the completion of this restructuring, Shenshenbao and Target Company shall have independent and complete assets related to production and operation. (2) Ensure that the site for business operation of Shenshenbao and Target Company are independent of the Company and other companies and enterprises controlled by the Company or other economic organizations and related parties after the completion of this restructuring. (3) In addition to normal business transactions, after the completion of this restructuring, Shenshenbao and Target Company do not have funds and assets which are occupied by the Company and other companies and enterprises controlled by the Company or other economic</p>			
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			<p>organizations and related parties. 4. Guarantee the business independence of Shenshenbao and Target Company (1) After the completion of this restructuring, Shenshenbao and Target Company shall have the relevant qualifications for independent business activities, and have the market-oriented independent, autonomous and sustainable operation capabilities. (2) After the completion of this restructuring, the Company and other companies and enterprises controlled by the Company or other economic organizations and related parties shall reduce the related transactions with Shenshenbao and Target Company and other companies and enterprises controlled by them or other economic organizations; for the necessary and unavoidable related transactions, guarantee the fair operation according to market principles and fair prices, and perform relevant approval procedures and information disclosure obligations in accordance with relevant laws, regulations and regulatory documents. 5. Guarantee the financial independence of Shenshenbao and Target Company (1) Ensure that Shenshenbao and Target Company will establish an independent financial department and an independent financial accounting system, and a standardized and independent financial accounting system after the completion of this restructuring. (2) Ensure that Shenshenbao and Target Company will open an independent bank account after the completion of this restructuring, and will not share bank accounts with the Company and other companies and enterprises controlled by the Company or other economic organizations and other related parties. (3) After the completion of this</p>			
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			<p>restructuring, the financial personnel of Shenshenbao and Target Company shall not take part-time jobs in the Company and other companies and enterprises controlled by the Company or other economic organizations and related parties. (4) After the completion of this restructuring, Shenshenbao and Target Company shall be able to make financial decisions independently, the Company shall not interfere with the use of funds of Shenshenbao and Target Company. (5) After the completion of this restructuring, Shenshenbao and Target Company shall pay taxes independently according to law. If the Company violates the above commitments, it will bear all the losses caused to Shenshenbao and Target Company.</p>			
Shenzhen Agricultural Power, Agricultural Products	Commitments on inter-industry competition, related transactions and capital occupancy		<p>Commitment to Avoid Occupation of Non-operating Capital: Shenzhen Shenbao Industrial Co., Ltd. intends to acquire 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as "SZCG") held by Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as "the Company") through issuance of shares. In response to the above transactions, Food Materials Group and Agricultural Products have made the following commitments: 1. As of the issue date of this commitment letter, the commitment party and its related person do not have any illegal use of funds and assets of the listed company and SZCG, and there is no case that the listed company and SZCG provide illegal guarantee for the commitment party and its related person. 2. After the completion of the transaction, the commitment party guarantees that the commitment party and its related person shall not illegally occupy the funds and assets of the listed company in any way, nor</p>	2018-06-08	Implement as promised	Normal performance

			require the listed company to provide illegal guarantee for the commitment party and its related person under any circumstances, nor engage in any act to damage the legitimate rights and interests of the listed company and other shareholders. If the commitment party violates the above commitments, it will bear all losses caused to the listed company and the target company and other companies and enterprises controlled by them or other economic organizations.			
Completed on time (Y/N)	Y					

2. For assets or projects of the Company which keeps profitable forecast during the reporting period, description reasons for reaching the original profitable forecast

Applicable Not applicable

II. Non-operational fund occupation by controlling shareholders and its related party

Applicable Not applicable

No non-operational fund occupation by controlling shareholders and its related party in period.

III. External guarantee out of regulations

Applicable Not applicable

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

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

Applicable Not applicable

V. Explanation from Board of Directors, the board of supervisors and Independent Directors (if applicable) for “Qualified Audit Opinion” issued by CPA

Applicable Not applicable

VI. Explanation of the changes in accounting polices, accounting estimates or correction of significant accounting errors compared with the financial report of the previous year

Applicable Not applicable

① Interpretation of Enterprise Accounting Standards No. 16

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

Interpretation No. 16 stipulates that, for a single transaction that is not a business merger, does not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and results in equal taxable temporary differences and deductible temporary differences due to the initial recognition of assets and liabilities, the corresponding deferred income tax liabilities and deferred income tax assets shall be recognized separately at the time of transaction in accordance with relevant provisions such as Enterprise Accounting Standard No. 18- Income Tax. For the above-mentioned transactions that occurred between the beginning of the earliest period for the first implementation of the above regulations in financial statement presentation and the date of implementation of this interpretation, the enterprise shall adjust the cumulative impact to the beginning retained earnings and other related financial statement items in the earliest period for financial statement presentation in accordance with the above regulations. The above accounting treatment regulations will be implemented from January 1, 2023.

If the leasing liabilities and right of use assets recognized by the company for leasing business, as well as the estimated liabilities and corresponding assets related to abandonment obligations, result in taxable temporary differences and deductible temporary differences, adjustments shall be made in accordance with the provisions of Interpretation No. 16.

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

Items of consolidated balance sheet (Dec. 31, 2023)	Impact amount
Deferred income tax assets	54,748.68
Deferred income tax liabilities	29,036.59
Retained income	25,712.09

Con':

Items of consolidated profit statement (2023)	Impact amount
Income tax expense	-122,885.51
Net profit	122,885.51

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

Items of consolidated balance sheet (Dec. 31, 2022)	Before adjustment	Adjustment amount	After adjustment
Deferred income tax assets	40,240,466.35	154,697.65	40,395,164.00
Deferred income tax liabilities	13,381,949.47	6,100.06	13,388,049.53
Retained income	1,910,954,084.79	148,597.59	1,911,102,682.38

Con'

Items of consolidated profit statement (2022)	Before adjustment	Adjustment amount	After adjustment
Income tax expense	52,611,993.87	-169,799.76	52,442,194.11
Net profit	418,298,868.22	169,799.76	418,468,667.98

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

Items of consolidated balance sheet (Jan. 1, 2022)	Before adjustment	Adjustment amount	After adjustment
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Items of consolidated balance sheet (Jan. 1, 2022)	Before adjustment	Adjustment amount	After adjustment
Deferred income tax assets	40,529,425.47	11,342.55	40,540,768.02
Deferred income tax liabilities	13,868,191.82	32,544.72	13,900,736.54
Retained income	1,812,541,701.27	-21,202.17	1,812,520,499.10

②The cumulative impact of changes in accounting policies in this period

Impacted items	Current period	Last period
Beginning net assets		-21,202.17
Including: retained income		-21,202.17
Net profit	169,799.76	-21,202.17
Ending net assets	148,597.59	
Including: retained income	148,597.59	

VII. Compare with last year's financial report; explain changes in consolidation statement's scope

Applicable Not applicable

There were no changes in the scope of consolidated financial statements during the reporting period of the company.

VIII. Appointment and dismissal of CPA

Accounting firm appointed

Name of domestic accounting firm	Grant Thornton Certified Public Accountant LLP(Special General Partnership)
Remuneration for domestic accounting firm (in 10 thousand Yuan)	70
Continuous life of auditing service for domestic accounting firm	1
Name of domestic CPA	Gao Hong, Wang Zhongnian
Continuous life of auditing service for domestic CPA	1

Whether re-appointed accounting firms in this period or not?

Yes No

Whether to hire a new accounting firm during the audit period?

Yes No

Does the replacement of accounting firm follow the approval process?

Yes No

Detailed explanation on the situation regarding the change of appointment or change of accounting firm.

The company held the second meeting of the 11th session of the Board of Directors and the third extraordinary general meeting of shareholders on November 24, 2023, and December 21, 2023, respectively, deliberating and approved the Proposal to Hire Accounting Firm for the Year 2023. The annual audit institution of the company was changed from BDO China Shu Lun Pan Certified Public Accountant LLP to Grant Thornton Certified Public Accountant LLP (Special General Partnership). The company had necessary communication with BDO China Shu Lun Pan Certified Public Accountant LLP on related matters. BDO China Shu Lun Pan Certified Public Accountant LLP has no objection.

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

IX. Particular about delisting after annual report disclosed

Applicable Not applicable

X. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

XI. Significant lawsuits and arbitration of the Company

Applicable Not applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand yuan)	Resulting in an accrual liability (Y/N)	Progress	Trial result and influence	Execution of judgment	Disclosure date	Disclosure index
As of 31 December 2022, other lawsuits that did not meet the disclosure standards for significant lawsuits mainly included disputes over sales contracts, loan contracts, construction contracts, legal service contracts, lease contracts, etc.	10,014.95	Yes, the single loan contract dispute from subordinate enterprise of the Company is expected to form an accrual liability of 5,136,600.00 yuan approximately. Other lawsuit-related cases are relatively small in individual amount, and will not have a significant impact on the Company when analyzed in conjunction with the progress of these cases.	The Company actively makes use of the advantageous resources of internal legal affairs and external laws firm to follow up and deal with the lawsuit-related cases. At present, the Company is responding to and dealing with the cases effectively in accordance with relevant laws and regulations	After comprehensive analysis, the result of the cases involved in the lawsuits will not have a significant impact on the Company	It is actively advancing		--

XII. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

XIII. Integrity of the Company and its controlling shareholders and actual controllers

Applicable Not applicable

XIV. Major related transaction

1. Related transaction with routine operation concerned

Applicable Not applicable

Related parties	Related relationships	Type of related party transaction	Content of related party transaction	Pricing principles for related party transactions	Book value of transferred assets (10000 yuan)	Assessed value of transferred assets (10000 yuan)	Transfer price (10000 yuan)	Settlement method of related party transaction	Trading gains/losses (10000 yuan)	Disclosure date	Disclosure index
Shenzhen Lezhong Supply Chain Management Co., Ltd	Subsidiary company executive holding company	Acquisition of minority equity	Minority equity acquisition	Market price	154.45	167.24	167.24	Bank transfer			
Shenzhen Qianmo Supply Chain Management Co., Ltd	The holding company of the senior management of the subsidiary of the company	Acquisition of minority equity	Minority equity acquisition	Market price	154.45	167.24	167.24	Bank transfer			
Reasons for significant differences between transfer price and book value or assessed value (if any)				Appreciation of assessment							
The impact on the company's operating results and financial condition				No significant impact							
If the relevant transactions involve performance agreements, the achievement of performance during the reporting period				Not applicable							

There were no related transactions related to daily operations during the reporting period of the company.

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

Applicable Not applicable

No related transaction concerning the assets or equity acquisition and sold in the period

3. Related transaction of foreign investment

Applicable Not applicable

No related transaction of foreign investment occurred in the period

4. Related credits and liabilities

Applicable Not applicable

No related credits and liabilities occurred in period

5. Contact with the related finance companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other major related transaction

Applicable Not applicable

No other major related transaction in the Period.

XV. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship for the Company in reporting period

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period

(3) Leasing

Applicable Not applicable

No leasing in the Period

2. Major Guarantee

Applicable Not applicable

3. Entrusted cash asset management

(1) Entrusted financing

Applicable Not applicable

Entrusted financing in the period

Unit: 10 thousand yuan

Type	Fund sources	Amount occurred	Undue balance	Overdue amount	Impairment amount accrual for overdue financial management
Bank financial products	Owned fund	53,000	3,000	0	0
Total		53,000	3,000	0	0

Details of high-risk trust financing with significant individual amounts, low safety or liquidity

Applicable Not applicable

Expected inability to recover the principal of trust financing or other situations that may lead to impairment in trusting financing

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

No entrusted loans in the Period

4. Other material contracts

Applicable Not applicable

No other material contracts in the period.

XVI. Explanation on other significant events

Applicable Not applicable

1. Personnel changes in BOD, BOS and senior executives

(1) On September 11, 2023, the board of directors of the company received a written resignation report from Mr. Meng Xiaoxian, a member of the company's party committee and deputy GM. Due to job transfer, Mr. Meng Xiaoxian applied to resign from the position of deputy GM and will no longer hold any other positions in the company after resigning. Please refer to the "Notice on the Resignation of Senior Management Personnel of the Company" published on September 13, 2023 on the website of Juchao Website (www.cninfo.com.cn).

(2) On September 15, 2023, the company's supervisory board received a written resignation report from Ms. Wang Huimin, Secretary of the Discipline Inspection Commission and Chairman of the Supervisory Board. Due to job transfer, Ms. Wang Huimin applied to resign from her position as the Chairman of the Supervisory Board and will no longer hold any other positions in the company after resigning. Please refer to the "Notice of the Company on the Resignation of the Chairman of the Supervisory Board"

published on September 19, 2023, on the Juchao website (www.cninfo.com.cn).

(3) The second extraordinary general meeting of shareholders held by the company on November 3, 2023 deliberated and approved the Proposal on the Election of Non-independent Directors for the Board of Directors, the Proposal on the Election of Independent Directors for the Board of Directors, and the Proposal on the Election of the Board of Supervisors. Mr. Wang Zhikai, Mr. Hu Xianghai, Mr. Gu Cheng, Mr. Zhang Guoyuan, Mr. Zheng Xiangpeng, and Ms. Lu Yuhe were elected as the 11th session of non-independent directors of the company; Elected Mr. Zhao Rubing, Ms. Bi Weimin, and Mr. Liu Haifeng as the 11th session of independent directors of the company; Elected Ms. You Hongxia and Ms. Liu Xinqing as the 11th session of supervisor of the company. Ms. Ni Yue, the 10th session of director of the company, Mr. Liu Ji and Ms Qian Wenying, the 10th session of supervisor, resigned upon the expiration of their terms of office. Please refer to the Announcement on the Resolution of the Second Extraordinary General Meeting of Shareholders of the Company for 2023, which was published on November 4, 2023 on Juchao Website (www.cninfo.com.cn).

(4) The first meeting of the 11th session of Board of Directors held by the company on November 3, 2023 deliberated and approved the Proposal on Electing the Chairman of the 11th Session of Board of Directors, the Proposal on Appointing the General Manager of the Company, the Proposal on Appointing Senior Management Personnel of the Company, and the Proposal on Electing Members of the Special Committees of the 11th Session of Board of Directors. Elected Mr. Wang Zhikai as the Chairman of the 11th session Board of Directors of the company; Appointed Mr. Hu Xianghai as the 11th session of General Manager of the company; Appointed Mr. Chen Xiaohua, Mr. Shen Hua, Mr. Xiao Hui, and Mr. Du Jianguo as the 11th session of deputy GM of the company; Appointed Ms. Lu Yuhe as the 11th session of chief financial officer of the company; Appointed Mr. Chen Xiaohua as the secretary of the 11th session of Board of Directors of the company; Mr. Dai Bin, the 10th session of deputy GM of the company, resigned upon the expiration of his term. Elected Mr. Wang Zhikai, Mr. Zhao Rubing, and Mr. Gu Cheng as members of the Strategic Committee of the 11th session of Board of Directors of the company, and elected Mr. Wang Zhikai as the Chairman; Elected Mr. Zhao Rubing, Mr. Wang Zhikai, and Mr. Liu Haifeng as members of the Nomination Committee for the 11th session of Board of Directors of the company, with Mr. Zhao Rubing serving as the Chairman; Elected Ms. Bi Weimin, Mr. Zhao Rubing, and Mr. Zhang Guoyuan as members of the Audit Committee of the 11th session of Board of Directors of the company, with Ms. Bi Weimin serving as the Chairman; Elected Mr. Zhao Rubing, Ms. Bi Weimin, and Ms. Lu Yuhe as members of the 11th session of Board of Directors Compensation and Assessment Committee, with Mr. Zhao Rubing serving as the Chairman. Please refer to the Announcement on the Resolution of the First Meeting of the 11th session of Board of Directors of the Company, which was published on November 4, 2023 on Juchao Website (www.cninfo.com.cn).

XVII. Significant event of subsidiary of the Company

Applicable Not applicable

1. On April 24, 2023, the company held the 27th meeting of the 10th session of Board of Directors, deliberating and approving the Proposal on the Investment in the Construction of Berth 3 by Dongguan Shenliang Logistics Co., Ltd. . It was agreed that Dongguan Shenliang Logistics Co., Ltd., a wholly-owned subsidiary of the company, will invest in the construction of the expansion project of the deep grain storage supporting wharf in Xinsha South Operation Area of Machong Port, Dongguan Port (Berth 3 project). The project plans to build one 20,000 ton grain berth with a total investment of 175.00 million yuan. Please refer to the Announcement of the Resolution of the 27th Meeting of the 10th Session of Board of Directors of the Company and the Announcement of the Company on the Investment and Construction of Berth No. 3 by Dongguan Shenliang Logistics Co., Ltd. published on April 26, 2023 on Juchao Website (www.cninfo.com.cn).

2. The company held the 29th meeting of the 10th session of Board of Directors on July 8, 2023, and the 31st meeting of the 10th session of Board of Directors on September 20, 2023, deliberating and approving the Proposal on Publicly Listing and Transferring 51% Equity and Debt of Wuhan Jiacheng Biological Products Co., Ltd., and approving SZCH to transfer its 51% equity and 10.00

million yuan debt of Wuhan Jiacheng through public listing and transfer. On November 14, 2023, SZCH signed an equity transfer agreement with the transferee Tianyu Ecological Environment Co., Ltd. As of now, SZCH has received all equity, debt, and related interest, and has completed the equity delivery and handover procedures between enterprises.

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in shares

1. Changes in shares

Unit: Share

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

Reasons for changes in share

Applicable Not applicable

Approval of changes in share

Applicable Not applicable

Ownership transfer of changes in share

Applicable Not applicable

Influence of changes in share on basic EPS, diluted EPS as well as other financial indexes of net assets per share attributable to

common shareholders of the Company in latest year and period

Applicable Not applicable

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

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

II. Securities issuance and listing

1. Security offering (without preferred stock) in the reporting period

Applicable Not applicable

2. Changes in total shares and shareholders structure as well as explanation on changes in assets and liability structure

Applicable Not applicable

3. Existing internal staff shares

Applicable Not applicable

III. Particulars about shareholders and actual controller of the Company

1. Number of shareholders and particulars about shares holding

Unit: Share

Total common stock shareholders at the end of reporting period	46,547	Total common stock shareholders at the end of last month before annual report disclosed	46,089	Total preferred shareholders with voting rights recovered at the end of reporting period (if applicable) (refer to Note 8)	0	Total preferred shareholders with voting rights recovered at end of last month before annual report disclosed (if applicable) (refer to Note 8)	0
Particulars about shareholders holding more than 5% shares of the company or top ten shareholders							
Name of	Nature of	Proportion	Total	Changes in	Quantity of	Quantity of	Information of shares pledged,

Shareholders	shareholder	of shares held	shares held at the end of reporting period	reporting period	restricted shares held	unrestricted shares held	tagged or frozen	
							State of share	Quantity
Shenzhen Food Materials Group Co., Ltd	State-owned legal person	63.79%	735,237,253	0	669,184,735	66,052,518	NA	0
Shenzhen Agricultural Products Group Co., Ltd	State-owned legal person	8.23%	94,832,294	0	15,384,832	79,447,462	NA	0
Dongguan Fruit, Vegetable, and Non-staple Food Trading Market Co., Ltd	Domestic non-state-owned legal person	0.75%	8,698,216	0	0	8,698,216	NA	0
Lin Junbo	Domestic nature person	0.48%	5,500,000	797,200	0	5,500,000	NA	0
Hong Kong Securities Clearing Company	Foreign legal person	0.47%	5,453,193	772,097	0	5,453,193	NA	0
Sun Huiming	Domestic nature person	0.31%	3,606,652	206,690	0	3,606,652	NA	0
Zhong Zhenxin	Domestic nature person	0.29%	3,295,500	0	0	3,295,500	NA	0
Chen Jiuyang	Domestic nature person	0.25%	2,911,070	150,000	0	2,911,070	NA	0
Shen Danfeng	Domestic nature person	0.18%	2,044,300	2,044,300	0	2,044,300	NA	0
Yang Xiangzhe	Domestic nature person	0.13%	1,516,900	1,516,900	0	1,516,900	NA	0
Strategy investors or general legal person becoming top 10 common shareholders due to rights issue (if applicable) (see note 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Food Materials Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Food Materials Group Co., Ltd.(now renamed into Shenzhen Agricultural Power Group Co., Ltd.); The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.							
Description of the above shareholders involved with delegating/entrusted voting rights and abstention from voting rights.	N/A							
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 10)	N/A							
Particular about top ten shareholders holding unrestricted shares								
Shareholders' name	Quantity of unrestricted shares held at Period-end	Type of shares						
		Type	Quantity					
Shenzhen Food Materials Group Co., Ltd	79,447,462	RMB common shares	79,447,462					

Shenzhen Agricultural Products Group Co., Ltd	66,052,518	RMB common shares	66,052,518
Dongguan Fruit, Vegetable, and Non- staple Food Trading Market Co., Ltd	8,698,216	RMB common shares	8,698,216
Lin Junbo	5,500,000	RMB common shares	5,500,000
Hong Kong Securities Clearing Company	5,453,193	RMB common shares	5,453,193
Sun Huiming	3,606,652	RMB common shares	3,606,652
Zhong Zhenxin	3,295,500	Domestically listed foreign shares	3,295,500
Chen Jiuyang	2,911,070	RMB common shares	2,911,070
Shen Danfeng	2,044,300	RMB common shares	2,044,300
Yang Xiangzhe	1,516,900	RMB common shares	1,516,900
Explanation of the association or concerted action between the top 10 shareholders of non-restricted and tradable shares, as well as between the top 10 shareholders of non-restricted and tradable shares and the top 10 shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Food Materials Group Co., Ltd., and holds 34% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Food Materials Group Co., Ltd.(nowt renamed into Shenzhen Agricultural Power Group Co., Ltd.); The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.		
Explanation on the participation of the top 10 ordinary shareholders in margin trading and securities lending business (if any) (see Note 4)	<p>At the end of reporting period, Lin Junbo, a shareholder of the company, held 5,500,000 shares of the Company under customer credit trading secured securities account through China Merchants Securities Co., Ltd., and held 0 shares of the company under common account, totally holding 5,500,000 shares of the Company. During the reporting period, shares held by Lin Junbo under the credit trading secured securities account rose by 2,214,300 shares, shares held by him under common account reduced by 1,417,100 shares, and shares held by Lin Junbo rose by 797,200 shares.</p> <p>At the end of reporting period, Shen Danfeng, a shareholder of the company, held 2,044,300 shares of the Company under customer credit trading secured securities account through Dongfang Securities Co., Ltd, and held 0 shares of the Company under common account, totally holding 2,044,300 shares of the Company. During the reporting period, shares held by Shen Danfeng under the credit trading secured securities account rose by 2,044,300 shares, shares held by her under common account kept unchanged, and shares held by Shen Danfeng rose by 2,044,300 shares.</p>		

The top ten shareholders participating in the lending of shares through refinancing business

Applicable Not applicable

The top ten shareholders have changed compared to the previous period

Applicable Not applicable

In share

Changes in the top ten shareholders compared to the end of the previous period					
Full name of shareholders	New/existing shareholders in current period	At the end of the period, the number of shares lent through refinancing and not yet repaid		The number of shares held in the ordinary account and credit account of shareholders at the end of the period, as well as the shares lent through refinancing, that have not yet been returned	
		Total	Proportion in total shares	Total	Proportion in total shares
Shen Danfeng	New	0	0.00%	2,044,300	0.18%
Yan Xiangzhe	New	0	0.00%	1,516,900	0.13%
Deng Lijun	Existing	0	0.00%	0	0.00%
Sun Limei	Existing	0	0.00%	344,400	0.03%

Do ten common stock shareholders or top ten common stock shareholders of un-restrict shares have a buy-back agreement dealing in reporting period?

Yes No

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

2. Controlling shareholder of the Company

Nature of controlling shareholders: local state-owned holding

Type of controlling shareholders: legal person

Controlling shareholders	Legal person/person in charge of the unit	Date of establishment	Organization code	Main operation business
Shenzhen Agricultural Power Group Co., Ltd.	Huang Wei	Dec. 14, 2017	91440300MA5EWWPXX2	The general business projects are: food safety infrastructure construction (including the upgrading of the farmers' market, the upgrading of public places canteens, the construction of community cooked food centers, and the construction of agricultural product bases); safe food circulation and terminal sales; the establishment of food distribution channel platforms; Food industry investment and operation (Including the M & A investment of the core resources of the food industry chain and the cultivation of enterprises in the future direction); Domestic trade (excluding franchised, monopolized, and exclusively controlled commodities); engaging in import and export business (except for items prohibited by laws, administrative regulations, and the State Council, restricted items can only be operated after obtaining permission); online business activities (excluding restricted items). Licensed business items are food sales and supply business; emergency material production and operation; production, purchase and sale of I, II and III medical devices; pharmaceutical wholesale; ordinary freight, professional transportation, warehousing and logistics.
Equity of other domestic and foreign listed companies controlled and participated in by controlling shareholders during the reporting period	In addition to holding 63.79% equity of the company, Shenzhen Agricultural Power Group Co., Ltd. holds 34% equity of Agricultural Products.			

Changes of controlling shareholders in reporting period

Applicable Not applicable

The controlling shareholder of the company has not changed during the reporting period.

3. Actual controller and persons acting in concert

Nature of actual controller: local state-owned assets management

Type of actual controller: legal person

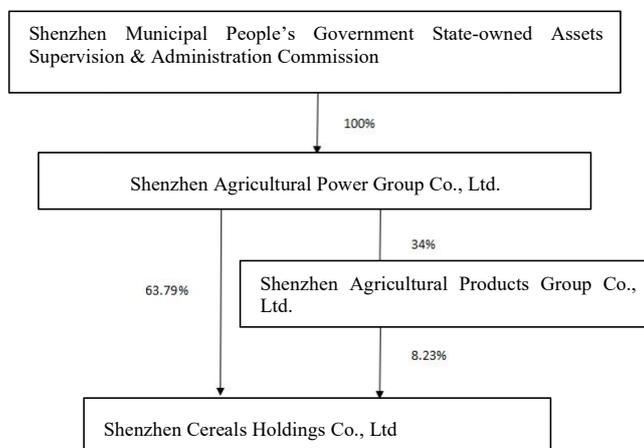
Actual controller	Legal person/person in charge of the unit	Date of establishment	Organization code	Main operation business
Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission	Wang Yongjian	2004-04-02	11440300K317280672	State-owned assets supervision and management
Equity of other domestic/foreign listed company controlled by actual controller in reporting period	-			

Changes of actual controller in reporting period

Applicable Not applicable

No changes of actual controllers for the Company in reporting period.

Property right and controlling relationship between the actual controller and the Company is as follow



Actual controller controlling the Company by entrust or other assets management

Applicable Not applicable

4. The total number of shares pledged by controlling shareholders or the first majority shareholder and its persons acting in concert accounts for 80% of the shares held by them

Applicable Not applicable

5. Particulars about other legal person shareholders with over 10% shares held

Applicable Not applicable

6. Limitation and reducing the holdings of shares of controlling shareholders, actual controllers, restructuring party and other commitment subjects

Applicable Not applicable

IV. The specific implementation of shares buy-back during the reporting period

Implementation progress of shares buy-back

Applicable Not applicable

Progress in implementing centralized bidding trading to reduce holdings of repurchase shares

Applicable Not applicable

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit Report

Type of audit opinion	Standard unqualified opinion
Signing date of audit report	2024-04-12
Name of audit institute	Grant Thornton Certified Public Accountant LLP(Special General Partnership)
Document serial of audit report	ZHTSH[2024]No.441A010660
Name of the CPA	Gao Hong, Wang Zhongnian

Text of auditing report

Auditor's Report

ZHTSH[2024]No.441A010660

To all shareholders of SHENZHEN CEREALS HOLDINGS CO., LTD.:

1. Auditing opinions

We have audited the financial statement under the name of SHENZHEN CEREALS HOLDINGS CO., LTD. (hereinafter referred to as "SZCH"), including the consolidated and parent Company's balance sheet of December 31, 2023 and profit statement, and cash flow statement, and statement on changes of shareholders' equity for the year ended, and notes to the financial statements for the year ended.

In our opinion, the Company's financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises, and they fairly present the financial status of the Company and of its parent company as of December 31, 2023 and its operation results and cash flows for the year ended.

2. Basis of opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of the auditor's report. We are independent of the Company in accordance with the Certified Public Accountants of China's Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key audit matters

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

The key audit matters identified in our audit are summarized as follows:

(i) Revenue recognition

For more details of the relevant information, please refer to Note V(37) and Note VII (43) of financial statements.

1. Matter description

The main business of SZCH include grain and oil trade and processing income, grain and oil warehousing logistics and service income, food and beverage and tea processing income, leasing and other income. SZCH operating revenue for 2023 is 619,000,400.00 yuan and it is one of the key index of performance of SZCH, which has a inherent risks in manipulation for achieving the predicted target, therefore, the identification of operating income will be listed as the key auditing event.

2. Audit response

The audit procedures we have implemented for this key audit matter mainly include:

Understand, evaluate, and test the design and operational effectiveness of internal control related to revenue;

Understand the business models and acceptance terms of different businesses, inspect the main sales contracts, identify the terms related to the transfer of commodity control rights, and evaluate whether the revenue recognition policy complies with the provisions of the Enterprise Accounting Standards;

Perform analytical review procedures on operating revenue, analyze changes in operating revenue, costs, and gross profit margin on a monthly and product basis, identify significant or abnormal fluctuations, understand the reasons for abnormal situations, and evaluate their reasonableness;

Search for basic information of major clients or newly added major clients through public channels, conduct on-site visits to major clients, enquire about transaction content, cooperation mode, transaction amount, acceptance terms, and related relationships, and verify the authenticity and commercial substance of their transactions, Focus on checking whether there are financing trades without real transactions;

Sample inspect supporting documents related to revenue confirmation, including sales contracts, sales invoices, outbound orders, transfer of ownership documents, proof of delivery, accounting vouchers, etc;

Sample to confirm the current sales revenue and the initial and final balances of accounts receivable and payable to major customers, new customers, etc.;

Conduct a cut-off test on the operating income close to the balance sheet date, evaluate whether the operating income is recorded in the appropriate accounting period.

(ii) Inventories and loss allowance of inventories

For more details of inventories and Loss allowance of inventories, please refer to Note V (17) and Note VII (10) of consolidated financial statements.

1. Matter description

As of December 31, 2023, the book value of inventory presented on the consolidated financial statements of SZCH was 3,567,711,400.00 yuan, and the loss allowance of inventories was 109,267,400.00 yuan, the carrying amount of inventories was 3,458,444,000.00 yuan, accounting for 47.01% of the total assets. Due to the significant amount of inventories, SZCH management (Hereinafter referred to as “management”) needed to make significant judgments when determining the decrease in value of inventories, including the consideration of government reserve such as as grain & oil, food and vegetable oil which are affected by futures market, These important judgments have a significant impact on the valuation of inventories and loss allowance of inventories at period-end; therefore, we determined the inventories and loss allowance of inventories as key audit matters.

2. Audit response

The audit procedures we have implemented for this key audit matter mainly include:

Understand, evaluate, and test the design and operational effectiveness of internal control related to inventory;

Understand the business models of reserve grain and commodity grain, verify the matching between inventory structure and operating income, and analyze the rationality of inventory amounts;

Review the management's model and method for estimating the net realizable value of inventory, as well as the relevant parameters used. For products that can obtain publicly available market sales prices, select a sample, independently query publicly available market price information, and compare it with the estimated selling price.

Implement monitoring procedure for inventory, check its quantity and condition, and implement alternative procedures for fumigation warehouses;

Obtain the calculation table for **loss allowance of inventories** and inventory age list, execute inventory impairment testing procedures, and analyze whether the provision for inventory depreciation reserves is sufficient, conduct an analytical review of inventory with a longer inventory age based on the condition of the product, and analyze whether the provision for inventory depreciation is reasonable.

4. Other information

For relevant information, please refer to Note V(37) and Note VII (61) of financial statements.

The management of SZCH (hereinafter referred to as the management) is responsible for other information which includes the information covered in the Company's 2023 annual report excluding the financial statement and our audit report.

The audit opinion issued by us for the financial statement has not covered other information, for which we do not issue any form of assurance opinions.

Considering our audit on financial statements, we are liable to read other information, during which, we shall consider whether other information differs materially from the financial statements or that we understand during our audit, or whether there is any material misstatement.

Based on the works executed by us, we should report the fact if we find any material misstatement in other information. In this regards, we have nothing to report.

5. Responsibilities of management and those charged with governance for the financial statements

The management of SZCH is responsible for the preparation of the financial statements in accordance with the Accounting Standards for Enterprise to secure a fair presentation, and for the design, establishment and maintenance of the internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

6. Responsibilities of the auditor for 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 audit report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the CAS 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 the financial statements.

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

the audit. We also:

(i) 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 audit 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.

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

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

(iv) Conclude on the appropriateness of the management’s use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the CAS to draw users’ attention in audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify audit opinion. Our conclusions are based on the information obtained up to the date of audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, including the disclosures, 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and relevant countermeasures (if applicable).

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

Grant Thornton Certified Public Accountant LLP (Special General Partnership)	Chinese CPA (Partner) Chinese CPA	Gao Hong Wang Zhongnian
Beijing China	日 April 12, 2024	

II. Financial Statement

Statement in Financial Notes are carried In RMB/CNY

1. Consolidated Balance Sheet

Prepared by SHENZHEN CEREALS HOLDINGS CO., LTD.

December 31, 2023

In RMB

Item	Dec. 31, 2023	Jan. 1, 2023
Current assets:		
Monetary funds	236,384,606.60	54,103,771.00
Settlement provisions		
Capital lent		
Tradable financial assets	1,122,347.85	46,676,652.91
Derivative financial assets		
Note receivable	113,932.00	270,109.00
Account receivable	179,828,493.98	236,829,100.95
Receivable financing		
Accounts paid in advance	17,234,701.92	65,487,390.88
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	29,127,689.89	32,910,189.14
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	3,458,443,989.04	3,599,041,970.52
Contract assets		
Assets held for sale	121,126,137.62	
Non-current asset due within one year		
Other current assets	105,857,923.48	32,597,421.26
Total current assets	4,149,239,822.38	4,067,916,605.66
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	74,008,926.48	70,676,534.63
Investment in other equity instrument		
Other non-current financial assets	57,500.00	57,500.00
Investment real estate	263,597,031.89	217,137,461.76
Fixed assets	2,171,969,725.22	2,141,336,538.86
Construction in progress	51,288,301.16	186,884,912.13
Productive biological asset	358,617.00	368,309.40
Oil and gas asset		
Right-of-use assets	56,933,148.16	78,304,838.28
Intangible assets	546,325,555.22	594,428,051.55
Expense on Research and Development		

Goodwill		1,953,790.56
Long-term expenses to be apportioned	24,694,318.05	33,076,249.90
Deferred income tax asset	52,757,295.38	40,395,164.00
Other non-current asset	7,297,950.00	8,953,415.90
Total non-current asset	3,249,288,368.56	3,373,572,766.97
Total assets	7,398,528,190.94	7,441,489,372.63
Current liabilities:		
Short-term loans	1,223,462,519.16	1,192,211,087.37
Loan from central bank		
Capital borrowed		
Trading financial liability		288,486.18
Derivative financial liability		
Note payable		
Account payable	336,165,196.80	390,149,018.13
Accounts received in advance	1,084,701.60	1,355,802.01
Contract liability	86,566,253.73	110,177,908.96
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	266,214,663.20	339,234,506.43
Taxes payable	86,906,785.70	70,739,384.81
Other account payable	277,687,590.83	299,793,948.48
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale	66,579,828.59	
Non-current liabilities due within one year	22,805,473.76	21,770,690.45
Other current liabilities	3,896,140.56	1,112,119.07
Total current liabilities	2,371,369,153.93	2,426,832,951.89
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	37,744,951.74	60,436,879.66
Long-term account payable	17,994,633.05	17,620,572.48
Long-term wages payable		
Accrual liability		3,500,000.00
Deferred income	82,819,873.24	87,077,137.27
Deferred income tax liabilities	10,937,920.46	13,388,049.53
Other non-current liabilities		
Total non-current liabilities	149,497,378.49	182,022,638.94
Total liabilities	2,520,866,532.42	2,608,855,590.83
Owner's equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		

Capital public reserve	1,260,757,114.42	1,259,639,656.65
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve	741,968.19	220,301.70
Surplus public reserve	483,103,366.38	439,624,164.67
Provision of general risk		
Retained profit	1,927,314,400.85	1,911,102,682.38
Total owner's equity attributable to parent company	4,824,452,103.84	4,763,122,059.40
Minority interests	53,209,554.68	69,511,722.40
Total owner's equity	4,877,661,658.52	4,832,633,781.80
Total liabilities and owner's equity	7,398,528,190.94	7,441,489,372.63

Legal Representative: Wang Zhikai Person in charge of accounting works: Lu Yuhe
Person in charge of accounting institute: Wen Jieyu

2. Balance Sheet of Parent Company

In RMB

Item	Dec. 31 2023	Jan. 1, 2023
Current assets:		
Monetary funds	149,617,836.08	961,310.17
Tradable financial assets	1,122,347.85	46,676,652.91
Derivative financial assets		
Note receivable		
Account receivable	65,714,555.94	87,194,178.84
Receivable financing		
Accounts paid in advance	336,007.79	687,515.40
Other account receivable	1,624,337,855.63	1,560,888,393.94
Including: Interest receivable		
Dividend receivable		
Inventories		
Contract assets		
Assets held for sale	21,675,000.00	
Non-current assets maturing within one year		
Other current assets	55,135,837.73	274,196.00
Total current assets	1,917,939,441.02	1,696,682,247.26
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	4,026,844,425.09	4,033,819,425.09
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	15,571,733.20	16,043,323.48
Fixed assets	32,858,541.01	33,752,718.66
Construction in progress		
Productive biological assets	358,617.00	368,309.40
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	23,006,791.89	17,032,428.19
Research and development costs		
Goodwill		
Long-term deferred expenses	2,291,236.03	3,097,280.23

Deferred income tax assets	10,260,054.61	
Other non-current assets	3,744,657.76	8,700,512.47
Total non-current assets	4,114,936,056.59	4,112,813,997.52
Total assets	6,032,875,497.61	5,809,496,244.78
Current liabilities:		
Short-term borrowings		100,073,055.56
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable		
Accounts received in advance		
Contract liability		
Wage payable	31,524,389.29	27,465,081.26
Taxes payable	2,801,152.52	2,993,808.49
Other accounts payable	1,200,576,358.07	1,024,148,905.29
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,234,901,899.88	1,154,680,850.60
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		3,500,000.00
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		3,500,000.00
Total liabilities	1,234,901,899.88	1,158,180,850.60
Owners' equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	3,018,106,568.27	3,018,106,568.27
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	210,698,938.24	167,219,736.53
Retained profit	416,632,837.22	313,453,835.38
Total owner's equity	4,797,973,597.73	4,651,315,394.18
Total liabilities and owner's equity	6,032,875,497.61	5,809,496,244.78

3. Consolidated Profit Statement

In RMB

Item	2023	2022
I. Total operating income	6,190,005,356.82	8,312,723,058.19
Including: Operating income	6,190,005,356.82	8,312,723,058.19
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	5,697,273,735.73	7,717,019,269.26
Including: Operating cost	5,228,845,801.34	7,172,858,434.85
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	18,910,438.82	17,936,476.00
Sales expense	176,429,835.98	175,760,616.70
Administrative expense	212,979,557.64	280,557,640.12
R&D expense	20,045,364.68	18,549,053.04
Financial expense	40,062,737.27	51,357,048.55
Including: Interest expenses	39,968,255.33	52,421,870.87
Interest income	959,189.54	895,316.44
Add: Other income	22,969,158.29	9,839,784.37
Investment income (Loss is listed with “-”)	9,954,884.45	2,229,228.54
Including: Investment income on affiliated company and joint venture	3,332,391.85	-2,813,908.86
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	182,701.67	18,546.91
Loss of credit impairment (Loss is listed with “-”)	-3,172,372.15	-1,356,843.59
Losses of devaluation of asset (Loss is listed with “-”)	-104,336,237.13	-142,507,365.87
Income from assets disposal (Loss is listed with “-”)	2,394,378.42	-25,417.69
III. Operating profit (Loss is listed with “-”)	420,724,134.64	463,901,721.60
Add: Non-operating income	2,445,728.23	7,995,011.97
Less: Non-operating expense	1,800,973.49	985,871.48
IV. Total profit (Loss is listed with “-”)	421,368,889.38	470,910,862.09
Less: Income tax expense	74,736,397.57	52,442,194.11
V. Net profit (Net loss is listed with “-”)	346,632,491.81	418,468,667.98
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	346,632,491.81	418,468,667.98
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		

1.Net profit attributable to owner's of parent company	347,824,733.68	420,764,671.03
2.Minority shareholders' gains and losses	-1,192,241.87	-2,296,003.05
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	346,632,491.81	418,468,667.98
Total comprehensive income attributable to owners of parent Company	347,824,733.68	420,764,671.03
Total comprehensive income attributable to minority shareholders	-1,192,241.87	-2,296,003.05
VIII. Earnings per share:		
(i) Basic earnings per share	0.3018	0.3649
(ii) Diluted earnings per share	0.3018	0.3649

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

Legal Representative: Wang Zhikai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Huang Xidi

4. Profit Statement of Parent Company

In RMB

Item	2023	2022
I. Operating income	156,547,962.65	204,080,212.91
Less: Operating cost	471,590.28	471,590.28
Taxes and surcharge	461,125.55	428,343.35
Sales expenses	0.00	0.00
Administration expenses	69,872,687.40	67,070,054.50
R&D expenses		
Financial expenses	-31,215,787.32	-8,044,509.56
Including: Interest expenses	1,340,647.66	1,827,115.61
Interest income	32,809,723.32	9,779,382.27
Add: Other income	382,620.07	308,389.79
Investment income (Loss is listed with “-”)	307,281,666.79	195,712,249.48
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	-105,784.51	307,033.09
Loss of credit impairment (Loss is listed with “-”)	11,212.35	-664.43
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	424,528,061.44	340,481,742.27
Add: Non-operating income	5,000.02	5,000.23
Less: Non-operating expense	1,099.02	
III. Total Profit (Loss is listed with “-”)	424,531,962.44	340,486,742.50
Less: Income tax	-10,260,054.61	
IV. Net profit (Net loss is listed with “-”)	434,792,017.05	340,486,742.50
(i) continuous operating net profit (net loss listed with “-”)	434,792,017.05	340,486,742.50
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified		

subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. Amount of financial assets re-classify to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	434,792,017.05	340,486,742.50
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	2023	2022
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	6,417,740,069.92	8,510,329,807.95
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	3,183,211.56	84,485,893.36
Other cash received concerning operating activities	284,184,297.42	400,125,909.72
Subtotal of cash inflow arising from operating activities	6,705,107,578.90	8,994,941,611.03
Cash paid for purchasing commodities and receiving labor service	5,308,048,692.21	7,446,476,870.32
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance		

contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	375,960,027.05	342,665,847.76
Taxes paid	138,212,589.39	153,858,115.96
Other cash paid concerning operating activities	297,069,614.06	520,052,010.35
Subtotal of cash outflow arising from operating activities	6,119,290,922.71	8,463,052,844.39
Net cash flows arising from operating activities	585,816,656.19	531,888,766.64
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,558,000,000.00	1,281,460,000.00
Cash received from investment income	6,844,163.83	8,146,592.88
Net cash received from disposal of fixed, intangible and other long-term assets	6,881,320.00	276,799.46
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	726,511.34	0.00
Subtotal of cash inflow from investing activities	1,575,902,755.32	1,289,883,392.34
Cash paid for purchasing fixed, intangible and other long-term assets	147,621,094.50	198,201,398.37
Cash paid for investment	1,543,000,000.00	1,106,460,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	0.00	404.68
Subtotal of cash outflow from investing activities	1,690,621,094.50	1,304,661,803.05
Net cash flows arising from investing activities	-114,718,339.18	-14,778,410.71
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	490,000.00	4,900,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	490,000.00	4,900,000.00
Cash received from loans	1,930,787,809.13	3,638,944,014.55
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,931,277,809.13	3,643,844,014.55
Cash paid for settling debts	1,867,334,898.93	3,790,121,597.82
Cash paid for dividend and profit distributing or interest paying	324,657,445.10	342,789,753.61
Including: Dividend and profit of minority shareholder paid by subsidiaries	0.00	676,800.00
Other cash paid concerning financing activities	34,531,394.28	24,485,154.67
Subtotal of cash outflow from financing activities	2,226,523,738.31	4,157,396,506.10
Net cash flows arising from financing activities	-295,245,929.18	-513,552,491.55

IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	3,441,629.33	167,524.68
V. Net increase of cash and cash equivalents	179,294,017.16	3,725,389.06
Add: Balance of cash and cash equivalents at the period -begin	53,095,469.26	49,370,080.20
VI. Balance of cash and cash equivalents at the period -end	232,389,486.42	53,095,469.26

6. Cash Flow Statement of Parent Company

In RMB

Item	2023	2022
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	729,054,189.00	176,686,787.63
Write-back of tax received	0.00	1,708,938.65
Other cash received concerning operating activities	2,005,313,299.07	3,680,998,303.08
Subtotal of cash inflow arising from operating activities	2,734,367,488.07	3,859,394,029.36
Cash paid for purchasing commodities and receiving labor service	0.00	0.00
Cash paid to/for staff and workers	49,590,320.93	57,765,938.12
Taxes paid	31,145,617.56	446,493.37
Other cash paid concerning operating activities	2,100,148,518.90	2,660,155,177.37
Subtotal of cash outflow arising from operating activities	2,180,884,457.39	2,718,367,608.86
Net cash flows arising from operating activities	553,483,030.68	1,141,026,420.50
II. Cash flows arising from investing activities:		
Cash received from recovering investment	658,000,000.00	718,000,000.00
Cash received from investment income	3,654,709.03	4,590,419.34
Net cash received from disposal of fixed, intangible and other long-term assets	0.00	0.00
Net cash received from disposal of subsidiaries and other units	6,881,320.00	0.00
Other cash received concerning investing activities	16,592,433.35	4,000,000.00
Subtotal of cash inflow from investing activities	685,128,462.38	726,590,419.34
Cash paid for purchasing fixed, intangible and other long-term assets	10,063,850.16	9,341,668.55
Cash paid for investment	643,000,000.00	583,000,000.00
Net cash received from subsidiaries and other units obtained		0.00
Other cash paid concerning investing activities	47,100,000.00	1,053,688,033.44
Subtotal of cash outflow from investing activities	700,163,850.16	1,646,029,701.99
Net cash flows arising from investing activities	-15,035,387.78	-919,439,282.65
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	5,000,000.00	442,127,475.10
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	5,000,000.00	442,127,475.10
Cash paid for settling debts	105,000,000.00	370,299,684.12
Cash paid for dividend and profit distributing or interest paying	289,793,581.08	294,731,370.17
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	394,793,581.08	665,031,054.29
Net cash flows arising from financing activities	-389,793,581.08	-222,903,579.19
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	2,464.09	13,362.62
V. Net increase of cash and cash equivalents	148,656,525.91	-1,303,078.72
Add: Balance of cash and cash equivalents at the period -begin	961,310.17	2,264,388.89
VI. Balance of cash and cash equivalents at the period -end	149,617,836.08	961,310.17

7. Consolidated Statement of Changes in Owners' Equity

Current period

In RMB

Item	2023														
	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other			Subtotal
Preferred stock		Perpetual capital securities	Other												
I. Balance at the end of the last year	1,152,535,254.00				1,259,639,656.65			220,301,707	439,624,164.67		1,910,954,084.79		4,762,973,461.81	69,511,722.40	4,832,485,184.21
Add: Changes of accounting policy											148,597.59		148,597.59		148,597.59
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,152,535,254.00				1,259,639,656.65			220,301,707	439,624,164.67		1,911,102,682.38		4,763,122,059.40	69,511,722.40	4,832,633,781.80
III. Increase/Decrease in this year (Decrease is listed with "-")	0.00				1,117,457.77			521,666.49	43,479,201.71		16,211,718.47		61,330,044.44	-16,302,167.2	45,027,876.72
(i) Total comprehensive income	0.00				0.00			0.00	0.00		347,824,733.68		347,824,733.68	-1,192,241.87	346,632,491.81
(ii) Owners' devoted and decreased capital	0.00				1,117,457.77			0.00	0.00		0.00		1,117,457.77	15,109,925.8	13,992,468.8
1.Common shares invested by shareholders	0.00				0.00			0.00	0.00		0.00			490,000.00	490,000.00
2.Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment	0.00				0.00			0.00	0.00		0.00			0.00	0.00
4. Other	0.00				1,117,457.77			0.00	0.00		0.00		1,117,457.77	15,599,925.8	14,482,468.8
(III) Profit distribution	0.00				0.00			0.00	43,479,201.7		-331,613.		-288,133.		-288,133.

								1		015.21		813.50		813.50
1. Withdrawal of surplus reserves	0.00			0.00			0.00	43,479,201.71		-43,479,201.71				0.00
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)	0.00			0.00			0.00	0.00		-288,133,813.50		-288,133,813.50		-288,133,813.50
4. Other	0.00			0.00			0.00	0.00		0.00				0.00
(IV) Carrying forward internal owners' equity	0.00			0.00			0.00	0.00		0.00				0.00
1. Capital reserves converted to capital (share capital)														
2. Surplus reserves converted to capital (share capital)														
3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the defined benefit plans														
5. Carry-over retained earnings from other comprehensive income														
6. Other														
(V) Reasonable reserve	0.00			0.00			521,666.49	0.00		0.00		521,666.49	0.00	521,666.49
1. Withdrawal in the report period	0.00			0.00			1,981,520.98	0.00		0.00		1,981,520.98	0.00	1,981,520.98
2. Usage in the report period	0.00			0.00			-1,459,854.49	0.00		0.00		-1,459,854.49	0.00	-1,459,854.49
(VI) Others	0.00			0.00			0.00	0.00		0.00		0.00	0.00	0.00
IV. Balance at the end of the report period	1,152,525,400			1,260,757,114.42			741,968,193	483,103,366.38		1,927,314,408.85		4,824,452,103.84	53,209,554.68	4,877,661,658.52

Last period

In RMB

Item	2022														
	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other			Subtotal
Preferred stock		Perpetual capital securities	Other												
I. Balance at the end of the last year	1,152,535,254.00				1,259,639,656.65			0.00	405,575,490.42		1,812,541,701.27		4,630,292,102.34	66,614,164.37	4,696,906,266.71
Add: Changes of accounting policy											-21,202.17		-21,202.17		-21,202.17
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,152,535,254.00				1,259,639,656.65			0.00	405,575,490.42		1,812,520,499.10		4,630,270,900.17	66,614,164.37	4,696,885,064.54
III. Increase/Decrease in this year (Decrease is listed with "-")	0.00				0.00			220,301.70	34,048,674.25		98,582,183.28		132,851,159.23	2,897,558.03	135,748,717.26
(i) Total comprehensive income	0.00				0.00			0.00	0.00		420,764,671.03		420,764,671.03	-2,296,003.05	418,468,667.98
(ii) Owners' devoted and decreased capital	0.00				0.00			0.00	0.00		0.00			4,900,000.00	4,900,000.00
1.Common shares invested by shareholders	0.00				0.00			0.00	0.00		0.00			4,900,000.00	4,900,000.00
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment	0.00				0.00			0.00	0.00		0.00			0.00	0.00
4. Other	0.00				0.00			0.00	0.00		0.00			0.00	0.00
(III) Profit distribution	0.00				0.00			0.00	34,048,674.25		-322,182,487.75		-288,133,813.50	1,119,617.15	289,253,430.65
1. Withdrawal of surplus reserves	0.00				0.00			0.00	34,048,674.25		34,048,674.25			0.00	0.00
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)	0.00				0.00			0.00	0.00		-288,133,813.50		-288,133,813.50	1,119,617.15	289,253,430.65

											3.50		3.50	5	0.65
4. Other	0.00				0.00			0.00	0.00		0.00			0.00	0.00
(IV) Carrying forward internal owners' equity	0.00				0.00			0.00	0.00		0.00			0.00	0.00
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remediating loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve	0.00				0.00			220,301.70	0.00		0.00		220,301.70	0.00	220,301.70
1. Withdrawal in the report period	0.00				0.00			1,748,440.14	0.00		0.00		1,748,440.14	0.00	1,748,440.14
2. Usage in the report period	0.00				0.00			-1,528,138.44	0.00		0.00		-1,528,138.44	0.00	-1,528,138.44
(VI) Others	0.00				0.00			0.00	0.00		0.00			1,413,178.23	1,413,178.23
IV. Balance at the end of the report period	1,152,535,254.00				1,259,639,656.65			220,301.70	439,624,164.67		1,911,102,682.38		4,763,122,059.40	69,511,722.40	4,832,633,781.80

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

Current Period

In RMB

Item	2023											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,106,568.27				167,219,736.53	313,453,835.38		4,651,315,394.18
Add: Changes of accounting policy												
Error												

correction of the last period												
Other												
II. Balance at the beginning of this year	1,152,535,254.00				3,018,106,568.27				167,219,736.53	313,453,835.38		4,651,315,394.18
III. Increase/Decrease in this year (Decrease is listed with “-”)	0.00				0.00				43,479,201.71	103,179,001.84		146,658,203.55
(i) Total comprehensive income	0.00				0.00				0.00	434,792,017.05		434,792,017.05
(ii) Owners' devoted and decreased capital												
1. Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution	0.00				0.00				43,479,201.71	-331,613,015.21		-288,133,813.50
1. Withdrawal of surplus reserves	0.00				0.00				43,479,201.71	43,479,201.71		0.00
2. Distribution for owners (or shareholders)	0.00				0.00				0.00	-288,133,813.50		-288,133,813.50
3. Other	0.00				0.00				0.00	0.00		0.00
(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share												

capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI) Others												
IV. Balance at the end of the report period	1,152,535.2 54.00				3,018,106.5 68.27				210,698.9 38.24	416,632.8 37.22		4,797,973,597.73

Last period

In RMB

Item	2022											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535.254.00				3,018,106.568.27				133,171,062.28	295,149,580.63		4,598,962,465.18
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,152,535.254.00				3,018,106.568.27				133,171,062.28	295,149,580.63		4,598,962,465.18
III. Increase/Decrease in this year (Decrease is listed with "-")	0.00				0.00				34,048,674.25	18,304,254.75		52,352,929.00

(i) Total comprehensive income	0.00				0.00				0.00	340,486,742.50		340,486,742.50
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution	0.00				0.00				34,048,674.25	-	322,182,487.75	288,133,813.50
1. Withdrawal of surplus reserves	0.00				0.00				34,048,674.25	-	34,048,674.25	0.00
2. Distribution for owners (or shareholders)	0.00				0.00				0.00	-	288,133,813.50	288,133,813.50
3. Other	0.00				0.00				0.00	0.00		0.00
(IV) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												
4.Carry-over retained earnings from the defined benefit plans												
5.Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	1,152,535,254.00				3,018,106,568.27				167,219,736.53	313,453,835.38		4,651,315,394.18

III. Basic information of Company

1. Company profile

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

As of December 31, 2023, the cumulative amount of shares issued by the Company was 1,152,535,254 shares with registered capital of 1,152,535,254.00 yuan. Registered address: Shenzhen, Guangdong Province; HQ of the Company: 8/F, Tower B, No.4 Building, Software Industry Base, South District, Science & Technology Park, Xuefu Rd., Yuehai Street, Nanshan District, Shenzhen.

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

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

The financial statements and notes to financial statements has been approved by the 7th meeting of the 11th session of BOD of the company on April 12, 2024.

2. Consolidation scope of financial statement

For more details of change of the consolidation scope in the Period, please refer to “Note VIII. Change of consolidation scope”

For more details of subsidiaries of the company, please refer to “Note IX. Equity in other entities”

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statement are prepared in line with the Accounting Standards for Business Enterprise -Basic Standard issued by Ministry of Finance and specific accounting principle as well as the application guidance for the accounting principles for enterprise, interpretation to the accounting principles for enterprise and other related requirements (hereinafter referred to as Accounting Standards for Business Enterprise), combining the Information Disclosure Preparation Rules for Company Public Issuing Securities No.15-General Rules for Financial Report of the CSRC(Revised in 2023).

2. Going concern

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

V. Major accounting policy and accounting estimate

Specific accounting policies and accounting estimate tips:

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

1. Statement for observation of Accounting Standard for Business Enterprise

The financial statements prepared by the Company are in accordance to requirements of Accounting Standard for Business Enterprise issued by Ministry of Finance, which truly and completely reflect the financial status of the Company and parent company on December 31, 2023, as well as the consolidate and parent company's operational results and cash flow for year of 2023.

2. Accounting period

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

3. Operating cycle

Operating cycle of the Company is 12 months

4. Standard currency

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

5. Method for determining importance criteria and selection criteria

Applicable Not applicable

Item	Importance criteria
Important accounts receivable with single provision for bad debt reserves	Amount \geq 1000000
Other accounts receivable with significant single provision for bad debt reserves	Amount \geq 5000000

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

(1) Merger of enterprises under the same control

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

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

The assets and liabilities of the merged party acquired by the merging party in the merger shall be measured at their carrying amounts

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

(2) Merger of enterprises not under the same control

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

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

Implementing business mergers under different control through multiple transactions in stages

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

(3) Treatment of transaction costs in enterprise merger

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

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

(1) Criteria for judging control

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

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

all of the variability of returns.

(2) Method of preparing consolidated financial statements

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

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

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

The portion of the shareholder's equity of the subsidiary that does not belong to the company shall be separately listed as minority shareholder's equity in the consolidated balance sheet under the shareholder's equity item; The shares belonging to minority interests in the current net gains and losses of subsidiaries are presented as minority interests under the net profit in the consolidated income statement. In case the losses assumed by the minority shareholders in the subsidiary exceed their share in the initial owner's equity of the subsidiary, the balance shall still offset against the decrease in the minority shareholder's equity.

(3) Purchase of minority shareholder equity in subsidiary companies

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

(4) Treatment of loss of control over subsidiaries

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

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

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

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

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

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

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

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

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

(1) Joint operation

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

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

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

(2) Joint venture

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

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

9. Recognition standards for cash and cash equivalents

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

10. Foreign currency transactions and foreign currency statement translation

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

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

11. Financial instrument

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

(1) Recognition and de-recognition of financial instruments

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

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

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

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

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

(2) Classification and initial measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

After initial recognition, such financial assets are measured at amortized cost with the effective interest method. Gains or losses arising from financial assets which are measured at amortized cost and are not a component of any hedging relationship are included in current profit or loss when being terminated for recognition, amortized by effective interest method, or impaired.

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

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

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

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

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

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

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

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

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

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

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

(3) Classification and measurement of financial liabilities

The financial liabilities of the company are classified at initial recognition as financial liabilities measured at fair value through gains and losses of current period, financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value and whose changes are recognized in the gains and losses of current period, the relevant transaction costs are included in their initial recognition amount.

Financial liabilities measured at fair value through gains and losses

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

Financial liabilities measured at amortized cost

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

The distinction between financial liabilities and equity instruments

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

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

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

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

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

(4) Derivative financial instruments and embedded derivative instruments

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

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

(5) Fair value of financial instruments

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

(6) Impairment of financial assets

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

- Financial assets measured at amortized cost;
- Accounts receivable and debt instrument investments measured at fair value with changes recognized in other comprehensive income;
- Contract assets defined in Enterprise Accounting Standard No. 14- Revenue;

- Lease receivables;
- Financial guarantee contracts (excluding those measured at fair value through profit or loss, transfer of financial assets that do not meet the termination recognition conditions, or continued involvement in the transferred financial assets).

Measurement of expected credit losses

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

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

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

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

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

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

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

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

Notes receivable and accounts receivable

For notes receivable and accounts receivable, regardless of whether there are significant financing components, the company always

measures its loss provision at an amount equivalent to the expected credit loss for the entire duration.

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

A. Notes receivable

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

B. Accounts receivable

Accounts receivable portfolio	Basis for determining portfolio	Methods for measuring expected credit losses
Sales receivables portfolio	Aging analysis	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, prepare a comparison table between the aging of accounts receivable and the expected credit loss rate for the entire duration, and calculate the expected credit loss
Specific object portfolio	Accounts receivable between related parties within the scope of consolidation, and accounts receivable from government departments	Based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, calculate the expected credit loss by default risk exposure and the expected credit loss rate for the entire duration. The expected credit loss rate for the portfolio is 0

Other receivables

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

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

Debt investment and other debt investments

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

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

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

Assessment of significant increase in credit risk

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

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

- The debtor fails to pay the principal and interest on the due date of the contract;
- Serious deterioration of external or internal credit ratings (if any) of financial instruments that have occurred or are expected to occur;
- Serious deterioration of the debtor's operating results that has occurred or is expected to occur;
- Existing or anticipated changes in technology, market, economy, or legal environment that will have a significant adverse impact on the debtor's ability to repay the company .

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

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

Financial assets that have experienced credit impairment

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

- The issuer or debtor encounters significant financial difficulties;
- The debtor violates the contract, such as paying interest or principal in default or overdue;

- Due to economic or contractual considerations related to the financial difficulties of the debtor, the company will not make any concessions to the debtor under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor have led to the disappearance of the active market for the financial asset.

Reporting of provisions for expected credit losses

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

Write-off

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

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

(7) Financial asset transfer

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

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

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

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

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

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

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

(2) Valuation methods for delivery of inventory

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

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

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

The net realizable value is the amount obtained by subtracting the estimated cost to be incurred until completion, estimated sales expenses, and related taxes from the estimated selling price of inventory. When determining the net realizable value of inventory, it is based on conclusive evidence obtained, while considering the purpose of holding inventory and the impact of events after the balance sheet date.

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

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

(4) Inventory system

Inventory system is the perpetual inventory system.

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

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

18.Asset held for sale**19.Debt investment****20.Other equity investment****21.Long-term accounts receivable****22.Long-term equity investment**

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

(1) Determination of initial investment cost

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

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

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

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

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

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

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

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

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

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

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

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

The unrealized internal transaction gains and losses between the Company and its associated enterprises and joint ventures shall be calculated in terms of the proportion of shareholding and recognized as investment gains and losses on the basis of offsetting. However, the unrealized internal transaction losses incurred by the Company and the invested entity, which is the impairment losses of the transferred assets, shall not be offset.

(3) Criteria of joint control and significant influence

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

Significant influence is the power of the Company to participate in the financial and operating policy decisions of an invested party, but to fail to control or joint control the formulation of such policies together with other parties. When determining whether

significant influence can be exerted on the invested entity, the potential factors of voting power as current convertible bonds and current executable warrant of the invested party held by investors and other parties shall be considered.

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

(4) Impairment testing methods and impairment provision methods

Refer to Note III. 23 of auditor's report for the method for making asset impairment for investments in subsidiaries, associated enterprises and joint ventures.

23. Investment real estate

Measurement model for investment real estate

Measured with cost method

Depreciation or amortization methods

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

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

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

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

24. Fixed assets

(1) Recognition conditions

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

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

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

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

(2) Depreciation method

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

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

25. Construction in progress

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

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

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

26. Borrowing expenses**(1) Recognition of the borrowing expenses capitalization**

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

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

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

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

(2) During the capitalization period of borrowing costs

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

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

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

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

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

27. Biological assets

(1) Criteria for determining biological assets

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

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

② The borrowing costs have already been incurred;

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

(2) Classification of biological assets

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

① Consumable biological assets

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

are recognized in gains and losses in current period.

② Productive biological assets

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

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

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

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

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

③ Public welfare biological assets

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

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

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

(3) Treatment of impairment of biological assets

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

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

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

28. Oil and gas assets

29. Intangible assets

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

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

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

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

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

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

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

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

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

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

1. General principles

The R&D expenses of the company are directly related to our R&D activities, including employee salaries, direct investment expenses, depreciation expenses and long-term deferred expenses, design expenses, equipment debugging expenses, intangible asset amortization expenses, and other expenses. The salaries of R&D personnel are allocated to R&D expenses based on project working hours. The sharing of equipment, production lines, and venues between R&D activities and other production and operation activities is allocated as R&D expenses based on the proportion of working hours and area.

The company distinguishes the expenses for internal R&D projects into research stage expenses and development stage expenses. Research stage: The stage of creative and planned investigation and research activities aimed at acquiring and understanding new

scientific or technological knowledge. Development stage: The stage in which research results or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, and other activities before commercial production or use.

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

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

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

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

2. Capitalization conditions for specific R&D projects

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

30. Impairment of long-term assets

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

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

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

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

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

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

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

31. Long term deferred expenses

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

32. Contract liabilities

33. Employee compensation

(1) Accounting treatment methods for short-term compensation

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

(2) Accounting treatment methods for post employment benefits

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

Defined contribution plans

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

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

Defined benefit plans

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

① Service costs, including current service costs, past service costs, and settlement gains or losses. Among them, the current service cost refers to the increase in the present value of obligations of the defined benefit plan caused by the provision of services by employees in the current period; The past service cost refers to the increase or decrease in the present value of the defined benefit plan obligations related to employee services in the previous period caused by the modification of the defined benefit plan.

② The net interest on net liabilities or net assets of a defined benefit plan, including interest income on assets of defined benefit plan, interest expenses on obligations of defined benefit plan, and interest affected by asset cap.

③ The changes resulting from remeasuring the net liabilities or net assets of the defined benefit plan.

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

(3) Accounting treatment methods for termination benefits

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

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

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

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

34. Accrual liability

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

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

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

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

35.Share-based payment

36. Other financial instrument of preferred stocks and perpetual bond

37. Revenue

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

(1) General principles

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

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

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

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

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

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

- ① The company has the current payment right for the goods or services, which means that the customer has a current payment obligation for the goods.
- ② The company has transferred the legal ownership of the product to the customer, that is, the customer already has legal ownership of the product.
- ③ The company has transferred the physical ownership of the product to the customer, which means the customer has already taken

possession of the product.

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

(2) Specific methods

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

38. Contract cost

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

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

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

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred solely due to the contract;
- ② This cost increases the resources that the company will use in the future to fulfill its contractual obligations;
- ③ The cost is expected to be recovered.

The assets recognized for contract acquisition costs and the assets recognized for contract performance costs (hereinafter referred to as "assets related to contract costs") are amortized on the same basis as the recognition of goods or services revenue related to the assets, and are booked in the gains and profits of current period. If the amortization period does not exceed one year, it shall be recognized in the current profit and loss when it occurs.

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

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

39. Government grant

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

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

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

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

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

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

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

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

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

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

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

40. Deferred income tax assets/deferred income tax liabilities

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

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

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

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

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

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

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

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

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

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

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

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

41. Leasing

(1) The company as lessee

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

The accounting policies for the right-of-use assets can be found in Note 3. 32 of the auditor's report.

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

Short term leasing

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

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

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

Low value asset leasing

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

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

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

Lease change

If there is a change in lease and the following conditions are met simultaneously, the company will treat the lease change as a separate lease for accounting treatment: ①The lease change expands the lease scope by adding the right to use one or more leased assets; ②The increased consideration is equivalent to the individual price for the expansion of the lease scope, adjusted according to the situation of the contract.

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

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

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

(2) The company as a lessor

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

Finance lease

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

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

Operating lease

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

Lease change

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

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

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

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

42. Other important accounting policy and estimation

43.Changes of important accounting policy and estimation

(1)Changes of important accounting policies

Applicable Not applicable

In RMB

Contents and reasons of accounting policy	Name of items of financial statements subject to major impact	Impact amount
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The Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Enterprises (CK[2022]No. 31) in November 2022 (hereinafter referred to as "Interpretation No. 16").

Interpretation No. 16 stipulates that, for a single transaction that is not a business merger, does not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and results in equal taxable temporary differences and deductible temporary differences due to the initial recognition of assets and liabilities, the corresponding deferred income tax liabilities and deferred income tax assets shall be recognized separately at the time of transaction in accordance with relevant provisions such as Enterprise Accounting Standard No. 18- Income Tax. For the above-mentioned transactions that occurred between the beginning of the earliest period for the first implementation of the above regulations in financial statement presentation and the date of implementation of this interpretation, the enterprise shall adjust the cumulative impact to the beginning retained earnings and other related financial statement items in the earliest period for financial statement presentation in accordance with the above regulations. The above accounting treatment regulations will be implemented from January 1, 2023.

(2)Changes of important accounting estimation

Applicable Not applicable

(3)Implementation of new accounting standards adjustment for the first time starting from 2023, and implementation of relevant financial statement items at the beginning of the year for the first time

Applicable Not applicable

Explanation on adjustment

Starting from January 1, 2023, the company implemented the Accounting Standards for Enterprises Interpretation No. 16 issued by the Ministry of Finance, which stipulates that deferred income tax related to assets and liabilities arising from individual transactions shall not be subject to initial recognition exemption accounting treatment. For individual transactions that occur between the

beginning of the earliest period in which the provision is first implemented and the first implementation date in financial statements, adjustments shall be made according to this provision. For lease liabilities and right-of-use assets recognized at the beginning of the earliest period in which the provision is first implemented, as well as estimated liabilities and corresponding assets related to abandonment obligations recognized, resulting in taxable temporary differences and deductible temporary differences, the cumulative impact amount shall be adjusted to the initial retained earnings and other related financial statement items of the earliest period in accordance with this provision and the provisions of Enterprise Accounting Standard No. 18- Income Tax. The specific adjustments are as follows:

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

Items of consolidated balance sheet (Dec. 31, 2022)	Before adjustment	Adjustment amount	After adjustment
Deferred tax assets	40,240,466.35	154,697.65	40,395,164.00
Deferred tax liabilities	13,381,949.47	6,100.06	13,388,049.53
Undistributed profit	1,910,954,084.79	148,597.59	1,911,102,682.38

Con':

Items of consolidated profit statement (2022)	Before adjustment	Adjustment amount	After adjustment
Income tax expense	52,611,993.87	-169,799.76	52,442,194.11
Net profit	418,298,868.22	169,799.76	418,468,667.98

44.Others

VI.Tax

1. Type of tax and rate for main applicable tax

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

Rate of income tax for different taxpaying body:

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

2. Preferential taxation

1. VAT discounts and approval

According to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Issues Concerning the VAT Collection and Exemption of Grain Enterprises (CSZ [1999] No. 198)” and “Shenzhen Tax Service, State Taxation Administration and Shenzhen Finance Bureau SGSF (SCF [1999] No.428)”, confirming that SZCG, the Company’s subsidiary, and its subsidiaries, are state-owned grain purchase and sale enterprises that undertake grain collection and storage tasks for Shenzhen, the grain sold is subject to tax-free declaration by rule and enjoys the exemption from VAT. In addition, according to the stipulation of the “Announcement of State Administration of Taxation on Relevant Management Matters After Clarifying the Cancellation of the Approval of Some VAT Preferential Policies” (SAT Announcement 2015 No. 38), the approval for exemption from VAT and the involved tax review and approval procedures for the state-owned grain enterprises that undertake grain collection and storage tasks, other grain enterprises that operate tax-free projects and enterprises that have edible vegetable oil sales business for government reserves are canceled and changed to record management. The taxpayer does not change the content of the record materials during the period of tax exemption can be put on a one-time record. In December 2013, SZCG obtained the notice of the VAT preferential record (SGSFJBM [2013] No.2956) from Shenzhen Futian State Administration of Taxation. In the case of no change in policy, this limited filing period started on January 1st, 2014. The VAT input tax amount of the preferential item was separately accounted for, and the input VAT calculation method cannot be changed within 36 months after the selection. As of December 31, 2023, the tax exemption policy has been in effect since its filing in 2014, and the company’s VAT input tax has not changed since it was accounted for separately in 2014, so the company continues to enjoy the tax preference.

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

According to the stipulations of the Announcement of the Ministry of Finance and the State Administration of Taxation on Continuing the Implementation of Tax Preferential Policies for Some National Reserve Commodity Reserves([2022]No.8)”, and documents of Guangdong Province Department of Finance, Guangdong Provincial Taxation Bureau of the State Administration of Taxation and Guangdong Provincial Food and Material Reserve Bureau (YCSH [2020]No.2, confirming that the fund account book of SZCG, the Company’s subsidiary, and its direct depots is exempt from stamp duty, confirming that the written purchase and sale contracts of SZCG in the process of undertaking the commodity reserve business are exempt from stamp duty, and confirming that SZCG’s house property and land used for the commodity reserve business are exempt from house property tax and urban land use tax. The execution time limit for this tax preference policy is from January 1, 2022 to December 31, 2023.

3. Enterprise income tax

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

(2) On December 23, 2021, Shenbao Huacheng, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202144205394) jointly issued by the Shenzhen Science and Technology Bureau, the Shenzhen Finance Bureau, and the Shenzhen Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, the qualified high-tech enterprises will pay corporate income tax at a reduced income tax rate of 15.00% within three years from the year of identification. Shenbao Huacheng will enjoy the preferential tax policy from 2021 to 2024.

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

(4) On Oct. 12, 2022, Wuhan Jiacheng, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.:GR202242000734) jointly issued by the Department of Science and Technology of Hubei Province, the Hubei Provincial Department of Finance of Hubei Province, and the Hubei Provincial Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, qualified high-tech enterprises will pay corporate income tax at a reduced income tax rate of 15.00% within three years from the year of identification. Wuhan Jiacheng enjoys the preferential tax policy from 2022 to 2025.

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

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

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

3. Other

VII. Notes to main items of consolidated financial statements

1. Monetary funds

In RMB

Item	Ending balance	Opening balance
Cash on hand	10,106.10	69,686.00
Cash in bank	233,808,796.22	52,837,770.89
Other monetary fund	2,565,704.28	1,196,314.11
Total	236,384,606.60	54,103,771.00

Other explanation:

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

Item	Ending balance	Ending balance of last period
Guarantee deposit	1,800,000.00	1,000,000.00
Letter of credit deposit	691,708.31	
Litigation related freezing	2,973,129.00	
Other		8,301.74
Total	5,464,837.31	1,008,301.74

2.Tradable financial assets

In RMB

Item	Ending balance	Opening balance
Financial assets measured by fair value and with variation reckoned into current gains/losses	1,122,347.85	46,676,652.91
Including:		
Equity investment instrument	1,122,347.85	1,228,132.36
Structured financial products		45,448,520.55
Including:		
Total	1,122,347.85	46,676,652.91

Other explanation:

3.Derivative financial assets

In RMB

Item	Ending balance	Opening balance

Other explanation:

4.Note receivable

(1)By category

In RMB

Item	Ending balance	Opening balance
Bank acceptance bill	113,932.00	270,109.00
Total	113,932.00	270,109.00

(2) Accrued bad debt provision

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued		Amount	Ratio	Amount	Accrued	

				ratio					ratio	
Including:										
Including:										
Portfolio of sales receivable										
Object-specific portfolio										

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

Applicable Not applicable

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

Bad debt provision accrual in the period:

In RMB

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

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

Applicable Not applicable

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

In RMB

Item	Amount pledge at period-end

(5) Notes endorsement or discount and undue on balance sheet date

Item	Ending derecognized amount	Ending not derecognized amount

(6) Note receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major note receivable charged off:

Unit: RMB

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

Explanation on note receivable charged off:

5.Account receivable

(1)By aging

In RMB

Aging	Ending book balance	Beginning book balance

Within 1 year(inclusive)	185,011,814.38	238,932,228.39
1-2 years	1,411,768.67	1,392,647.25
2-3 years	732,353.29	2,237,506.92
Over 3 years	95,284,580.37	93,508,707.26
3-4 years	2,124,859.32	405,778.29
4-5 years	80,685.16	720,664.43
Over 5 years	93,079,035.89	92,382,264.54
Total	282,440,516.71	336,071,089.82

(2)Accrued bad debt provision

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on a single basis	99,603,414.71	35.27%	99,513,955.78	99.91%	89,458.93	96,298,242.86	28.65%	95,725,038.89	99.40%	573,203.97
Including:										
Account receivable with bad debt provision accrual on portfolio	182,837,102.00	64.73%	3,098,066.95	1.69%	179,739,035.05	239,772,846.96	71.35%	3,516,949.98	1.47%	236,255,896.98
Including:										
Portfolio of sales receivable	116,066,604.29	41.09%	3,098,066.95	2.67%	112,968,537.34	142,291,769.29	42.34%	3,516,949.98	2.47%	138,774,819.31
Object-specific portfolio	66,770,497.71	23.64%	0.00		66,770,497.71	97,481,077.67	29.01%			97,481,077.67
Total	282,440,516.71	100.00%	102,612,022.73	36.33%	179,828,493.98	336,071,089.82	100.00%	99,241,988.87	29.53%	236,829,100.95

Bad debt provision accrual on single basis: 99,513,955.78 yuan

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Accrual causes

Bad debt provision accrual on single basis	96,298,242.86	95,725,038.89	99,603,414.71	99,513,955.78	99.91%	Low possibility of recovery
Total	96,298,242.86	95,725,038.89	99,603,414.71	99,513,955.78		

Bad debt provision accrual on portfolio: Portfolio of sales receivable

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Portfolio of sales receivable	116,066,604.29	3,098,066.95	2.67%
Total	116,066,604.29	3,098,066.95	

Explanation on the basis for determining portfolio:

Bad debt provision accrual on portfolio: object-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Object-specific portfolio	66,770,497.71		
Total	66,770,497.71		

Explanation on the basis for determining portfolio:

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

Applicable Not applicable

(3) Bad debt provision accrued collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Change in current period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision for accounts receivable	99,241,988.87	4,462,277.15	866,026.81		-226,216.48	102,612,022.73
Total	99,241,988.87	4,462,277.15	866,026.81		-226,216.48	102,612,022.73

Important bad debt provision collected or reversal:

In RMB

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

Other explanation:

(4) Account receivable actually charged off in the period

In RMB

Item	Amount charged off

Including major account receivable charged off:

In RMB

Enterprise	Nature	Amount charged off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
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Explanation on account receivable charged off:

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

In RMB

Name	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivable and contract assets	Ending balance of bad debt reserve and impairment reserve of contract assets
First	65,578,088.99		65,578,088.99	23.22%	
Second	15,732,842.83		15,732,842.83	5.57%	157,328.43
Third	10,455,627.54		10,455,627.54	3.70%	10,455,627.54
Fourth	9,136,940.00		9,136,940.00	3.23%	91,369.40
Fifth	4,582,156.00		4,582,156.00	1.62%	4,582,156.00
Total	105,485,655.36		105,485,655.36	37.34%	15,286,481.37

6.Contract asset

(1)Contract asset

In RMB

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

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

In RMB

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

In RMB

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

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

Applicable Not applicable

(4) Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debts reserve

Other explanation:

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

In RMB

Item	Amount charged off

Including major contract assets charged off:

In RMB

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

Explanation on contract assets charged off :

Other explanation:

7.Account receivable financing

(1)Category of account receivable financing

In RMB

Item	Ending balance	Opening balance

(2)Accrued bad debt provision

In RMB

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

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

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	

Balance on Jan. 1, 2023 in the period				
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Classification basis and accrued ratio of bad debt provision for each stage

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

(3)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debts reserve

Other explanation:

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

In RMB

Item	Amount pledge at period-end

(5)Account receivable financing endorsement or discount and undue on balance sheet date

In RMB

Item	Amount derecognized at period-end	Amount not derecognized at period-end

(6) Account receivable financing actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major account receivable financing charged off:

Unit: RMB

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

Explanation on account receivable financing charged off:

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

(8) Other explanation

8.Other accounts receivable

In RMB

Item	Ending balance	Opening balance
Other accounts receivable	29,127,689.89	32,910,189.14
Total	29,127,689.89	32,910,189.14

(1)Interest receivable

1)Category of interest receivable

In RMB

Item	Ending balance	Opening balance
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2)Significant overdue interest

In RMB

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

3)Accrued bad debt provision

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

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

5) Interest receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major interest receivable charged off:

Unit: RMB

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

Other explanations:

(2) Dividend receivable

1) Category of dividend receivable

In RMB

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

In RMB

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

Applicable Not applicable

4) Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

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

5) Dividend receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major dividend receivable charged off:

Unit: RMB

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

Other explanation:

(3)Other account receivable

1)By nature

In RMB

Nature	Ending book balance	Beginning book balance
Deposit and margin	10,671,175.15	14,170,451.49
Other intercourse funds	121,009,368.29	122,723,170.61
Total	131,680,543.44	136,893,622.10

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	18,288,294.29	13,369,415.17
1-2 years	9,503,326.35	15,602,452.42
2-3 years	2,536,281.98	4,109,695.16
Over 3 years	101,352,640.82	103,812,059.35
3-4 years	3,501,011.75	1,819,777.03
4-5 years	1,478,563.36	1,778,322.12
Over five years	96,373,065.71	100,213,960.20
Total	131,680,543.44	136,893,622.10

3)Accrued bad debt provision

☞Applicable ☐Not applicable

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Including:										
Including:										
Portfolio of expected										

credit risk feature										
Object-specific portfolio										

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

Applicable Not applicable

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2023	2,845,796.16		101,137,636.80	103,983,432.96
Balance of Jan. 1, 2023 in the period				
Current accrual	35,458.20		429,022.36	464,480.56
Current reversal	227,688.53		661,005.22	888,693.75
Other changes	-6,366.22		-1,000,000.00	-1,006,366.22
Balance on Dec. 31, 2023	2,647,199.61		99,905,653.94	102,552,853.55

Classification basis and bad debt provision ratio for each stage

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

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision of other accounts receivable	103,983,432.96	464,480.56	888,693.75		-1,006,366.22	102,552,853.55
Total	103,983,432.96	464,480.56	888,693.75		-1,006,366.22	102,552,853.55

Important bad debt provision collected or reversal:

In RMB

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

5) Other account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major other account receivable charged off:

Unit: RMB

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

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

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debt reserve
First	Intercourse funds	24,035,157.99	Over five years	18.25%	22,187,644.18
Second	Intercourse funds	8,326,202.63	Over five years	6.32%	8,326,202.63
Third	Intercourse funds	8,285,803.57	Over five years	6.29%	8,285,803.57
Fourth	Intercourse funds	8,257,311.80	Over five years	6.27%	8,257,311.80
Fifth	Intercourse funds	5,677,473.59	Over five years	4.31%	5,677,473.59
Total		54,581,949.58		41.44%	52,734,435.77

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

In RMB

Other explanation:

9. Account paid in advance

(1) By aging

In RMB

Aging	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	16,244,819.71	94.26%	64,831,898.58	99.00%
1-2 year	676,069.63	3.92%	361,081.54	0.55%
2-3 years	95,050.89	0.55%	175,520.68	0.27%
Over 3 years	218,761.69	1.27%	118,890.08	0.18%
Total	17,234,701.92		65,487,390.88	

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

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

Prepaid objects	Ending balance	Proportion in total prepayment balance at the end of period (%)
First	6,120,096.80	35.51
Second	5,027,279.80	29.17
Third	875,762.79	5.08
Fourth	591,197.44	3.43
Fifth	437,100.00	2.54
Total	13,051,436.83	75.73

Other explanation:

10.Inventory

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

No

(1)By category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	63,123,938.67	15,039,481.32	48,084,457.35	70,633,688.83	13,324,174.78	57,309,514.05
Goods in process	27,382,027.01	0.00	27,382,027.01	25,496,450.76		25,496,450.76
Finished goods	3,449,447,657.13	87,071,319.87	3,362,376,337.26	3,574,759,554.65	80,193,872.72	3,494,565,681.93
Revolving material	2,935,812.93	1,685,748.86	1,250,064.07	5,171,075.84	998,163.23	4,172,912.61
Goods in transit	12,559,426.44		12,559,426.44	11,981,893.90		11,981,893.90
Low value consumables - packaging materials	6,824,189.94	32,513.03	6,791,676.91	4,806,860.40		4,806,860.40
Work in process-outsourced	5,438,363.67	5,438,363.67	0.00	5,999,159.19	5,290,502.32	708,656.87
Total	3,567,711,415.79	109,267,426.75	3,458,443,989.04	3,698,848,683.57	99,806,713.05	3,599,041,970.52

(2)Inventories fall provision or provision for impairment of contract performance costs

In RMB

Item	Opening balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	13,324,174.78	2,630,983.00		915,676.46		15,039,481.32
Goods in process						0.00
Finished goods	80,193,872.72	102,279,510.56		95,269,436.02	132,627.39	87,071,319.87
Revolving material	998,163.23	775,274.19		87,688.56		1,685,748.86
Low value consumables - packaging materials		200,280.13		166,861.92	905.18	32,513.03
Work in process-outsourced	5,290,502.32	147,861.35				5,438,363.67
Total	99,806,713.05	106,033,909.23		96,439,662.96	133,532.57	109,267,426.75

Inventories fall provision accrued in terms of portfolio

In RMB

Portfolio name	Ending	Opening
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	Ending balance	Inventories fall provision	Accrued ratio of inventories fall provision	Opening balance	Inventories fall provision	Accrued ratio of inventories fall provision
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Standard for inventories fall provision accrued in terms of portfolio

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

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

11. Assets held for sale

In RMB

Item	Ending book balance	Impairment provision	Ending book value	Fair value	Estimated disposal cost	Estimated disposal time
Intangible asset	12,853,604.67		12,853,604.67	12,853,604.67	0.00	Jan. 31, 2023
Subsidiary Wuhan Jiacheng	108,272,532.95		108,272,532.95	108,272,532.95	0.00	Mar. 15, 2024
Total	121,126,137.62		121,126,137.62	121,126,137.62		

Other explanation:

Wuhan Jiancheng

Item	Ending book value
Assets in disposal groups held for sale	
Monetary funds	1,469,717.13
Notes receivable	40,000.00
Accounts receivable	5,309,159.47
Prepayments	245,719.70
Other receivables	5,249,753.33
Inventory	7,419,831.60
Other current assets	2,004,949.59
Fixed assets	66,145,101.31
Construction in progress	1,028,320.24
Intangible assets	16,747,743.46
Goodwill	1,953,790.56
Long term deferred expenses	315,990.26
Deferred tax assets	220,105.30
Other non current assets	122,351.00
Total assets	108,272,532.95
Liabilities in disposal groups held for sale	
Short term loans	23,376,944.44
Accounts payable	8,898,907.78
Contract liabilities	1,618,717.24
Payable employee compensation	1,881,313.17

Item	Ending book value
Payable taxes and fees	120,497.51
Other payables	25,614,407.07
Other current liabilities	2,894.73
Deferred income	3,079,323.34
Deferred tax liability	1,986,823.31
Total liabilities	66,579,828.59

Note: The company transferred 51% of the equity and debt of Wuhan Jiacheng through public listing to Tianyu Environment. With June 30, 2023 as the asset evaluation benchmark date, the assessed value of the shareholders' equity of Wuhan Jiacheng is RMB 45.325 million. As of December 31, 2023, the company has received a total of RMB 16.936 million in debt transfer payments and no less than 30% equity transfer payments. As the articles of association of Wuhan Jiacheng have not been amended, the board of directors has not been reelected, and the transferee has not appointed senior management personnel such as directors and general managers, the company still controls Wuhan Jiacheng. The remaining equity transfer payment was received on March 8, 2024.

12. Non-current asset due within one year

In RMB

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

Applicable Not applicable

(2) Other creditors' investment maturing within one year

Applicable Not applicable

13. Other current assets

In RMB

Item	Ending balance	Opening balance
Input tax to be deducted	48,868,668.82	31,248,541.96
Certificate of deposit	30,226,849.32	
Gains/losses from assets to be disposed	1,623,160.79	196,415.59
Prepayment of taxes	25,137,638.10	1,152,463.71
VAT deduction amount	1,606.45	
Total	105,857,923.48	32,597,421.26

Other explanation:

14. Creditors' investment

(1) Creditors' investment

In RMB

Item	Ending balance	Opening balance
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	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
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Changes of impairment provision of creditors' investment in current period

In RMB

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

In RMB

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

(3) Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2023 in the period				

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

(4) Debt investment actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major debt investment charged off:

Explanation on debt investment charged off:

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

Applicable Not applicable

Other explanation:

15. Other creditors' investment

(1) Other creditors' investment

In RMB

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

In RMB

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

In RMB

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

(3)Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2023 in the period				

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

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

Unit: RMB

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

Explanation on other debt investment charged off:

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

Applicable Not applicable

Other explanation:

16.Other equity instrument investment

In RMB

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

In RMB

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

In RMB

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

Other explanation:

17.Long-term account receivable

(1)Long-term account receivable

In RMB

Item	Ending balance			Opening balance			Discount rate range
	Book balance	Bad debt reserve	Book value	Book balance	Bad debt reserve	Book value	

(2)Accrued bad debt provision

In RMB

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

The bad debts reserve is made based on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Accrual ratio 计提比例

Explanation on determining the basis of this portfolio:

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

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2023 in the period				

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

(3)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debts reserve

Other explanation:

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

Unit: RMB

Item	Amount charged off

Including major long-term account receivable charged off:

Unit: RMB

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

Explanation on long-term account receivable charged off:

18.Long-term equipment

In RMB

The invested entity	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/-)								Ending balance (book value)	Ending balance of impairment provision	
			Addition investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other			
I. Joint venture													
II. Associated enterprise													
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	2,170,792.11				-583,068.30							1,587,723.81	
Zhuhai Hengxing Feed Industrial Co., Ltd.	30,214,746.29				3,438,389.19							33,653,135.48	
Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	26,883,128.82				198,760.96							27,081,889.78	
Shenzhen Shen Yuan Data Tech. Co., Ltd	11,407,867.				278,310.00							11,686,177	

	41										.41	
CR Sanjiu												
Shenzhen Tianji Optoelectronic Technology Co., Ltd												
Shenbao Liaoyuan Investment Company											57,628.53	
Shenzhen Shenbao (Xinmin) Foods Co., Ltd.											2,870,000.00	
Changzhou Shenbao Chacang E-business Co., ltd.												
Shenzhen Shichumingmen Catering Management Co., Ltd.												
Subtotal	70,676,534.63				3,332,391.85						74,008,926.48	2,927,628.53
Total	70,676,534.63				3,332,391.85						74,008,926.48	2,927,628.53

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Other explanation:

19. Other non-current financial assets

In RMB

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

Other explanation:

20. Investment real estate

(1) Measured by cost

Applicable Not applicable

In RMB

Item	House and building	Land use right	Construction in progress	Total

I. Original book value			
1. Opening balance	583,090,328.15		583,090,328.15
2. Current amount increased	66,931,987.42		66,931,987.42
(1) Outsourcing			
(2) Inventory\fixed assets\construction in process transfer-in	66,931,987.42		66,931,987.42
(3) Increased by combination			
3. Current amount decreased	35,269,941.48		35,269,941.48
(1) Disposal			
(2) Other transfer-out	11,040,277.30		11,040,277.30
Transfer-in to fixed assets	24,229,664.18		24,229,664.18
4. Ending balance	614,752,374.09		614,752,374.09
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	365,952,866.39		365,952,866.39
2. Current amount increased	16,294,197.86		16,294,197.86
(1) Accrual or amortization	15,637,413.49		15,637,413.49
Transfer-in to fixed assets	656,784.37		656,784.37
3. Current amount decreased	31,091,722.05		31,091,722.05
(1) Disposal			
(2) Other transfer-out	10,488,263.44		10,488,263.44
Transfer-in to fixed assets	20,603,458.61		20,603,458.61
4. Ending balance	351,155,342.20		351,155,342.20
III. Impairment provision			
1. Opening balance			
2. Current amount increased			
(1) Accrual			
3. Current amount decreased			
(1) Disposal			
(2) Other transfer-out			
4. Ending balance			
IV. Book value			
1. Ending book value	263,597,031.89		263,597,031.89
2. Opening book value	217,137,461.76		217,137,461.76

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Other explanation:

(2) Measured by fair value

Applicable Not applicable

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

In RMB

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

(4) Investment real estate without property certificate completed

In RMB

Item	Book value	Reason for not obtaining the property rights certificate
7th, and 20 th floors of Dongguan No.1 Grain and Oil Headquarters	48,448,609.84	The joint inspection has not been completed temporarily
Office Building Rental Haizhifeng Part	821,981.29	Remaining issues, currently being followed up

Other explanation:

21. Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	2,171,962,173.22	2,138,124,994.69
Disposal of fixed assets	7,552.00	3,211,544.17
Total	2,171,969,725.22	2,141,336,538.86

(1) Fixed assets

In RMB

Item	House and buildings	Machinery equipment	Transport equipment	Electronic and other equipment	Total
I. Original book value:					
1. Opening balance	1,908,564,445.65	780,690,297.07	19,036,152.17	100,838,291.42	2,809,129,186.31
2. Current amount increased	201,459,620.17	22,382,029.57	323,000.00	5,503,870.57	229,668,520.31
(1) Purchase		11,346,841.88	323,000.00	4,047,508.43	15,717,350.31
(2) Construction in progress transfer-in	175,368,080.88	11,035,187.69		1,456,362.14	187,859,630.71
(3) Increased by combination					
(3) Investment real estate transfer-in	24,229,664.18				24,229,664.18

(4)Other increase	1,861,875.11				1,861,875.11
3.Current amount decreased	79,358,006.40	23,512,608.78	3,152,341.42	2,220,202.35	108,243,158.95
(1) Disposal or scrap		6,126,855.16	589,267.95	1,431,109.72	8,147,232.83
(2)Investment real estate transfer-out	14,613,525.66				14,613,525.66
(3)Classified into held-for-sale	63,240,700.50	17,385,753.62	2,558,545.75	789,092.63	83,974,092.50
(4)Other decrease	1,503,780.24		4,527.72		1,508,307.96
4.Ending balance	2,030,666,059.42	779,559,717.86	16,206,810.75	104,121,959.64	2,930,554,547.67
II. Accumulated depreciation					
1. Opening balance	296,442,606.89	289,288,673.36	15,269,563.39	63,350,394.38	664,351,238.02
2. Current amount increased	65,214,664.87	38,402,273.33	1,145,879.23	11,217,477.77	115,980,295.20
(1) Accrual	44,611,206.26	38,402,273.33	1,145,879.23	11,217,477.77	95,376,836.59
(2)Investment real estate transfer-in	20,603,458.61				20,603,458.61
3. Current amount decreased	10,808,252.37	9,537,430.21	2,552,029.26	1,664,400.64	24,562,112.48
(1) Disposal or scrap		4,569,895.59	476,824.83	1,200,678.50	6,247,398.92
(2)Investment real estate transfer-out	363,598.43				363,598.43
(3)Classified into held-for-sale	10,322,530.00	4,967,534.62	2,075,204.43	463,722.14	17,828,991.19
(4)Other decrease	122,123.94				122,123.94
4. Ending balance	350,849,019.39	318,153,516.48	13,863,413.36	72,903,471.51	755,769,420.74
III. Impairment provision					
1. Opening balance		6,627,468.94		25,484.66	6,652,953.60
2. Current amount increased					
(1) Accrual					
3. Current amount decreased		3,814,405.10		15,594.79	3,829,999.89
(1) Disposal or scrap		3,814,405.10		15,594.79	3,829,999.89
4. Ending balance		2,813,063.84		9,889.87	2,822,953.71
IV. Book value					
1. Ending book value	1,679,817,040.03	458,593,137.54	2,343,397.39	31,208,598.26	2,171,962,173.22
2. Opening book value	1,612,121,838.76	484,774,154.77	3,766,588.78	37,462,412.38	2,138,124,994.69

(2) Temporarily idle fixed assets

In RMB

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

In RMB

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

In RMB

Item	Book value	Reasons for without the property certification
Civil engineering of CDE warehouse Dawn Grain Reserve Warehouse	576,992,093.23	Still under processing
Housing and buildings of Dongguan Industrial and Trade grain reserve warehouse	82,473,841.32	Under processing
Office building	54,871,599.05	Solving firefighting safety issues
1 st to 3 rd floors of Grain and Oil Headquarters	13,578,444.19	Remaining issues, currently being followed
Cold storage house	4,527,320.33	The joint inspection has not been completed temporarily
	7,476,162.03	Solving firefighting safety issues

Other explanation:

(5) Impairment testing of fixed assets

Applicable Not applicable

(6) Disposal of fixed assets

In RMB

Item	Ending balance	Opening balance
Machinery equipment	7,368.24	3,211,360.41
Electronic equipment and others	183.76	183.76
Total	7,552.00	3,211,544.17

Other explanation:

22. Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	51,288,301.16	186,884,912.13
Total	51,288,301.16	186,884,912.13

(1) Construction in progress

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Dongguan grain storage and	32,632,618.62		32,632,618.62	127,376,376.09		127,376,376.09

wharf matching project						
Small packaging production line of Dongguan Industrial and Trade	8,880,595.19		8,880,595.19	8,250,772.32		8,250,772.32
CDE storage of Dongguan Food Industrial Park and wharf mating projects	4,965,118.29		4,965,118.29	4,152,832.01		4,152,832.01
Semi automated renovation project for powder packaging production line	1,784,995.63		1,784,995.63	1,777,617.73		1,777,617.73
Deep processing of Dongguan Oil & Food	513,729.78		513,729.78	513,729.78		513,729.78
Jiangxia Bioindustrial Park Construction Project				31,317,609.78		31,317,609.78
Shenyuan data technology smart logistics park management platform project				2,777,600.00		2,777,600.00
Other	7,256,767.03	4,745,523.38	2,511,243.65	15,463,897.80	4,745,523.38	10,718,374.42
Total	56,033,824.54	4,745,523.38	51,288,301.16	191,630,435.51	4,745,523.38	186,884,912.13

(2)Changes of major construction in progress

In RMB

Item	Budget	Opening balance	Current amount increased	Transfer-in fixed assets	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated capitalization of interest	Including: amount of capitalization of interest in Period	Interest capitalization rate in Period	Capital resources
Dongguan grain storage and wharf matching proje	1,242,000,000.00	127,376,376.09	96,404,766.99	191,148,524.46		32,632,618.62	88.53%	88.53%	37,221,995.16	1,003,756.90	3.00%	Loans from financial institution

ct												
CDE stora ge of Dong guan Food Indus trial Park and wharf matin g proje cts	1,087,300 ,000.00	4,152,83 2.01	1,191,5 86.91	379,300. 63		4,965,1 18.29	98.79 %	98.7 9%	86,730,5 68.74			Loan s from finan cial insti tution
Total	2,329,300 ,000.00	131,529, 208.10	97,596, 353.90	191,527, 825.09		37,597, 736.91			123,952, 563.90	1,003,7 56.90		

(3)Provision for impairment of construction in progress

In RMB

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

(4)Impairment testing of construction in progress

Applicable Not applicable

(5)Engineering material

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Other explanation:

23.Productive biological asset

(1)Measured at cost

Applicable Not applicable

In RMB

Item	Plant	Livestock	Forestry	Fisheries	Total
I. Original book value					
1. Opening balance	416,771.28				416,771.28
2. Current amount increased					
(1)Outsourcing					
(2)Self-cultivate					
3. Current					

amount decreased					
(1)Disposal					
(2)Other					
4.Ending balance	416,771.28				416,771.28
II. Accumulated depreciation					
1.Opening balance	48,461.88				48,461.88
2.Current amount increased	9,692.40				9,692.40
(1)Accrual	9,692.40				9,692.40
3.Current amount decreased					
(1)Disposal					
(2)Other					
4.Ending balance	58,154.28				58,154.28
III. Impairment provision					
1.Opening balance					
2.Current amount increased					
(1)Accrual					
3.Current amount decreased					
(1)Disposal					
(2)Other					
4.Ending balance					
IV. Book value					
1.Ending book value	358,617.00				358,617.00
2. Opening book value	368,309.40				368,309.40

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

Applicable Not applicable

(3)Measured at fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use asset

In RMB

Item	House and building	Land use rights	Total
I. Original book value			
1. Opening balance	116,758,420.82	1,823,669.22	118,582,090.04
2. Current amount increased	7,645,189.94		7,645,189.94
(1) Lease	7,645,189.94		7,645,189.94
3. Current amount decreased	13,928,811.86		13,928,811.86
Other decrease	13,928,811.86		13,928,811.86
4. Ending balance	110,474,798.90	1,823,669.22	112,298,468.12
II. Accumulated depreciation			
1. Opening balance	39,805,615.38	471,636.38	40,277,251.76
2. Current amount increased	22,095,885.37	232,168.56	22,328,053.93
(1) Accrual	22,095,885.37	232,168.56	22,328,053.93
3. Current amount decreased	7,239,985.73		7,239,985.73
(1) Disposal	7,239,985.73		7,239,985.73
(2) Other decrease			
4. Ending balance	54,661,515.02	703,804.94	55,365,319.96
III. Impairment provision			
1. Opening balance			
2. Current amount increased			
(1) Accrual			
3. Current amount decreased			
(1) Disposal			
4. Ending balance			
IV. Book value			
1. Ending book value	55,813,283.88	1,119,864.28	56,933,148.16
2. Opening book value	76,952,805.44	1,352,032.84	78,304,838.28

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

Applicable Not applicable

Other explanation:

26. Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent	Non-patent technology	Trademark rights	Software usage rights	Forest use rights	Shop use rights	Other	Total
I. Original book value									
1. Opening balance	640,477,282.33	49,980,439.11		184,073.32	65,671,852.28	22,859,104.98	25,243,910.01		804,416,662.03
2. Current		3,895,205.		4,335,935	20,269,44			450,000	28,950,581.

amount increased		38		.67	0.41			.00	46
(1) Purchase					15,464,440.41			450,000.00	15,914,440.41
(2) Internal R&D		3,895,205.38		1,104,197.48					4,999,402.86
(3) Increased by combination									0.00
(4) Other increase				3,231,738.19	4,805,000.00				8,036,738.19
3. Current amount decreased	52,309,996.37	3,231,738.19		86,000.00	1,766,377.74				57,394,112.30
(1) Disposal	9,704,520.00			86,000.00	1,217,887.18				11,008,407.18
(2) Classified into held-for-sale	38,233,585.69				548,490.56				38,782,076.25
(3) Other decrease	4,371,890.68	3,231,738.19							7,603,628.87
4. Ending balance	588,167,285.96	50,643,906.30		4,434,008.99	84,174,914.95	22,859,104.98	25,243,910.01	450,000.00	775,973,131.19
II. Accumulated depreciation									
1. Opening balance	128,440,294.77	30,085,339.23		146,185.83	24,302,856.79	7,717,446.37	12,612,862.07		203,304,985.06
2. Current amount increased	15,961,912.76	1,093,550.90		1,296,210.24	11,702,308.50	772,863.05	3,533,492.09	37,500.00	34,397,837.54
(1) Accrual	15,961,912.76	1,093,550.90		27,484.44	11,518,600.15	772,863.05	3,533,492.09	37,500.00	32,945,403.39
(2) Other increase				1,268,725.80	183,708.35				1,452,434.15
3. Current amount decreased	12,137,743.41	1,268,725.80		60,125.09	141,935.87				13,608,530.17
(1) Disposal	1,326,284.40			60,125.09	77,945.30				1,464,354.79
(2) Classified into held-for-sale	9,116,737.55								9,116,737.55
(3) Other decrease	1,694,721.46	1,268,725.80			63,990.57				3,027,437.83
4. Ending balance	132,264,464.12	29,910,164.33		1,382,270.98	35,863,229.42	8,490,309.42	16,146,354.16	37,500.00	224,094,292.43
III. Impairment provision									
1. Opening balance		5,553,283.54			1,130,341.88				6,683,625.42
2. Current amount									

increased									
(1) Accrual									
Disposal									
3.Current amount decreased					1,130,341.88				1,130,341.88
(1) Disposal					1,130,341.88				1,130,341.88
4.Ending balance		5,553,283.54							5,553,283.54
IV. Book value									
1.Ending book value	455,902,821.84	15,180,458.43		3,051,738.01	48,311,685.53	14,368,795.56	9,097,555.85	412,500.00	546,325,555.22
2. Opening book value	512,036,987.56	14,341,816.34		37,887.49	40,238,653.61	15,141,658.61	12,631,047.94		594,428,051.55

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

(2) Land use rights without certificate of ownership

In RMB

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

Other explanation:

(3) Impairment testing of intangible assets

Applicable Not applicable

27. Goodwill

(1) Original book value of goodwill

In RMB

The invested entity or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination		Disposal		
Wuhan Jiacheng Biotechnology Co., Ltd	1,953,790.56				1,953,790.56	
Yunnan Pu'er Tea Trading Center Co., Ltd.	673,940.32					673,940.32
Total	2,627,730.88				1,953,790.56	673,940.32

(2) Impairment provision of goodwill

In RMB

The invested entity or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Accrual		Dispose		
Yunnan Pu'er Tea Trading Center Co., Ltd.	673,940.32					673,940.32
Total	673,940.32					673,940.32

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

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

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

(4) Specific method of determining the recoverable amount

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

Applicable Not applicable

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

Applicable Not applicable

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

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

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

When goodwill is formed, there is a performance commitment and the reporting period or the previous period is within the performance commitment period

Applicable Not applicable

Other explanation:

28. Long-term expenses to be apportioned

In RMB

Item	Opening balance	Current amount increased	Current amortization	Other decreased	Ending balance
Improvement expenditure for fix assets	14,672,529.67	2,494,068.98	3,769,714.34	4,851,884.96	8,544,999.35
Decoration fee	14,336,656.34	2,626,952.90	3,215,344.57	1,331,421.28	12,416,843.39
Other	4,067,063.89	1,340,981.13	1,675,569.71		3,732,475.31
Total	33,076,249.90	6,462,003.01	8,660,628.62	6,183,306.24	24,694,318.05

Other explanation:

29. Deferred income tax asset /Deferred income tax liabilities**(1) Deferred income tax assets not offset**

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Impairment provision for assets	79,024,031.58	18,487,424.12	61,591,107.94	14,415,444.33
Unrealized profits in internal transactions	3,110,821.11	1,173,392.02	3,044,122.07	456,618.31
Lease liabilities	60,423,752.25	9,667,435.83	82,207,570.11	13,502,231.97
Credit impairment loss	131,582,333.01	32,508,076.97	101,461,154.87	24,872,591.18
Total	274,140,937.95	61,836,328.94	248,303,954.99	53,246,885.79

(2) Deferred income tax liability not offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation increment of enterprise combine under different control	43,635,535.04	10,908,883.86	59,019,394.01	13,381,949.47
Right-of-use asset	56,763,213.31	9,108,070.16	78,304,838.28	12,857,821.85
Total	100,398,748.35	20,016,954.02	137,324,232.29	26,239,771.32

(3) Deferred income tax assets and deferred income tax liabilities listed after off-set

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset	9,079,033.56	52,757,295.38	12,851,721.79	40,395,164.00
Deferred income tax liabilities	9,079,033.56	10,937,920.46	12,851,721.79	13,388,049.53

(4) Details of uncertain deferred income tax assets

In RMB

Item	Ending balance	Opening balance
Deductible temporary differences	73,593,637.62	139,979,872.07
Deductible loss	222,144,931.91	205,772,485.05
Total	295,738,569.53	345,752,357.12

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

In RMB

Year	Ending balance	Beginning balance	Note
2023		43,533,321.78	

2024	16,724,256.16	26,558,015.85	
2025	57,064,985.83	22,735,816.79	
2026	19,372,001.00	38,812,670.46	
2027	30,608,347.99	74,132,660.17	
2028	72,586,319.51		
2029	6,398,410.06		
2030	1,592,707.06		
2031	11,566,491.62		
2032	6,231,412.68		
Total	222,144,931.91	205,772,485.05	

Other explanation:

30. Other non-current asset

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid for system	3,774,032.76		3,774,032.76	8,831,064.90		8,831,064.90
Property to be relocated	3,523,917.24		3,523,917.24			
Prepaid for equipment				122,351.00		122,351.00
Total	7,297,950.00		7,297,950.00	8,953,415.90		8,953,415.90

Other explanation:

31. The assets rights restricted till end of the period

In RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction status	Book balance	Book value	Restriction type	Restriction status
Monetary fund	5,464,837.31	5,464,837.31	Guarantee deposit, credit deposit, lawsuit freezing, etc.		1,008,301.74	1,008,301.74	Guarantee deposit, credit deposit. etc	
Total	5,464,837.31	5,464,837.31			1,008,301.74	1,008,301.74		

Other explanation:

32. Short-term loans

(1) By category

In RMB

Item	Ending balance	Opening balance
Guaranteed Loan		10,015,277.78
Loan in credit	1,223,462,519.16	1,182,195,809.59

Total	1,223,462,519.16	1,192,211,087.37
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Explanation on category of short-term loans:

(2) Overdue and unpaid short-term loans

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

In RMB

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

33. Tradable financial liability

Item	Ending balance	Opening balance
Tradable financial liability		288,486.18
Including:		
Including		288,486.18
Including:		
Total		288,486.18

Other explanation:

34. Derivative financial liability

In RMB

Item	Ending balance	Opening balance
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Other explanation:

35. Note payable

In RMB

Category	Ending balance	Opening balance
Total	0.00	0.00

Notes expiring at year-end not repaid was 0.00 yuan.

36. Account payable

(1) Account payable

In RMB

Item	Ending balance	Opening balance
Trade accounts payable	157,073,307.00	193,989,937.97
Account payable for engineering	176,815,688.99	196,037,079.96
Other	2,276,200.81	122,000.20
Total	336,165,196.80	390,149,018.13

(2) Major accounts payable with age over one year

In RMB

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

37.Other account payable

In RMB

Item	Ending balance	Opening balance
Dividend payable	2,933,690.04	2,933,690.04
Other account payable	274,753,900.79	296,860,258.44
Total	277,687,590.83	299,793,948.48

(1) Interest payable

In RMB

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

In RMB

Borrower	Overdue amount	Overdue reason
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Other explanation:

(2)Dividend payable

In RMB

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

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

(3)Other account payable

1)By nature

In RMB

Item	Ending balance	Opening balance
Accounts receivable and other expenses	212,017,192.04	212,410,539.40
Deposit and margin	59,175,450.98	73,717,653.72
Engineering quality assurance deposit and final payment	2,697,829.08	1,360,325.16
Accrued expenses	863,428.69	9,371,740.16
Total	274,753,900.79	296,860,258.44

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

In RMB

Item	Ending balance	Reason for not repaying or carry-over
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3) Top 5 other accounts receivable at ending balance by arrears party

Other explanation:

38. Accounts received in advance**(1) Accounts received in advance**

In RMB

Item	Ending balance	Opening balance
Lease payment received in advance	3,654.89	
Other	1,081,046.71	1,355,802.01
Total	1,084,701.60	1,355,802.01

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

In RMB

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

Item	Change in amount	Reason for change
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39. Contractual liabilities

In RMB

Item	Ending balance	Opening balance
Sales price	86,566,253.73	110,177,908.96
Total	86,566,253.73	110,177,908.96

Significant contractual liabilities with aging over 1 year

In RMB

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

In RMB

Item	Change in amount	Reason for change
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40. Wage payable**(1) Wage payable**

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	324,402,647.33	286,007,238.67	357,270,189.90	253,139,696.10
II. After-service	13,955,184.50	32,455,927.34	34,096,869.34	12,314,242.50

welfare-defined contribution plans				
III. Dismissed welfare	876,674.60	385,332.80	501,282.80	760,724.60
Total	339,234,506.43	318,848,498.81	391,868,342.04	266,214,663.20

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wage, bonus, allowance and subsidy	315,645,971.54	240,740,426.65	311,501,327.06	244,885,071.13
2. Employees' welfare	798,260.16	8,448,468.28	9,157,863.75	88,864.69
3. Social insurance charges	373,330.56	8,256,360.36	8,327,141.79	302,549.13
Including: medical insurance premium	330,963.19	7,545,320.54	7,603,604.83	272,678.90
Industrial injury insurance premiums	8,429.56	323,901.44	329,001.07	3,329.93
Maternity insurance premiums	33,937.81	387,138.38	394,535.89	26,540.30
4. Housing public reserve	50,807.20	20,830,550.40	20,844,569.40	36,788.20
5. Trade union fee and education fee	7,534,277.87	7,674,432.98	7,391,287.90	7,817,422.95
Other short-term compensation		57,000.00	48,000.00	9,000.00
Total	324,402,647.33	286,007,238.67	357,270,189.90	253,139,696.10

(3) Defined contribution plans

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance premiums	350,358.14	16,917,593.00	17,240,599.78	27,351.36
2. Unemployment insurance premiums	10,256.72	372,615.47	376,496.38	6,375.81
3. Enterprise annuity	13,594,569.64	15,165,718.87	16,479,773.18	12,280,515.33
Total	13,955,184.50	32,455,927.34	34,096,869.34	12,314,242.50

Other explanation:

41. Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	3,929,827.56	4,549,095.77
Enterprise income tax	78,612,383.92	59,136,130.15
Personal income tax	919,489.66	3,246,378.11

Urban maintenance and construction tax	184,436.23	254,333.53
Property tax	1,402,724.23	1,333,445.64
Stamp tax	924,833.66	1,175,093.10
Educational surtax	253,657.15	185,644.26
Deed tax	664,227.84	664,227.84
Use tax of land	15,205.45	190,127.68
Other		4,908.73
Total	86,906,785.70	70,739,384.81

Other explanation:

42.Liability held for sale

In RMB

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

Other explanation:

43.Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance
Lease liabilities due within one year	22,805,473.76	21,770,690.45
Total	22,805,473.76	21,770,690.45

Other explanation:

44.Other current liabilities

In RMB

Item	Ending balance	Opening balance
Payable refund payment		33,600.00
Deferred output tax	3,896,108.63	1,078,519.07
Other	31.93	
Total	3,896,140.56	1,112,119.07

Changes of short-term bonds payable:

In RMB

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

Other explanation:

45.Long-term loan

(1) Category of long-term loan

In RMB

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

Other explanation, including interest rate range:

46. Bonds payable

(1) Bonds payable

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

(2) Changes of bonds payable (not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

In RMB

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

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

(4) Other financial instruments classified as financial liability

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

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

In RMB

Outstanding financial instrument	Period-beginning		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

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

Other explanation

47. Lease liability

In RMB

Item	Ending balance	Opening balance
Lease payments	64,121,413.50	88,673,874.53
Unrecognized financing charges	-3,570,988.00	-6,466,304.42
Lease liabilities due within one year	-22,805,473.76	-21,770,690.45
Total	37,744,951.74	60,436,879.66

Other explanation:

48. Long-term account payable

In RMB

Item	Ending balance	Opening balance
Special account payable	17,994,633.05	17,620,572.48
Total	17,994,633.05	17,620,572.48

(1)By nature

In RMB

Item	Ending balance	Opening balance
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Other explanation:

(2)Special account payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Depreciation funds for fixed assets of government reserve grain depots	16,121,280.39	93,122.57		16,214,402.96	
Special funding for research in the grain public welfare industry	207,477.09			207,477.09	
Shenzhen Hospital Phase III Housing Expropriation Property Rights Exchange	1,291,815.00	237,438.00		1,529,253.00	
Grain and oil market monitoring and early warning subsidy		3,500.00		3,500.00	
Special funds for the construction and maintenance of the grain emergency system		40,000.00		40,000.00	
Total	17,620,572.48	374,060.57		17,994,633.05	

Other explanation:

49. Long-term wage payable**(1) Long-term wage payable**

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

(2) Changes of defined benefit plans

Present value of the defined benefit plans:

In RMB

Item	Current Period	Last Period
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Scheme assets:

In RMB

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

In RMB

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

Major actuarial assumption and sensitivity analysis:

Other explanation:

50. Accrual liabilities

In RMB

Item	Ending balance	Opening balance	Causes
External guarantee		3,500,000.00	
Total		3,500,000.00	

Other explanation, including relevant important assumptions and estimation:

51. Deferred income

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Government grant	87,077,137.27	8,914,774.39	13,172,038.42	82,819,873.24	
Total	87,077,137.27	8,914,774.39	13,172,038.42	82,819,873.24	--

Other explanation:

For detailed information on government grant booked into deferred income, please refer to Note XI. Government grant

52. Other non-current liabilities

In RMB

Item	Ending balance	Opening balance
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Other explanation:

53. Share capital

In RMB

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

Other explanation:

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

In RMB

Outstanding financial instrument	Period-beginning		Current increased		Current decreased		Period-end	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Total		0.00						0.00

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

Other explanation:

55. Capital reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium (Share capital premium)	1,250,743,274.79	1,117,457.77		1,251,860,732.56
Other capital reserve	8,896,381.86			8,896,381.86
Total	1,259,639,656.65	1,117,457.77		1,260,757,114.42

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

The capital premium rose by 1,117,457.77 yuan, which arose from the minority shareholders of 贝格厨房。

56. Treasury stock

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Total	0.00			0.00

Other explanation, including changes and reason for changes:

57. Other comprehensive income

In RMB

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

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

58. Reasonable reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Work safety fee	220,301.70	1,981,520.98	1,459,854.49	741,968.19
Total	220,301.70	1,981,520.98	1,459,854.49	741,968.19

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

59. Surplus public reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	439,624,164.67	43,479,201.71		483,103,366.38
Total	439,624,164.67	43,479,201.71		483,103,366.38

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

60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at the end of the previous year before adjustment	1,910,954,084.79	1,812,541,701.27
Total adjustment amount of retained profit at the beginning of the year (adjustment increase +/adjustment decrease-)	148,597.59	-21,202.17
Retained profit at the beginning of the year after adjustment	1,911,102,682.38	1,812,520,499.10
Add: net profit attributable to shareholder of parent company	347,824,733.68	420,764,671.03
Less: withdrawal of legal surplus reserve	43,479,201.71	34,048,674.25
Common stock dividends payable	288,133,813.50	288,133,813.50
Retained profit at period-end	1,927,314,400.85	1,911,102,682.38

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

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

61. Operating income and operating cost

In RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	6,189,691,606.18	5,228,738,901.98	8,310,797,045.00	7,169,707,326.38
Other business	313,750.64	106,899.36	1,926,013.19	3,151,108.47
Total	6,190,005,356.82	5,228,845,801.34	8,312,723,058.19	7,172,858,434.85

Is the lower of the audited net profit before and after deduction of non-recurring gains and losses is negative?

Yes No

Information relating to revenue:

In RMB

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

Information relating to performance obligations:

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

Other explanations

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

At the end of this reporting period, the contract has been signed, but the corresponding revenue amount for unfulfilled or unfulfilled performance obligations is 86,566,253.73 yuan. The whole amount, 86,566,253.73 yuan, is expected to be recognized in within 1 year.

Significant contract changes or significant transaction price adjustments

In RMB

Item	Accounting treatment method	Impact on income
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Other explanation:

62.Tax and surcharge

In RMB

Item	Current period	Last period
Urban maintenance and construction tax	1,383,698.15	1,881,093.08
Education surcharge	1,051,442.01	983,830.68
Property tax	11,861,483.21	9,907,629.09
Use tax of land	1,957,226.62	2,237,912.97
Vehicle and vessel use tax	19,917.36	25,735.60
Stamp duty	2,629,698.94	2,871,200.49
Other	6,972.53	29,074.09
Total	18,910,438.82	17,936,476.00

Other explanation:

63.Administration expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	132,104,257.58	199,977,753.70
Depreciation and amortization of long-term assets	43,251,708.23	42,215,859.45
Office expenses	5,977,040.35	10,899,484.39
Intermediary agency fee	4,694,613.15	5,321,856.45
Travelling expense	2,134,383.20	1,153,576.40
Communication expense	1,738,151.72	1,656,208.69
Vehicle usage fee	1,131,371.09	1,194,282.41
Business hospitality	969,999.94	654,449.12
Relocation and shutdown costs	760,742.03	535,740.91
Rental	456,480.17	88,776.37
Repair cost	454,215.27	310,474.85
Low-value consumable	25,476.09	74,796.32
Other	19,281,118.82	16,474,381.06
Total	212,979,557.64	280,557,640.12

Other explanation:

64.Sales expense

In RMB

Item	Current period	Last period
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Labor and social security benefits	114,823,759.85	105,464,733.79
Depreciation and amortization of long-term assets	11,669,044.05	13,019,789.92
Office expenses	10,373,217.31	10,615,703.94
Sales service fee	6,944,356.95	8,920,055.76
Storage and loading/unloading fees	5,186,133.78	8,426,439.83
Port terminal fees	3,787,085.61	4,914,370.42
Travel expenses	3,007,934.57	1,371,204.88
Business hospitality	1,505,531.70	1,364,065.19
Rental	1,175,659.26	1,113,437.27
Advertising expenses	1,100,020.83	1,158,015.36
Property insurance premium	939,751.88	770,044.57
Low value consumables and other loss expenses	899,870.58	6,199,952.31
Logistics and transportation costs	551,895.13	587,885.79
Sales commission	75,437.50	328,322.18
Vehicle use fee	260,081.34	268,962.67
Other	14,130,055.64	11,237,632.82
Total	176,429,835.98	175,760,616.70

Other explanation:

65.R&D expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	12,149,800.39	12,682,987.40
Depreciation cost	3,174,111.67	2,581,188.36
Material consumption	2,895,753.44	97,815.85
Travel expense	650,799.60	365,098.43
Maintenance and inspection fee	604,082.75	673,414.26
Office expense	278,409.10	92,438.24
Intermediary fees	117,726.42	113,250.95
Vehicle usage expense	90,554.88	26,429.50
Other	84,126.43	1,916,430.05
Total	20,045,364.68	18,549,053.04

Other explanation:

66.Financial expense

In RMB

Item	Current period	Last period
Interest expenses	39,968,255.33	52,421,870.87
Including: interest expenses of lease liability		
Less: Interest income	-959,189.54	-895,316.44
Exchange gains or loss	286,319.71	-971,444.48
Handling fee and others	767,351.77	801,938.60
Total	40,062,737.27	51,357,048.55

Other explanation:

67.Other income

In RMB

Sources	Current period	Last period
Government grant	14,663,529.88	8,775,672.58
Input tax deduction	7,890,252.79	723,361.58
Handling fees for withholding personal income tax	398,387.36	296,808.43
Direct reduction of value-added tax		37,024.53
Other	16,988.26	6,917.25
Total	22,969,158.29	9,839,784.37

68.Net exposure hedge gains

In RMB

Item	Current period	Last period
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Other explanation:

69.Income of fair value changes

In RMB

Sources	Current period	Last period
Tradable financial assets	-105,784.51	307,033.09
Tradable financial liabilities	288,486.18	-288,486.18
Total	182,701.67	18,546.91

Other explanation:

70.Investment income

In RMB

Item	Current period	Last period
Long-term equity investment income measured by equity	3,332,391.85	-2,813,908.86
Investment income from disposal of long-term equity investment		-3,412,304.80
Other	6,622,492.60	8,455,442.20
Total	9,954,884.45	2,229,228.54

Other explanation:

71.Credit impairment loss

In RMB

Item	Current period	Last period
Loss of bad debt of other account receivable	-3,599,093.34	215,868.78
Loss of bad debt of account receivable	426,721.19	-1,572,712.37
Total	-3,172,372.15	-1,356,843.59

Other explanation:

72.Asset impairment loss

In RMB

Item	Current period	Last period
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I. Inventory depreciation and contract performance cost impairment loss	-104,336,237.13	-138,029,247.57
IV. Impairment losses on fixed assets		-4,478,118.30
Total	-104,336,237.13	-142,507,365.87

Other explanation:

73. Income from assets disposal

In RMB

Sources	Current period	Last period
Gains/losses from disposal of non-current assets	2,394,378.42	-25,417.69

74. Non-operation income

In RMB

Item	Current period	Last period	Amount included in the current non-recurring gains/losses
Government grants		1,100,000.00	
Liquidated damages compensation income	1,457,192.35	5,636,491.91	1,457,192.35
No payment required	827,455.51		827,455.51
Gains from damage and scrapping of non-current assets	51,232.64		51,232.64
Gains from inventory surplus	6,062.93	27,924.91	6,062.93
Other	103,784.80	1,230,595.15	103,784.80
Total	2,445,728.23	7,995,011.97	2,445,728.23

Other explanation:

75. Non-operating expenditure

In RMB

Item	Current period	Last period	Amount included in current non-recurring gains and losses
External donations		4,777.87	
Penalty expenses (and liquidated damages)	1,289,772.38	39,883.09	1,289,772.38
Loss of scrap from non-current assets	105,910.32	33,127.57	105,910.32
Compensation	2,000.00	503,125.60	2,000.00
Inventory loss		40,474.63	
Other	403,290.79	364,482.72	403,290.79
Total	1,800,973.49	985,871.48	1,800,973.49

Other explanation:

76. Income tax expense

(1) Income tax expense

In RMB

Item	Current period	Last period
Current income tax expenses	87,781,940.01	52,809,277.10
Deferred income tax expenses	-13,045,542.44	-367,082.99
Total	74,736,397.57	52,442,194.11

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

Item	Current period	In RMB
Total profit		421,368,889.38
Income tax expenses calculated by statutory/applicable tax rate		105,342,222.34
Impact from different tax rate applicable with subsidiaries		-516,428.85
Effect of adjusting income tax in the previous period		9,778,145.59
Impact of non taxable income		-97,910,019.74
Impact of cost, expenses and losses unable to be deducted		48,722,879.00
Impact of the use of a previously unrecognized deferred income tax asset on deductible losses		-12,257,555.65
Impact of unrecognized deferred income tax assets in current period on deductible temporary differences or deductible losses		25,099,493.66
Gains/losses of joint ventures and associated enterprises measured with equity method		-118,287.49
Tax influence of additional deduction of R&D expenditure (filled in with the sign of “-”)		-676,831.08
Other		-2,727,220.21
Income tax expenses		74,736,397.57

Other explanation:

77. Other comprehensive income

78. Items of cash flow statement

(1) Cash received with other operating activities concerned

Item	Current period	Last period	In RMB
Intercourse funds and deposit	262,331,327.58		384,721,628.52
Government grants	13,485,589.19		2,723,273.17
Interest income	959,189.53		895,316.44
Other	7,408,191.12		11,785,691.59
Total	284,184,297.42		400,125,909.72

Note of cash paid with other operating activities concerned:

Cash paid with other operating activities concerned

Item	Current period	Last period	In RMB
Intercourse funds and deposit	160,303,524.38		421,829,887.01
Operating daily expenses	133,073,062.03		97,426,875.34
Other	3,693,027.65		795,248.00
Total	297,069,614.06		520,052,010.35

Note of cash paid with other operating activities concerned:

(2) Cash with other investment activities concerned

Cash received with other investment activities concerned

In RMB

Item	Current period	Last period
External lending recovered	726,511.34	
Total	726,511.34	0.00

Significant cash received with other investment activities concerned:

In RMB

Item	Current period	Last period
Financial products	1,558,000,000.00	1,191,460,000.00
Large deposit certificate		90,000,000.00
Total	1,558,000,000.00	1,281,460,000.00

Explanation on cash received with other investment activities concerned:

Cash paid with other investment activities concerned

In RMB

Item	Current period	Last period
Loss of control of subsidiaries		404.68
Total	0.00	404.68

Significant cash paid with investment activities

In RMB

Item	Current period	Last period
Financial products	1,500,000,000.00	1,026,460,000.00
Large deposit certificate	43,000,000.00	80,000,000.00
Total	1,543,000,000.00	1,106,460,000.00

Cash paid with other operating activities concerned

(3)Cash with financing activities concerned

Cash received with financing activities concerned

In RMB

Item	Current period	Last period

Note of cash received with other financing activities concerned:

Cash paid with other financing activities concerned

In RMB

Item	Current period	Last period
Operating lease paid	20,079,954.38	24,121,307.93
Payment of minority shareholder equity	11,106,589.90	
Purchase of minority shareholder equity	3,344,850.00	
Other		363,846.74
Total	34,531,394.28	24,485,154.67

Explanation on cash paid with other financing activities concerned:

Changes in liabilities arising from financing activities

☒Applicable ☐Not applicable

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrow and held-for-sale liabilities	1,192,211,087.37	1,930,787,809.13		1,875,334,898.93	824,533.97	1,246,839,463.60
Lease liabilities	82,207,570.11			20,079,954.38	1,577,190.23	60,550,425.50
Total	1,274,418,657.48	1,930,787,809.13		1,895,414,853.31	2,401,724.20	1,307,389,889.10

(4)Cash flow listed at net amount

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

In RMB

Supplementary information	本期金额	上期金额
1. Net profit adjusted to cash flow of operation activities:		
Net profit	346,632,491.81	418,468,667.98
Add: Impairment provision for assets	107,508,609.28	143,864,209.46
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	111,231,937.94	109,120,940.75
Depreciation of right-of-use assets	22,328,053.93	21,759,266.15
Amortization of intangible assets	34,397,837.54	29,934,283.78
Amortization of long-term pending expenses	8,660,628.62	10,186,577.64
Loss from disposal of fixed assets, intangible assets and other long-term assets (income is listed with "-")	-2,394,378.42	25,417.69
Losses on scrapping of fixed assets (income is listed with "-")	54,677.68	33,127.57
Loss from change of fair value (income is listed with "-")	-182,701.67	-18,546.91
Financial expenses (income is listed with "-")	39,973,327.68	51,450,426.39
Investment loss (income is listed with "-")	-9,954,884.45	-2,229,228.54
Decrease of deferred income tax assets (increase is listed with "-")	-15,049,702.87	288,959.12
Increase of deferred income tax asset((increase is listed with "-")	2,034,884.00	-656,042.11
Decrease of inventory (increase	27,253,849.60	-276,452,543.28

is listed with “-”)		
Decrease of operating receivable accounts (increase is listed with “-”)	92,202,173.53	136,294,792.53
Increase of operating payable accounts (decrease is listed with “-”)	-178,880,148.01	-110,181,541.58
Other		
Net cash flow arising from operating activities	585,816,656.19	531,888,766.64
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Convertible company bonds due within one year		
Financing lease of fixed assets	7,645,189.94	
3. Net change of cash and cash equivalents:		
Ending balance of cash	230,919,769.29	53,095,469.26
Less: beginning balance of cash	53,095,469.26	49,370,080.20
Add: ending balance of cash equivalents	1,469,717.13	
Less: beginning balance of cash equivalents		
Net increasing of cash and cash equivalents	179,294,017.16	3,725,389.06

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

In RMB

	Amount
Including:	
Including	
Including:	

Other explanation:

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

In RMB

	金额
Including:	
Including	
Including:	

Other explanation:

(4) Component of cash and cash equivalent

In RMB

Item	Ending balance	Opening balance
I. Cash	230,919,769.29	53,095,469.26
Including: Cash on hand	10,106.10	69,686.00
Bank deposit available for payment at any time	230,835,667.22	52,829,469.15
Other monetary fund available for payment at any time	73,995.97	196,314.11
II. Cash equivalent	1,469,717.13	
Held-for-sale assets - monetary funds	1,469,717.13	

III. Ending balance of cash and cash equivalent	232,389,486.42	53,095,469.26
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(5) Items with restricted application scope still belong to cash and cash equivalents

In RMB

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

In RMB

Item	Current amount	Last amount	Reason for not belonging to cash and cash equivalents
Bank deposit	2,973,129.00		Lawsuit freezing
Other monetary funds	2,491,708.31	1,008,301.74	Guarantee deposit, credit deposit, etc
Total	5,464,837.31	1,008,301.74	

Other explanation:

(7) Explanation on other significant activities**80. Notes of changes of owners' equity**

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

82. Foreign currency monetary items**(1) Foreign currency monetary items**

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			791,611.15
Including: USD	146,180.59	7.0827	617,258.15
EURO			
HKD	192,395.89	0.90622	174,353.00
Account receivable			2,302,399.32
Including: USD	286,493.94	7.0827	2,029,150.63
EURO			
HKD	301,525.78	0.9062	273,248.69
Held-for-sale assets - monetary funds			1,069,467.05
Including: USD	144,988.42	7.0827	1,026,909.48
EURO	5,415.00	7.8592	42,557.57
HKD			
Held-for-sale assets - account receivable			1,742,835.46
Including: USD	246,069.36	7.0827	1,742,835.46

Other explanation:

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

Applicable Not applicable

82. Lease

(1) The company as leaser

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Simplified handling of short-term leasing or leasing costs for low value assets

Applicable Not applicable

Situations involving after-sales leaseback transactions

(2) The company as lessee

Operating lease with the company as lessee

Applicable Not applicable

In RMB

Item	Lease income	Including: income related to variable lease payments not included in lease payments
Rent housing, equipment, etc.	89,413,344.39	
Total	89,413,344.39	

Financing lease with the company as lessor

Applicable Not applicable

Annual undiscounted lease payments for the next five years

Applicable Not applicable

Adjustment table for undiscounted lease receipts and net lease investments

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

Applicable Not applicable

83. Others

VIII. R&D expenditure

In RMB

Item	Current period	Last period
Labor and social security benefits	12,836,117.77	13,911,452.60
Depreciation and amortization expenses	3,892,146.29	3,372,100.40
Material consumption	6,302,600.55	1,562,447.84
Maintenance and testing fees	760,541.10	796,870.45
Travel expenses	654,453.06	446,155.78
Office expenses	280,844.00	95,913.15
Intermediary fees	117,726.42	113,250.95
Car expenses	90,554.88	26,429.50
Other	109,783.47	1,938,952.59
Total	25,044,767.54	22,263,573.26
Among them: Expensed R&D expenditure	20,045,364.68	18,549,053.04
Capitalized R&D expenses	4,999,402.86	3,714,520.22

1.R&D items that meet capitalization conditions

In RMB

Item	Beginning balance	Current increase			Current decrease			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Carried forward to current gains/losses		
R&D capital items		25,044,767.54			4,999,402.86	20,045,364.68		
Total		25,044,767.54			4,999,402.86	20,045,364.68		

Major capitalized R&D items

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

Impairment reserve for R&D expenditure

In RMB

Item	Beginning balance	Current increase	Current decrease	Ending balance	Impairment test

2. Important outsourced projects under research

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

Other explanation:

IX.Changes in consolidation range

1. Enterprise merger not under the same control

(1) Enterprise merger not under the same control

In RMB

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

Other explanation:

(2) Combination cost and goodwill

In RMB

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

Explanation of the method for determining the fair value of merger costs, contingent considerations, and their changes:

Main reasons for the formation of large goodwill

Other explanation:

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

In RMB

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

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

Contingent liabilities assumed by the acquiree in a business merger:

Other explanation:

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

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

Yes No

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

(6) Other explanation

2. Business combination under the same control

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

In RMB

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

Other explanation:

(2)Combination cost

In RMB

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

Explanation on contingent consideration and its changes:

Other explanation:

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

In RMB

	Consolidation date	Ending balance of last period
Assets:		
Monetary funds		

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

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

Other explanation:

3. Reverse purchase

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

4. Disposal of subsidiary

Is there any situation where a single disposal of investment in a subsidiary results in loss of control?

Yes No

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

Yes No

5. Other reasons for changes in consolidation range

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

6. Other

X. Equity in other entities

1. Equity in subsidiaries

(1) Membership of enterprise group

Subsidiary	Registered capital	Main place of operation	Registration place	Business nature	shareholding ratio ratio		Acquisition way
					Directly	Indirectly	
SZCG	1,530,000,000.00	Shenzhen City	Shenzhen City	Grain & oil trading	100.00%		Combine under the same control
Hualian Grain & Oil	100,000,000.00	Shenzhen City	Shenzhen City	Grain & oil trading		100.00%	Combine under the same control

Shenzhen Flour	30,000,000.00	Shenzhen City	Shenzhen City	Flour processing		100.00%	Combine under the same control
Shenliang Quality Inspection	8,000,000.00	Shenzhen City	Shenzhen City	Inspection		100.00%	Combine under the same control
Hainan Grain and Oil	10,000,000.00	Haikou City	Haikou City	Feed production		100.00%	Combine under the same control
Doximi	10,000,000.00	Shenzhen City	Shenzhen City	E-commerce		100.00%	Combine under the same control
Big Kitchen	10,000,000.00	Shenzhen City	Shenzhen City	Sales and processing of grain,oil and relevant products		70.00%	Combine under the same control
Yingkou Storage	1,000,000.00	Yingkou City	Yingkou City	Storage		100.00%	Combine under the same control
Cold Chain Logistic	10,000,000.00	Shenzhen City	Shenzhen City	On-line operation of fresh food		100.00%	Combine under the same control
Shenliang Property	9,500,000.00	Shenzhen City	Shenzhen City	Property development and management		100.00%	Combine under the same control
International Food	221,000,000.00	Dongguan City	Dongguan City	Port operation, food production		100.00%	Combine under the same control
Dongguan Grain and Oil	100,000,000.00	Dongguan City	Dongguan City	Food production		100.00%	Combine under the same control
Dongguan Logistics	298,000,000.00	Dongguan City	Dongguan City	Storage, logistics	49.00%	51.00%	Combine under the same control
Shuangyashan	100,000,000.00	Shuangyashan City	Shuangyashan City	Construction of food base and development of related complementary facilities		51.00%	Combine under the same control
Shenliang Hongjun	30,000,000.00	Shenzhen City	Shenzhen City	Catering		51.00%	Establishment
Dongguan Hualian	10,000,000.00	Dongguan City	Dongguan City	Grain and oil trade		100.00%	Establishment
Shenliang Property Management	5,000,000.00	Shenzhen City	Shenzhen City	Property management		100.00%	Establishment
Shenbao Huacheng	207,451,300.00	Shenzhen City	Shenzhen City	Manufacturing	100.00%		Establishment
Wuyuan Ju Fang Yong	290,000,000.00	Shangrao City	Shangrao City	Manufacturing		100.00%	Establishment
Huizhou Shenbao	60,000,000.00	Huizhou City	Huizhou City	Comprehensive	100.00%		Establishment
Shenbao Investment	50,000,000.00	Shenzhen City	Shenzhen City	Investment management	100.00%		Establishment
Shenbao Tea Culture	15,000,000.00	Shenzhen City	Shenzhen City	Commercial trade		100.00%	Establishment
Shenliang Hongli	50,000,000.00	Shenzhen City	Shenzhen City	Grain and oil wholesale	100.00%		Establishment
Ju Fang Yong Holding	175,000,000.00	Hangzhou City	Hangzhou City	Comprehensive		100.00%	Establishment
Fuhaitang Catering	1,000,000.00	Hangzhou City	Hangzhou City	Catering industry		100.00%	Establishment
Fuhaitang Ecology Technology	2,000,000.00	Hangzhou City	Hangzhou City	Tea planting, production and sales		100.00%	Business combination not under the

							same control
Shenbao Rock Tea	20,700,000.00	Wuyishan City	Wuyishan City	Manufacturing		100.00%	Establishment
Pu'er Tea Supply Chain	20,000,000.00	Pu'er City	Pu'er City	Wholesale business		100.00%	Establishment
Pu'er Tea Trading Center	50,000,000.00	Pu'er City	Pu'er City	Service industry		55.00%	Establishment
Shenliang Food	30,150,000.00	Huizhou City	Shenzhen City	Manufacturing	100.00%		Establishment
Huizhou Shenliang Food	5,000,000.00	Huizhou City	Huizhou City	Wholesale business		100.00%	Establishment
Zhenpin Market	10,000,000.00	Shenzhen City	Shenzhen City	Platform construction, promotion, and operation		51.00%	Establishment
Shenbao Industry & Trade	5,500,000.00	Huizhou City	Shenzhen City	Wholesale business	100.00%		Establishment
Wuhan Jiacheng	11,380,000.00	Wuhan City	Wuhan City	Food production	51.00%		Combine not under the same control
Hubei Jiacheng	30,000,000.00	Wuhan City	Wuhan City	Food production		51.00%	Combine not under the same control
Wuhan Hongqu	8,000,000.00	Wuhan City	Wuhan City	Food production		51.00%	Combine not under the same control
Macheng Jingtian	19,000,000.00	Macheng City	Macheng City	Food production		51.00%	Combine not under the same control

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

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

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

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

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	shareholding ratio ratio of minority shareholders	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shuangyashan	49.00%	1,372,344.93		29,106,475.08

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

Other explanation:

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

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities
Shuangyashan	85,781,145.	152,130,471.73	237,911,617.	178,510,647.6		178,510,647.	8,972,258.9	154,712,400.25	163,684,659.	107,084,393.5		107,084,393.

	45		18	2		62	1		16	3		53
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In RMB

Subsidiary	Current Period				Last Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity
Shuang yashan	226,240,193.61	2,800,703.93	2,800,703.93	6,384,930.18	288,856,484.33	76,415.27	76,415.27	10,319,058.63

Other explanation:

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

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

Other explanation:

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

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

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

In RMB

Purchase cost/disposal consideration	3,344,850.00
--Cash	3,344,850.00
--Fair value of non-cash assets	
Purchase cost/total disposal consideration	3,344,850.00
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity	2,227,392.23
Difference	1,117,457.77
Including: Adjust capital reserve	1,117,457.77
Adjust surplus reserve	
Adjust undistributed profit	

Other explanation

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

Joint venture/Associated enterprise	Main place of operation	Registration place	Business nature	Shareholding ratio		Accounting treatment on investment in joint venture and associated enterprise
				Directly	Indirectly	
Zhuhai Hengxing Feed Industrial Co.,	Zhuhai	Zhuhai	Aquatic fee and animal fee		40.00%	Equity method

Ltd.						
Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	Shenzhen	Shenzhen	Equity investment; investment consultant		49.02%	Equity method

Description on situation where the shareholding ratio in joint ventures or associated enterprises is different from the ratio of voting rights:

Description on the basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but having no significant influence.

(2) Main financial information of important joint venture

In RMB

	Ending balance/Current period		Opening balance/Last period	
Current assets				
Including: cash and cash equivalent				
Non-current assets				
Total assets				
Current liabilities				
Non-current liabilities				
Total liabilities				
Minority interests				
Shareholders' equity attributable to parent company				
Share of net assets calculated by shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profit of internal trading				
-- Other				
Book value of equity investment in joint venture				
Fair value of the equity investment in joint ventures with public offers concerned				
Operating income				
Financial expenses				
Income tax expenses				
Net profit				
Net profit of discontinuing operation				
Other comprehensive income				

Total comprehensive income				
Dividends received from joint venture in the year				

Other explanation

(3) Main financial information of important associated enterprises

In RMB

	Ending balance/Current period		Opening balance/Last period	
	Zhuhai Hengxing Feed Industrial Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	Zhuhai Hengxing Feed Industrial Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)
Current assets	206,533,219.54	20,506,045.15	155,902,973.82	20,190,370.67
Non-current assets	22,214,230.53	34,910,923.94	23,155,027.49	34,301,885.64
Total assets	228,747,450.07	55,416,969.09	179,058,001.31	54,492,256.31
Current liabilities	115,358,256.12	170,000.00	103,635,109.17	
Non-current liabilities	29,663,266.41		353,858.37	
Total liabilities	145,021,522.53	170,000.00	103,988,967.54	
Net asset	83,725,927.54	55,246,969.09	75,069,033.77	54,492,256.31
Minority interests				
Equity attributable to shareholder of parent company	83,725,927.54	55,246,969.09	75,069,033.77	54,492,256.31
Share of net assets measured by shareholding	33,490,371.02	27,082,064.25	30,027,613.51	26,712,104.04
Adjustment	162,764.46	-174.47	187,132.78	171,024.78
--Goodwill				
--Unrealized profit of internal trading				
-- Other	162,764.46	-174.47	187,132.78	171,024.78
Book value of equity investment in associated enterprise	33,653,135.48	27,081,889.78	30,214,746.29	26,883,128.82
Fair value of the equity investment of associated enterprise with public offers concerned				
Operating income	501,688,075.92		648,380,399.95	
Net profit	8,657,035.43	754,712.78	-3,114,520.96	-2,070,080.67
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income	8,657,035.43	754,712.78	-3,114,520.96	-2,070,080.67
Dividends received from associated enterprise in the year				

Other explanation

(4) Summary of financial information of unimportant joint venture and associated enterprises

In RMB

	Ending balance/Current Period	Opening balance/Last Period
Joint venture:		
Amount based on shareholding ratio ratio		
Associated enterprise:		
Total book value of investment	13,273,901.22	13,578,659.52
Total amount calculated in terms of shareholding ratio ratio		
--Net profit	-304,756.85	-371,088.05
--Total comprehensive income	-304,756.85	-371,088.05

Other explanation

(5) Major limitation on capital transfer ability to the Company from joint venture or associated enterprise

(6) Excess loss occurred in joint venture or associated enterprise

In RMB

Joint venture/Associated enterprise	Cumulative derecognized losses	Derecognized losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative derecognized losses at period-end
Changzhou Shenbao Chacang E-business Co., Ltd.	9,671,616.17	928,420.33	10,600,036.50

Other explanation

(7) Unconfirmed commitment related to joint venture investment

(8) Intangible liabilities related to joint venture or associated enterprise investment

4. Major joint operation

Name	Main place of operation	Registration place	Business nature	Shareholding ratio/ shares enjoyed	
				Directly	In-directly

Explanation on situation where shareholding ratio or shares enjoyed in joint operation is different from voting right ratio in joint operation:

Explanation on the classification basis of joint operation in case the entity of joint operation is the separate entity:

Other explanation

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

Explanation:

6. Other

XI. Government grant

1. Government grant recognized at report ending in terms of amount receivable

Applicable Not applicable

Reasons for not receiving the expected amount of government grants at the expected time point

Applicable Not applicable

2.Liabilities involved with government grant

Applicable Not applicable

In RMB

Accounting title	Opening balance	Current increase in government grant	Amount booked into non-business income in current period	Amount carried forward to other income	Other changes in current period	Ending balance	Asset/income related
Deferred income	87,077,137.27	8,914,774.39		10,092,715.08	3,079,323.34	82,819,873.24	Asset related

3. Government grant booked into current gains/losses

Applicable Not applicable

In RMB

Accounting title	Current period	Last period
Other revenue	8,775,672.58	14,663,529.88

Other explanation:

XII. Risk related with financial instrument

1. Various risks arising from financial instruments

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

(1) Risk management objectives and policies

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

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

department of our company also regularly or randomly checks whether the implementation of the internal control system complies with risk management policies.

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

Our company diversifies investment and business portfolio appropriately to diversify financial instrument risks, and reduces risks concentrated in a single industry, specific regions, or specific counterparties by formulating corresponding risk management policies.

Credit risk

Credit risk refers to the risk of a financial loss caused by the counter party's failure to fulfill its contractual obligations.

Credit risks of the Company arises mainly from monetary funds, note receivable, account receivable, other receivable.

The company's bank deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks, and we anticipate that there is no significant credit risk associated with bank deposits.

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

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

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

Among the accounts receivable of our company, the accounts receivable of the top five customers account for 37.35% of the total accounts receivable of our company (2022: 36.54%); Among the other receivables of our company, the other receivables of the top five companies with outstanding amounts account for 41.44% of the total other receivables of our company (2022: 40.81%).

On the balance sheet date, the book value of our company's debt investments is listed as follows according to the items in the financial statements:

Item	Current ending balance	Last ending balance
Tradable financial assets	1,122,347.85	46,676,652.91
Other current assets	30,226,849.32	
Total	31,349,197.17	46,676,652.91

Liquidity risk

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

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

Our company raises operating funds through funds generated from business operations and bank loans. At the end of the period, the unused bank loan amount of our company was 9,118,765,500.00 yuan (as of the end of last year: 95,093,200.00 yuan).

At the end of the period, the financial liabilities and off balance sheet guarantee items held by the company were analyzed based on the maturity period of undiscounted remaining contract cash flows (unit: 10000 yuan):

Item	Current ending balance			
	Within 1 year	1-3 years	Over 3 years	Total
Liabilities:				
Short-term borrowing	122,346.24			122,346.24
Account payable	33,616.52			33,616.52
Other payable	27,768.76			27,768.76
Liabilities held for sale	5,789.03			5,789.03
Non-current liabilities maturing within one year	2,280.55			2,280.55
Leasing liabilities		3,692.57	81.93	3,774.50
Total of financial liabilities or contingent liabilities	191,801.10	3,692.57	81.93	195,575.60

At the end of last year, the financial liabilities and off balance sheet guarantee items held by the company were analyzed based on the maturity period of undiscounted remaining contract cash flows (unit: 10000 yuan):

Item	Last ending balance			
	Within 1 year	1-3 years	Over 3 years	Total
Liabilities:				
Short-term borrowing	119,221.11			119,221.11
Trading financial liabilities	28.85			28.85
Account payable	39,014.90			39,014.90
Other payable	29,686.03			29,686.03
Liabilities held for sale	2,177.07			2,177.07
Non-current liabilities maturing within one year		4,413.65	1,993.76	6,407.41
Total of financial liabilities or contingent liabilities	190,421.32	4,413.65	1,993.76	196,828.73

The amount of financial liabilities disclosed in the above table represents undiscounted contract cash flows, which may differ from the carrying amount in the balance sheet.

The maximum guarantee amount of a signed guarantee contract does not represent the amount to be paid.

Market risk

The market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments

due to market price changes, including interest rate risk, exchange rate risk, and other price risks.

Interest rate risk

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

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

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

The interest bearing financial instruments held by our company are as follows (unit: 10000 yuan):

Item	Current amount	Last amount
Financial instrument with fixed rate		
Financial liability	124,683.95	108,490.36
Including: short-term borrowing	122,346.25	108,490.36
Liabilities held for sale	2,337.69	
Total	124,683.95	108,490.36
Financial instrument with floating rate		
Financial liabilities		10,730.75
Including: short-term borrowing		10,730.75
Total		10,730.75

Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. Exchange rate risk may arise from financial instruments denominated in foreign currencies other than the accounting base currency.

The company's main operations are located within China and our main business is settled In RMB. However, the recognized foreign currency assets and liabilities of the company, as well as future foreign currency transactions (the valuation currencies for foreign currency assets and liabilities and foreign currency transactions are mainly US dollars and euros), still face foreign exchange risks.

At the end of the period, the amount of foreign currency financial assets and foreign currency financial liabilities held by the company converted into RMB is listed as follows (unit: RMB 10000):

Item	Foreign currency liabilities		Foreign currency assets	
	Ending balance	Ending balance of last period	Ending balance	Ending balance of last period
USD	1,371,323.19	1,275,961.73	3,771,986.09	4,601,755.33

Item	Foreign currency liabilities		Foreign currency assets	
	Ending balance	Ending balance of last period	Ending balance	Ending balance of last period
ERO	11,042.18			
Hong Kong Dollar			273,248.69	165,933.70
Total	1,382,365.37	1,275,961.73	4,045,234.78	4,767,689.03

The company closely monitors the impact of exchange rate fluctuations on our exchange rate risk. The company has not taken any measures to mitigate exchange rate risks at present. But the management is responsible for monitoring exchange rate risk and will consider hedging significant exchange rate risks when necessary.

(2) Capital management

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

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

The company monitors its capital structure based on the asset liability ratio (total liabilities divided by total assets). At the end of the period, the company's asset liability ratio was 34.07% (35.06% at the end of the previous year).

2.Hedge

(1) Risk management for hedge business

Applicable Not applicable

(2) The company conducts eligible hedging business and applies hedging accounting

In RMB

Item	Book value related to hedged items and hedging instruments	Adjustment of accumulated fair value hedging included in the recognized book value of hedged items	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the company's financial statements
Type of hedge risk				
Type of hedge				

Other explanation

(3) The company conducts hedging business for risk management. It is expected to achieve risk management goals but has not applied hedging accounting

Applicable Not applicable

3.Financial assets

(1) By transfer manner

Applicable Not applicable

(2) Financial assets derecognized due to transfer

Applicable Not applicable

(3) Financial assets which are transferred and involved continuously

Applicable Not applicable

Other explanation: Nil

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

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	1,122,347.85	30,226,849.32		31,349,197.17
(i) Tradable financial assets	1,122,347.85			1,122,347.85
1. Financial assets measured by fair value and with variation reckoned into current gains/losses	1,122,347.85			1,122,347.85
(2) Equity instrument investment		30,226,849.32		30,226,849.32
2. Financial assets which are designated to be measured by fair value and with variation reckoned into current gains/losses		30,226,849.32		30,226,849.32
(1) Investment in debt instrument			57,500.00	57,500.00
(iii) Investment in other equity instruments	1,122,347.85	30,226,849.32	57,500.00	31,406,697.17
Total assets continuously measured at fair value	--	--	--	--
II. Non-sustaining measured by fair value	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

Content	Ending fair value	Valuation technology	Unobservable input value
Debt instrument financing	30,226,849.32	Bank quotation	Issuance interest rate

4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

Content	Ending fair value	Valuation technology	Unobservable input value
Non-listed equity investment	57,500.00	Market method	Investment cost

5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

6. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

7. Changes of valuation technique in the Period

8. Financial assets and liabilities not measured by fair value

9. Other

XIV. Related party and related transactions

1. Parent company

Parent company	Registration place	Business nature	Registered capital	Ratio of shareholding on the Company	Ratio of voting right on the Company
Shenzhen Food Materials Group Co., Ltd	Shenzhen	Investing in industry, development, operation and management of the own property	5,000 million yuan	63.79%	72.02%

Explanation on parent company of the Company

The ultimate controller of the Company is Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission

Other explanation:

2. Subsidiaries of the Company

For more details of subsidiaries of the Company, please refer to “Note X(1)”.

3. Joint venture and associated enterprise of the Company

For more details of important joint venture and associated enterprise of the Company, please refer to “Note X(3)”.

Other joint venture and associated enterprise that have related transaction with the Company in the Period or that have balance with the Company arising from transaction in last period are described as follows:

Joint venture/Associated enterprise	Relationship with the enterprise
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Other explanation

4. Other related party

Other related party	Relationship between other related party and the company
Shenzhen Agricultural Products Group Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenchu Supply Chain Co., Ltd.	Holding subsidiary of parent company
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Holding subsidiary of parent company
Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	Holding subsidiary of parent company
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Shenzhen Medical Materials Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Land Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Kitchen Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Higreen Real Estate Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Southern Agricultural Products Logistics Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Products Small Loan Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Products E-commerce Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiaries of the Company’s shareholders, controlled by the ultimate controlling party
Shenzhen Shenliang Cold Transport Co., Ltd.	Holding subsidiaries of the Company’s associated enterprise
Yao Jicheng	Minority shareholder of controlling subsidiary
Zhang Tiejun	Spouse of Yao Jicheng, a minority shareholder of a controlling subsidiary
Wang Zhikai	Legal representative and chairman
Hu Xianghai	Director and GM
Zheng Xiangpeng	Director
Lu Yuhe	Director and CFO
Zhao Rubing	Independent director
Bi Weimin	Independent director

Liu Haifeng	Independent director
Zheng Shengqiao	Employee supervisor
Ma Zenghai	Employee supervisor
Chen Xiaohua	Deputy GM and Secretary of the Board of Directors
Shen Hua	Deputy GM
Xiao Hui	Deputy GM
Du Jianguo	Deputy GM
Ni Yue	Former director
Wang Huimin	Former chairman of the Supervisory Board
Dai Bin	Former deputy GM
Meng Xiaoxian	Former deputy GM

Other explanation:

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Related transaction content	Current Period	Approved transaction limit	Whether more than the transaction limit (Y/N)	Last Period
Shenzhen Shenliang Cold Transport Co., Ltd.	Warehousing services/Transportation services	297,749.51	297,749.51	N	1,954,385.49
Shenzhen Shenyuan Data Tech. Co., Ltd	Information software development	16,241,326.17	16,241,326.17	N	16,158,003.35
Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission	Warehousing service	23,510,737.60	23,510,737.60	N	72,665,398.00
Shenzhen Shennong Kitchen Co., Ltd	Procurement of goods	2,270,681.12	2,270,681.12	N	2,306,054.19

Goods sold/labor service providing

In RMB

Related party	Content of related transaction content	Current period	Last period
Shenzhen Agricultural Power Group Co., Ltd.	Grain and oil sales, asset management, tea sales	3,070,581.93	3,429,685.58
Shenzhen Zhenchu Supply Chain Co., Ltd.	Grain and oil sales and transportation services	1,769,540.05	22,644,698.63
Shenzhen Shenliang Cold Transport Co., Ltd.	Grain sales, warehousing services, tea sales	1,006,521.86	73,053.97
Shenzhen Shennong Kitchen Co., Ltd	Grain and oil sales, tea sales	767,892.60	1,227,568.04
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Property management services	90,650.80	183,595.18

Shenzhen Shenyuan Data Tech. Co., Ltd	Grain and oil sales	42,503.14	56,532.51
Zhanjiang Haitian Aquatic Feed Co., Ltd	Property management services	33,934.65	
Shenzhen Agricultural Products Group Co., Ltd	Tea sales, grain and oil sales	26,782.29	43,610.35
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	Tea sales and property management services	20,754.69	38,534.00
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Grain and oil sales	16,481.42	
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Grain and oil sales	12,361.06	
Shenzhen Higreen Real Estate Co., Ltd	Grain and oil sales		5,061.14
Shenzhen Southern Agricultural Products Logistics Co., Ltd	Grain and oil sales		10,300.88
Shenzhen Agricultural Products Small Loan Co., Ltd	Grain and oil sales		4,120.35
Shenzhen Agricultural Products E-commerce Co., Ltd	Tea sales		261,147.54
Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	Grain and oil sales		24,722.12
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Grain and oil sales		118,229.69
Shenzhen Medical Materials Co., Ltd.	Grain and oil sales		4,120.35
Shenzhen Shennong Land Co., Ltd.	Grain and oil sales		3,933.46

Explanation on goods purchasing, labor service providing and receiving

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

Trusteeship management/contract:

In RMB

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

Entrusted management/outsourcing:

In RMB

Client/Contract-out party	Entrusting party/Contract or	Trustee/assets contract	Trustee /start	Trustee /ends	Managed earnings /pricing of the contract earnings	Managed earnings confirmed in the period / contract earnings
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Related management/ outsourcing:

(3) Related lease

The company acts as the lessor:

In RMB

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized last Period
Shenzhen Shenyuan Data Technology Co., Ltd.	Operating site	523,988.52	523,988.52
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	Office space	244,577.19	259,040.04

The company acts as the lessee:

In RMB

Lessor	Assets type	Simplified rental fees for short-term leases and low value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-of-use assets	
		Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Office space	31,542.00	31,542.00			31,542.00	31,542.00				
Zhang Tiejun	Office buildings, employee dormitories	72,757.60				72,757.60					

Explanation on related lease

(4) Related guarantee

The Company acts as the guarantor

In RMB

Secured party	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
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The Company acts as the secured party

In RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
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Explanation on related guarantee:

(5) Related party's borrowed funds

In RMB

Related party	Borrowing amount	Starting date	Maturity date	Note
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Borrowing				
Yao Jicheng	1,990,000.00	2021-11-25	2022-11-24	
Yao Jicheng	4,010,000.00	2021-12-30	2022-12-29	
Lending				

(6) Assets transfer and debt reorganization of related party

In RMB

Related party	Content of related transaction	Current Period	Last Period
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(7) Remuneration of key executives

In RMB

Item	Current Period	Last Period
Remuneration of key executives	10,507,400.00	11,487,300.00

(8) Other related transaction

6. Receivable and payable of related party

(1) Receivable item

In RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Shenzhen Zhenchu Supply Chain Co., Ltd.	437,388.10	4,420.95	2,502,691.02	25,026.91
Account receivable	Shenzhen Shennong Kitchen Co., Ltd	272,089.00	2,720.89	43,151.00	431.51
Account receivable	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	23,220.00	232.20	30,264.00	302.64
Account receivable	Shenzhen Agricultural Power Group Co., Ltd.	15,884.00	158.84	21,764.00	217.64
Account receivable	Shenzhen Shenliang Cold Transport Co., Ltd.	9,882.80	98.83	9,434.00	94.34
Account receivable	Shenzhen Agricultural Products Group Co., Ltd	4,656.00	46.56		
Account receivable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	1,123.20		1,123.20	
Other account receivable	Changzhou Shenbao Chacang E-business Co.,	24,608,742.46	22,187,644.18	24,608,742.46	22,187,644.18

	Ltd.				
Other account receivable	Shenzhen Shichumingmen Catering Management Co., Ltd.	1,908,202.67	1,908,202.67	1,908,202.67	1,908,202.67
Other account receivable	Shenzhen Agricultural Power Group Co., Ltd.	1,001,000.00		1,104,355.28	
Other account receivable	Yao Jicheng	463,085.35	1,702.29	463,085.35	1,702.29
Other account receivable	Shenzhen Shenyuan Data Tech. Co., Ltd	466,800.00	4,668.00	27,000.00	270.00
Other account receivable	Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	50,000.00		50,000.00	
Other account receivable	Shenzhen Shenliang Cold Transport Co., Ltd.	10,000.00		10,000.00	
Other account receivable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	5,520.00	5,520.00	5,520.00	5,520.00
Other account receivable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	2,000.00		4,000.00	
Other account receivable	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission			30,132.00	
Other account receivable	Shenzhen Zhenchu Supply Chain Co., Ltd.			1,000,000.00	
Prepaid accounts	Shenzhen Shenyuan Data Tech. Co., Ltd			125,100.00	

(2) Payable item

		In RMB	
Item	Related party	Ending book balance	Opening book balance
Account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	87,671.67	485,080.53

Account payable	Shenzhen Shenliang Cold Transport Co., Ltd.		2,033.96
Account payable	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission	23,263,563.60	39,633,221.00
Other account payable	Shenzhen Shenliang Cold Transport Co., Ltd.		280,000.00
Other account payable	Shenzhen Agricultural Power Group Co., Ltd.	146,162,941.72	146,162,941.72
Other account payable	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	41,486.00	41,486.00
Other account payable	Shenzhen Shennong Kitchen Co., Ltd	275,000.00	200,000.00
Other account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	1,727,021.67	3,564,200.00
Other account payable	Yao Jicheng	10,564,054.93	10,650,837.33
Other account payable	Zhanjiang Haitian Aquatic Feed Co., Ltd	20,000.00	20,000.00
Other account payable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	8,069,454.17	8,051,954.17
Other account payable	Zhang Tiejun	34,850.00	
Contract liability	Shenzhen Agricultural Power Group Co., Ltd.		280.00
Contract liability	Shenzhen Zhenchu Supply Chain Co., Ltd.		3,760.00
Contract liability	Shenzhen Shenliang Cold Transport Co., Ltd.		2,160.00
Contract liability	Shenzhen Shenyuan Data Tech. Co., Ltd		2,696.00
Contract liability	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.		1,123.20

7. Related party commitment

8. Other

XV. Share-based payment

1. Overall situation of share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4.Share-based payment expense in current period

□Applicable ☒Not applicable

5. Modification and termination of share-based payment

Nil

6. Other

Nil

XVI. Commitment or contingency**1. Important commitments**

Important commitments on balance sheet date

Capital commitment

Capital commitments that have been signed but have not yet been confirmed in the financial statements	Ending balance
Commitment to purchase and construct long-term assets	2,505,434.05

As of December 31, 2023, there are no other significant commitments that the company should disclose

2.Contingency**(1) Contingency on balance sheet date**

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

SN	Plaintiff	Defendant	Cause	Court	Target('0000 yuan)	Progress
1	Shenzhen Yanxin Industrial Co., Ltd(Yanxin Industrial)	Shenzhen Cereals Group	Part of lease contract dispute lawsuit	Longgang District People's Court of Shenzhen, Guangdong Province	158.38	Pending
2	Nanshan District Housing and Urban-Rural Development Bureau	Shenzhen Cereals Group	Contract dispute lawsuit	the Futian District People's Court of Shenzhen, Guangdong Province	389.88	Pending
3	Zhonggang Construction Group Co., Ltd(Zhonggang Construction)	Dongguan Logistics	Construction engineering contract dispute lawsuit	The First People's Court of Dongguan City, Guangdong Province, Guangzhou Maritime Court of Haizhu District, Guangzhou City, Guangdong	2,168.62	Pending

SN	Plaintiff	Defendant	Cause	Court	Target('0000 yuan)	Progress
				Province		
4	Zhongji Guoliang Trade(Liaoning) Co., Ltd(Zhongji Guoliang)	Hualian Company, Shenzhen Cereals Group Co., Ltd, Shenzhen Cereals Holdings Co., Ltd.	Disputes over sales contracts	The First People's Court of Dongguan City, Guangdong Province,	297.31	Pending
5	Peng Miaosheng	International Food Industrial Park , Guangdong yongshen Construction Engineering Co., Ltd, Xu Jianqiang	Construction engineering contract dispute lawsuit	The First People's Court of Dongguan City, Guangdong Province,	453.51	Pending
6	Guangdong Luofu Mountain Tourism Development Co., Ltd(Luofu Mountain Tourism)	Shenliang Property, Shenzhen Nanshan Cereal Co., Ltd(Nanshan Cereal), Shenzhen Agricultural Power Group Co., Ltd.(Shenzhen Agricultural Power Group)	Contract dispute lawsuit	Boluo County People's Court, Guangdong Province	6.14	Pending

① Lease Contract Dispute between Yanxin Industrial and Shenzhen Cereals Group (Part)

On April 12, 2022, the plaintiff Yanxin Industrial sued Shenzhen Cereals Group in the Longgang District People's Court of Shenzhen, requesting the defendant to pay the plaintiff the following amounts totaling 1,583,800 yuan: 1) Compensation for the plaintiff's housing renovation expenses of 1,263,800 yuan (including fire engineering construction costs of 1,840,000 yuan, purchase of fire equipment costs of 900,000 yuan (buildings 1-6), and decoration engineering construction costs of 3,062,000 yuan); 2) Compensation for the plaintiff's water and electricity facility maintenance fees of 120,000 yuan (18,000 yuan per year for building 3); 3) Compensation for the plaintiff's expenses of converting the property from industrial to commercial use, amounting to 200,000 yuan; 4) Litigation costs to be borne by the defendant.

On January 11, 2023, the Longgang District People's Court of Shenzhen made a judgment: the defendant Shenzhen Cereals Group shall pay the plaintiff Yanxin Industries 640,000.00 yuan for house renovation compensation within seven days from the effective date of this judgment; the other claims of the plaintiff Yanxin Industries are dismissed. The case acceptance fee is 24,200.00 yuan, with 11,200.00 yuan borne by the plaintiff and 13,000.00 yuan borne by the defendant.

Both the plaintiff and the defendant have appealed. On January 26, 2024, the Guangdong Province Shenzhen Intermediate People's Court made a ruling: the first-instance judgment is revoked; the case is remanded to the Longgang District People's Court of Shenzhen, Guangdong Province for retrial.

As of now, the Company is unable to determine the financial impact of potential liabilities, and the estimated liabilities for this pending lawsuit have not been recognized.

② Contract Dispute between Nanshan District Housing and Urban-Rural Development Bureau and Shenzhen Cereals Group

On September 1, 2022, the Nanshan District Housing and Urban-Rural Development Bureau filed a lawsuit with the Futian District People's Court of Shenzhen against Shenzhen Cereals Group, requesting: 1) Judgement for the defendant Cereals Group to fulfill its assistance obligation by issuing corresponding legal and tax-inclusive invoices to the plaintiff for the repurchase amount, with an invoice amount of 3.8988 million yuan. 2) The litigation costs in this case shall be borne by the defendant.

On July 3, 2023, Shenzhen Cereals Group applied to the Futian District People's Court of Shenzhen to add Shenzhen Yulunda Investment Development Co., Ltd. (hereinafter referred to as "Yulunda") as a third-party defendant in this case. At the same time, Shenzhen Cereals Group filed a counterclaim with the Futian District People's Court of Shenzhen, requesting: 1) Request the court to order the cancellation of the "repurchase agreement" signed by the original defendant and plaintiff on April 26, 2019. 2) Request the

court to order the counterclaim costs in this case to be borne by the counter-defendant.

On July 18, 2023, the first trial was held, and the Futian District People's Court agreed to add Shenzhen Yulunda Investment Development Co., Ltd. as a third-party defendant in the lawsuit.

On January 26, 2024, the Futian District People's Court of Shenzhen ruled: I) The defendant Cereals Group shall issue legal and tax-inclusive invoices to the plaintiff Nanshan District Housing and Urban-Rural Development Bureau in the amount of 3.8988 million yuan within ten days from the effective date of this judgment. II) Dismiss the counterclaim request of the defendant Shenzhen Cereals Group.

On February 7, 2024, Shenzhen Cereals Group filed an appeal. The case is currently under review.

According to the agreement and supplementary agreement signed between our company and Yulunda regarding the cooperative renovation of Dingtuo Village Cereals Warehouse Project, our company cooperates with Yulunda to construct properties. Our company receives 5,600 square meters of self-use properties according to the specified building decoration standards, and all other property rights belong to Yulunda; our company receives fixed profits from the project, and all operational risks and losses from the project development are borne by Yulunda. Our company and Yulunda have jointly established a bank-managed account, and the balance of the managed account currently stands at 5.1 million yuan. It is anticipated that the purchase funds of 3.8988 million yuan from Nanshan District Housing and Urban-Rural Development Bureau will be received, and the account balance will reach 9.00 million yuan, covering the potential losses that may arise from the judgment.

As of now, our company does not need to recognize estimated liabilities for this pending lawsuit.

③ Construction Engineering Contract Dispute between Zhonggang Construction and Dongguan Logistics

On April 24, 2023, Dongguan Logistics received the "Civil Complaint" and other related documents. Zhonggang Construction filed a lawsuit against Dongguan Logistics with the First People's Court of Dongguan City, requesting: 1) Judgment for the defendant to pay the plaintiff construction fees of 15,614,000.00 yuan; 2) Judgment for the defendant to pay overdue payment interest to the plaintiff (specific calculation detailed in the "Interest Calculation Table," currently totaling 6,072,200.00 yuan until February 24, 2023); 3) The defendant to bear all litigation costs in this case. The total amount of the aforementioned first and second litigation requests is currently 21,686,200.00 yuan.

On May 24, 2023, Dongguan Logistics filed a counterclaim against Zhonggang Construction as the counterclaim plaintiff with the Dongguan City First People's Court, requesting: 1) Judgment for the counterclaim defendant to pay the counterclaim plaintiff a penalty of 2.0198 million yuan (based on the provisional settlement price of the project, 100.9891 million yuan, calculated at 2% of the provisional settlement price of the project, with the final penalty amount to be determined by the court); 2) All counterclaim costs in this case to be borne by the counterclaim defendant.

On June 5, 2023, Zhonggang Construction added a litigation request: the defendant to compensate the plaintiff for the loss due to project delay of 6.02 million yuan.

On June 9, 2023, the First People's Court of Dongguan City informed: due to the relevance of Guangdong Shipping Planning and Design Institute Co., Ltd. (hereinafter referred to as "Shipping Planning") to this case, to clarify the facts of the case, the court permitted the plaintiff's application to add Guangdong Shipping Planning and Design Institute Co., Ltd. as the third party to the lawsuit.

On June 30, 2023, Zhonggang Construction filed a lawsuit with the Guangzhou Maritime Court against Dongguan Logistics as the defendant and Guangdong Shipping Planning and Design Institute Co., Ltd. (hereinafter referred to as "Shipping Plan") as the third party, requesting: 1) Judgment for the defendant to pay the plaintiff construction fees of 15.614 million yuan; 2) Judgment for the defendant to pay overdue payment interest to the plaintiff (specific calculation detailed in the "Interest Calculation Table," currently

totaling 6.3713 million yuan until June 30, 2023); 3) Judgment for the defendant to compensate the plaintiff for the loss due to project delay of 6.02 million yuan; 4) The defendant to bear all litigation costs in this case. The total amount of the aforementioned first to third litigation requests is currently 28.0054 million yuan.

On July 4, 2023, Zhonggang Construction applied to withdraw the lawsuit due to jurisdictional change to the Dongguan City First People's Court. On July 5, 2023, Dongguan Logistics applied to withdraw the counterclaim. On August 11, 2023, the First People's Court of Dongguan City made a civil ruling, agreeing to both parties' withdrawal of the lawsuit.

On August 23, 2023, Dongguan Logistics (counterclaim plaintiff) filed a counterclaim with the Guangzhou Maritime Court, with Zhonggang Construction as the counterclaim defendant and Shipping Planning as the third party, requesting: 1) Judgment for the counterclaim defendant to pay the counterclaim plaintiff a penalty of 2.0198 million yuan (based on the provisional settlement price of the project, 100.9891 million yuan, calculated at 2% of the provisional settlement price of the project, with the final penalty amount to be determined by the court); 2) All counterclaim costs in this case to be borne by the counterclaim defendant.

On September 11, 2023, a pre-trial conference was held at the Guangzhou Maritime Court, during which the judge organized both parties for cross-examination of the evidence and questioned both parties about the facts of the case.

On September 15, 2023, the plaintiff submitted an application to the court to conduct an appraisal of the disputed issues in the case. On October 13, 2023, the court held a second pre-trial conference, during which both parties completed all cross-examinations of the evidence submitted by the other party. On October 17, 2023, the original defendants clarified the scope of the appraisal materials for this appraisal and mailed the appraisal materials. On November 6, 2023, the appraisal institution was determined to be Nanjing Yongdao Engineering Consulting Co., Ltd., Zhuhai Branch. On December 4, 2023, the appraisal institution conducted on-site inspections at the first phase terminal of Dongguan Logistics. On December 18, 2023, both parties submitted additional appraisal materials in accordance with the requirements of the court and the appraisal institution, and provided cross-examination opinions on the additional materials submitted by the other party.

As of now, our company is unable to determine the financial impact of potential liabilities, and estimated liabilities for this pending lawsuit have not been recognized.

④ Contract Dispute Lawsuit between Zhongji Guoliang and Hualian Company, Shenzhen Cereals Group, and Shenzhen Cereals Holdings

Zhongji Guoliang filed a lawsuit against Hualian Company (the first defendant), Cereals Group (the second defendant), and Shenzhen Cereals Holdings (the third defendant) with the Futian District People's Court of Shenzhen, requesting: 1) Judgment for the first defendant to refund the deducted payment of 2.7254 million yuan and compensate the plaintiff for overdue losses (based on the deducted payment of 2.7254 million yuan, calculated at the one-year loan market quoted interest rate (LPR) plus 50%, from November 12, 2021, to the date of payment, currently totaling 0.2477 million yuan until July 11, 2023); 2) the second defendant and the third defendant to jointly assume the liability for the first litigation request; 3) Litigation fees, property preservation fees, and other litigation costs to be borne by the three defendants (the total amount for the first litigation request currently amounts to 2.9731 million yuan until July 11, 2023).

On August 7, 2023, the Futian District People's Court of Shenzhen issued a civil ruling to seal, seize, or freeze property under the name of Hualian Company worth 2.9731 million yuan.

On November 17, 2023, the case was heard in court, and the court has not yet made a judgment.

As of now, our company anticipates a high probability of winning the case, and if successful, no losses will be incurred.

⑤ Construction Contract Dispute Lawsuit between Peng Miaosheng and Food Industry Park, Yongsheng Construction, and Xu Jianqiang Construction

On October 24, 2023, Peng Miaosheng filed a lawsuit with the First People’s Court of Dongguan City, with the following litigation requests: 1) Demand for Defendant Xu Jianqiang to pay construction labor fees of 4.0973 million yuan; 2) Demand for Defendant Xu Jianqiang to pay interest on construction labor fees. Calculated at the one-year loan market quoted interest rate of 3.85% published by the National Interbank Funding Center from January 6, 2021, until the full repayment of the construction fee of 4.0973 million yuan. The interest accrued until October 24, 2023, amounts to 0.4377 million yuan; 3) Yongsheng Construction to bear joint and several payment responsibility for the aforementioned fee of 4.0973 million yuan and interest; 4) Dongguan International Food Industry Park Development Co., Ltd. to bear payment responsibility for the aforementioned construction fee of 4.0973 million yuan and interest within the scope of its outstanding payment for the construction fee. The total amount for the above fees is currently 4.5351 million yuan; 5) Demand for the defendant to bear all litigation costs.

On January 24, 2024, the court organized both parties to present cross-examination opinions on the evidence provided by the other party and conducted an investigation into the case.

As of now, the company is unable to determine the financial impact of potential liabilities, and estimated liabilities for this pending lawsuit have not been recognized.

⑥ Contract Dispute between Luofu Mountain Tourism and Shenliang Property, Nanshan Cereals, and Shenzhen Agricultural Power Group

The plaintiff, Luofu Mountain Tourism, filed a lawsuit against Shenliang Property, Nanshan Cereals, and Shenzhen Agricultural Power with the Boluo County People’s Court, requesting: 1) Order for the three defendants to return the land, buildings, and fixed facilities located in the Xiangshan section of the Zhuming Cave Scenic Area of Luofu Mountain to the plaintiff within ten days of the effective date of this judgment; 2) Order for the three defendants to jointly pay the plaintiff a monthly occupation fee of 7,670 yuan (specifically subject to assessment) starting from October 1, 2022, until the actual date of vacating by the defendants (the current calculated occupation fee until the date of filing the lawsuit is 61,400 yuan); 3) Litigation fees, assessment fees, etc., to be borne by the three defendants.

During the course of the trial, the plaintiff, Luofu Mountain Tourism, amended the second litigation request to: Order for the three defendants to jointly pay the plaintiff a monthly occupation fee of 1,000.00 yuan starting from October 1, 2022, until the actual date of vacating by the defendants.

On November 14, 2023, Boluo County People’s Court ruled: 1) Defendants Nanshan Cereals, Shenliang Property, and Shenzhen Agricultural Power Group shall return the land, buildings, and fixed facilities occupied by the “Nanpeng Resort Village” located in the Xiangshan section of the Luofu Mountain Zhuming Cave Scenic Area to the plaintiff Luofu Mountain Tourism within fifteen days of the effective date of this judgment; 2) Dismiss other litigation requests from the plaintiff Luofu Mountain Tourism; 3) All defendants have filed appeals with the court.

On December 12, 2023, due to the construction needs of the infrastructure facilities project in Ru Lake West Garden, Huicheng District, Huizhou Shenzhen Bao entered into a “State-owned Land Use Right Repurchase Compensation Agreement” with the Natural Resources Bureau of Huicheng District, Huizhou City. The Natural Resources Bureau of Huicheng District, Huizhou City, repurchased the state-owned land use rights totaling 29,244.33 square meters owned by Huizhou Shenzhen Bao in East Asia Village, Huicheng District, and retained 3,637.67 square meters of land on the northeast side outside the planned road range. The Natural Resources Bureau of Huicheng District, Huizhou City, will pay a one-time compensation of 16.564 million yuan to Huizhou Shenzhen Bao's account before February 29, 2024. On January 30, 2024, Huizhou Shenzhen Bao received the aforementioned land use rights compensation from the Natural Resources Bureau of Huicheng District, Huizhou City. As of now, the procedures for the transfer of land ownership are being processed.

On December 12, 2023, due to the construction needs of the infrastructure project of Ruhu West Park in Huicheng District, Huizhou

Shenbao signed a compensation agreement for the recovery of state-owned land use rights with the Huicheng District Natural Resources Bureau. The Huicheng District Natural Resources Bureau of Huizhou City implemented an agreement to recover the 29,244.33 square meters of state-owned land use rights of Huizhou Shenbao located in Ruhu East Asia Village, Huicheng District, retaining 3,637.67 square meters of land on the northeast side outside the planned road range. The Natural Resources Bureau of Huicheng District, Huizhou City made a one-time payment of a total of 16.564 million yuan in land compensation to the account of Huizhou Shenbao before February 29, 2024. On January 30, 2024, Huizhou Shenbao received the aforementioned compensation for land use rights from the Natural Resources Bureau of Huicheng District, Huizhou City. As of now, the land ownership transfer procedure is being processed.

The company transferred 51% of the equity and debt of Wuhan Jiacheng through public listing to Tianyu Environment. With June 30, 2023 as the asset evaluation benchmark date, the assessed value of the shareholders' equity of Wuhan Jiacheng is RMB 45.325 million. As of December 31, 2023, the company has received a total of RMB 16.936 million in debt transfer payments and no less than 30% equity transfer payments. As the articles of association of Wuhan Jiacheng have not been amended, the board of directors has not been reelected, and the transferee has not appointed senior management personnel such as directors and general managers, the company still controls Wuhan Jiacheng. The remaining equity transfer payment was received on March 8, 2024. As of now, Shenzhen Cereals Holdings Co., Ltd. has received all equity, debt, and related interest, and has completed the equity delivery and company handover procedures.

(2) Other contingencies

As of December 31, 2023, there are no other contingencies that the company should disclose.

(2) If the Company has no important contingency need to disclosed, explain reasons

The Company has no important contingency that need to disclose.

1. Other

XVII. Events after balance sheet date

1. Important non-adjustment matters

In RMB

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

Proposed distribution of dividends per 10 shares (yuan)	2
Dividend payout per 10 shares declared after review and approval (yuan)	2

3. Sales return

4. Other events after balance sheet date

On December 12, 2023, due to the construction needs of the infrastructure project of Ruhu West Park in Huicheng District, Huizhou Shenbao signed a compensation agreement for the recovery of state-owned land use rights with the Huicheng District Natural

Resources Bureau. The Huicheng District Natural Resources Bureau of Huizhou City implemented an agreement to recover the 29,244.33 square meters of state-owned land use rights of Huizhou Shenbao located in Ruhu East Asia Village, Huicheng District, retaining 3637.67 square meters of land on the northeast side outside the planned road range. The Natural Resources Bureau of Huicheng District, Huizhou City made a one-time payment of a total of 16.564 million yuan in land compensation to the account of Huizhou Shenbao before February 29, 2024. On January 30, 2024, Huizhou Shenbao received the aforementioned compensation for land use rights from the Natural Resources Bureau of Huicheng District, Huizhou City. As of now, the land ownership transfer procedure is being processed.

The company transferred 51% of the equity and debt of Wuhan Jiacheng through public listing to Tianyu Environmen. With June 30, 2023 as the asset evaluation benchmark date, the assessed value of the shareholders' equity of Wuhan Jiacheng is RMB 45.325 million. As of December 31, 2023, the company has received a total of RMB 16.936 million in debt transfer payments and no less than 30% equity transfer payments. As the articles of association of Wuhan Jiacheng have not been amended, the board of directors has not been reelected, and the transferee has not appointed senior management personnel such as directors and general managers, the company still controls Wuhan Jiacheng. The remaining equity transfer payment was received on March 8, 2024. As of now, Shenzhen Cereals Holdings Co., Ltd. has received all equity, debt, and related interest, and has completed the equity delivery and company handover procedures.

Due to the expected growth of global grain production, sufficient inventory and the continuous growth of domestic grain imports, as of the date of this financial report, the company's imported prices of barley, sorghum and other varieties continue to fall, and the company's inventory may suffer impairment loss.

XVIII. Other important events

1. Previous accounting errors correction

(1) Retrospective restatement

In RMB

Content of accounting error correction	Procedures	Items impact during vary comparative period	Accumulated impact
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(2)Prospective application

Content of accounting error correction	Approval procedure	Reasons for adopting the prospective applicable method
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2. Debt restructuring

3. Assets exchange

(1) Exchange of non-monetary assets

(2) Other assets exchange

4. Pension plan

5. Discontinuing operation

In RMB

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

6. Branch

(1) Recognition basis and accounting policy for reportable branch

(2) Financial information for reportable branch

In RMB

Item	Offset between branches	Total

(3) Explain reasons in case the Company has no branches, or is unable to disclose total assets and liabilities of segments

(4) Other explanation

7. Other major transaction and events makes influence on investor's decision

8. Other

XIX. Notes to main items of financial statements of parent company

1. Account receivable

(1) Account receivable classified by category

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	65,714,145.99	87,190,258.27
Over 3 years	37,305.68	37,305.68
4-5 years		8,852.60
Over 5 years	37,305.68	28,453.08
Total	65,751,451.67	87,227,563.95

(2)Accrued bad debt provision

In RMB

Category	Ending balance				Book value	Opening balance				
	Book value		Bad debts reserve			Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Account receivable with	28,453.08	0.04%	28,453.08	100.00%		28,453.08	0.03%	28,453.08	100.00%	

bad debt provision accrual on a single basis										
Including:										
Account receivable with bad debt provision accrual on portfolio	65,722,998.59	99.96%	8,442.65	0.01%	65,714,555.94	87,199,110.87	99.97%	4,932.03	0.01%	87,194,178.84
Including:										
Portfolio of sales receivable	144,909.60	0.22%	8,442.65	5.83%	136,466.95	59,425.60	0.07%	4,932.03	8.30%	54,493.57
Object-specific portfolio	65,578,088.99	99.74%			65,578,088.99	87,139,685.27	99.90%			87,139,685.27
Total	65,751,451.67	100.00%	36,895.73	0.06%	65,714,555.94	87,227,563.95	100.00%	33,385.11	0.04%	87,194,178.84

Accrual of bad debt provision on single item:

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt reserve	Book balance	Bad debt reserve	Accrual ratio	Accrual reason
Accrual of bad debt provision on single item:	28,453.08	28,453.08	28,453.08	28,453.08	100.00%	Extreme low ability to recover
Total	28,453.08	28,453.08	28,453.08	28,453.08		

Make bad debt reserve in terms of portfolio: portfolio of sales receivable

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Accrual ratio
Portfolio of sales receivable	144,909.60	8,442.65	5.83%
Object-specific portfolio	144,909.60	8,442.65	

Explanation on the basis to determine such portfolio:

Accrual of bad debt provision on portfolio: Object-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debt reserve	Accrual ratio
Object-specific portfolio	65,578,088.99		0.00%
Total	65,578,088.99		

Explanation on the basis to determine such portfolio:

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

□Applicable ☒Not applicable

(3)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written-off	Other	
Bad debt provision of account receivable	33,385.11	3,510.62				36,895.73
Total	33,385.11	3,510.62				36,895.73

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debts reserve

Other explanation:

(4) Account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major account receivable charged off:

Unit: RMB

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

Explanation on account receivable charged off:

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

In RMB

Enterprise	Ending balance of account receivable	Ending balance of contract assets	Ending balance of account receivable and contract assets	Ratio in total ending balance of account receivables and contract assets	Ending balance of bad debt reserves for account receivable and impairment reserve of contract assets

2.Other account receivable

In RMB

Item	Ending balance	Opening balance
Other account receivable	1,624,337,855.63	1,560,888,393.94
Total	1,624,337,855.63	1,560,888,393.94

(1) Interest receivable

1) By category

In RMB

Item	Ending balance	Opening balance
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2) Important overdue interest

Borrower	Ending balance	Overdue time	Overdue causes	Whether impairment occurs and its judgment basis
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Other explanation:

3)Accrued bad debt provision

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

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

(5) Interest receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major interest receivable charged off:

Unit: RMB

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

Other explanation:

(2) Dividend receivable

1) Category

In RMB

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

In RMB

Item (or the invested entity)	Ending balance	Account age	Reasons for not collection	Whether impairment occurs and its judgment basis
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3) Accrued bad debt provision

Applicable Not applicable

4) Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision						
Total						

Important bad debt provision collected or reversal:

In RMB

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

(5) Dividend receivable actually charged off in the period

Unit: RMB

Item	Amount charged off
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Including major dividend receivable charged off:

Unit: RMB

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

Other explanation:

(3)Other account receivable

1)By nature

In RMB

Nature	Ending book balance	Beginning book balance
Margin and deposit	1,000,000.00	1,054,999.00
Other intercourse funds	1,651,168,026.40	1,587,678,288.68
Total	1,652,168,026.40	1,588,733,287.68

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	314,162,982.64	1,563,188,883.33
1-2 year	1,312,629,466.00	49,999.00
Over 3 years	25,375,577.76	25,494,405.35
4-5 years		436,664.33
Over 5 years	25,375,577.76	25,057,741.02
Total	1,652,168,026.40	1,588,733,287.68

3)Accrued bad debt provision

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt reserve		Book value	Book balance		Bad debt reserve		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										
Including: expected combination of credit risk characteristics										
Specific object portfolio										

Bad debt reserve is made based on the general model of expected credit losses:

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2023	213,626.85		27,631,266.89	27,844,893.74
Balance on Jan. 1, 2023 in the period				
Current reversal	158.70			158.70

Other change			-14,564.27	-14,564.27
Balance on Dec. 31, 2023	213,468.15		27,616,702.62	27,830,170.77

Classification basis and bad debt provision ratio for each stage

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

Applicable Not applicable

4)Bad debt provision accrued, collected or reversal

Bad debt provision accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debt provision of other account receivable	27,844,893.74		158.70		-14,564.27	27,830,170.77
Total	27,844,893.74		158.70		-14,564.27	27,830,170.77

Important bad debt provision collected or reversal:

In RMB

Enterprise	Collected or reversal	Reason for reversal	Manner of reversal	Basis and rationality to define the accrued ratio of original bad debts reserve

Other explanation:

(5) Other account receivable actually charged off in the period

Unit: RMB

Item	Amount charged off

Including major other account receivable charged off:

Unit: RMB

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

Explanation on other account receivable charged off:

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

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at ending balance (%)	Ending balance of bad debt reserve

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

In RMB

Other explanation:

3. Long-term equity investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiary	4,032,344,425.09	5,500,000.00	4,026,844,425.09	4,039,319,425.09	5,500,000.00	4,033,819,425.09
Investment in joint venture and associated enterprise	2,927,628.53	2,927,628.53		2,927,628.53	2,927,628.53	
Total	4,035,272,053.62	8,427,628.53	4,026,844,425.09	4,042,247,053.62	8,427,628.53	4,033,819,425.09

(1) Investment in subsidiary

In RMB

Invested entity	Opening balance(book value)	Beginning balance of impairment provision	Current changes (+/-)				Ending balance(book value)	Ending balance of impairment provision
			Addition investment	Capital reduction	Accrual of impairment provision	Other		
Shenzhen Cereals Group Co., Ltd	3,291,415,036.82						3,291,415,036.82	
Dongguan Shenliang Logistics Co., Ltd.	306,980,000.00		14,700,000.00				321,680,000.00	
Huizhou Shenbao Technology Co., Ltd.	60,000,000.00						60,000,000.00	
Shenzhen Shenbao Huacheng Technology Co., Ltd.	223,228,545.91						223,228,545.91	
Shenzhen Shenshenbao Investment Co., Ltd	50,000,000.00						50,000,000.00	
Shenzhen Shenbao Industrial & Trading Co., Ltd		5,500,000.00						5,500,000.00
Shenzhen Shenliang Food Co., Ltd.	80,520,842.36						80,520,842.36	
Wuhan Jiacheng Biotechnolo	21,675,000.00			21,675,000.00				

gy Co., Ltd								
Total	4,033,819,425.09	5,500,000.00	14,700,000.00	21,675,000.00			4,026,844,425.09	5,500,000.00

(2)Investment in associated enterprises and joint venture

In RMB

Investment company	Opening balance(book value)	Opening balance of impairment provision	Current changes (+, -)								Ending balance(book value)	Ending balance of impairment provision
			Additi onal invest ment	Capit al reduc tion	Invest ment gains recogn ized under equity	Other compre hensive income adjustme nt	Oth er equi ty cha nge	Cash divide nd or profit annou nced to issued	Accrual of impair ment provisi on	Ot her		
I. Joint venture												
II. Associated enterprise												
Changzhou Shenbao Chacang E-business Co., Ltd.												
Shenzhen Shenbao (Xinmin) Foods Co., Ltd		2,870,000.00										2,870,000.00
Shenzhen Shenbao (Liaoyuan) Industrial Company		57,628.53										57,628.53
CR Sanjiu												
Shenzhen Tianji Optoelectronic Technology Co., Ltd												
Subtotal		2,927,628.53										2,927,628.53
Total		2,927,628.53										2,927,628.53

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

Applicable Not applicable

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

Applicable Not applicable

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

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

(3)Other explanation

4.Operating revenue and operating cost

In RMB

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Main business	156,272,744.29		203,896,997.77	
Other business	275,218.36	471,590.28	183,215.14	471,590.28
Total	156,547,962.65	471,590.28	204,080,212.91	471,590.28

Breakdown information of operating income and operating costs:

In RMB

Contract category	Branch 1		Branch 2				Total	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
Business type								
Including:								
Classification by business area								
Including:								
Market or customer type								
Including:								
Contract types								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract duration								
Including:								
Classification by sales channel								
Including:								
Total								

Information related to performing obligations:

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

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

The amount of income corresponding to performing obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, 0.00 yuan of revenue is expected to be recognized in the year

Significant contract changes or significant transaction price adjustments

Item	Accounting treatment method	Impact on income
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Other explanation:

5. Investment income

In RMB

Item	Current Period	Last Period
Investment income from disposal of long-term equity investment	303,903,528.99	190,800,000.00
Investment income during the holding period of tradable financial assets	3,378,137.80	4,912,249.48
Total	307,281,666.79	195,712,249.48

6. Others

XX. Supplementary information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	2,394,378.42	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	14,544,417.04	
Except for effective hedging business related to the normal operation of the company, gains/losses arising from changes in fair value of trading financial assets and trading financial liabilities held by non-financial enterprises, as well as investment income obtained from disposal of trading financial assets, trading financial liabilities, and available for sale financial assets	182,701.67	
Gains/losses of assets delegation on others' investment or management	6,622,492.60	
Reversal of provision of impairment of accounts receivable which are treated with separate depreciation test	679,204.22	
Other non-operating income and expenditure except for the aforementioned items	644,754.74	
Other profit and loss items that meet the definition of non-recurring profit and loss	5,027,939.98	
Less: impact on income tax	386,299.20	

Impact on minority shareholders' equity (after-tax)	19,653,709.51	--
Total		

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

The Company has no other gains/losses items that meet the definition of non-recurring gains/losses.

Explain the items defined as non-recurring gains/losses according to the lists of non-recurring gains/losses in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---non-recurring gains/losses

Applicable Not applicable

2. ROE and earnings per share

Profits during reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits attributable to common stock stockholders of the Company	7.26%	0.3018	0.3018
Net profits attributable to common stock stockholders of the Company after deducting non-recurring gains and losses	6.85%	0.2847	0.2847

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

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

Applicable Not applicable

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

Applicable Not applicable

(3) Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute

4. Other