深圳市深粮控股股份有限公司

SHENZHEN CEREALS HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2026

【August 2026】

Section I. Important Notice, Contents and Interpretation

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

Principal of the Company Wang Zhikai, Head of Accounting Lu Yuhe and Head of Accounting Institution (Accounting Supervisor) Lu Chengjun hereby confirm that the Financial Report of Annual Report 2025 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 CNINFO 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 regarding investment risks.

The Company has analyzed the risk factors that the Company may exist and its countermeasures in the report. Investors are advised 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 Company has no plan of cash dividend distributed, no cash bonus and capitalizing of common reserves either carried out.

Contents

Documents Available for Reference

1. Text of financial statement with signature and seals of legal person, person in charge of accounting works and person in charge of accounting institution;
2. Original and official copies of all documents which have been disclosed in the reporting period;
3. Original copies of semi-annual report 2026 with signature of the company's principal.

Interpretation

Items	Refers to	Contents
SZCH/Listed Company /the Company/Shenshenbao/Shenbao Company	Refers to	Shenzhen Cereals Holdings Co., Ltd., originally named "Shenzhen Shenbao Industrial Co., Ltd."
SZCG	Refers to	Shenzhen Cereals Group Co., Ltd
Grain and Oil Purchase and Sales Branch	Refers to	Grain and Oil Purchase and Sales Branch of Shenzhen Cereals Group Co., Ltd
Oil and Fat Branch	Refer to	Oil and Fat Branch of Shenzhen Cereals Group Co., Ltd.
Shenzhen Flour, the company	Refers to	Shenzhen Flour Co., Ltd
Dongguan Logistics	Refers to	Dongguan Shenliang Logistics Co., Ltd.
Hualian Company	Refers to	Shenzhen Hualian Grain and Oil Trading Co., Ltd.
SZCH Big, Big Kitchen	Refers to	Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd
Doximi	Refers to	Shenzhen Shenliang Doximi Business Co., Ltd.
Smart Warehousing	Refers to	Shenzhen Shenliang Smart Warehousing Co., Ltd.
Shenliang Quality Inspection	Refers to	Shenliang Quality Inspection Co., Ltd.
Shenliang Property	Refers to	Shenzhen Shenliang Property Development Co., Ltd.
Shenbao Huacheng	Refers to	Shenzhen Shenbao Huacheng Technology Co., Ltd.
Shenzhen Shenliang Food	Refers to	Shenzhen Shenliang Food Co., Ltd.
Shenshenbao Investment	Refers to	Shenzhen Shenshenbao Investment Co., Ltd
Shuangyashan	Refer to	Shuangyashan Shenliang Cereals Base Co., Ltd.
Shenyuan Data	Refer to	Shenzhen Shenyuan Data Tech. 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
Shenzhen SASAC	Refers to	Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission
CSRC	Refers to	China Securities Regulation Commission
SZSE	Refers to	Shenzhen Stock Exchange
Article of Association	Refers to	Article of Association of Shenzhen Cereals Holdings Co., Ltd.
RMB/10 thousand Yuan	Refers to	CNY/ten thousand Yuan
Interpretation	Refers to	Contents of Interpretation

Section II Company Profile and Main Financial Indexes

I. Company information

Short form for share	SZCH, Shenliang B	Stock code	000019, 200019
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市深粮控股股份有限公司		
Abbr. of Chinese name of the Company	深粮控股		
English name of the Company (if applicable)	SHENZHEN CEREALS HOLDINGS CO., LTD		
Abbr. of English name of the Company	N/A		
Legal Representative	Wang Zhikai		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Chen Xiaohua	Chen Kaiyue, Liu Muya
Contact address	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

Note: Mr. Chen Xiaohua, Secretary of the Board of the Company, has reached the statutory retirement age and submitted a written resignation report to the Company's Board of Directors on July 31, 2026. As of the date hereof, the Company has not formally appointed a new Secretary of the Board. During this period, Mr. Wang Zhikai, the Chairman of the Company, shall act as Secretary of the Board on an interim basis. The above-mentioned contact information remains unchanged.

III. Other information

1. Company contact information

Has the registered address, office address, postal code, website, email address, etc. of the company changed during the reporting period?

□ Applicable ☑Not applicable

The registered address, office address, postal code, website, and email address of the company remained unchanged during the reporting period. Please refer to 2025 annual report for details.

2. Information disclosure and location

Has the information disclosure and location changed during the reporting period?

□ Applicable ☑ Not applicable

The website and media name and website of the stock exchange where the company disclosed its semi-annual report, and the place of placement of the company's semi-annual report remains unchanged during the reporting period, as detailed in 2025 annual report.

3. Other relevant information

Is there any change in other relevant information during the reporting period?

□ Applicable ☑Not applicable

IV. Main accounting data and financial indexes

Is the Company required to retrospectively adjust or restate prior year's accounting data?

☐ Yes ☑ No

	Amount in current period	Amount in last period	Year-on-year increase (+)/decrease (-)
			After adjustment
Operating income (RMB)	2,387,592,343.77	2,384,227,437.90	0.14%
Net profit attributable to shareholders of the listed company (RMB)	111,864,974.09	176,015,525.87	-36.45%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses (RMB)	85,814,589.18	158,014,905.62	-45.69%
Net cash flow arising from operating activities (RMB)	-52,881,553.28	737,278,566.81	-107.17%
Basic earnings per share (RMB/Share)	0.0971	0.1527	-36.41%
Diluted earnings per share (RMB/Share)	0.0971	0.1527	-36.41%
Weighted average ROE	2.22%	3.51%	-1.29%
	Ending balance of current period	Ending balance of last period	Year-on-year increase (+)/decrease (-)
Total assets (RMB)	8,013,754,737.16	7,372,342,349.32	8.70%
Net assets attributable to shareholder of listed company (RMB)	4,962,151,973.03	4,988,751,158.32	-0.53%

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

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

☑ Applicable □Not applicable

In RMB

	Net profit		Net asset	
	Current amount	Last amount	Ending balance	Beginning balance
Under Chinese GAPP	111,864,974.09	176,015,525.87	4,962,151,973.03	4,988,751,158.32
Items and amount adjusted under IAS				
Adjustment for other payable stock- market stabilization fund				
			1,067,000.00	1,067,000.00
Under IAS	111,864,974.09	176,015,525.87	4,963,218,973.03	4,989,818,158.32

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

□ Applicable ☑Not applicable

3. Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute

□ Applicable ☑ Not applicable

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

☑Applicable □Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the written-off of accrued impairment provision of assets)	3,974,345.36	
Governmental subsidies reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	30,241,325.01	Mainly the resettlement compensation for Shuguang Grain Depot on a temporary basis.
Other non-operating income and expenditure except for the aforementioned items	501,580.31	
Less: impact on income tax	8,666,865.77	
Total	26,050,384.91	

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

□ Applicable ☑ Not applicable

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

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

□Applicable ☑Not applicable

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

Section III Management Discussion and Analysis

I. Main businesses of the Company during the reporting period

Main business of the Company includes the wholesale and retail business, food processing and manufacturing business, leasing and commerce service business. All business segments synergize to continuously optimize the industrial chain layout of grain, oil and food.

The wholesale and retail business primarily operates basic grain and oil products including wheat, rice, paddy, corn and edible oil, mainly satisfying production demand in downstream sectors including trading, feed processing, flour milling and rice processing. Terminal grain, oil and related food products mainly serve group meals of enterprises and public institutions, chain restaurant and daily consumption of community residents, covering both livelihood consumption and industrial supply.

The food processing and manufacturing business focuses on the processing and production of flour, rice, tea and plant extracts, beverages and condiments, and boasts a diversified brand matrix. Specifically, flour products include bread flour, special flour for pastries and steamed buns, and noodle flour to meet the demands of food processing enterprises and household cooking. Rice products cover the high-, medium- and low-end markets, suitable for daily consumption and gift-giving scenarios. Edible oil products adhere to the health concept to satisfy residents’ demand for a healthy diet. Tea and related products include tea leaves, fresh extracts, and instant tea, catering to both traditional tea drinking and convenient consumption needs. Its beverages are mainly chrysanthemum tea, lemon tea and others, covering end -user retail consumption. Condiments are mainly oyster sauce and pastes, serving catering and household cooking scenarios.

Leveraging its brand reputation, operational capacity and facility advantages accumulated in the grain and oil market, the leasing and commercial services business provides a full range of professional services to customers upstream and downstream the industrial chain, covering import and export trade of grain, oil, food and beverages, warehousing, logistics and distribution, quality inspection, information technology services, property leasing and management, and commercial operation management, so as to facilitate the efficient operation of the industrial chain and ensure food security and product quality. Centered on the model of “platform-based services + specialized operation”, the Company integrates industrial chain resources by relying on its core service carriers to provide customers with integrated solutions. Among others, the Dongguan Logistics Comprehensive Park integrates five coordinated functions including grain and oil terminals, transit and storage. As the “National Grain Quality Monitoring Station in Shenzhen, Guangdong”, Shenliang Quality Inspection provides professional quality inspection services. As a professional asset management platform, Shenliang Land Development is responsible for property leasing and commercial operation, forming a coordinated and efficient service system.

II. Core Competitiveness Analysis

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

1. Operation mechanism

The core management team of the company has rich experience, and has a strong strategic vision and pragmatic spirit. Combined with the actual development of the Company, formulated a set of effective mechanisms to promote the quality and efficiency of business development. . In business control, built a specialized operational management system that spans the entire value chain of procurement, warehousing, rotation and sale, through the own information management system, realizes link between the “operation” and “planning, capital, quality inspection, inventory, risk control and discipline” to effectively reduce the operational risks while fully participating in the market competition, and achieve 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. Through the innovative implementation of the performance appraisal mechanism, establish an incentive-restraint assessment system featuring linkage between salary and performance as well as differentiated classified assessment, so as to stimulate the internal driving force for enterprise development. 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 has a mature and efficient market-oriented grain and oil rotation mechanism. Through scientific control over inventory rotation cycles, grain and oil products can maintain consistent quality with regular stock renewal. While ensuring regional food security, the Company delivers improved economic returns and preserves and increases the value of state-owned assets. The company deeply engages in segmenting the target market, provides diversified product supply services for customers in different areas of the industry chain, establishes a multi-level product supply network covering online and offline, and realizes the transformation of product supply to "remoteness, intelligentization, and self-service". In terms of grain and oil trading services, the bulk commodity trading platform www.zglsjy.com.cn 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 and the deep integration of online and offline e-commerce platforms. In terms of group meal supply, its subsidiary SZCH Big Kitchen has established a one-stop distribution service platform serving large end customers, providing high-quality and safe oil and grain services for group users such as enterprises, schools, and government institutions. For tea beverage processing, the Group's subsidiary Shenbao Huacheng offers integrated solutions spanning product concept design through commercial realization to food industrial beverage customers and foodservice fresh brew clients. The product lineup includes whole-leaf tea, tea & plant extracts, concentrated tea liquids and instant tea, which has built up a well market reputation.

3. Brand reputation

As a state-owned grain enterprise that has been deeply involved in the grain industry for decades, the SZCH brand has been deeply integrated into the urban grain security system and formed a good market reputation among upstream and downstream customers. The Company is a state-level grain emergency support enterprise and a state-level leading enterprise supporting grain and oil industrialization, and has won many honors such as "China Top 10 Grain and Oil Group" and "Guangdong Provincial Government Quality Nomination Award". The Company has been awarded the highest "A" rating for information disclosure of listed companies on the main board of Shenzhen Stock Exchange for five consecutive years, and its standardized operation level has been continuously recognized by the market. The reputation and industry reputation of state-owned enterprise formed by long-term market tests have provided strong support for the Company to expand the market and enhance its market competitiveness.

4. 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 took 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.

5. R&D capabilities

The company has strong R&D 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, and published dozens of scientific papers. and won a number of awards such as Science and Technology Progress Award of the Ministry of Agriculture, Shennong Chinese Agricultural Science & Technology Award of the Chines Society of Agriculture, Science & Technology Achievement Award of Chinese Academy of Agricultural Sciences, Science and Technology Award of China National Light Industry Council, Zhejiang Science and Technology Award, Jiangxi Science and Technology Progress Award and Shenzhen Science & Technology Progress Award, etc., presided over or participated in the preparation of several national standards and industry standards.

6. Quality control

The company implements grain and oil quality standards that are higher than national standards. The subsidiary Shenliang Quality Inspection has been awarded honors including a National Level Grain Quality Monitoring Station, a National Grain and Oil Standard Verification and Testing Workstation, a National Master Studio for Reserve Skills, a Top Talent Studio in the Grain Industry of Guangdong Province, and Five-Star Rating in Site Management by the China Quality Association. It obtained the assessment certificate of agricultural product quality and safety inspection agency (CATL) and the qualification certificate of inspection agency (CMA),and passed the certification of a number of testing capability items. Shenliang Quality Inspection possesses leading grain and oil inspection technologies and equipment in China' grain industry, 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.

IV. Main business analysis

Overview

During the reporting period, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the core of ensuring grain security and promoting development, solidly promoted the development planning, steadily implemented industrial upgrading based on its own industrial resources and actual business development, and realize steady progress in operating performance. By the end of June 2026, the Company's total assets were 8.014 billion yuan and the asset-liability ratio was 38.06%. In the first half of the year, the Company achieved operating income of 2.388 billion yuan, with a year-on-year increase of 0.14%, and the total profit was 188.00 million yuan, with a year-on-year decrease of 14.22%. In the first half of 2026, the Company resolutely took the main responsibility of regional grain security, successfully completed the warehousing task of Shenshan Grain Depot, to lay the foundation of grain security solidly; to strengthen the support of industrial chain, the Company strengthened the control of upstream grain sources through the construction of Shuangyashan Base, and continuously improved the supply chain coordination ability by the integration of ports and trades of Dongguan Logistics and Hualian Company, so as to optimize the integrated operation efficiency of "Production, Purchase, Storage, Processing and Sales"; the Company continued to promote the construction of major projects and empower industrial upgrading, to strengthen the foundation and supply chain. Facing the severe and complicated market situation, the Company focused on its main business and operation and scheduling, and persisted in tapping the potential inward and expanding outward, to ensure the healthy development of its businesses.

(1) Held the main responsibility of grain storage firmly, and continuously consolidated the foundation of supply and demand. Focusing on the core function of grain security and supply, the Company adhered to the combination of overall planning and fine management, and made simultaneous efforts in reserve services, warehousing layout, management and control system, quality and safety. In the first half of the year, the Company completed the Shenzhen-level grain and oil storage service with good quality and quantity, and completed the grain storage task of Shenshan Grain Depot one month ahead of schedule, to systematically improve the level of grain storage management; optimized the storage layout,

smoothly and efficiently completed the transfer of Sungang Grain Depot and the acceptance of Pingshan Grain Depot, and further rationalized the storage layout of finished grain in the city, to realize centralized management and control of core depots and overall allocation of resources, and significantly enhance the carrying capacity of core hubs; revised the quality and safety management methods of grain and oil, refined the service requirements of warehousing management, and improved the grain storage management and control system, to make the reserve management more refined and standardized; Smart Warehousing promoted intelligent depot closing and aerial inspection equipment, and Shenshan Grain Depot was awarded the national demonstration carrier of integrated application of green grain storage technology, to effectively implement the green grain storage. In the first half of the year, the Company successfully passed the special inspection of municipal grain and oil inventory, achieving the consistency of accounts and objects, to ensure safe and stable grain storage, and achieve standardized and effective warehousing management.

(2) Focused on the main business and continuously consolidated the foundation. Oil and Fat Branch accurately judged the market conditions, and seized the favorable price windows, to achieve double growth in revenue and profit year-on-year; China Union set up a "Production Area – Northern Port - Sales Area" corn logistics channel, to increase the sales of corn and rice, and the sales and gross profit margin of "Shenliang Shuangbao" rice simultaneously; Flour Company's integrated production and sales of wheat and flour was synergistic, to increase the sales of civil flour year-on-year, iterate over a variety of industrial special flour and add a number of large grain processing customers; the terminal throughput and container operation of Dongguan Logistics increased year-on-year, and the park completed large-scale property investment and introduced Yuanguxiang oat processing enterprise; Grain and Oil Purchase and Sales Branch deeply involved in the industrial rice track, and continued to expand the market outside the province, to increase the purchase and sales scale of imported rice; Big Kitchen focused on catering and group meal channels, to increase the sales of its own rice brands steadily; Shenbao Huacheng bound KA (heading tea brand) customers and deepened the cooperation of tea business, to realize the first sale of a number of new products in the market; Shenzhen Shenliang Food stabilized the inherent market, expanded new channels and the launched new products effectively; Doximi integrated the product resources in the system as a whole, to increase the sales income of retail business and private brand year-on-year.

(3) Promoted project construction and stabilized growth momentum. Oil and Fat Branch cooperated to implement the Bright Edible Vegetable Oil Reserve Project, and completed some key tasks such as industry selection and land delisting. Dongguan Logistics improved the multi-modal transportation supply chain system of grain and oil, accelerated the preliminary proposal of the Mayong Berth Construction Project, and continued to promote the construction of the core logistics nodes of Greater Bay Area's northern grain transportation to the south and imported raw grain transit; Shenbao Huacheng completed the installation and debugging of the new Quality Productivity Technology Upgrade Project of Beverage & Tea and Matcha Production Line Project, and actively promoted the construction of deep processing production line to enhance the competitiveness of tea products; Shenliang Property completed the renovation of key properties in Sungang and World Trade Plaza, to revitalize the idle property space, and continuously release the asset value.

(4) Strengthened brand building and enhanced marketing synergy. According to the brand development plan, the Company took its subordinate Doximi as the main body, promoted the construction of marketing integration, and focused on building the core brand of "Shenliang Doximi".Doximi sorted out the brand system in the system as a whole, integrated the product resources in the system, optimized the product matrix, improved the dual-channel system of online shopping malls and offline government and enterprise welfare purchase, participated in many large-scale brand exhibition activities such as the Spring Festival Flower Market, the Asia-Europe Expo, etc., and promoted the products into the enterprises offline to achieve accurate customer expansion, won the well-known brand honor in Shenzhen and Bay Area, and continuously increased its brand influence and market penetration. With the two-wheel drive of "Health + Cultural and Creative", Doximi launched low GI rice to enhance the added value of main grain products, and jointly launched "Five Elements Tea" ready-made tea and retail tea bags with Peking University Shenzhen Hospital. The sales quantity of the festival and creative gift box "Duanyang Naxi" reached a new high during the Dragon Boat Festival, and the series of "Rich Wedding Ceremony", "Four Happiness in Life" and "Happy Wine Ganhong" accurately covered the gift-giving banquet scenes. In the first half of the year, the sales income of retail business of Doximi increased by 18% year-on-year.

Year-on-year changes in major financial data

In RMB

	Current period	Last period	YoY increase (+)/decrease (-)	Reason for change

Operating income	2,387,592,343.77	2,384,227,437.90	0.14%	
Operating cost	2,001,143,742.85	1,942,145,136.11	3.04%	Mainly due to higher warehouse rental and increased Grain Depot operating costs for the Shenshan Grain Depot and Pingshan Grain Depot in the current period.
Sales expense	57,627,021.33	60,709,520.71	-5.08%	Mainly due to the internal integration of marketing businesses, as well as the adjustment of coupon discounts to operating costs in accordance with the new accounting standards.
Administration expense	109,347,179.39	101,939,577.47	7.27%	Mainly due to an increase in the Company's accrued compensation expenses compared with the previous year.
Financial expense	14,873,737.90	19,041,945.47	-21.89%	Mainly due to lower overall financing costs resulting from the adoption of financing instruments including letters of credit and bank acceptance bills.
Income tax expense	76,464,688.10	43,337,305.16	76.44%	Mainly because the special- purpose fiscal funds obtained by the Company in the current year were directly recognized in taxable income for the reporting period, leading to a year- on- year rise in accrued income tax expenses.
R&D expense	12,359,981.00	10,208,632.21	21.07%	Mainly due to the Company's increased R&D investment in deep- processing businesses such as flour and tea beverages.
Cash flows arising from operating activities	-52,881,553.28	737,278,566.81	-107.17%	Mainly due to higher grain and oil procurement expenditures and tax payments incurred by the Company in the current period.
Cash flows arising from investing activities	-60,736,896.33	47,631,825.95	-227.51%	Mainly attributable to increased cash outflows for the acquisition of land for the Shenzhen Edible Vegetable Oil Reserve Depot (Guangming) Project and the equity purchase of Shenyuan Data in the current period, together with the absence of cash inflows from the disposal of Huizhou land recorded in the same period of the prior year.
Cash flows arising from financing activities	127,465,537.49	-770,936,644.64	116.53%	Mainly due to a year- on- year rise in the Company's grain and oil procurement volume, the operating cash outflows rose and the Company therefore increased short- term borrowings; meanwhile, cash outflows for repayment of short- term borrowings decreased.
Net increase of cash and cash equivalents	13,660,996.24	13,913,927.82	-1.82%	

There have been significant changes in the component or sources of profits during the reporting period of the company

□Applicable ☑Not applicable

There have been no significant changes in the composition or sources of profits during the reporting period of the company.

Component of operating income

In RMB

	Current period		Last period		YoY increase (+)/decrease (-)
	Amount	Ratio in operating income	Amount	Ratio in operating income	
Total operating income	2,387,592,343.77	100%	2,384,227,437.90	100%	0.14%
By industries					
Wholesale and retail	1,511,080,461.87	63.29%	1,523,443,008.24	63.90%	-0.81%
Leasing and business services	492,511,165.69	20.63%	505,582,681.67	21.21%	-2.59%
Manufacturing	384,000,716.21	16.08%	355,201,747.99	14.90%	8.11%
By products					
Grain & oil trading	1,752,956,984.90	73.42%	1,719,517,762.28	72.12%	1.94%

and processing					
Grain & oil storage logistics and services	423,831,572.73	17.75%	429,859,561.10	18.03%	-1.40%
Food, beverage and tea processing	142,124,193.18	5.95%	159,126,993.95	6.67%	-10.69%
Leasing and others	68,679,592.96	2.88%	75,723,120.57	3.18%	-9.30%
By region					
Domestic market	2,366,160,157.37	99.10%	2,370,132,495.12	99.41%	-0.17%
Oversea market	21,432,186.40	0.90%	14,094,942.78	0.59%	52.06%

Industries, products or regions that account for more than 10% of the operating income or operating profit of the Company

☑ Applicable □Not applicable

In RMB

	Operating income	Operating cost	Gross profit ratio	YoY increase (+)/decrease (-) of operating revenue	YoY increase (+)/decrease (-) of operating cost	YoY increase (+)/decrease (-) of gross profit ratio
By industry						
Wholesale and retail	1,511,080,461.87	1,457,109,050.66	3.57%	-0.81%	-0.83%	0.01%
By product						
Grain & oil trading and processing	1,752,956,984.90	1,690,048,161.25	3.59%	1.94%	2.06%	-0.11%
By region						
Domestic market	2,366,160,157.37	1,978,959,140.30	16.36%	-0.17%	2.45%	-2.13%

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

□ Applicable ☑Not applicable

IV. Analysis of non-main business

☑Applicable □Not applicable

In RMB

	Amount	Ratio in total profit	Description of formation	Sustainable or not(Y/N)?
Investment income	2,521,342.14	1.34%		N
Gains/losses of fair value variation	0.00	0.00%		N
Asset impairment	-27,159,728.66	-14.44%	Mainly due to the downward trend in prices of some grain and oil varieties, provisions for inventory depreciation are made on the basis of market prices. When goods for which provisions for inventory depreciation have been made, the provision for inventory depreciation withdrawn will be carried forward to offset current costs.	N
Non-operating income	1,025,960.26	0.55%		N
Non-operating expense	368,840.47	0.20%		N

V. Analysis of assets and liabilities

1. Major changes of assets component

In RMB

	End of current period		End of last financial period		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		

Monetary fund	86,677,756.55	1.08%	74,207,045.75	1.01%	0.07%	
Account receivable	215,084,754.25	2.68%	185,600,881.90	2.52%	0.16%	
Contract assets					0.00%	
Inventory	4,253,535,575.66	53.08%	3,968,883,163.28	53.83%	-0.75%	
Investment real estate	224,057,435.11	2.80%	231,882,055.05	3.15%	-0.35%	
Long-term equity investment	39,600,461.91	0.49%	43,217,315.89	0.59%	-0.10%	
Fix assets	1,958,583,048.79	24.44%	1,993,966,742.36	27.05%	-2.61%	Mainly due to the increase in depreciation of fixed assets
Construction in progress	71,035,610.36	0.89%	51,951,405.25	0.70%	0.19%	
Right-of-use assets	447,069,548.90	5.58%	54,801,538.67	0.74%	4.84%	Mainly due to the recognition of the right-of-use asset for the newly-added Shenshan Grain Depot together with the corresponding lease liability in the current reporting period.
Short-term loans	1,710,960,395.75	21.35%	1,155,754,328.18	15.68%	5.67%	Mainly due to increased borrowings for inventory purchases.
Contract liability	93,309,336.33	1.16%	77,779,348.91	1.06%	0.10%	
Long-term loans					0.00%	
Lease liability	339,181,114.63	4.23%	29,468,268.66	0.40%	3.83%	Mainly due to the recognition of the right-of-use asset for the newly-added Shenshan Grain Depot together with the corresponding lease liability in the current reporting period.

2. Major oversea assets

□ Applicable ☑ Not applicable

3. Assets and liabilities measured at fair value

☐ Applicable ☑ Not applicable

4. The assets rights restricted till end of the period

At the period-end, the monetary funds restricted to use, which are letter of credit deposit and guarantee deposit, amounted to 3,090,418.00 yuan.

VI. Investment analysis

1. Overall situation

☑ Applicable □ Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Changes (+/-)
252,863,620.00	290,622,568.04	-12.99%

2. The major equity investment obtained in the reporting period

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

4. Financial assets investment

(1) Securities investment

☐ Applicable ☑ Not applicable

The Company has no securities investment in the Period

(2) Derivative investment

□ Applicable ☑Not applicable

The Company has no derivatives investment in the Period

5. Application of raised proceeds

□ Applicable ☑Not applicable

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

VII. Sales of major assets and equity

1. Sales of major assets

□ Applicable ☑Not applicable

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

2. Sales of major equity

□ Applicable ☑ Not applicable

VIII. Analysis of main holding companies and stock-jointly companies

☑ Applicable □Not applicable

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

In RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shenzhen Cereals Group Co., Ltd	Subsidiary	Grain & oil trading processing, grain and oil reserve service	1,530,000,000	7,197,185,248.30	3,121,966,054.34	2,065,408,539.25	125,385,272.12	54,130,639.42

Particular about subsidiaries obtained or disposed in reporting period

Applicable ☑ Not applicable

Explanation on main holding/stock-jointly companies:

Shenzhen Cereals Group Co., Ltd: Business scope: general business items: grain and oil purchase and sales, grain and oil storage; grain and oil and products management and processing (operated by branches); operation and processing of feed (operated by outsourcing); investment in grain and oil, feed logistics projects; establishing grain and oil and feed trading market (including e-commerce market) (market license is also available); storage (operated by branches); development, operation and management of free property; providing management services for hotels; investing and setting up industries (specific projects are separately declared); domestic trade; engaging in import and export business; E-commerce and information construction; and grain circulation service. Licensed business items: the following projects shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: information services (internet information service only); general freight, professional transport (refrigerated preservation). Register capital is 1,530,000,000.00 yuan. As of the end of current period, total assets reached 7, 197, 185, 248. 30 yuan, and net assets amounted to 3, 121, 966, 054. 34 yuan, and shareholders' equity attributable to parent company was 2, 816, 274, 484. 77 yuan; in the reporting period, the operation revenue, net profit and net profit attributable to shareholder of parent company were 2, 065, 408, 539. 25 yuan, 54, 130, 639. 42 yuan and 54, 004, 301. 48 yuan respectively.

IX. Structured vehicle controlled by the Company

□ Applicable ☑ Not applicable

X. Possible risks and countermeasures

1. Risk of the procurement and sale price fluctuations of grain and oil

International geopolitical conflicts, extreme weather and other uncertain external factors may lead to large procurement and sale price fluctuations of grain and oil at home and abroad, with big structural differences. The aforementioned risks may affect the company's profitability and lead to fluctuations in inventory value.

The company will actively respond to the risk of grain and oil price fluctuations by strengthening market forecast, establishing strategic cooperation, refining procurement and sales management, strengthening internal coordination and optimizing product structure.

2. Food safety risks

"Quality and safety" is the lifeline of enterprise's sustainable development and an insurmountable red line. The regulatory authorities have promulgated a series of laws and regulations on food safety hazards, enterprise responsibilities, production management compliance, quality and safety inspection, risk monitoring and control, to implement the "Four Strictest" requirements of food safety management.

According to the regulatory requirements and the actual management, the company has issued and strictly implemented the Measures for the Administration of Food Quality and Safety of SZCH. As the superior system of the company's food safety management, the system covers the quality management of grain, oil and non-grain foods, comprehensively clarifies the responsibilities of key posts, and strengthens the supervision of key links, to ensure that food products meet the quality standards, hygiene standards and relevant regulations.

3. Risk of intensified market competition

As a representative enterprise of regional grain, oil and food business, the company still has a certain gap in scale and brand awareness compared with central enterprises and large multinational grain, oil and food enterprises. In the future, the competition in the grain, oil and food industry will become increasingly fierce. If the company cannot effectively promote its own brand and broaden its marketing channels, it may face greater risks under fierce market competition.

In view of possible market and operational risks, on the one hand, the company will make an overall plan for annual procurement and carefully optimize procurement channels, to ensure adequate and orderly supply of grain; on the other hand, the company will continue to strengthen communication with upstream and downstream customers in the industrial chain, vigorously expand sales channels, focus on customer needs, deepen brand and services, and enhance the brand value and competitiveness; in addition, the company will promote brand building, strengthen brand exchanges and cooperation within the industry, open up high-quality brand element resources, create unified brand application norms, and gradually establish brand advantages.

XI. The formulation and implementation of the market capitalization management system and valuation enhancement plan

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

☑Yes ☐No

Whether the company disclosed the valuation enhancement plan or not?

□Yes ☑No

To strengthen the company's market value management, effectively promote the enhancement of the company's investment value, increase investor returns, and safeguard investor interests, the Market Value Management System was formulated in accordance with laws and regulations such as the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies, the Listed Company Supervision Guidelines No. 10 – Market Value Management, as well as the provisions of the Articles of Association and based on the actual situation of the company. It was reviewed and adopted at the 21st meeting of the 11th session of the Board of Directors. Its main contents include the basic principles of market value management, market value management institutions and personnel, main methods of market value management, monitoring and early warning mechanisms, and emergency measures. For details, please refer to the Market Value Management System disclosed on CNINFO Website (www.cninfo.com.cn) on October 28, 2025.

To enhance the Company’s investment value and capacity for shareholder returns, promote reasonable reflection of the Company’s intrinsic value in line with its operating fundamentals, boost investor confidence, safeguard the interests of all shareholders and facilitate high-quality development of the Company, the Company has formulated a valuation-enhancement plan covering operational improvement, cash dividend distribution, investor-relations management, information disclosure and standardized operation. For details, please refer to the Company Valuation-Enhancement Plan published on August 25, 2026 in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and on CNINFO (www.cninfo.com.cn).

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

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

☑Yes ☐No

Based on its actual operation, the Company formulated the Action Plan for "Dual Improvement of Quality and Return". It planned to improve corporate quality and shareholder return capacity by focusing on its core business, enhancing operation quality, improving corporate governance, attaching importance to shareholder return, strengthening investor communication, and conducting high-standard information disclosure. For details, please refer to the Announcement on the Action Plan for "Dual Improvement of Quality and Return" disclosed on CNINFO website (www.cninfo.com.cn) disclosed on April 28, 2026.

During the reporting period, various measures of the Company's action plan of "Double Improvement of Quality Returns" were solidly promoted. Firstly, the Company focused the main business and comprehensively enhanced its core competitiveness; secondly, the Company speeded up the cultivation of new quality productive forces and steadily enhanced comprehensive strength; thirdly, the Company continuously improved the corporate governance system and the standard operation level; fourthly, the Company continued to stabilize dividends and enhanced investors' sense of gain; Fifthly, the Company strengthened information disclosure and investment management, and actively conveyed the Company`s value. For details, please refer to the Company's Progress Report on the Action Plan of "Double Improvement of Quality Returns" published in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News* and on CNINFO (www.cninfo.com.cn) disclosed on Aug. 25, 2026.

Section IV Corporate Governance, Environmental and Social Responsibilities

I. Changes in directors and senior executives

□Applicable ☑ Not applicable

There are no changes in directors and senior executives. Refer to 2025 annual report for details.

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

□Applicable ☑Not applicable

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

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

□Applicable ☑Not applicable

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

IV. Environment information disclosure

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

☑ Yes □ No

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

V. Social responsibility

In the first half of 2026, the Company thoroughly implemented the superior's decision-making arrangements on promoting the comprehensive revitalization of rural areas, actively integrated into the overall situation of the "Project for High-Quality Development of Hundreds of Counties, Thousands of Towns, and Ten Thousand Villages", to continuously consolidate and expand the achievements of poverty alleviation and effectively connect with rural revitalization. In terms of fixed-point assistance, based on the unified deployment of superiors, the selected backbone forces continued to participate in the assistance work of Longtian Town and Chaozhou Headquarters in Shantou City, to support the implementation of various tasks for local rural revitalization. In terms of industrial assistance, the Company focused on upstream planting, raw material purchase and sales channel construction, to promote industrial assistance in the whole chain. The subsidiary Hualian Company deeply involved in the construction of upstream bases, the subsidiary Shuangyashan Company jointly built a grain planting base with 597# Farm to deepen the exchange of industrial resources, enhance the traceability of products and build the brand of "Shenliang Shuangbao"; Shenbao Huacheng took bulk raw material purchase as an important starting point and purchased 134.75 tons of raw materials in the assistance regions of Yunnan in the first half of the year, to enhance some power into industrial development and increasing farmers' income in the regions. Doximi relied on "Xunwei Kitchen" to introduce 7 new products with regional characteristics, such as Volcanic rice, enriched the supply matrix of high-quality agricultural products, and relied on the platform of double shopping malls to carry out multiple marketing activities to enhance online shopping capacity, and simultaneously promoted offline activities in enterprises and institutions, to accurately meet the needs of B-end customers, and effectively expand the sales path of agricultural products in assistance regions.

The Company will continue to play the role of "from Field to Table" platform link, and promote the deepening of industrial assistance, to ensure regional grain security and help rural revitalization.

Section V. Important Events

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

☐Applicable ☑ Not applicable

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

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

□ Applicable ☑ Not applicable

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

III. External guarantee out of regulations

□ Applicable ☑ Not applicable

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

IV. Appointment and dismissal of CPA

Has the semi-annual financial report been audited?

□ Yes ☑ No

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

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

□ Applicable ☑Not applicable

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

□ Applicable ☑Not applicable

VII. Bankruptcy reorganization

☑ Applicable ☐Not applicable

On November 28, 2025, the Binjiang District People's Court of Hangzhou accepted the bankruptcy liquidation application of Shanghai Baoyan Catering Co., Ltd. for Hangzhou Fuhaitang Catering Management Chain Co., Ltd. (hereinafter referred to as "Fuhaitang Catering"), a wholly-owned subsidiary of the Company, and appointed the bankruptcy liquidation administrator on December 2, 2025. On December 16, 2025, the assets, account books and seals of Fuhaitang Catering were handed over to the bankruptcy liquidation administrator, and the industrial and commercial cancellation will be handled after the Binjiang District People's Court decides to declare the bankruptcy. By the end of the reporting period, Fuhaitang Catering had the total book assets of 122,000.00 yuan, the liabilities of 4,256,200.00 yuan and the net assets of -4,134,200 yuan, which were insolvent. The bankruptcy liquidation of Fuhaitang Catering will not affect the production and operation of the Company's existing businesses.

VIII. Lawsuits

Material litigation and arbitration matters

□ Applicable ☑ Not Applicable

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

Other litigation matters

☑ Applicable □ Not Applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand yuan)	Resulting in an accrual liability (Y/N)	Progress	Result and influence	Execution of judgment	Disclosure date	Disclosure index
As of June 30, 2026, other lawsuits that did not meet the disclosure standards for significant lawsuits mainly included disputes disputes arising from property service contracts, construction contracts and lease contracts, etc.	6,888.02	N	The Company actively makes use of the advantageous resources of internal legal affairs and external laws firm to follow up and deal with the lawsuit-related cases. At present, the Company is responding to and dealing with the cases effectively in accordance with relevant laws and regulations	After comprehensive analysis, the result of the cases involved in the lawsuits will not have a significant impact on the Company	It is actively advancing	-	-

IX. Penalty and rectification

□ Applicable ☑Not applicable

No penalty and rectification for the Company in reporting period.

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

□ Applicable ☑Not applicable

XI. Major related transaction

1. Related transaction with routine operation concerned

□ Applicable ☑ Not applicable

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

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

□ Applicable ☑ Not applicable

The company had no assets or equity acquisition, and sales of assets and equity at the end of the reporting period.

3. Related transaction of joint external investment

□ Applicable ☑Not applicable

No related transaction of joint external investment occurred in the period

4. Related credits and liabilities

□ Applicable ☑ Not applicable

No related credits and liabilities occurred in period

5. Contact with the related finance companies

□ Applicable ☑Not applicable

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

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

□ Applicable ☑ Not applicable

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

7. Other major related transaction

□ Applicable ☑Not applicable

No other major related transaction in the Period.

XII. Significant contract and implementation

1. Trusteeship, contract and leasing

1) Trusteeship

□ Applicable ☑Not applicable

No trusteeship for the Company in reporting period

2) Contract

□ Applicable ☑Not applicable

No contract for the Company in reporting period

3) Leasing

□ Applicable ☑Not applicable

No leasing in the Period

2. Major guarantee

☐Applicable ☑ Not applicable

There is no major guarantee in reporting period.

3. Entrusted financing

☐ Applicable ☑Not applicable

There is no entrusted financing in reporting period.

4. Other material contracts

□ Applicable ☑ Not applicable

No other material contracts in the period.

XIII. 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	Index of basic situation of

					materials provided	research
May 19, 2026	Online Value www.ir-online.cn	Network platform online communication	Other	All investors	2025 annual performance briefing	For details, please refer to the "Investor Communication Record Form of the Company disclosed on CNINFO (www.cninfo. com. cn) on May 19, 2026

XIV. Explanation on other significant events

☐Applicable ☑ Not applicable

There are no other significant events to be enplaned.

XV. Significant event of subsidiaries of the Company

☑Applicable ☐Not applicable

1. On March 31, 2026, the Company convened the 23rd meeting of the 11th session of its Board of Directors, deliberated and approved the Proposal on the Deliberating the Acquisition of 60% Equity in Shenzhen Shenyuan Data Tech. Co., Ltd., and agreed the Company' s acquisition of 60% equity in Shenzhen Shenyuan Data Tech. Co., Ltd. For details, please refer to the Announcement on the Resolution of the 23rd Meeting of the 11th Session of the Board of Directors of the Company published on April 1, 2026 in the *Securities Times, China Securities Journal, Shanghai Securities News* and on CNINFO (www.cninfo.com.cn). As of the end of the reporting period, the delisting procedure for the acquisition of 60% equity in Shenyuan Data had been completed. The Company has signed a Property Rights Transaction Contract with the transferor and obtained the property rights transaction certificate issued by the Shanghai United Assets and Equity Exchange.
2. On April 24, 2026, the Company held the 24th meeting of the 11th session of its Board of Directors, deliberated and approved the Proposal on Capital Increase in Dongguan Shenliang Logistics Co., Ltd., approving that the Company and its wholly-owned subsidiary Shenzhen Cereals Group Co., Ltd (hereinafter referred to as "SZCG") make a cash capital increase of 202.00 million yuan to Dongguan Shenliang Logistics Co., Ltd. (hereinafter referred to as "Dongguan Logistics") in proportion to their respective existing equity holdings. For details, please refer to the Announcement on the Resolution of the 24th Meeting of the 11th Session of the Company's Board of Directors published on April 28, 2026 in the *Securities Times, China Securities Journal, Shanghai Securities News* and on CNINFO (www.cninfo.com.cn). As of the end of the reporting period, the Company and SZCG had completed the capital increase in Dongguan Logistics in accordance with their equity ratios. The registered capital of Dongguan Logistics was increased from 298.00 million yuan to 500.00 million yuan.
3. On June 12, 2026, the Company convened the 25th meeting of the 11th session of its Board of Directors, which deliberated and approved the Proposal on Investment in the Shenzhen Edible Vegetable Oil Reserve Depot (Guangming) Project, approving the Company to invest in and construct the Shenzhen Edible Vegetable Oil Reserve Depot (Guangming) Project. For details, please refer to the Announcement on the Resolution of the 25th Meeting of the 11th Session of the Company's Board of Directors and the Announcement on the Company's Investment in the Shenzhen Edible Vegetable Oil Reserve Depot (Guangming) Project published on June13, 2026 in the *Securities Times, China Securities Journal, Shanghai Securities News* and on CNINFO (www.cninfo.com.cn). As of the end of the reporting period, Shenliang Hongli Grain and Oil (Shenzhen) Co., Ltd, the operating and implementing entity of the Project, had successfully obtained the land use right of the project plot through the land listing bidding procedure.

Section VI. Changes in Shares and Particulars about Shareholders

I. Changes in shares

1. Changes in shares

Unit: Share

	Before the Change		Increase/Decrease in the Change (+/ -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion
I. Restricted shares	684,579,567	59.40%	0	0	0	-2,500	-2,500	684,577,067	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	10,000	0.00%	0	0	0	-2,500	-2,500	7,500	0.00%
Including: Domestic legal person’s shares	0	0.00%	0	0	0	0	0	0	0.00%
Domestic nature person’s shares	10,000	0.00%	0	0	0	-2,500	-2,500	7,500	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	467,955,687	40.60%	0	0	0	2,500	2,500	467,958,187	40.60%
1. RMB common shares	416,206,407	36.11%	0	0	0	2,500	2,500	416,208,907	36.11%
2. Domestic listed foreign shares	51,749,280	4.49%	0	0	0	0	0	51,749,280	4.49%
3. Foreign listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Other	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	1,152,535,254	100.00%	0	0	0	0	0	1,152,535,254	100.00%

Reasons for changes in share

☑ Applicable ☐ Not applicable

During the reporting period, the number of restricted shares held by Ms. You Hongxia, former supervisor of the Company, decreased. As a result, the Company’s restricted shares decreased by 2,500 shares and unrestricted shares increased by 2,500 shares at the end of the reporting period, while the Company’s total share capital remained unchanged.

Approval of changes in share

□ Applicable ☑ Not applicable

Ownership transfer of changes in share

□ Applicable ☑ Not applicable

Implementation progress of share repurchase

□ Applicable ☑ Not applicable

Implementation progress of reducing repurchased shares by concentrated auction method

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

2. Changes in restricted shares

☑ Applicable ☐Not applicable

In share

Name of Shareholder	Number of Restricted Shares at the Beginning of Period	Number of Restricted Shares Unlocked during the Period	Number of Additional Restricted Shares during the Period	Number of Restricted Shares at the End of Period	Reason for Restriction	Unlocking Date
You Hongxia	10,000	2,500	0	7,500	Share restriction due to departure prior to expiry of term of office	May 4, 2027
Total	10,000	2,500	0	7,500	--	--

II. Securities issuance and listing

□ Applicable ☑Not applicable

III. Number of shareholders and particulars about shares holding

Unit: Share

Total common stock shareholders at the end of reporting period	39,173	Total preferred shareholders with voting rights recovered at end of reporting period (if applicable) (refer to Note 8)	0

Particulars about shares held above 5% by shareholders or top ten shareholders (Excluding shares lent through refinancing)

Name of Shareholders	Nature of shareholder	Proportion of shares held	Total shares held at the end of reporting period	Changes in reporting period	Quantity of restricted shares held	Quantity of unrestricted shares held	Information of shares pledged, tagged or frozen	
							State of share	Quantity
Shenzhen Agricultural Power Group Co., Ltd.	State-owned legal person	63.79%	735,237,253	0	669,184,735	66,052,518	NA	0
Shenzhen Agricultural	State-owned	8.23%	94,832,294	0	15,384,832	79,447,462	NA	0

Products Group Co., Ltd	legal person							
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	Pledge	8,698,216
China Construction Bank Corporation- Orient Securities Asset Management CSI Dongfanghong Dividend Low- Volatility Index Securities Investment Fund	Others	0.34%	3,866,500	3,866,500	0	3,866,500	NA	0
Xu Zhuangcheng	Domestic nature person	0.30%	3,470,600	3,470,600	0	3,470,600	NA	0
Sun Huiming	Domestic nature person	0.28%	3,236,352	0	0	3,236,352	NA	0
Chen Jiuyou	Domestic nature person	0.28%	3,180,070	180,000	0	3,180,070	NA	0
Zhu Quxiu	Domestic nature person	0.20%	2,338,800	2,338,800	0	2,338,800	NA	0
Hong Kong Securities Clearing Company Limited	Oversea legal person	0.20%	2,337,017	-3,299,476	0	2,337,017	NA	0
Zhong Zhenxin	Domestic nature person	0.17%	2,000,000	-2,609,900	0	2,000,000	NA	0
Strategy investors or general legal person becoming top 10 common shareholders due to rights issue (if applicable) (see note 3)		Nil						
Explanation on associated relationship among the aforesaid shareholders		Shenzhen SASAC directly holds 100% equity of Shenzhen Agricultural Power Group Co., Ltd., and holds 38.67% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agricultural Power Group Co., Ltd.; The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.						
Description of the above shareholders involved with delegating/entrusted voting rights and abstention from voting rights.		Nil						
Special note on the repurchase account among the top 10 shareholders (if applicable) (see Note 11)		Nil						

Particular about top ten shareholders holding unrestricted shares (Excluding shares lent through refinancing, locked-up shares for senior executives)			
Shareholders' name	Quantity of unrestricted shares held at period-end	Type of shares	
		Type	Quantity
Shenzhen Agricultural Power 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
China Construction Bank Corporation- Orient Securities Asset Management CSI Dongfanghong Dividend Low- Volatility Index Securities Investment Fund	3,866,500	RMB common shares	3,866,500
Xu Zhuangcheng	3,470,600	RMB common shares	3,470,600
Sun Huiming	3,236,352	Domestically listed foreign shares	3,236,352
Chen Jiuyou	3,180,070	RMB common shares	3,180,070

Zhu Quxiu	2,338,800	RMB common shares	2,338,800
Hong Kong Securities Clearing Company Limited	2,337,017	RMB common shares	2,337,017
Zhong Zhenxin	2,000,000	RMB common shares	2,000,000
Explanation of the association or concerted action between the top 10 shareholders of non-restricted and tradable shares, as well as between the top 10 shareholders of non-restricted and tradable shares and the top 10 shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Agricultural Power Group Co., Ltd., and holds 38.67% equity of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Agricultural Power Group Co., Ltd.; The Company was not aware of any related relationship between other shareholders above, and whether they are parties acting in concert as defined by the Acquisition Management Method of Listed Company.		
Explanation on the participation of the top 10 ordinary shareholders in margin trading and securities lending business (if any) (see Note 4)	At the end of reporting period, Xu Zhuangcheng, a shareholder of the company, held 3,324,900 shares of the Company under customer credit trading secured securities account through Ping An Securities Co., Ltd, and held 145,700 shares of the Company under common account, totally holding 3,470,600 shares of the Company. During the reporting period, shares held by Xu Zhuangcheng under the credit trading secured securities account rose by 3,324,900 shares, shares held by him under common account rose by 145,700 shares, and shares held by Xu Zhuangcheng rose by 3,470,600 shares.		

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

□ Applicable ☑Not applicable

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

□Applicable ☑Not applicable

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

□ Yes ☑ No

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

IV. Changes in shareholdings of directors and senior management

□ Applicable ☑ Not Applicable

During the reporting period, there were no changes in the shareholdings of the company's directors and senior management. For details, please refer to 2025 annual report.

V. Changes in controlling shareholders or actual controllers

If the Company has previously disclosed that its actual controller is planning a change of control which has not yet been completed, please describe the progress of such change of control.

□ Applicable ☑ Not Applicable

Changes in controlling shareholders during the reporting period

□ Applicable ☑ Not Applicable

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

Changes in actual controllers during the reporting period

□ Applicable ☑ Not Applicable

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

VI. Matters related to preferred shares

□ Applicable ☑ Not Applicable

The company had no preferred shares during the reporting period.

Section VII. Corporate Bonds

□ Applicable ☑Not applicable

Section VIII. Financial Report

I. Audit Report

Whether the semi-annual report is audited or not?

□Yes ☑No

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

II. Financial statements

Statement in Financial Notes are carried in RMB/CNY.

1. Consolidated balance sheet

Prepared by SHENZHEN CEREALS HOLDINGS CO., LTD

June 30, 2026

In RMB

Item	Ending balance	Opening balance
Current assets:		
Monetary funds	86,677,756.55	74,207,045.75
Settlement provisions		
Capital lent		
Tradable financial assets		
Derivative financial assets		
Note receivable		2,567,464.00
Account receivable	215,084,754.25	185,600,881.90
Receivable financing		
Accounts paid in advance	29,116,183.86	84,431,038.91
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	60,366,398.71	23,492,545.72
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	4,253,535,575.66	3,968,883,163.28
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	68,605,015.07	75,503,746.14
Total current assets	4,713,385,684.10	4,414,685,885.70
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	39,600,461.91	43,217,315.89
Investment in other equity instrument		
Other non-current financial assets	57,500.00	57,500.00
Investment real estate	224,057,435.11	231,882,055.05
Fixed assets	1,958,583,048.79	1,993,966,742.36
Construction in progress	71,035,610.36	51,951,405.25

Productive biological asset	334,386.00	339,232.20
Oil and gas asset		
Right-of-use assets	447,069,548.90	54,801,538.67
Intangible assets	422,997,252.05	436,587,991.47
Including: Data resources		
Expense on Research and Development		
Including: Data resources		
Goodwill		
Long-term expenses to be apportioned	19,866,270.74	21,176,604.93
Deferred income tax asset	50,144,043.74	57,185,401.86
Other non-current asset	66,623,495.46	66,490,675.94
Total non-current asset	3,300,369,053.06	2,957,656,463.62
Total assets	8,013,754,737.16	7,372,342,349.32
Current liabilities:		
Short-term loans	1,710,960,395.75	1,155,754,328.18
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	205,400,715.13	345,768,271.72
Accounts received in advance	1,230,640.72	924,332.28
Contract liability	93,309,336.33	77,779,348.91
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	130,718,239.16	143,150,859.26
Taxes payable	65,826,546.75	229,568,371.34
Other account payable	303,758,603.51	263,186,359.20
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	93,300,969.85	26,385,962.57
Other current liabilities	4,407,812.82	4,373,517.22
Total current liabilities	2,608,913,260.02	2,246,891,350.68
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	339,181,114.63	29,468,268.66
Long-term account payable	16,769,012.85	16,732,409.88
Long-term wages payable		
Accrual liability		
Deferred income	75,319,028.30	78,672,600.62
Deferred income tax liabilities	9,874,590.77	10,081,449.40
Other non-current liabilities		
Total non-current liabilities	441,143,746.55	134,954,728.56
Total liabilities	3,050,057,006.57	2,381,846,079.24
Owner’s equity:		
Share capital	1,152,535,254.00	1,152,535,254.00

Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	1,271,908,217.34	1,271,908,217.34
Less: Inventory shares		
Other comprehensive income	-886,200.46	-726,271.56
Reasonable reserve		
Surplus public reserve	642,697,918.23	642,697,918.23
Provision of general risk		
Retained profit	1,895,896,783.92	1,922,336,040.31
Total owner’ s equity attributable to parent company	4,962,151,973.03	4,988,751,158.32
Minority interests	1,545,757.56	1,745,111.76
Total owner’ s equity	4,963,697,730.59	4,990,496,270.08
Total liabilities and owner’ s equity	8,013,754,737.16	7,372,342,349.32

Legal representative: Wang Zhikai
Person in charge of accounting works: Lu Yuhe
Person in charge of accounting institute: Lu Chengjun

2. Balance Sheet of Parent Company

In RMB

Item	Ending balance	Opening balance
Current assets:		
Monetary funds	2,356,297.20	6,139,365.54
Tradable financial assets		
Derivative financial assets		
Note receivable		
Account receivable	37,418,946.12	25,752,680.48
Receivable financing		
Accounts paid in advance		
Other account receivable	3,575,928,615.75	2,964,238,623.06
Including: Interest receivable		
Dividends receivable		
Inventories		
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	849.02	165,952.53
Total current assets	3,615,704,708.09	2,996,296,621.61
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	4,180,168,641.37	4,031,188,641.37
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	14,392,757.50	14,628,552.64
Fixed assets	27,886,065.12	29,063,623.01
Construction in progress		
Productive biological assets	334,386.00	339,232.20
Oil and natural gas assets		
Right-of-use assets	438,215,485.72	44,176,967.53
Intangible assets	19,886,800.56	22,264,239.66

Including: Data resources		
Research and development costs		
Including: Data resources		
Goodwill		
Long-term deferred expenses	2,834,339.15	2,757,815.67
Deferred income tax assets	6,177,021.54	10,701,819.97
Other non-current assets	1,825,072.29	916,053.25
Total non-current assets	4,691,720,569.25	4,156,036,945.30
Total assets	8,307,425,277.34	7,152,333,566.91
Current liabilities:		
Short-term borrowings	1,590,478,850.00	797,823,319.42
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	60,861,292.92	40,574,195.28
Accounts received in advance		
Contract liability		
Wage payable	35,657,824.97	37,125,576.25
Taxes payable	3,446,470.36	17,037,938.49
Other accounts payable	286,956,481.91	224,250,325.59
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Liability held for sale		
Non-current liabilities due within one year	90,338,240.79	22,849,507.90
Other current liabilities		
Total current liabilities	2,067,739,160.95	1,139,660,862.93
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	333,054,236.13	21,949,210.38
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	333,054,236.13	21,949,210.38
Total liabilities	2,400,793,397.08	1,161,610,073.31
Owners' equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	3,018,298,284.55	3,018,298,284.55
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	370,293,490.09	370,293,490.09
Retained profit	1,365,504,851.62	1,449,596,464.96
Total owner's equity	5,906,631,880.26	5,990,723,493.60
Total liabilities and owner's equity	8,307,425,277.34	7,152,333,566.91

3. Consolidated Profit Statement

In RMB

Item	2026 semi-annual	2025 semi-annual
I. Total operating income	2,387,592,343.77	2,384,227,437.90
Including: Operating revenue	2,387,592,343.77	2,384,227,437.90
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,205,151,877.09	2,143,192,880.83
Including: Operating cost	2,001,143,742.85	1,942,145,136.11
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	9,800,214.62	9,148,068.86
Sales expense	57,627,021.33	60,709,520.71
Administrative expense	109,347,179.39	101,939,577.47
R&D expense	12,359,981.00	10,208,632.21
Financial expense	14,873,737.90	19,041,945.47
Including: Interest expenses	14,788,260.91	19,155,569.88
Interest income	470,180.69	406,929.22
Add: Other income	32,370,875.30	4,186,124.46
Investment income (Loss is listed with “-”)	2,521,342.14	-4,462,721.92
Including: Investment income on affiliated company and joint venture	-1,616,853.98	
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-2,685,446.41	1,263,924.37
Losses of devaluation of asset (Loss is listed with “-”)	-27,159,728.66	-42,521,010.08
Income from assets disposal (Loss is listed with “-”)	-14,320.85	19,967,516.74
III. Operating profit (Loss is listed with “-”)	187,473,188.20	219,468,390.64
Add: Non-operating income	1,025,960.26	146,701.53
Less: Non-operating expense	368,840.47	299,515.73
IV. Total profit (Loss is listed with “-”)	188,130,307.99	219,315,576.44
Less: Income tax expense	76,464,688.10	43,337,305.16
V. Net profit (Net loss is listed with “-”)	111,665,619.89	175,978,271.28
(I) Classify by business continuity		
1.Continuous operating net profit (net loss listed with ‘-”)	111,665,619.89	175,978,271.28
2Termination of net profit (net loss listed with ‘-”)		

(II) Classify by ownership		
1.Net profit attributable to owner's of parent company	111,864,974.09	176,015,525.87
2.Minority shareholders' gains and losses	-199,354.20	-37,254.59
VI. Net after-tax of other comprehensive income	-159,928.90	-65,463.82
Net after-tax of other comprehensive income attributable to owners of parent company	-159,928.90	-65,463.82
(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	-159,928.90	-65,463.82
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	-159,928.90	-65,463.82
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	111,505,690.99	175,912,807.46
Total comprehensive income attributable to owners of parent Company	111,705,045.19	175,950,062.05
Total comprehensive income attributable to minority shareholders	-199,354.20	-37,254.59
VIII. Earnings per share:		
(I) Basic earnings per share	0.0971	0.1527
(II) Diluted earnings per share	0.0971	0.1527

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

Legal representative: Wang Zhikai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Lu Chengjun

4. Profit Statement of Parent Company

In RMB

Item	2026 semi-annual	2025 semi-annual
I. Operating revenue	182,756,794.06	75,084,378.42
Less: Operating cost	83,624,276.06	12,697,586.52

Taxes and surcharge	747,688.87	258,865.15
Sales expenses	0.00	
Administration expenses	51,482,668.46	44,402,122.93
R&D expenses	0.00	
Financial expenses	-10,813,830.45	-17,542,982.07
Including: Interest expenses	11,332,186.11	6,270,059.61
Interest income	22,276,443.36	23,865,184.21
Add: Other income	209,190.77	103,605.12
Investment income (Loss is listed with “-”)		
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 “-”)		
Loss of credit impairment (Loss is listed with “-”)	500,000.00	1,000,000.00
Losses of devaluation of asset (Loss is listed with “-”)	0.00	
Income on disposal of assets (Loss is listed with “-”)	0.00	
II. Operating profit (Loss is listed with “-”)	58,425,181.89	36,372,391.01
Add: Non-operating income	200,000.16	
Less: Non-operating expense	0.00	102,569.84
III. Total Profit (Loss is listed with “-”)	58,625,182.05	36,269,821.17
Less: Income tax	4,412,564.91	411,875.48
IV. Net profit (Net loss is listed with “-”)	54,212,617.14	35,857,945.69
(I) continuous operating net profit (net loss listed with ‘-”)	54,212,617.14	35,857,945.69
(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	54,212,617.14	35,857,945.69
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	2026 semi-annual	2025 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,519,965,101.17	2,515,459,297.68
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, 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	1,770,000.07	2,001,200.56
Other cash received concerning operating activities	172,587,598.64	173,603,846.00
Subtotal of cash inflow arising from operating activities	2,694,322,699.88	2,691,064,344.24
Cash paid for purchasing commodities and receiving labor service	2,082,541,515.51	1,443,488,394.47
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 payments for interest, fees and commissions		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	177,696,334.67	171,799,129.01
Taxes paid	254,452,973.38	107,439,103.32
Other cash paid concerning operating activities	232,513,429.60	231,059,150.63
Subtotal of cash outflow arising from operating activities	2,747,204,253.16	1,953,785,777.43
Net cash flows arising from operating activities	-52,881,553.28	737,278,566.81
II. Cash flows arising from investing activities:		
Cash received from recovering investment	4,007.78	
Cash received from investment income	2,000,000.00	
Net cash received from disposal of fixed,	62,573.00	77,797,545.09

intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		1,718,711.71
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	2,066,580.78	79,516,256.80
Cash paid for purchasing fixed, intangible and other long-term assets	49,529,557.49	31,884,430.85
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained	13,267,620.00	
Other cash paid concerning investing activities	6,299.62	
Subtotal of cash outflow from investing activities	62,803,477.11	31,884,430.85
Net cash flows arising from investing activities	-60,736,896.33	47,631,825.95
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Including: cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,284,708,087.66	1,077,015,327.03
Other cash received concerning financing activities	3,566,285.43	
Subtotal of cash inflow from financing activities	1,288,274,373.09	1,077,015,327.03
Cash paid for settling debts	970,223,456.52	1,653,752,375.98
Cash paid for dividends and profits distributing or interest paying	148,855,405.15	188,876,399.22
Including: dividends and profits of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	41,729,973.93	5,323,196.47
Subtotal of cash outflow from financing activities	1,160,808,835.60	1,847,951,971.67
Net cash flows arising from financing activities	127,465,537.49	-770,936,644.64
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-186,091.64	-59,820.30
V. Net increase of cash and cash equivalents	13,660,996.24	13,913,927.82
Add: Balance of cash and cash equivalents at the period -begin	69,926,342.31	158,935,342.85
VI. Balance of cash and cash equivalents at the period -end	83,587,338.55	172,849,270.67

6. Cash Flow Statement of Parent Company

In RMB

Item	2026 semi-annual	2025 semi-annual
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	381,918,511.00	390,394,107.50
Write-back of tax received		
Other cash received concerning operating activities	2,139,011,391.61	1,994,466,762.23
Subtotal of cash inflow arising from operating activities	2,520,929,902.61	2,384,860,869.73
Cash paid for purchasing commodities and receiving labor service	22,639,800.90	15,028,437.90
Cash paid to/for staff and workers	40,649,648.18	39,687,095.15

Taxes paid	14,548,448.12	90,525.02
Other cash paid concerning operating activities	2,496,052,821.71	1,913,761,049.85
Subtotal of cash outflow arising from operating activities	2,573,890,718.91	1,968,567,107.92
Net cash flows arising from operating activities	-52,960,816.30	416,293,761.81
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets	5,347,423.75	2,557,504.30
Cash paid for investment	148,980,000.00	
Net cash received from subsidiaries and other units obtained	13,267,620.00	
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	167,595,043.75	2,557,504.30
Net cash flows arising from investing activities	-167,595,043.75	-2,557,504.30
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	1,094,223,621.91	468,751,150.53
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,094,223,621.91	468,751,150.53
Cash paid for settling debts	692,555,087.12	701,282,632.75
Cash paid for dividends and profits distributing or interest paying	147,047,982.27	178,784,966.14
Other cash paid concerning financing activities	37,842,096.43	
Subtotal of cash outflow from financing activities	877,445,165.82	880,067,598.89
Net cash flows arising from financing activities	216,778,456.09	-411,316,448.36
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-5,664.38	-2,453.20
V. Net increase of cash and cash equivalents	-3,783,068.34	2,417,355.95
Add: Balance of cash and cash equivalents at the period -begin	6,139,365.54	103,158,696.39
VI. Balance of cash and cash equivalents at the period -end	2,356,297.20	105,576,052.34

7. Consolidated Statement of Changes in Owners' Equity

Current period

In RMB

Item	2026 semi-annual														
	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				1,271,908,217.34		-726,271.56		642,697,918.23		1,922,336,040.31		4,988,751,158.32	1,745,111.76	4,990,496,270.08
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,152,535,254.00				1,271,908,217.34		-726,271.56		642,697,918.23		1,922,336,040.31		4,988,751,158.32	1,745,111.76	4,990,496,270.08
III. Increase/ Decrease in reporting period (Decrease is listed with "-")							-159,928.90				-26,439,256.39		-26,599,185.29	-199,354.20	-26,798,539.49
(i) Total comprehensive income							-159,928.90				111,864,974.09		111,705,045.19	-199,354.20	111,505,690.99
(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											-138,304,230.48		-138,304,230.48		-138,304,230.48
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)											-138,304,230.48		-138,304,230.48		-138,304,230.48
4. Other															
(IV) Carrying forward internal owners' equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remedying loss with surplus reserve															
4．Carry-over retained earnings from the defined benefit plans															

5. Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve															
1. Withdrawal in the reporting period															
2. Usage in the reporting period															
(VI)Others															
IV. Balance at the end of the reporting period	1,152,535,254.00				1,271,908,217.34		-886,200.46		642,697,918.23		1,895,896,783.92		4,962,151,973.03	1,545,757.56	4,963,697,730.59

Last period

In RMB

Item	2025 semi-annual														
	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				1,271,908,217.34	0.00	-620,406.95	1,152,617.76	616,729,697.68	0.00	1,877,968,762.99	0.00	4,919,674,142.82	1,703,053.11	4,921,377,195.93
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this year	1,152,535,254.00				1,271,908,217.34	0.00	-620,406.95	1,152,617.76	616,729,697.68	0.00	1,877,968,762.99	0.00	4,919,674,142.82	1,703,053.11	4,921,377,195.93
III. Increase/ Decrease in reporting period (Decrease is listed with "-")							-65,463.82	-71,978.98			3,135,237.77		2,997,794.97	-37,254.59	2,960,540.38
(i) Total comprehensive income							-65,463.82				176,015,525.87		175,950,062.05	-37,254.59	175,912,807.46
(ii) Owners' devoted and decreased capital															
1.Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners' equity with share-based payment															
4. Other															
(III) Profit distribution											-172,880,288.10		-172,880,288.10		-172,880,288.10
1. Withdrawal of surplus															

reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)											-172,880,288.10		-172,880,288.10		-172,880,288.10
4. Other															
(IV) Carrying forward internal owners' equity															
1. Capital reserves converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remedying loss with surplus reserve															
4．Carry-over retained earnings from the defined benefit plans															
5．Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve								-71,978.98					-71,978.98		-71,978.98
1. Withdrawal in the reporting period															
2. Usage in the reporting period								-71,978.98					-71,978.98		-71,978.98
(VI)Others															
IV. Balance at the end of the reporting period	1,152,535,254.00				1,271,908,217.34		-685,870.77	1,080,638.78	616,729,697.68		1,881,104,000.76		4,922,671,937.79	1,665,798.52	4,924,337,736.31

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

Current period

In RMB

Item	2026 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,298,284.55				370,293,490.09	1,449,596,464.96		5,990,723,493.60
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,152,535,254.00				3,018,298,284.55				370,293,490.09	1,449,596,464.96		5,990,723,493.60
III. Increase/ Decrease in reporting period (Decrease is listed with "-")										-84,091,613.34		-84,091,613.34

(i) Total comprehensive income										54,212,617.14		54,212,617.14
(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										-138,304,230.48		-138,304,230.48
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-138,304,230.48		-138,304,230.48
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4．Carry-over retained earnings from the defined benefit plans												
5．Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the reporting period												
2. Usage in the reporting period												
(VI)Others												
IV. Balance at the end of the reporting period	1,152,535,254.00				3,018,298,284.55				370,293,490.09	1,365,504,851.62		5,906,631,880.26

Last period

In RMB

Item	2025 semi-annual											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. Balance at the end of the last year	1,152,535,254.00				3,018,298,284.55				344,325,269.54	1,388,762,768.13		5,903,921,576.22
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	1,152,535,254.00				3,018,298,284.55				344,325,269.54	1,388,762,768.13		5,903,921,576.22
III. Increase/ Decrease in reporting period (Decrease is listed with "-")										-137,022,342.41		-137,022,342.41
(i) Total comprehensive income										35,857,945.69		35,857,945.69
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners' equity with share-based payment												
4. Other												
(III) Profit distribution										-172,880,288.10		-172,880,288.10
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										-172,880,288.10		-172,880,288.10
3. Other												
(IV) Carrying forward												

internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4．Carry-over retained earnings from the defined benefit plans												
5．Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the reporting period												
2. Usage in the reporting period												
(VI)Others												
IV. Balance at the end of the reporting period	1,152,535,254.00				3,018,298,284.55				344,325,269.54	1,251,740,425.72		5,766,899,233.81

III. Basic information of Company

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

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

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

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

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statement are prepared in line with the Accounting Standards for Business Enterprise -Basic Standard issued by Ministry of Finance and specific accounting principle as well as the application guidance for the accounting principles for enterprise, interpretation to the accounting principles for enterprise and other related requirements (hereinafter referred to as Accounting Standards for Business Enterprise), combining the Information Disclosure Preparation Rules for Company Public Issuing Securities No.15-General Rules for Financial Report of the CSRC(Revised in 2023). These financial statements are presented on a going-concern basis. The Company maintains its accounting records on an accrual basis. Except for certain financial instruments, these financial statements are measured on a historical-cost basis. Where assets are impaired, corresponding impairment provisions are made in accordance with relevant provisions.

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:

The 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 NoteV.24, NoteV. 29 and Note V.37.

1. Statement for observation of Accounting Standard for Business Enterprise

The financial statements prepared by the Company are in accordance to requirements of Accounting Standard for Business Enterprise issued by Ministry of Finance, which truly and completely reflect the financial status of the Company and parent company on June 30, 2026, as well as the consolidate and parent company's operational results and cash flow for the period from January to June 2026.

2. Accounting period

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

3. Operating cycle

Operating cycle of the Company is 12 months

4. Standard currency

The Company and its subsidiaries take RMB as the standard currency for bookkeeping. Overseas subsidiaries select their accounting base currency based on the currency of the main economic environment in which they operate.

5. Method for determining importance criteria and selection criteria

☑ Applicable □ Not applicable

Item	Importance criteria
Important accounts receivable with single provision for bad debt reserves	Amount ≥10,000,000
Other accounts receivable with significant single provision for bad debt reserves	Amount ≥10,000,000
Major construction in progress	Amount ≥10,000,000
Significant investment activities	Amount ≥10,000,000
Important joint venture or associated enterprise	Associated enterprises and joint ventures where the cost, carrying amount of long-term equity investments, or investment income therefrom is RMB 10.00 million or more; or where the share of the investee's net profit recognized in the current period accounts for 5% or more of the Company's consolidated net profit;

Other important events	Other items with a single amount exceeding 0.5% of the total assets.

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

(1) Business combinations under common control

For business combinations under common control, the assets and liabilities of the combinee obtained by the combiner in the combination are measured at the carrying amounts of the combinee in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the combination consideration (or total par value of shares issued) and the carrying amount of net assets obtained in the combination is adjusted against capital surplus (share premium). Where capital surplus (share premium) is insufficient to offset the difference, retained earnings shall be adjusted.

Business combinations under common control achieved in multiple-step transactions

The assets and liabilities of the combinee obtained by the combiner are measured at the carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the sum of the carrying amount of the investment held before the combination and the carrying amount of the newly-paid consideration at the combination date, and the carrying amount of net assets obtained in the combination is adjusted against capital surplus (share premium). Where capital surplus is insufficient to offset the difference, retained earnings shall be adjusted. For the long-term equity investment held by the combiner before obtaining control over the combinee, the profit or loss, other comprehensive income and other changes in owners' equity recognized from the later of the date of obtaining the original equity interest and the date when both the combiner and the combinee came under the common ultimate control, to the combination date, shall be offset against the opening retained earnings of the comparative reporting periods or current-period profit or loss respectively.

(2) Business combinations not under common control

For business combinations not under common control, the aggregate consideration transferred is the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree at the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are recognized at fair value.

The excess of the aggregate consideration transferred over the acquirer's share of fair value of identifiable net assets of the acquiree obtained in the combination is recognized as goodwill, which is subsequently measured at cost less accumulated impairment provision. After review, any excess of the share of fair value of identifiable net assets acquired over the aggregate consideration transferred is recognized in current-period profit or loss.

Business combinations not under common control achieved in multiple-step transactions

The aggregate consideration transferred is the sum of the consideration paid at the acquisition date and the fair value of the acquirer's previously-held equity interest in the acquiree at the acquisition date. The previously-held equity interest in the acquiree is remeasured at its fair value at the acquisition date, and the difference between fair value and carrying amount is recognized in current-period investment income. Other comprehensive income and other changes in owners' equity relating to the previously-held equity interest in the acquiree are reclassified to current-period income at the acquisition date, except for other comprehensive income arising from re-measurement of changes in the defined-benefit plan net liability or net asset of the investee, and other comprehensive income related to non-trading equity instrument investments originally designated as measured at fair value through other comprehensive income.

(3) Accounting treatment of transaction costs in business combinations

Intermediate costs such as audit fees, legal service fees, appraisal and consulting fees and other relevant administrative expenses incurred for business combinations are recognized in current-period profit or loss when incurred. Transaction costs of equity securities or debt securities issued as combination consideration are included in the initial recognition amount of such equity or debt securities.

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

(1) Criteria for judging control

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

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

(2) Method of preparing consolidated financial statements

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

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

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

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

(3) Purchase of minority shareholder equity in subsidiary companies

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

(4) Treatment of loss of control over subsidiaries

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

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

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

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

(1) Joint operation

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

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

A. Recognize individually held assets and jointly held assets based on their respective shares;

B. Recognize individual liabilities and jointly assume liabilities based on their respective shares;

C. Recognize the income generated from the sale of its share of joint operating output;

D. Recognize the revenue generated from the sale of output in joint operations based on their share;

E. Recognize the expenses incurred separately, and the expenses incurred in joint operations based on their respective shares.

(2) Joint venture

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

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

9. Recognition standards for cash and cash equivalents

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

10. Foreign currency transactions and foreign currency statement translation

(1)Foreign currency transactions

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

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

(2) Translation of foreign currency financial statements

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

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

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

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

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

11.Financial instrument

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

(1) Recognition and de-recognition of financial instruments

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

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

① The contractual right to receive cash flows from the financial asset is terminated;

② The financial asset has been transferred and meets the conditions for derecognizing the transfer of financial assets as follows.

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

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

(2) Classification and initial measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) Classification and measurement of financial liabilities

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

Financial liabilities measured at fair value through gains and losses

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

Financial liabilities measured at amortized cost

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

The distinction between financial liabilities and equity instruments

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

① The contractual obligation to deliver cash or other financial assets to other parties.

② Contractual obligations to exchange financial assets or liabilities with other parties under potential adverse conditions.

③ Non-derivative instrument contracts that require or can be settled with the company's own equity instruments in the future, and the company will deliver a variable number of its own equity instruments according to this contract.

④ Derivative instrument contracts that require or can be settled with the company's own equity instruments in the future, except for derivative instrument contracts where a fixed amount of self-equity instruments is exchanged for a fixed amount of cash or other financial assets.

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

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

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

(4) Derivative financial instruments and embedded derivative instruments

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

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

(5) Fair value of financial instruments

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

For financial assets or financial liabilities with an active market, the Company determines their fair value by adopting quoted prices in the active market. Where no active market exists for a financial instrument, the Company determines its fair value using valuation techniques.

The Company applies valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available. It gives priority to relevant observable inputs, and uses unobservable inputs only when observable inputs are not available or cannot be practicably obtained.

Assets and liabilities measured or disclosed at fair value in the financial statements are categorized within the fair value hierarchy based on the lowest-level input that is significant to the fair-value measurement as a whole. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date. Level 2 inputs are inputs other than Level 1 inputs that are observable for the relevant assets or liabilities, either directly or indirectly. Level 3 inputs are unobservable inputs for the relevant assets or liabilities.

At each balance-sheet date, the Company re-assesses assets and liabilities recognised in the financial statements that are continuously measured at fair value to determine whether transfers have occurred between levels in the fair-value hierarchy.

(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 receivable. Except for accounts receivable with individual bad debt reserve, the company classifies accounts receivable into portfolios based on credit risk characteristics and calculates bad debt reserve on the basis of portfolio.

Notes receivable, accounts receivable and contract assets

For notes receivable and accounts receivable, regardless of whether there are significant financing components, the company always measures its loss provision at an amount equivalent to the expected credit loss for the entire duration.

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

A. Notes receivable

Accounts receivable portfolio 1: Bank acceptance bill
Accounts receivable portfolio 2: Commercial acceptance bill

B. Accounts receivable

Accounts receivable portfolio 1: Sales receivables portfolio

Accounts receivable portfolio 2: Specific object portfolio

For accounts receivable and contract assets classified into portfolio, the company, based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, calculate the expected credit loss by default risk exposure and the expected credit loss rate for the entire duration

For accounts receivable classified into portfolio, the company, based on historical credit loss experience, combined with current conditions and predictions of future economic conditions, prepare a comparison table between the aging of accounts receivable and the expected credit loss rate for the entire duration, and calculate the expected credit loss. The aging of the accounts receivable is calculated since the recognition date of accounts receivable.

Other receivables

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

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

Other accounts receivable portfolio 2: Specific object portfolio

For other receivables classified into portfolio, the company, based on historical credit loss experience, calculate the expected credit loss by default risk exposure and the expected credit loss rate over the next 12 months or the entire duration. The aging of the accounts receivable is calculated since the recognition date of other accounts receivable.

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 counterparties and risk exposure, default risk exposure, and expected credit loss rate for the next 12 months or the entire duration.

Assessment of significant increase in credit risk

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

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

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

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

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

Financial assets that have experienced credit impairment

The company assesses on the balance sheet date whether financial assets measured at amortized cost and 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.

Written off

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

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

(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

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

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

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

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

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

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

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

The non-current assets held-for-sale and the assets in the disposal group held-for-sale shall not be depreciated or amortized; the interest and other expenses of the liabilities in the disposal group held-for-sale shall continue to be recognized. For all or part of the investment in associated enterprise or joint venture classified as held-for-sale category, the equity method of accounting shall be suspended for the part classified as held-for-sale, and the retained part not classified as held-for-sale category shall continue to be accounted with the equity method; in case the company loses significant influence over the associated enterprise or joint venture due to sale, the equity method of accounting shall be suspended.

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

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

② The recoverable amount.

(2) Recognition criteria for discontinued operations

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

① The component represents an independent major business or a separate major operating region.

② The component is part of a related plan for the disposal of an independent major business or a separate major operating region.

③ The component is a subsidiary acquired specifically for resale.

(3) Presentation

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

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

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

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

19.Creditors’ investment

20.Other creditors’ investment

21.Long-term accounts receivable

22.Long-term equity investment

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

(1) Determination of initial investment cost

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

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

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

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

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

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

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

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

If significant influence or joint control can be exerted on the invested entity due to additional investment or other reasons, but does not constituting control, on the conversion date, the initial investment cost measured again with equity method shall be the sum of the fair value of the original equity and the additional investment cost. If the original equity is classified as a non-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) Equity investments held-for-sale

In case all or part of the equity investments in associated enterprise or joint venture are classified as assets held-for-sale, the relevant accounting treatments are shown in Note III.14.

The remaining equity investments that have not been classified as assets held-for-sale will be accounted with the equity method.

If the equity investments in associated enterprise or joint venture that have been classified as assets held-for-sale no longer meet the classification conditions for assets held-for-sale, retrospective adjustment shall be made with the equity method starting from the date when they were classified as assets held-for-sale.

(5) Impairment testing methods and impairment provision methods

Refer to Note III.30 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 V. 30.

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

24. Fixed assets

(1) Recognition conditions

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

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

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

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

(2) Depreciation method

Category	Method	Years of depreciation	Scrap value rate	Yearly depreciation rate
House and buildings				
Production buildings	Straight-line depreciation	20-35	5.00%	4.75%-2.71%
Non-production buildings	Straight-line depreciation	20-40	5.00%	4.75%-2.38%
Temporary dormitory and simple room etc.	Straight-line depreciation	5-15	5.00%	19.00%-6.33%
Gas storage bin	Straight-line depreciation	20	5.00%	4.75%
Silo	Straight-line depreciation	50	5.00%	1.90%
Wharf and supporting facilities	Straight-line depreciation	50	5.00%	1.90%
Machinery equipment	Straight-line depreciation			
Other machinery equipment	Straight-line depreciation	10-20	5.00%	9.50%-4.75%
Warehouse transmission equipment	Straight-line depreciation	20	5.00%	4.75%
Transport equipment	Straight-line depreciation	3-10	5.00%	31.67%-9.50%
Electronic equipment and others	Straight-line depreciation	2-10	5.00%	47.50%-9.50%

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

(1) The methods for impairment testing of fixed assets and the methods for making impairment provision are described in Note V. 30.

(2) At the end of each year, the company reviews the useful lives, estimated residual values and depreciation methods of its fixed assets.
If there is a difference between the expected useful life and the original estimate, the useful life of the fixed asset shall be adjusted; if there is a difference between the estimated residual value and the original estimate, the estimated residual value shall be adjusted.

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

25. Construction in progress

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

Construction in progress is transferred to fixed assets when it reaches its intended usable state.

The method for impairment of assets for construction in progress can be found in Note V.30 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:

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) 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

The biological assets of the company include productive biological assets.

① Productive biological assets

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

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

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

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

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

(3) Treatment of impairment of biological assets

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

The method for impairment of productive biological assets can be found in Note V. 30 of the auditor’s report.

No impairment provision is made for public welfare biological assets.

28. Oil and gas assets

29. Intangible assets

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

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

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

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

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

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

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

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

The impairment method for intangible assets can be found in Note V.30 of the auditor's report.

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

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

The company distinguishes the expenses for internal R&D projects into research stage expenses and development stage expenses.

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

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

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

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

30. Impairment of long-term assets

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

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

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

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

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

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

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

31. Long term deferred expenses

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

32. Contract liabilities

33. Employee compensation

(1)Short-term compensation

During the accounting period when the employees provider 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)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)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)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, the company will consider the following signs:

① The company has the current payment right for the goods or services, which means that the customer has a current payment obligation for the goods.

② The company has transferred the legal ownership of the product to the customer, that is, the customer already has legal ownership of the product.

③ The company has transferred the physical ownership of the product to the customer, which means the customer has already taken possession of the product.

④ The company has transferred the main risks and rewards of ownership of the product to the customer, that is, the customer has acquired the main risks and rewards of ownership of the product.

⑤ The customer has accepted the product or service.

⑥ Other signs indicating that the customer has obtained control over the product.

(2) Specific methods

① Grain and oil trade and processing business

The revenue from sales of goods is recognized after the goods sold domestically have been delivered and meet the relevant terms and conditions stipulated in the contract;

The revenue of export sales is recognized after the goods have been shipped and declared, and meet the relevant terms and conditions stipulated in the contract.

② Grain and oil storage logistics and services

Dynamic grain and oil reserves and rotation services: recognize income when relevant labor activities occur. Specifically, the income from grain and oil reserves is calculated and recognized monthly based on the actual amount of grain and oil reserves and the reserve prices specified in the Shenzhen Municipal Government Grain Reserve Cost Contract Operating Regulations and the Shenzhen Municipal Edible Vegetable Oil Government Reserve Cost Contract Operating Regulations.

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

③ Food, beverage and tea processing

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

④ Leasing business

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

⑤ Other businesses

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

The revenue of other businesses shall be measured and recognized according to the charging time and method stipulated in the contract or agreement.

In case similar businesses adopt different business models, different revenue recognition methods and measurement methods will be involved.

38. Contract cost

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

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

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

① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred solely due to the contract;

② This cost increases the resources that the company will use in the future to fulfill its contractual obligations;

③ The cost is expected to be recovered.

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

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

① The expected remaining consideration that the company can obtain for the transfer of goods or services related to the asset;

② The estimated cost to be incurred for the transfer of the relevant goods or services.

39. Government grant

Government grant is recognized when they meet the conditions attached to government grants and can be received.

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

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

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

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

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

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

For the policy preferential loans and interest subsidies obtained by the company, in case the finance department allocates interest subsidy to the lending bank, the company will use the actual received loan amount as the book value of the loan, and calculate the relevant loan costs based on the loan principal and the policy preferential interest rate, in case the finance department directly allocates interest subsidy to the company, the company will offset the relevant borrowing costs with the corresponding interest subsidy.

40. Deferred income tax assets/deferred income tax liabilities

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

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

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

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

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

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

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

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

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

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

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

(1) The taxpayer within the company has the legal right to settle current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer within the company.

41. Leasing

(1) The company as lessee

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

The accounting policies for the right-of-use assets can be found in Note III. 35 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, the company chooses to adopt the simplified treatment method mentioned above based on the specific situation of each lease.

Lease change

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

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

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

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

(2) The company as a lessor

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

Finance lease

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

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

Operating lease

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

Lease change

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

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

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

42. Other important accounting policy and estimation

43.Changes of important accounting policy and estimation

(1) Changes of important accounting policies

☐Applicable ☑Not applicable

(2) Changes of important accounting estimation

□Applicable ☑Not applicable

(3) Implementation of new accounting standards adjustment for the first time starting from 2025, and implementation of relevant financial statement items at the beginning of the year for the first time

☐Applicable ☑Not applicable

44.Others

VI. Tax

1. Type of tax and rate for main applicable tax

Taxes	Basis	Rate
VAT	Taxable value added (The taxable amount is calculated by multiplying the taxable sales amount by the applicable tax rate and deducting the input tax allowed for deduction in the current period)	13.00%,9.00%,6.00%,5.00%,3.00%
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	3.00%-5.00%

	agreed contract price	

Rate of income tax for different taxpaying body:

Taxpaying body	Rate of income tax
Shenzhen Cereals Holdings Co., Ltd.	25.00%
Shenzhen Cereals Group Co., Ltd (hereinafter referred to as "SZCG")	25.00%, tax exemption for some businesses
Shenzhen Hualian Grain and Oil Trading Co., Ltd. (hereinafter referred to as "Hualian Cereals and Oil")	25.00%
Dongguan Shenliang Hualian Cereals and Oil Trading Co., Ltd (hereinafter referred to as "Dongguan Hualian")	25.00%
Shenzhen Shenliang Hongjun Catering Management Co., Ltd. (hereinafter referred to as "Shenliang Hongjun")	25.00%
Shenzhen Flour Co., Ltd (hereinafter referred to as "Shenzhen Flour")	25.00%, tax exemption for some businesses
Shenliang Quality Inspection Co., Ltd. (hereinafter referred to as "Shenliang Quality Inspection")	25.00%
Hainan Shenliang Oil & Food Co., Ltd. (hereinafter referred to as "Hainan Oil & Food")	20.00%
Shenzhen Shenliang Doximi Business Co., Ltd. (hereinafter referred to as "Doximi")	25.00%
Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd (hereinafter referred to as "Big Kitchen")	25.00%
Shenzhen Shenliang 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 Fuhaitang Catering Management Chain Co., Ltd. (hereinafter referred to as "Fuhaitang Catering")	25.00%
Hangzhou Fuhaitang Tea Ecology Technology Co., Ltd (hereinafter referred to as "Fuhaitang Tea Ecology")	25.00%
Mount Wuyi Shenbao Rock Tea Co., Ltd. (hereinafter referred to as "Shenbao Rock Tea")	25.00%
Yunnan Shenbao Pu'er Tea Supply Chain Management Co., Ltd. (hereinafter referred to as "Pu'er Tea Supply Chain")	25.00%
Shenzhen Shenliang Food Co., Ltd. (hereinafter referred to as "Shenzhen Shenliang Food")	25.00%
Huizhou Shenliang Food Co., Ltd. (hereinafter referred to as "Huizhou Shenliang Food")	20.00%
Huizhou Shenbao Technology Co., Ltd. (hereinafter referred to as "Huizhou Shenbao")	25.00%
Shenliang Hongli Grain and Oil (Shenzhen) Co., Ltd (hereinafter referred to as "Shenliang Hongli")	25.00%
Xingye Food Co., Ltd. (hereinafter referred to as "Xingye Food")	16.50%
Shenzhen Shenliang Smart Warehousing Co., Ltd.(hereinafter referred to as "Smart Warehousing")	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 June 30, 2026, 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([2023]No.48)", 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, 2024 to December 31, 2027.

1. Enterprise income tax

① In accordance with the Notice of the Ministry of Finance and the State Taxation Administration on Enterprise Income Tax Treatment of Earmarked Financial Funds (CSH[2011] No. 70), government service income obtained by SZCG, a subsidiary of the Company, and its subsidiaries from performing government grain reserve business constitutes earmarked financial funds. Eligible income may be treated as non-taxable income and deducted from the total income in the calculation of taxable income. Expenses incurred from the expenditure of the aforementioned non-taxable income shall not be deducted in the calculation of taxable income. Depreciation and amortization calculated on assets formed from such expenditure shall not be deducted in the calculation of taxable income. Any portion of the financial funds treated as non-taxable income in accordance with the Notice that is not expended and not repaid to the finance department or other funding government authorities within five years (60 months) shall be included in the total taxable income in the sixth year following receipt of such funds. From January 1, 2025, all earmarked financial funds from government service income received by the Company are included in the current taxable income.

② On December 26, 2024, Shenbao Huacheng, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202444206671) 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 2024 to 2026.

③On November 19, 2024, Wuyuan Ju Fang Yong, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR202436001138) jointly issued by the Science and Technology Department of Jiangxi Province, the Finance Department of Jiangxi Province, and the Jiangxi Provincial Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, qualified high-tech enterprises will pay corporate income tax at a reduced income tax rate of 15.00% within three years from the year of identification. Wuyuan Ju Fang Yong will enjoy the preferential tax policy from 2024 to 2026.

④Shenzhen 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.

⑤According to the Announcement on Relevant Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (CSHZJ[2023]No.12), from January 1, 2023 to December 31, 2027, small and low-profit enterprises shall calculate taxable income at a reduced rate of 25% and pay enterprise income tax at a tax rate of 20%. The company's subsidiary Hainan Grain and Oil, Shenliang Property, and Huizhou Shenliang are small and low-profit enterprises and in line with the preferential tax conditions.

2. Other

VII. Notes to main items of consolidated financial statements

1. Monetary funds

In RMB

Item	Ending balance	Opening balance
Cash on hand	5,997.77	6,237.19
Cash in bank	84,207,307.77	69,918,970.17
Other monetary fund	2,464,451.01	4,281,838.39
Total	86,677,756.55	74,207,045.75
Including: total amounts deposited overseas	3,652,825.79	3,817,186.95

Other explanation:

At the end of the reporting period, the Company's funds that are mortgaged, pledged, frozen, or held overseas with restrictions on repatriation are set out below:

The Company's restricted monetary funds amount to 3,090,418.00 yuan, which represent security deposits for issuing letters of credit and bank guarantees.

2.Tradable financial assets

In RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

3.Derivative financial assets

In RMB

Item	Ending balance	Opening balance

Other explanation:

4.Notes receivable

(1) By category

In RMB

Item	Ending balance	Opening balance
Bank acceptance bill	0.00	2,567,464.00

Commercial acceptance bill	0.00	
Total		2,567,464.00

(2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Including:										
Notes receivable with bad debts reserve accrual on portfolio	0.00		0.00		0.00	2,567,464.00	100.00%			2,567,464.00
Including:										
Total	0.00		0.00		0.00	2,567,464.00	100.00%			2,567,464.00

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

□Applicable ☑Not applicable

(3) Bad debts reserve accrual, collected or reversal in the period

Bad debts reserve accrual in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Charged off	Others	

Including major amount bad debts reserve 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 pledged at period-end

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

Item	Ending derecognized amount	Ending not derecognized amount

(6) Notes receivable charged off in the period

In RMB

Item	Amount charged off

Including major note receivable charged off:

In RMB

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

Explanation on note receivable charged off:

5.Accounts receivable

(1) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	215,786,730.35	185,690,803.12
1-2 years	267,451.22	3,037,867.95
2-3 years	6,428,307.81	3,589,291.31
Over 3 years	95,978,334.65	96,629,712.65
3-4 years	113,670.00	723,726.31
4-5 years	497,694.94	663,462.34
Over 5 years	95,366,969.71	95,242,524.00
Total	318,460,824.03	288,947,675.03

(2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debts reserve		Book value	Book balance		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Account receivable with bad debts reserve accrual on a single basis	99,940,200.44	31.38%	99,934,578.73	99.99%	5,621.71	99,944,508.82	34.59%	99,934,578.73	99.99%	9,930.09
Including:										
Account receivable with bad debts reserve accrual on portfolio	218,520,623.59	68.62%	3,441,491.05	1.57%	215,079,132.54	189,003,166.21	65.41%	3,412,214.40	1.81%	185,590,951.81
Including										
Portfolio of sales receivable	175,450,244.90	55.09%	3,441,491.05	1.96%	172,008,753.85	157,172,501.15	54.39%	3,412,214.40	2.17%	153,760,286.75
Object-specific portfolio	43,070,378.69	13.52%	0.00	0.00%	43,070,378.69	31,830,665.06	11.02%	0.00	0.00%	31,830,665.06
Total	318,460,824.03	100.00%	103,376,069.78	32.46%	215,084,754.25	288,947,675.03	100.00%	103,346,793.13	35.77%	185,600,881.90

Bad debts reserve accrual on a single basis:

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debts reserve	Book balance	Bad debts reserve	Accrued ratio	Accrual causes
Bad debts reserve accrual on a single basis	99,944,508.82	99,934,578.73	99,940,200.44	99,934,578.73	99.99%	Highly unlikely to be collected
Total	99,944,508.82	99,934,578.73	99,940,200.44	99,934,578.73		

Bad debts reserve accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrued ratio
Portfolio of sales receivable	175,450,244.90	3,441,491.05	1.96%
Total	175,450,244.90	3,441,491.05	

Explanation on the basis for determining portfolio:

Bad debts reserve accrual on portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrued ratio
Object-specific portfolio	43,070,378.69	0.00	0.00%

Total	43,070,378.69	0.00	

Explanation on the basis for determining portfolio:
If the bad debts reserve of account receivable is made in accordance with the general model of expected credit losses:

☐Applicable ☑Not applicable

(3) Bad debts reserve accrued, collected or reversal

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Change in current period				Ending balance
		Accrued	Collected or reversal	Charged off	Others	
Bad debts reserve for accounts receivable	103,346,793.13	55,286.80	15,902.53		26,010.15	103,360,167.25
Total	103,346,793.13	55,286.80	15,902.53		26,010.15	103,360,167.25

Important bad debts reserve 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

(4) Account receivable charged off in the period

In RMB

Item	Amount charged off

Including major account receivable charged off:

In RMB

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

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
Purchase and Sales Branch of Guangzhou Grain Group Co., Ltd.	32,140,442.12		32,140,442.12	10.09%	
Guangzhou Jinhe Feed Co., Ltd.	10,455,627.54		10,455,627.54	3.28%	10,455,627.54
Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd.	8,823,690.00		8,823,690.00	2.77%	22,241.45
Shanghai Chaozhi Food Trade Co., Ltd.	8,260,872.24		8,260,872.24	2.59%	109,105.81
Shenzhen Hubeilexing Real	5,682,344.40		5,682,344.40	1.78%	37,882.30

Estate Development Co., Ltd.					
Total	65,362,976.30		65,362,976.30	20.51%	10,624,857.10

6.Contract asset

(1) Contract asset

In RMB

Item	Ending balance			Opening balance		
	Book balance	Bad debts reserve	Book value	Book balance	Bad debts reserve	Book value
	0.00		0.00	0.00		0.00
Total	0.00			0.00		

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

In RMB

Item	Amount of change	Reason for change

(3) Accrued bad debts reserve

In RMB

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

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

□Applicable ☑Not applicable

(4) Bad debts reserve accrued, collected or reversal

In RMB

Item	Accrued in the period	Collected or reversal in the period	Written off or charged off in the period	Reason

Important bad debts reserve 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 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 debts reserve

In RMB

<table>
<tr><th rowspan="3">Category</th><th colspan="5">Ending balance</th><th colspan="5">Opening balance</th></tr>
<tr><th colspan="2">Book value</th><th colspan="2">Bad debts reserve</th><th rowspan="2">Book value</th><th colspan="2">Book value</th><th colspan="2">Bad debts reserve</th><th rowspan="2">Book value</th></tr>
<tr><th>Amount</th><th>Ratio</th><th>Amount</th><th>Accrued ratio</th><th>Amount</th><th>Ratio</th><th>Amount</th><th>Accrued ratio</th></tr>
<tr><td colspan="11">Including:</td></tr>
<tr><td colspan="11">Including:</td></tr>
</table>

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

In RMB

<table>
<tr><th rowspan="2">Bad debts reserve</th><th>Phase I</th><th>Phase II</th><th>Phase III</th><th rowspan="2">Total</th></tr>
<tr><th>Expected credit losses over next 12 months</th><th>Expected credit losses for the entire duration (without credit impairment occurred)</th><th>Expected credit losses for the entire duration (with credit impairment occurred)</th></tr>
<tr><td>Balance on Jan. 1, 2026 in the period</td><td></td><td></td><td></td><td></td></tr>
</table>

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

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

(3) Bad debts reserve accrued, collected or reversal

In RMB

<table>
<tr><th rowspan="2">Category</th><th rowspan="2">Opening balance</th><th colspan="4">Amount changed in the period</th><th rowspan="2">Ending balance</th></tr>
<tr><th>Accrued</th><th>Collected or reversal</th><th>Written off or charged off</th><th>Other</th></tr>
<tr><td>Bad debts reserve</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Important bad debts reserve 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 pledged at period-end

(5) Account receivable financing endorsed or discounted and undue on balance sheet date

In RMB

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

(6) Account receivable financing charged off in the period

In RMB

Item	Amount charged off

Including major account receivable financing charged off:

In RMB

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

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	60,366,398.71	23,492,545.72
Total	60,366,398.71	23,492,545.72

(1) Interest receivable

1)Category of interest receivable

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

2)Significant overdue interest

In RMB

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

Other explanation:

3)Accrued bad debts reserve

□Applicable ☑Not applicable

4)Bad debts reserve accrued, collected or reversal

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	

Important bad debts reserve 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) Interest receivable charged off in the period

In RMB

Item	Amount charged off

Including major interest receivable charged off:

In RMB

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

Explanation on interest receivable charged off:

Other explanations:

(2) Dividends receivable

1)Category of dividend receivable

In RMB

Item (or investee)	Ending balance	Opening balance
Total	0.00	0.00

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

3)Accrued bad debts reserve

□Applicable ☑Not applicable

4)Bad debts reserve accrued, collected or reversal

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	

Important bad debts reserve 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) Dividends receivable charged off in the period

In RMB

Item	Amount charged off

Including major dividend receivable charged off:

In RMB

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

Explanation on 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	31,068,107.47	17,012,035.14
Other intercourse funds	131,970,240.58	106,754,608.92
Total	163,038,348.05	123,766,644.06

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	44,843,346.93	8,982,394.22
1-2 years	12,084,508.19	9,637,881.46
2-3 years	7,069,017.59	6,589,021.50
Over 3 years	99,041,475.34	98,557,346.88
3-4 years	436,979.32	2,834,609.30
4-5 years	5,666,556.69	2,104,472.35
Over five years	92,937,939.33	93,618,265.23
Total	163,038,348.05	123,766,644.06

3)Accrued bad debts reserve

☑Applicable □Not applicable

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	
Other account receivable with bad debts reserve accrual on a single basis	104,130,074.72	63.87%	101,677,160.56	97.64%	2,452,914.16	101,489,238.23	82.00%	99,037,039.89	97.58%	2,452,198.34
Including:										
Other account receivable with bad debts reserve accrual on portfolio	58,908,273.33	36.13%	994,788.78	1.69%	57,913,484.55	22,277,405.83	18.00%	1,237,058.45	5.55%	21,040,347.38
Including										
Portfolio of expected credit loss	4,925,889.02	3.02%	994,788.78	20.20%	3,931,100.24	5,298,871.42	4.28%	1,237,058.45	23.35%	4,061,812.97
Object-specific portfolio	53,982,384.31	33.11%	0.00	0.00%	53,982,384.31	16,978,534.41	13.72%	0.00	0.00%	16,978,534.41
Total	163,038,348.05	100.00%	102,671,949.34	62.97%	60,366,398.71	123,766,644.06	100.00%	100,274,098.34	81.02%	23,492,545.72

Bad debts reserve accrual on a single basis

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debts reserve	Book balance	Bad debts reserve	Accrued ratio	Accrual causes
Bad debts reserve accrual on a single basis	101,489,238.23	99,037,039.89	104,130,074.72	101,677,160.56	97.64%	Highly unlikely to be collected
Total	101,489,238.23	99,037,039.89	104,130,074.72	101,677,160.56		

Bad debts reserve accrual on portfolio of expected credit loss

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrued ratio
Portfolio of expected credit loss	4,925,889.02	994,788.78	20.20%
Total	4,925,889.02	994,788.78	

Explanation on the basis for determining portfolio:

Bad debts reserve accrual on object-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrued ratio
Object-specific portfolio	53,982,384.31	0.00	0.00%
Total	53,982,384.31	0.00	

Explanation on the basis for determining portfolio:

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

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2026	1,237,058.45	0.00	99,037,039.89	100,274,098.34
Balance of Jan. 1, 2026 in the period				
Current accrual	6,198.39	0.00	2,640,120.67	2,646,319.06
Current reversal	256.92	0.00	0.00	256.92
Current written off	1,604.84	0.00	0.00	1,604.84
Current charged off	0.00	0.00	0.00	0.00
Other changes	246,606.30	0.00	0.00	246,606.30
Balance on June 30, 2026	994,788.78	0.00	101,677,160.56	102,671,949.34

Classification basis and bad debts reserve ratio for each stage

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

□Applicable ☑Not applicable

4)Bad debts reserve accrued, collected or reversal

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	
Bad debts reserve of other accounts receivable	100,274,098.34	2,646,319.06	256.92	1,604.84	246,606.30	102,671,949.34
Total	100,274,098.34	2,646,319.06	256.92	1,604.84	246,606.30	102,671,949.34

Important bad debts reserve 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 charged off in the period

In RMB

Item	Amount charged off

Including major other account receivable charged off:

In RMB

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

Explanation on other account receivable charged off:

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

In RMB

Enterprise	Nature	Ending balance	Aging	Proportion in total other receivables at	Ending balance of bad debt reserve

				ending balance (%)	
Changzhou Shenbao Chacang E-business Co., Ltd.	Intercourse funds	23,115,502.46	Over five years	14.18%	20,687,644.18
Shanghai United Assets and Equity Exchange Co., Ltd.	Intercourse funds	13,267,620.00	Within one years	8.14%	0.00
Xili Subdistrict Office, Nanshan District	Intercourse funds	9,204,714.00	Within five years	5.65%	0.00
Shenzhen Pingshen International Digital Logistics Port Co., Ltd.	Intercourse funds	8,589,378.99	1-2 years	5.27%	0.00
Shenzhen Gaojian Food Joint Venture Co., Ltd.	Intercourse funds	8,326,202.63	Over five years	5.11%	8,326,202.63
Total		62,503,418.08		38.34%	29,013,846.81

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	28,387,100.12	97.50%	83,616,000.98	99.03%
1-2 year	73,146.00	0.25%	73,787.80	0.09%
2-3 years	158,754.05	0.55%	158,754.05	0.19%
Over 3 years	497,183.69	1.71%	582,496.08	0.69%
Total	29,116,183.86		84,431,038.91	

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

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

Other explanation:

10.Inventory

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

No

(1) By category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventories fall	Book value	Book balance	Inventories fall	Book value

		provision or contract performance costs impairment provision			provision or contract performance costs impairment provision	
Raw materials	73,306,221.61	14,019,708.70	59,286,512.91	71,233,125.89	13,935,531.10	57,297,594.79
Goods in process	32,064,600.56	0.00	32,064,600.56	29,052,810.30	373,605.59	28,679,204.71
Finished goods	4,243,107,681.09	95,667,158.92	4,147,440,522.17	3,945,666,033.12	107,552,367.87	3,838,113,665.25
Goods in transit	5,896,928.59	0.00	5,896,928.59	5,427,563.31	0.00	5,427,563.31
Low value consumables	11,303,299.28	2,456,287.85	8,847,011.43	8,862,548.98	2,109,973.12	6,752,575.86
Work in process-outsourced	5,388,642.06	5,388,642.06	0.00	5,388,642.06	5,388,642.06	0.00
Materials in transit				32,612,559.36	0.00	32,612,559.36
Total	4,371,067,373.19	117,531,797.53	4,253,535,575.66	4,098,243,283.02	129,360,119.74	3,968,883,163.28

(2) Data resource recognized as inventory

In total

Item	Data resource inventory outsourced	Data resource inventory self-processed	Data resource inventory acquired with other manners	Total

(3) Inventories fall provision or impairment provision of contract performance costs

In RMB

Item	Opening balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Others	Reversal or written off	Others	
Raw materials	13,935,531.10	86,957.51	0.00	2,779.91	0.00	14,019,708.70
Goods in process	373,605.59	0.00	0.00	373,605.59	0.00	0.00
Finished goods	107,552,367.87	26,673,512.79	0.00	38,488,681.20	70,040.54	95,667,158.92
Low value consumables	2,109,973.12	399,258.36	0.00	52,943.63	0.00	2,456,287.85
Work in process-outsourced	5,388,642.06	0.00	0.00	0.00	0.00	5,388,642.06
Materials in transit	0.00	0.00	0.00	0.00	0.00	0.00
Total	129,360,119.74	27,159,728.66	0.00	38,918,010.33	70,040.54	117,531,797.53

Inventories fall provision accrual on portfolio

In RMB

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

Standard for inventories fall provision accrual on portfolio

(4) Explanation on the capitalized amount of borrowing costs included in the ending balance of inventory

(5) Explanation on the current amortization amount of contract performance costs

11.Assets held for sale

In RMB

Item	Ending book balance	Impairment provision	Ending book value	Fair value	Estimated disposal cost	Estimated disposal time

Other explanation:

12. Non-current asset due within one year

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

(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	67,474,472.29	73,822,826.88
Prepayment of income taxes	654,014.29	499,623.76
Prepaid and deferred expense	410,856.05	1,149,134.70
Other	65,672.44	32,160.80
Total	68,605,015.07	75,503,746.14

Information on compensatory assets

Other explanation:

14.Creditors' investment

(1) Creditors' investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Changes of impairment provision of creditors' investment in current period

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance

(2) Important creditors' investment at period-end

In RMB

Item	Ending balance					Opening balance				
	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal

(3) Accrual of impairment provision

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2026 in the period				

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

(4) Creditors' investment charged off in the period

In RMB

Item	Amount charged off

Including major creditors' investment charged off:

Explanation on creditors' investment charged off:

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

□Applicable ☑Not applicable

Other explanation:

15.Other creditors' investment

(1) Other creditors' investment

In RMB

Item	Opening balance	Accrual interest	Interest adjustment	Change of fair value in the period	Ending balance	Cost	Accumulated change of fair value	Accumulated impairment provision recognized in other comprehensive income	Note
Total	0.00				0.00				

Changes in impairment provision of other creditors' investments in the current period

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance

(2) Other creditors' investment at year-end

In RMB

Other creditors' item	Ending balance					Opening balance				
	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal	Face value	Coupon rate	Actual rate	Maturity date	Overdue principal

(3) Accrual of impairment provision

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2026 in the period				

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

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

In RMB

Item	Amount charged off

Including major other creditors' investment charged off:

Explanation on other creditors' investment charged off:

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

□Applicable ☑Not applicable

Other explanation:

16.Other equity instrument investment

In RMB

Item	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	Ending balance	Reasons for designating fair value measurement with changes recognized in other comprehensive income

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

Sub-item disclosure of current non-trading equity instrument investments

In RMB

Item	Dividends income	Accumulated gains	Accumulated losses	Amount of other comprehensive	Reasons for designating fair	Reasons for transferring other

				income transferred to retained earnings	value measurement with changes recognized in other comprehensive income	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 debts reserve	Book value	Book balance	Bad debts reserve	Book value	

(2) Accrued bad debts reserve

In RMB

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

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

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2026 in the period				

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

(3) Bad debts reserve accrued, collected or reversal

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	

Important bad debts reserve 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 charged off in the period

In RMB

Item	Amount charged off

Including major long-term account receivable charged off:

In RMB

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

Explanation on long-term account receivable charged off:

18.Long-term equity investment

In RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/-)								Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Others		
I. Joint venture												
II. Associated enterprise												
Zhuhai Hengxing Feed Industrial Co., Ltd.	31,336,409.82	0.00	0.00	0.00	-1,181,827.06	0.00	0.00	2,000,000.00	0.00	0.00	28,154,582.76	0.00
Shenzhen Shenyuan Data Tech. Co., Ltd	11,880,906.07	0.00	0.00	0.00	-435,026.92	0.00	0.00	0.00	0.00	0.00	11,445,879.15	0.00
Subtotal	43,217,315.89	0.00	0.00	0.00	-1,616,853.98	0.00	0.00	2,000,000.00	0.00	0.00	39,600,461.91	0.00
Total	43,217,315.89	0.00	0.00	0.00	-1,616,853.98	0.00	0.00	2,000,000.00	0.00	0.00	39,600,461.91	0.00

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

□Applicable ☑Not applicable

The recoverable amount is determined on the basis of the present value of expected future cash flows

□Applicable ☑Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Other explanation:

19.Other non-current financial assets

In RMB

Item	Ending balance	Opening balance
Equity instrument investment	57,500.00	57,500.00
Total	57,500.00	57,500.00

Other explanation:

20.Investment real estate

(1) Measured 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	614,724,993.55			614,724,993.55
2.Current amount increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	614,724,993.55			614,724,993.55
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	382,842,938.50			382,842,938.50
2.Current amount increased	7,824,619.94			7,824,619.94
(1) Accrual or amortization	7,824,619.94			7,824,619.94
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	390,667,558.44			390,667,558.44
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	224,057,435.11			224,057,435.11
2. Opening book value	231,882,055.05			231,882,055.05

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

□Applicable ☑Not applicable

The recoverable amount is determined on the basis of the present value of expected future cash flows

□Applicable ☑Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

Other explanation:

(2) Measured at fair value

□Applicable ☑Not applicable

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

In RMB

Item	Accounts before conversion	Amount	Reason for conversion	Approval procedures	Impact on gains/losses	Impact on other comprehensive income

(4) Investment real estate without property certificate completed

In RMB

Item	Book value	Reason for not obtaining the property rights certificate

Other explanation:

21.Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	1,958,510,841.98	1,993,966,742.36
Disposal of fixed assets	72,206.81	0.00
Total	1,958,583,048.79	1,993,966,742.36

(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	1,890,806,416.22	812,400,113.68	14,355,304.97	102,313,080.29	2,819,874,915.16
2.Current amount increased	498,938.01	3,335,216.04	804,986.07	768,032.52	5,407,172.64
(1) Purchase	100,844.34	372,516.14	804,986.07	656,784.64	1,935,131.19
(2) Construction in progress transfer-in	398,093.67	2,962,699.90	0.00	96,247.88	3,457,041.45
(3) Increased by combination	0.00	0.00	0.00	0.00	0.00
(4) Other increase	0.00	0.00	0.00	15,000.00	15,000.00
3.Current amount decreased	153,732.81	2,515,883.19	143,788.09	1,346,289.19	4,159,693.28

(1) Disposal or scrap		2,361,414.17	143,788.09	1,298,133.55	3,803,335.81
(2) Other decrease	153,732.81	154,469.02	0.00	48,155.64	356,357.47
4.Ending balance	1,891,151,621.42	813,219,446.53	15,016,502.95	101,734,823.62	2,821,122,394.52
II. Accumulated depreciation					
1.Opening balance	348,460,291.24	379,417,797.55	12,763,105.14	82,698,644.34	823,339,838.27
2.Current amount increased	21,684,365.68	15,403,971.55	198,006.82	3,833,193.72	41,119,537.77
(1) Accrual	20,945,464.16	15,403,971.55	198,006.82	3,833,193.72	40,380,636.25
(2) Other increase	738,901.52	0.00	0.00	0.00	738,901.52
3.Current amount decreased	0.00	2,291,882.25	131,428.45	1,992,847.33	4,416,158.03
(1) Disposal or scrap	0.00	1,750,528.33	131,428.45	1,255,882.20	3,137,838.98
(2) Other decrease	0.00	541,353.92	0.00	736,965.13	1,278,319.05
4.Ending balance	370,144,656.92	392,529,886.85	12,829,683.51	84,538,990.73	860,043,218.01
III. Impairment provision	0.00	2,558,444.66	0.00	9,889.87	2,568,334.53
1.Opening balance					
2.Current amount increased					
(1) Accrual					
3.Current amount decreased					
(1) Disposal or scrap					
4.Ending balance	0.00	2,558,444.66	0.00	9,889.87	2,568,334.53
IV. Book value					
1.Ending book value	1,521,006,964.50	418,131,115.02	2,186,819.44	17,185,943.02	1,958,510,841.98
2. Opening book value	1,542,346,124.98	430,423,871.47	1,592,199.83	19,604,546.08	1,993,966,742.36

(2) Temporarily idle fixed assets

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note

(3) Fixed assets leased out by operation

In RMB

Item	Ending book value

(4) Fix assets without property certification held

In RMB

Item	Book value	Reasons for without the property certification
No. 1 Grain and Oil Headquarters of Dongguan Logistics	104,596,895.00	The joint inspection has not been completed temporarily
Office building	13,612,062.68	Remaining issues, currently being followed

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	72,206.81	
Total	72,206.81	0.00

Other explanation:

22.Construction in progress

In RMB

Item	Ending balance	Opening balance
Construction in progress	71,035,610.36	51,951,405.25
Engineering material	0.00	0.00
Total	71,035,610.36	51,951,405.25

(1) Construction in progress

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Berth No.3 construction project	29,931,387.63		29,931,387.63	29,296,847.97		29,296,847.97
Plot A3, workshop No. 2	8,544,013.16		8,544,013.16	4,266,057.79		4,266,057.79
Beverage-tea new-quality productivity technology upgrade project	8,153,510.89		8,153,510.89			
Production workshop renovation for beverage-tea new-quality productivity technology upgrade project	6,436,550.75		6,436,550.75			
Reinforcement project of Buji Industrial Zone	5,349,748.52		5,349,748.52			
Lifting equipment construction project for berths No.1 and No.2	892,543.31		892,543.31	892,543.31		892,543.31
Other	16,628,429.48	4,900,573.38	11,727,856.10	22,396,529.56	4,900,573.38	17,495,956.18
Total	75,936,183.74	4,900,573.38	71,035,610.36	56,851,978.63	4,900,573.38	51,951,405.25

(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	Progress	Accumulated capitalization of interest	Including: amount of capitalization of interest in	Interest capitalization rate in Period	Capital resources

							budget			Period		
Berth No.3 construction project	185,184,073.19	29,296,847.97	634,539.66			29,931,387.63	16.16%	16.16%				Others
Total	185,184,073.19	29,296,847.97	634,539.66			29,931,387.63						

(3) Impairment provision of construction in progress

In RMB

Item	Opening balance	Current increase	Current decrease	Ending balance	Reason for accrual

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
Total			0.00			0.00

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	77,539.08				77,539.08
2.Current amount	4,846.20				4,846.20

increased					
(1) Accrual	4,846.20				4,846.20
3.Current amount decreased					
(1) Disposal					
(2) Other					
4.Ending balance	82,385.28				82,385.28
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	334,386.00				334,386.00
2. Opening book value	339,232.20				339,232.20

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

□Applicable ☑Not applicable

(3) Productive biological asset measured at fair value

□Applicable ☑Not applicable

24. Oil and gas asset

□ Applicable ☑Not applicable

25. Right-of-use asset

(1) Right-of-use asset

In RMB

Item	House and building	Land use rights	Total
I. Original book value			
1.Opening balance	79,089,303.41	2,875,969.39	81,965,272.80
2.Current amount increased	413,515,159.11	0.00	413,515,159.11
(1) Lease	413,515,159.11	0.00	413,515,159.11
3.Current amount decreased			
Other decrease			
4.Ending balance	492,604,462.52	2,875,969.39	495,480,431.91
II. Accumulated depreciation			

1.Opening balance	25,914,326.33	1,249,407.80	27,163,734.13
2.Current amount increased	21,111,246.63	135,902.25	21,247,148.88
(1) Accrual	21,111,246.63	135,902.25	21,247,148.88
3.Current amount decreased			
(1) Disposal			
(2) Other decrease			
4.Ending balance	47,025,572.96	1,385,310.05	48,410,883.01
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	445,578,889.56	1,490,659.34	447,069,548.90
2. Opening book value	53,174,977.08	1,626,561.59	54,801,538.67

(2) Impairment testing of right-of-use assets

□Applicable ☑Not applicable

Other explanation:

26.Intangible assets

(1) Intangible assets

In RMB

Item	Land use right	Patent	Non-patent technology	Shop use rights	Software usage rights	Forest use rights	Trademark rights	Total
I. Original book value								
1.Opening balance	500,480,270.30	54,891,301.41		3,610,487.37	120,096,244.95	22,859,104.98	98,073.32	702,035,482.33
2.Current amount increased					1,253,938.38			1,253,938.38
(1) Purchase					564,528.30			564,528.30
(2) Internal R&D								
(3) Increased by combination								
(4) Other increase					689,410.08			689,410.08
3.Current amount decreased								
(1) Disposal								
(2) Other decrease								
4.Ending balance	500,480,270.30	54,891,301.41		3,610,487.37	121,350,183.33	22,859,104.98	98,073.32	703,289,420.71
II. Accumulated								

depreciation								
1.Opening balance	131,535,763.55	34,113,659.94		1,772,902.46	82,370,273.79	10,004,753.26	96,854.32	259,894,207.32
2.Current amount increased	6,185,823.47	827,309.46		44,880.36	7,323,954.09	462,710.42	0.00	14,844,677.80
(1) Accrual	6,185,823.47	827,309.46		44,880.36	7,323,954.09	462,710.42	0.00	14,844,677.80
(2) Other increase								
3.Current amount decreased								
(1) Disposal								
(3) Other decrease								
4.Ending balance	137,721,587.02	34,940,969.40		1,817,782.82	89,694,227.88	10,467,463.68	96,854.32	274,738,885.12
III. Impairment provision								
1.Opening balance		5,553,283.54						5,553,283.54
2.Current amount increased								
(1) Accrual								
3.Current amount decreased								
(1) Disposal								
4.Ending balance		5,553,283.54						5,553,283.54
IV. Book value								
1.Ending book value	362,758,683.28	14,397,048.47		1,792,704.55	31,655,955.45	12,391,641.30	1,219.00	422,997,252.05
2. Opening book value	368,944,506.75	15,224,357.93		1,837,584.91	37,725,971.16	12,854,351.72	1,219.00	436,587,991.47

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

(2) Data resource recognized as intangible assets

□Applicable ☑Not applicable

(3) Land use rights without certificate of ownership

In RMB

Item	Book value	Reasons for without the property certification
Land use right	7,849,990.00	Still in progress

Other explanation:

(4) Impairment testing of intangible assets

□Applicable ☑Not applicable

27.Goodwill

(1) Original book value of goodwill

In RMB

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

(2) Impairment provision of goodwill

In RMB

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

(3) Related information of asset group or asset group portfolio where goodwill is included

Name	Component and basis of asset group or asset group portfolio	Operation segment and basis	Consistent with previous years(Y/N)?

Changes in asset group or asset group portfolio

Name	Component before change	Component after change	Objective fact and basis leading to change

Other explanation

(4) Specific method of determining the recoverable amount

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

□Applicable ☑Not applicable

The recoverable amount is determined on the basis of the present value of expected future cash flows

□Applicable ☑Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

(5) Completion of performance commitments and corresponding impairment of goodwill

When goodwill is formed, there is a performance commitment and the reporting period or the previous period is within the performance commitment period

□Applicable ☑Not applicable

Other explanation:

28.Long-term expenses to be apportioned

In RMB

Item	Opening balance	Current amount increased	Current amortization	Other decreased	Ending balance
Decoration fee	4,390,400.05	459,000.07	881,187.62	149,146.51	3,819,065.99
Improvement expenditure for fix assets	14,600,283.81	1,831,737.46	2,209,598.85	31,132.08	14,191,290.34
Other	2,185,921.07	0.00	330,006.66	0.00	1,855,914.41
Total	21,176,604.93	2,290,737.53	3,420,793.13	180,278.59	19,866,270.74

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	89,507,372.27	21,815,106.86	99,386,125.59	24,284,726.94
Unrealized profits in internal transactions	1,295,708.20	194,356.23	1,511,260.27	226,689.05
Credit impairment loss	128,933,082.57	31,819,501.06	129,373,347.11	31,926,345.31
Lease liabilities	432,360,833.39	108,086,061.96	57,798,738.00	14,449,684.50
Total	652,096,996.43	161,915,026.11	288,069,470.97	70,887,445.80

(2) Deferred income tax liabilities not offset

In RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation appreciation of enterprise combination under different control	39,498,363.08	9,874,590.77	40,325,797.60	10,081,449.40
Right-of-use assets	447,083,929.48	111,770,982.37	54,808,175.81	13,702,043.94
Total	486,582,292.56	121,645,573.14	95,133,973.41	23,783,493.34

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

In RMB

Item	Offsetting between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after offsetting	Offsetting between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax asset	111,770,982.37	50,144,043.74	13,702,043.94	57,185,401.86
Deferred income tax liabilities	111,770,982.37	9,874,590.77	13,702,043.94	10,081,449.40

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Ending balance	Opening balance
Deductible temporary differences	181,106,212.03	162,482,468.67
Deductible loss	257,662,065.42	245,781,883.46
Total	438,768,277.45	408,264,352.13

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

In RMB

Year	Ending balance	Opening balance	Note
2026	18,811,899.94	19,484,453.96	
2027	25,006,838.94	15,031,259.32	
2028	75,717,167.26	85,404,328.21	
2029	62,980,538.54	59,406,260.42	
2030	33,647,520.83	38,491,553.46	
2031	27,714,260.65	7,114,166.80	
2032	5,673,197.69	5,673,197.69	
2033	4,696,747.36	7,780,257.86	
2034	3,413,894.21	7,396,405.74	
Total	257,662,065.42	245,781,883.46	

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
Shuang Guang Grain Depot	51,100,263.93	0.00	51,100,263.93	51,100,263.93	0.00	51,100,263.93
Property to be relocated	11,121,891.68	0.00	11,121,891.68	12,868,260.22	0.00	12,868,260.22
Prepaid for engineer	2,113,270.81	0.00	2,113,270.81	1,919,383.97	0.00	1,919,383.97
Prepaid for system	2,288,069.04	0.00	2,288,069.04	602,767.82	0.00	602,767.82
Total	66,623,495.46	0.00	66,623,495.46	66,490,675.94	0.00	66,490,675.94

Information on compensatory assets

Other explanation:

31.Assets with restricted ownership or use rights

In RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction status	Book balance	Book value	Restriction type	Restriction status
Monetary fund	3,090,418.00	3,090,418.00	Security deposit		4,280,703.44	4,280,703.44	Security deposit	
Total	3,090,418.00	3,090,418.00			4,280,703.44	4,280,703.44		

Other explanation:

32.Short-term loans

(1) By category

In RMB

Item	Ending balance	Opening balance
Loan in credit	1,710,960,395.75	1,155,754,328.18
Total	1,710,960,395.75	1,155,754,328.18

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

Other explanation:

33. Tradable financial liabilities

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation:

34.Derivative financial liabilities

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

Other explanation:

35. Notes payable

In RMB

Category	Ending balance	Opening balance

Notes expiring at year-end not repaid was 0.00 yuan.

36. Accounts payable

(1) Accounts payable

In RMB

Item	Ending balance	Opening balance
Trade accounts payable	108,229,340.56	246,567,085.98
Account payable for engineering and equipment	33,266,810.05	55,607,350.97
Usage fee of Pinghu Grain Depot	60,861,292.92	40,574,195.28

Other	3,043,271.60	3,019,639.49
Total	205,400,715.13	345,768,271.72

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

In RMB

Item	Ending balance	Reason for not repaying or carry-over
Guangdong Henghui Construction Co., Ltd.	14,404,674.30	Partial projects are unsettled
Total	14,404,674.30	

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	300,824,913.47	260,252,669.16
Total	303,758,603.51	263,186,359.20

(1) Interest payable

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

Important overdue and unpaid interest situation:

In RMB

Borrower	Overdue amount	Overdue reason

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	207,512,520.09	192,976,382.72
Deposit and margin	75,575,394.25	54,313,673.64
Engineering quality assurance deposit and final payment	1,035,714.75	1,079,444.38

Accrued expenses	16,701,284.38	11,883,168.42
Total	300,824,913.47	260,252,669.16

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

In RMB

Item	Ending balance	Reason for not repaying or carry-over

Other explanation:

38.Accounts received in advance

(1) Accounts received in advance

In RMB

Item	Ending balance	Opening balance
Lease payment received in advance	427,139.08	361,950.00
Other	803,501.64	562,382.28
Total	1,230,640.72	924,332.28

(2) Significant accounts received in advance with aging over one year or overdue significant accounts received in advance

In RMB

Item	Ending balance	Reason for not repaying or carry-over

In RMB

Item	Change in amount	Reason for change

39.Contract liabilities

In RMB

Item	Ending balance	Opening balance
Advance on sales	93,309,336.33	77,779,348.91
Total	93,309,336.33	77,779,348.91

Significant contract liabilities with aging over 1 year

In RMB

Item	Ending balance	Reason for not repaying or carry-over

Amount and reasons for important changes in book value in the period

In RMB

Item	Change in amount	Reason for change

40.Wage payable

(1) Wage payable

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	137,824,755.53	150,884,271.05	163,652,966.65	125,056,059.93
II. After-service welfare-defined contribution plans	4,599,429.13	18,045,843.59	17,709,768.09	4,935,504.63

III. Dismissed welfare	726,674.60	0.00	0.00	726,674.60
Total	143,150,859.26	168,930,114.64	181,362,734.74	130,718,239.16

(2) Short-term compensation

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wage, bonus, allowance and subsidy	130,836,170.55	129,549,461.32	141,485,759.22	118,899,872.65
2. Employees' welfare	593,577.49	3,341,081.65	3,838,662.03	95,997.11
3. Social insurance charges	395,402.27	4,768,323.10	4,788,510.84	375,214.53
Including: medical insurance premium	361,001.91	4,168,088.13	4,187,859.64	341,230.40
Industrial injury insurance premiums	5,202.62	338,844.64	339,260.87	4,786.39
Maternity insurance premiums	29,197.74	261,390.33	261,390.33	29,197.74
4. Housing public reserve	126,573.60	9,441,159.89	9,441,387.90	126,345.59
5. Trade union fee and education fee	5,781,374.76	2,456,574.28	2,705,975.85	5,531,973.19
8.Non-monetary welfare	86,656.86	1,327,670.81	1,387,670.81	26,656.86
9.Other short-term compensation	5,000.00	0.00	5,000.00	0.00
Total	137,824,755.53	150,884,271.05	163,652,966.65	125,056,059.93

(3) Defined contribution plans

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance premiums	91,766.23	11,181,529.76	11,214,829.12	58,466.87
2. Unemployment insurance premiums	4,739.36	532,328.46	533,369.08	3,698.74
3. Enterprise annuity	4,502,923.54	6,296,276.79	5,925,861.31	4,873,339.02
4.Total	0.00	35,708.58	35,708.58	0.00
Total	4,599,429.13	18,045,843.59	17,709,768.09	4,935,504.63

Other explanation:

41.Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	1,891,921.00	2,185,699.76
Enterprise income tax	55,230,939.60	223,830,634.62
Personal income tax	928,067.43	1,026,973.43
Urban maintenance and construction tax	91,225.69	119,906.94
Property tax	6,222,658.31	1,336,335.07
Stamp tax	711,985.94	835,850.04
Educational surtax	66,775.01	91,940.30
Use tax of land	680,329.66	138,387.07
Others	2,644.11	2,644.11
Total	65,826,546.75	229,568,371.34

Other explanation:

42.Liabilities held for sale

In RMB

Item	Ending balance	Opening balance
Total	0.00	0.00

Other explanation:

43.Non-current liabilities due within one year

In RMB

Item	Ending balance	Opening balance
Lease liabilities due within one year	93,300,969.85	26,385,962.57
Total	93,300,969.85	26,385,962.57

Other explanation:

44.Other current liabilities

In RMB

Item	Ending balance	Opening balance
Deferred output tax	4,407,812.82	4,373,517.22
Total	4,407,812.82	4,373,517.22

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 loans

(1) Category of long-term loans

In RMB

Item	Ending balance	Opening balance

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 preferred stock, perpetual capital securities and other financial instruments classified as financial liability)

In RMB

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

(3) Description of convertible bonds

(4) Other financial instruments classified as financial liability

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

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

In RMB

Outstanding financial instrument	Period-beginning		Current increased		Current decreased		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Explanation on the basis for classifying other financial instrument into financial liability

Other explanation

47.Lease liabilities

In RMB

Item	Ending balance	Opening balance
Lease payments	455,276,498.84	57,694,189.71
Unrecognized financing charges	-22,794,414.36	-1,839,958.48
Minus: lease liabilities due within one year	-93,300,969.85	-26,385,962.57
Total	339,181,114.63	29,468,268.66

Other explanation:

48.Long-term account payable

In RMB

Item	Ending balance	Opening balance
Special account payable	16,769,012.85	16,732,409.88
Total	16,769,012.85	16,732,409.88

(1) By nature

In RMB

Item	Ending balance	Opening balance

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	16,517,932.79	36,602.97	0.00	16,554,535.76	
Special funding for research in the grain public welfare industry	207,477.09	0.00	0.00	207,477.09	
Grain and oil market monitoring and early warning subsidy	7,000.00	0.00	0.00	7,000.00	
Total	16,732,409.88	36,602.97	0.00	16,769,012.85	

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

Scheme assets:

In RMB

Item	Current Period	Last Period

Net liability (assets) of the defined benefit plans

In RMB

Item	Current Period	Last Period

Content of defined benefit plans and relevant risks, impact on future cash flow of the Company as well as times and uncertainty:

Major actuarial assumption and sensitivity analysis of defined benefit plans:

Other explanation:

50.Accrual liabilities

In RMB

Item	Ending balance	Opening balance	Causes

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	78,672,600.62	431,200.00	3,784,772.32	75,319,028.30	Government grant related to assets
Total	78,672,600.62	431,200.00	3,784,772.32	75,319,028.30	--

Other explanation:

52.Other non-current liabilities

In RMB

Item	Ending balance	Opening balance

Other explanation:

53. Share capital

In RMB

	Opening balance	Current increased (decreased) +/-					Ending balance
		New shares issued	Bonus shares	Shares converted from public reserve	Others	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)	1,263,011,835.48	0.00	0.00	1,263,011,835.48
Other capital reserve	8,896,381.86	0.00	0.00	8,896,381.86
Total	1,271,908,217.34	0.00	0.00	1,271,908,217.34

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

56. Treasury stock

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance

Other explanation, including changes and reason for changes:

57. Other comprehensive income

In RMB

Item	Opening balance	Current Period						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains/losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
II. Other comprehensive income re-classified into gains/losses	-726,271.56	-159,928.90	0.00	0.00	0.00	-159,928.90	0.00	-886,200.46
Exchange differences on translation of foreign currency financial statements	-726,271.56	-159,928.90	0.00	0.00	0.00	-159,928.90		-886,200.46
Total of other comprehensive income	-726,271.56	-159,928.90	0.00	0.00	0.00	-159,928.90		-886,200.46

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

58. Reasonable reserve

In RMB

Item	Opening balance	Current increased	Current decreased	Ending balance

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	642,697,918.23	0.00	0.00	642,697,918.23
Total	642,697,918.23	0.00	0.00	642,697,918.23

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

60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at last period-end before adjustment	1,922,336,040.31	1,877,968,762.99
Retained profit at period-beginning after adjustment	1,922,336,040.31	1,877,968,762.99
Add: net profit attributable to shareholder of parent company	111,864,974.09	243,215,785.97
Less: withdrawal of legal surplus reserve	0.00	25,968,220.55
Common stock dividends payable	138,304,230.48	172,880,288.10
Retained profit at period-end	1,895,896,783.92	1,922,336,040.31

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 were affected by 0.00 yuan.

5) Due to other adjustments, the retained profits at the beginning of the period were affected by 0.00 yuan.

Description on the details of using capital surplus to make up for losses:

61. Operating revenue and operating cost

In RMB

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Main business	2,385,724,293.46	1,999,719,465.96	2,380,995,921.98	1,941,297,621.82
Other business	1,868,050.31	1,424,276.89	3,231,515.92	847,514.29
Total	2,387,592,343.77	2,001,143,742.85	2,384,227,437.90	1,942,145,136.11

Information on breakdown of operating revenue and operating cost:

In RMB

Category	Branch 1		Branch 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business types								
Including:								
Classification by business area								
Including:								
Market or customer type								
Including:								
Contract types								
Including:								
Classification by time of goods transfer								
Including:								
Classification by contract duration								
Including:								
Classification by sales channel								
Including:								
Total								

Information relating to performance obligations:

Item	Time for performance obligations	Important payment terms	Nature of the goods promised to transfer by the company	Is it the main responsible person?	Expected refunds to customers borne by the company	Types of quality assurance provided by the company and related obligations

Other explanations

Information related to the transaction price allocated to the remaining performance obligations:

At the end of this reporting period, the contract has been signed, but the income corresponding to unfulfilled or incomplete performance obligations is 93,309,336.33 yuan, all of which is expected to be recognized in the year of 2026.

Related information of contract variable price:

Significant contract changes or significant transaction price adjustments

In RMB

Item	Accounting treatment method	Impact on income

Other explanation:

62.Tax and surcharge

In RMB

Item	Current period	Last period
Urban maintenance and construction tax	690,794.02	558,488.19
Education surcharge	548,868.35	427,914.55
Property tax	6,287,537.83	6,030,291.88
Use tax of land	855,686.85	983,134.88
Vehicle and vessel use tax	6,355.28	76,244.89
Stamp duty	1,405,683.23	789,944.86
Other	5,289.06	282,049.61
Total	9,800,214.62	9,148,068.86

Other explanation:

63.Administration expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	77,039,885.28	68,048,573.63
Depreciation and amortization of long-term assets	18,190,650.86	20,704,572.10
Office expenses	3,796,707.04	2,734,065.83
Intermediary agency fees	2,085,023.09	2,447,676.25
Communication expense	815,099.71	767,588.46
Vehicle usage fee	344,883.72	475,475.05
Travelling expense	515,774.62	1,239,181.61
Rental	12,000.00	16,200.00
Repairing expense	504,787.24	234,333.21
Low-value consumable	21,822.92	311.03
Business hospitality	94,918.95	307,633.92
Relocation and shutdown costs	3,093,737.80	
Other	2,831,888.16	4,963,966.38
Total	109,347,179.39	101,939,577.47

Other explanation:

64.Sales expense

In RMB

Item	Current period	Last period
Labor and social security benefits	41,508,272.52	42,115,079.76
Depreciation and amortization of long-term assets	2,259,377.80	2,943,601.35
Utilities and office expenses	2,342,238.02	2,169,551.44
Sales service fee	3,042,416.63	5,127,547.02

Storage and loading/unloading fees		1,584.16
Low value consumables and other loss expenses	388,497.09	879,315.37
Travel expenses	1,221,996.56	1,580,085.82
Business hospitality	435,459.17	484,397.33
Advertising expenses	133,235.02	122,150.87
Rental	286,877.85	30,827.57
Property insurance premium		81,175.86
Logistics and transportation costs	61,059.66	239,131.85
Sales commission		12,494.53
Vehicle use fee	425,636.67	123,924.22
Other	5,521,954.34	4,798,653.56
Total	57,627,021.33	60,709,520.71

Other explanation:

65.R&D expenses

In RMB

Item	Current period	Last period
Labor and social security benefits	7,049,270.29	4,508,400.43
Direct investment	1,822,537.09	2,305,713.08
Depreciation and amortization	1,318,192.37	1,650,826.40
Entrusted R&D expense		461,108.08
Travel expense	368,220.62	372,878.73
Inspection and debugging expense	566,419.70	448,208.19
Office expense		14,903.78
Other expenses	1,235,340.93	446,593.52
Total	12,359,981.00	10,208,632.21

Other explanation:

66.Financial expense

In RMB

Item	Current period	Last period
Interest expenses	14,788,260.91	19,155,569.88
Interest income	470,180.69	406,929.22
Exchange gains/losses	50,843.02	-37,433.71
Handling fee and others	504,814.66	330,738.52
Total	14,873,737.90	19,041,945.47

Other explanation:

67.Other income

In RMB

Sources	Current period	Last period
Government grant	31,727,647.12	3,348,104.77
Input tax deduction	300,719.35	501,558.34
Handling fees for withholding personal income tax	342,219.21	336,461.35
Other	289.62	

68.Net exposure hedge gains

In RMB

Item	Current period	Last period
Total	0.00	0.00

Other explanation:

69.Income of fair value changes

In RMB

Sources	Current period	Last period
Total	0.00	0.00

Other explanation:

70.Investment income

In RMB

Item	Current period	Last period
Long-term equity investment income measured with equity method	-1,616,853.98	-4,462,721.92
Investment income from the disposal of long-term equity investment	4,138,196.12	
Total	2,521,342.14	-4,462,721.92

Other explanation:

71.Credit impairment loss

In RMB

Item	Current period	Last period
Loss of bad debt of accounts receivable	-39,384.27	249,349.20
Loss of bad debt of other accounts receivable	-2,646,062.14	1,014,575.17
Total	-2,685,446.41	1,263,924.37

Other explanation:

72.Asset impairment loss

In RMB

Item	Current period	Last period
I. Inventory depreciation loss and impairment loss of contract performance cost	-27,159,728.66	-42,521,010.08
Total	-27,159,728.66	-42,521,010.08

Other explanation:

73.Income from disposal of assets

In RMB

Sources	Current period	Last period
Income from the disposal of non-current assets	-14,320.85	19,967,516.74

74.Non-operation income

In RMB

Item	Current period	Last period	Amount included in the current non-recurring gains/losses
Government grants	200,000.00	11,250.00	200,000.00
Gains from damage and scrapping of non-current assets	6,841.85	26,999.99	6,841.85
Liquidated damages compensation income	89,691.67	79,300.00	89,691.67
Other	729,426.74	29,151.54	729,426.74
Total	1,025,960.26	146,701.53	1,025,960.26

Other explanation:

75.Non-operating expenditure

In RMB

Item	Current period	Last period	Amount included in current non-recurring gains/ losses
External donations		100,000.00	
Loss from damage and scrapping of non-current assets	55,902.37	45,422.67	55,902.37
Penalty expenses and liquidated damages	76,447.61	6,236.50	76,447.61
Loss of scrap from inventory		71,928.77	
Other	236,490.49	75,927.79	236,490.49
Total	368,840.47	299,515.73	368,840.47

Other explanation:

76.Income tax expense

(1) Income tax expense

In RMB

Item	Current period	Last period
Current income tax expenses	69,630,188.61	45,549,703.07
Deferred income tax expenses	6,834,499.49	-2,212,397.91
Total	76,464,688.10	43,337,305.16

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

In RMB

Item	Current period
Total profit	188,130,307.99
Income tax expenses calculated by statutory/applicable tax rate	47,032,577.00
Impact from different tax rate applicable with subsidiaries	-1,066,143.32
Effect of adjusting income tax in the previous period	-342,425.92
Impact of non-taxable income	-1,365,388.35
Impact of cost, expenses and losses unable to be deducted	1,442,505.63
Impact of the use of a previously unrecognized deferred income tax asset on deductible losses	-208,457.23
Impact of unrecognized deferred income tax assets in current period on deductible temporary differences or deductible losses	5,455,539.31
Other	25,516,480.98
Income tax expenses	76,464,688.10

Other explanation:

77. Other comprehensive income

Refer to Note VII. 57 for details.

78. Items of cash flow statement

(1) Cash received with operating activities concerned

Cash received with other operating activities concerned

In RMB

Item	Current period	Last period
Intercourse funds and deposit	170,180,192.29	167,279,594.99
Government grants	884,333.65	234,873.15
Interest income	487,155.58	540,453.34
Other	1,035,917.12	5,548,924.52
Total	172,587,598.64	173,603,846.00

Note of cash paid with other operating activities concerned:

Cash paid with other operating activities concerned

In RMB

Item	Current period	Last period
Intercourse funds and deposit	176,922,334.93	175,723,905.37
Daily operating expenses	54,573,529.64	53,387,305.01
Other	1,017,565.03	1,947,940.25
Total	232,513,429.60	231,059,150.63

Note of cash paid with other operating activities concerned:

(2) Cash with investment activities concerned

Cash received with other investment activities concerned

In RMB

Item	Current period	Last period
Total	0.00	0.00

Significant cash received with investment activities concerned:

In RMB

Item	Current period	Last period

Explanation on cash received with other investment activities concerned：

Cash paid with other investment activities concerned

In RMB

Item	Current period	Last period
Cash and cash equivalents held by the subsidiary at the date of loss of control	6,299.62	
Total	6,299.62	

Significant cash paid with investment activities concerned

In RMB

Item	Current period	Last period

Cash paid with other operating activities concerned

(3) Cash with financing activities concerned

Cash received with other financing activities concerned

In RMB

Item	Current period	Last period
Refunded security deposit	3,566,285.43	
Total	3,566,285.43	0.00

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	41,729,973.93	5,323,196.47
Total	41,729,973.93	5,323,196.47

Explanation on cash paid with other financing activities concerned:

Changes in liabilities arising from financing activities

□Applicable ☑Not applicable

(4) Cash flow listed at net amount

Item	Relevant facts	Basis for being listed at net amount	Financial impact

(5) Significant activities and financial impacts that do not involve current cash inflow and outflow but affect the financial condition of the company or may affect the cash flow of the company in the future

79.Supplementary information of cash flow statement

(1) Supplementary information of cash flow statement

In RMB

Supplementary information	Current amount	Last amount
1. Net profit adjusted to cash flow of operation activities:		
Net profit	111,665,619.89	175,978,271.28
Add: Impairment provision of assets	29,845,175.07	41,283,621.10
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	48,210,102.39	56,850,288.74
Depreciation of right-of-use assets	21,247,148.88	21,244,007.42
Amortization of intangible assets	14,844,677.80	15,713,200.60
Amortization of long-term deferred expenses	3,420,793.13	4,257,789.16
Loss from the disposal of fixed assets, intangible assets and other long-term assets (income is listed with "-")	14,320.85	-19,952,880.86
Losses on scrapping of fixed assets (income is listed with "- ")	49,060.52	15,786.79
Loss from change of fair value (income is listed with "- ")		
Financial expenses (income is listed with "-")	14,806,254.30	42,632,880.85
Investment loss (income is listed with "-")	-4,138,196.12	4,462,721.92

Decrease of deferred income tax assets (increase is listed with "-")	-91,027,580.31	-1,882,996.58
Increase of deferred income tax asset ((increase is listed with "-")	97,862,079.80	-184,876.57
Decrease of inventory (increase is listed with "-")	-311,812,141.04	526,841,580.03
Decrease of operating receivable accounts (increase is listed with "-")	9,279,719.66	162,945,770.18
Increase of operating payable accounts (decrease is listed with "-")	2,851,411.90	-292,926,597.25
Other		
Net cash flow from operating activities	-52,881,553.28	737,278,566.81
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Convertible company bonds due within one year		
Financing lease of fixed assets		
3. Net change of cash and cash equivalents:		
Ending balance of cash	83,587,338.55	172,849,270.67
Less: opening balance of cash	69,926,342.31	158,935,342.85
Add: ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	13,660,996.24	13,913,927.82

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

In RMB

	Amount
Including:	
Including	
Including:	

Other explanation:

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

In RMB

	Amount
Cash or cash equivalents received during the current period from disposal of subsidiaries	0.00
Of which:	
Less: cash and cash equivalents held by the subsidiary at the date of loss of control	6,299.62
Of which	
Hangzhou Fuhaitang Catering Management Chain Co., Ltd.	6,299.62
Of which	
Net cash received from disposal of subsidiaries	-6,299.62

Other explanation:

(4) Component of cash and cash equivalents

In RMB

Item	Ending balance	Opening balance
I. Cash	83,587,338.55	69,926,342.31
Including: Cash on hand	5,997.77	6,237.19
Bank deposit available for payment at any time	83,581,340.78	69,926,342.31
III. Ending balance of cash and cash equivalents	83,587,338.55	69,926,342.31

(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

(6) Monetary funds not belonging to cash and cash equivalents

In RMB

Item	Current amount	Last amount	Reason for not belonging to cash and cash equivalents
Monetary fund	3,090,418.00	6,953,725.85	Security deposit for letters of credit, litigation preservation
Total	3,090,418.00	6,953,725.85	

Other explanation:

(7) Explanation on other significant activities

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" that have been adjusted to the ending balance of the previous year

81. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			
Including: USD	2,313.12	6.8109	15,754.43
EURO			
HKD	4,344,768.81	0.8685	3,773,431.71
Account receivable			
Including: USD	86,229.94	6.8109	587,303.50
EURO			
HKD	221,576.43	0.8685	192,639.52
Long-term borrow			
Including: USD			
EURO			
HKD			

Other explanation:

(2) Nature and financial effects of the lack of convertibility of the currency, the spot exchange rates adopted and their estimation process, as well as the risks to which the entity is exposed due to the lack of currency convertibility.

□Applicable ☑Not applicable

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

□Applicable ☑Not applicable

(3) Situations where there is a lack of convertibility between the functional currency of a foreign operation and the presentation currency of the entity.

□Applicable ☑Not applicable

(4) Circumstance of lack of convertibility between the functional currency of foreign operation and the entity's presentation currency

□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 rental fees for short-term leases and low value asset leases

☑Applicable □Not applicable

Item	Current amount	
Short-term leases	39,496,073.75	
Low- value lease expense	17,522.15	
Total	39,513,595.90	

Circumstances involving sale-leaseback transactions

(2) The company as leasee

Operating lease with the company as leasee

☑Applicable □Not applicable

In RMB

Item	Lease income	Including: income related to variable lease payments not included in lease payments
Lease income	66,395,832.10	
Total	66,395,832.10	

Financing lease with the company as lessor

□Applicable ☑Not applicable

Annual lease payments not discounted in the next five years

□Applicable ☑Not applicable

Adjustment table for lease payment not discounted and net lease investments

(3) Recognize gains/losses from financing lease as producer or dealer

□Applicable ☑Not applicable

83.Data resources

84.Others

VIII. R&D expenditure

In RMB

Item	Current period	Last period
Labor and social security benefits	7,049,270.29	4,508,400.43
Direct investment	1,822,537.09	2,305,713.08
Depreciation and amortization	1,318,192.37	1,650,826.40
Entrusted R&D expense	0.00	461,108.08
Travel expense	368,220.62	372,878.73
Inspection and debugging expense	566,419.70	448,208.19
Other expenses	1,235,340.93	461,497.30
Total	12,359,981.00	10,208,632.21
Of which: expensed research and development expenditure	12,359,981.00	10,208,632.21

1.R&D items that meet capitalization conditions

In RMB

Item	Opening balance	Current increase			Current decrease			Ending balance
		Internal development expenditure	Other		Recognized as intangible assets	Carried forward to current gains/losses		
Total								

Major capitalized R&D items

Items	R&D progress	Estimated completion time	Expected way of generating economic benefits	Starting point of capitalization	Specific basis for starting capitalization

Impairment provision for R&D expenditure

In RMB

Item	Opening 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 combination not under the same control

(1) Enterprise combination not under the same control

In RMB

Acquire e	Time point to acquire equity	Cost to acquire equity	Ratio of equity acquired	Way to acquire equity	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	Cash flow of acquiree from purchasing date to period-end

Other explanation:

(2) Combination cost

In RMB

Combination cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of debts issued or assumed	
--Fair value of equity securities issued	
-- Contingent consideration	
--Fair value of the equity prior to the purchasing date	
--Others	
Aggregate consideration transferred	
Less: share of fair value of identifiable net assets acquired	
Goodwill /amount where aggregate consideration transferred is less than share of fair value of identifiable net assets acquired	

Methods to define the fair value of aggregate consideration transferred:

Explanation on contingent considerations and their changes:

Main reasons for the formation of significant goodwill:

Other explanation:

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

In RMB

	Fair value on purchasing date	Book value on purchasing date
Assets:		
Monetary funds		
Accounts receivable		
Inventory		
Fixed assets		
Intangible assets		

Liabilities:		
Loan		
Accounts payable		
Deferred tax liabilities		
Net assets		
Less: minority interests		
Net assets acquired		

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

Contingent liabilities assumed by the acquiree in enterprise combination:

Other explanation:

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

Did there exist any business combination achieved through multiple transactions in which control was obtained during the reporting period?

□Yes ☑No

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

(6) Other explanation

2. Business combination under the same control

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

In RMB

Acquire	Ratio of equity acquired in combination	Basis of enterprise combination under the same control	Combination date	Standard to determine the combination date	Income of the acquiree from the combination period-begin to the combination date	Net profit of the acquiree from the combination period-begin to the combination date	Income of the acquiree during the comparison period	Net profit of the acquiree during the comparison period

(2) Combination cost

In RMB

Combination cost	
--Cash	
-- Book value of non-cash assets	
-- Book value of debts issued or assumed	
-- Face value of equity securities issued	
--Contingent consideration	

Explanation on contingent consideration and its changes:

Other explanation:

(3) Book value of the assets and liabilities of the acquiree on combination date

In RMB

	Combination date	Ending balance of last period
Assets:		
Monetary funds		

Account receivable		
Inventory		
Fixed assets		
Intangible assets		
Liabilities:		
Loan		
Account payable		
Net assets		
Less: minority interests		
Net assets acquired		

Contingent liability of the combined party assumed by the Company during combination:

Other explanation:

3. Reverse purchase

Basic transaction information, basis of counter purchase, whether making up business due to the assets and liability reserved by listed company and basis, determination of combination cost, amount and calculation on adjusted equity by equity transaction:

4. Disposal of subsidiaries

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

☐Yes ☑No

In RMB

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

□Yes ☑No

5. Other reasons for changes in consolidation range

Consolidation scope changes caused by other reasons (e.g, establish new subsidiaries, liquidate subsidiaries) and the related circumstances:

Reduction from liquidation of Hangzhou Fuhaitang Catering Management Chain Co., Ltd. during the current period

6.Other

X. Equity in other entities

1. Equity in subsidiaries

Subsidiary	Registered capital	Main place of operation	Registration place	Business nature	Shareholding ratio		Acquisition way
					Directly	Indirectly	
SZCG	1,530,000,000.00	Shenzhen City	Shenzhen City	Grain & oil trading	100.00%		Combine under the same control
Hualian Grain & Oil	300,000,000.00	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	8,000,000.00	Shenzhen City	Shenzhen City	Inspection		100.00%	Combine under

Quality Inspection							the same control
Hainan Grain and Oil	10,000,000.00	Haikou City	Haikou City	Feed production		100.00%	Combine under the same control
Doximi	10,000,000.00	Shenzhen City	Shenzhen City	E-commerce		100.00%	Combine under the same control
Big Kitchen	10,000,000.00	Shenzhen City	Shenzhen City	Sales and processing of grain, oil and relevant products		100.00%	Combine under the same control
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	500,000,000.00	Dongguan City	Dongguan City	Storage, logistics	49.00%	51.00%	Combine under the same control
Shuangyashan	100,000,000.00	Shuangyashan City	Shuangyashan City	Construction of food base and development of related complementary facilities		100.00%	Combine under the same control
Shenliang Hongjun	30,000,000.00	Shenzhen City	Shenzhen City	Catering		51.00%	Establishment
Dongguan Hualian	10,000,000.00	Dongguan City	Dongguan City	Grain and oil trade		100.00%	Establishment
Shenliang Property Management	5,000,000.00	Shenzhen City	Shenzhen City	Property management		100.00%	Establishment
Shenbao Huacheng	207,451,300.00	Shenzhen City	Shenzhen City	Manufacturing	100.00%		Establishment
Wuyuan Ju Fang Yong	290,000,000.00	Shangrao City	Shangrao City	Manufacturing		100.00%	Establishment
Huizhou Shenbao	60,000,000.00	Huizhou City	Huizhou City	Comprehensive businesses	100.00%		Establishment
Shenshenbao Investment	50,000,000.00	Shenzhen City	Shenzhen City	Investment management	100.00%		Establishment
Shenbao Tea Culture	15,000,000.00	Shenzhen City	Shenzhen City	Commercial trade		100.00%	Establishment
Shenliang Hongli	50,000,000.00	Hangzhou City	Hangzhou City	Grain and oil wholesale	100.00%		Establishment
Fuhaitang Ecology Technology	2,000,000.00	Hangzhou City	Hangzhou City	Tea planting, production and sales		100.00%	Business combination not under the same control
Shenbao Rock Tea	20,700,000.00	Wuyishan City	Wuyishan City	Manufacturing		100.00%	Establishment
Pu'er Tea Supply Chain	20,000,000.00	Pu'er City	Pu'er City	Wholesale business		100.00%	Establishment
Shenliang Food	30,150,000.00	Pu'er City	Pu'er City	Manufacturing	100.00%		Establishment
Huizhou Shenliang Food	5,000,000.00	Huizhou City	Shenzhen City	Wholesale business		100.00%	Establishment
Xingye Food	500,000.00	Hong Kong, China	Hong Kong, China	Wholesale business	100.00%		Business combination under the same control
Smart Warehousing	10,000,000.00	Shenzhen City	Shenzhen City	Loading, unloading, handling and warehousing		100.00%	Establishment

(1) Membership of enterprise group

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

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

Explanation on the basis for controlling the important structured entities included in the consolidation scope:

Basis for determining whether the company is an agent or consignor:

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Shareholding ratio of minority shareholders	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority

Explanation on the situation where the shareholding ratio of minority shareholders is different from the voting right ratio of minority shareholders:

Other explanation:

(3) Main financial information of the important non-wholly-owned subsidiaries

In RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities

In RMB

Subsidiary	Current Period				Last Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities

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 the share of owner’s equity in subsidiary

(2) Impact of such transaction on equity of minority interests and owners’ equity attributable to parent company

In RMB

Purchase cost/disposal consideration	
--Cash	
--Fair value of non-cash assets	
Total of purchase cost/disposal consideration	

Less: Subsidiary's share of net assets calculated in terms of the proportion of acquired/disposed equity	
Difference	
Including: Adjust capital reserve	
Adjust surplus reserve	
Adjust undistributed profit	

Other explanation

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

Joint venture/Associated enterprise	Main place of operation	Registration place	Business nature	Shareholding ratio		Accounting treatment on investment in joint venture and associated enterprise
				Directly	Indirectly	
Zhuhai Hengxing Feed Industrial Co., Ltd.	Zhuhai	Zhuhai	Aquatic fee and animal fee		40.00%	Equity method

Description on situation where the shareholding ratio in joint ventures or associated enterprises is different from the ratio of voting rights:

Description on the basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but having no significant influence.

(2) Main financial information of important joint venture

In RMB

	Ending balance/Current period		Opening balance/Last period	
Current assets				
Including: cash and cash equivalents				
Non-current assets				
Total assets				
Current liabilities				
Non-current liabilities				
Total liabilities				
Minority interests				
Shareholders' equity attributable to parent company				
Share of net assets calculated in terms of shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profit of internal trading				
-- Other				
Book value of equity investment in joint venture				
Fair value of the equity investment in joint ventures with public offers concerned				
Operating revenue				

Financial expenses				
Income tax expenses				
Net profit				
Net profit of discontinuing operation				
Other comprehensive income				
Total comprehensive income				
Dividends received from joint venture in the period				

Other explanation

(3) Main financial information of important associated enterprises

In RMB

	Ending balance/Current period	Opening balance/Last period
	Zhuhai Hengxing Feed Industrial Co., Ltd.	Zhuhai Hengxing Feed Industrial Co., Ltd.
Current assets	249,814,331.49	177,038,413.90
Non-current assets	17,020,151.55	18,350,792.07
Total assets	266,834,483.04	195,389,205.97
Current liabilities	169,782,107.68	92,334,280.10
Non-current liabilities	27,072,687.94	27,086,580.88
Total liabilities	196,854,795.62	119,420,860.98
Net asset	69,979,687.42	75,968,344.99
Minority interests		
Equity attributable to shareholder of parent company	69,979,687.42	75,968,344.99
Share of net assets measured in terms of shareholding	27,991,874.97	30,387,338.00
Adjustment	162,707.79	949,071.82
--Goodwill		
--Unrealized profit of internal trading		
-- Other	162,707.79	949,071.82
Book value of equity investment in associated enterprise	28,154,582.76	31,336,409.82
Fair value of the equity investment of associated enterprise with public offers concerned		
Operating revenue	157,168,198.85	84,662,144.19
Net profit	-988,657.57	-7,598,639.64
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income	-988,657.57	-7,598,639.64
Dividends received from associated enterprise in the year	2,000,000.00	

Other explanation:

(4) Summary of financial information of unimportant joint ventures and associated enterprises

In RMB

	Ending balance/Current Period	Opening balance/Last Period
Joint venture:		
Amount calculated in terms of shareholding ratio		
Associated enterprise:		

Total amount calculated in terms of shareholding ratio		

Other explanation

(5) Major limitation on capital transfer ability to the Company from joint ventures or associated enterprises

(6) Excess loss occurred in joint venture or associated enterprise

In RMB

Joint venture/Associated enterprise	Accumulated derecognized losses	Derecognized losses not recognized in the Period (or net profit enjoyed in the Period)	Accumulated derecognized losses at period-end

Other explanation

(7) Unrecognized commitment related to joint venture investment

(8) Intangible liabilities related to joint venture or associated enterprise investment

4. Major joint operation

Name	Main place of operation	Registration place	Business nature	Shareholding ratio/ shares enjoyed	
				Directly	In-directly

Explanation on situation where shareholding ratio or shares enjoyed in joint operation is different from voting right ratio in joint operation:

Explanation on the classification basis of joint operation in case the entity of joint operation is the separate entity:

Other explanation:

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

Explanation:

6. Other

XI. Government grant

1. Government grant recognized at period-ending in terms of amount receivable

□Applicable ☑Not applicable

Reasons for not receiving the expected amount of government grants at the expected time point

□Applicable ☑Not applicable

2.Liabilities involved with government grant

☑Applicable □Not applicable

In RMB

Item	Opening balance	Current increase in government grant	Amount booked into non-business income in current period	Amount carried forward to other income	Other changes in current period	Ending balance	Asset/income related
Deferred income	78,672,600.62	431,200.00		3,784,772.32		75,319,028.30	Asset related

3. Government grant booked into current gains/losses

☑Applicable □Not applicable

In RMB

Accounting title	Current period	Last period
Other revenue	31,727,647.12	3,308,104.77

Other explanation:

XII. Risk related with financial instrument

1. Various risks arising from financial instruments

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

(1) Risk management objectives and policies

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

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

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

The company diversifies investment and business portfolio appropriately to diversify financial instrument risks, and reduces risks concentrated in a single industry, specific regions, or specific counterparties by formulating corresponding risk management policies.

1) Credit risk

Credit risk refers to the risk of a financial loss caused by the counter party's failure to fulfill its contractual obligations.

Credit risks of the Company arises mainly from monetary funds, note receivable, account receivable, and other receivable.

The company's bank deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks, and we anticipate that there is no significant credit risk associated with bank deposits.

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

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

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

2) Liquidity risk

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

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

3) Market risk

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

4) 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.

5) Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. Exchange rate risk may arise from financial instruments denominated in foreign currencies other than the accounting base currency.

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

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

(2) Capital management

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

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

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

2.Hedge

(1) Risk management for hedge business

□Applicable ☑Not applicable

(2) The company conducted eligible hedging business and applied hedging accounting

In RMB

Item	Book value related to hedged items and hedging instruments	Adjustment of accumulated fair value hedging included in the recognized book value of hedged items	Sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting on the company's financial statements
Type of hedge risk				
Type of hedge				

Other explanation

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

□Applicable ☑Not applicable

3.Financial assets

(1) By transfer manner

☐Applicable ☑Not applicable

(2) Financial assets derecognized due to transfer

☐Applicable ☑Not applicable

(3) Financial assets which are transferred and involved continuously

☐Applicable ☑Not applicable

Other explanation

XIII. Disclosure of fair value

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

In RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured at fair value	--	--	--	--
Other non-current financial assets			57,500.00	57,500.00
II. Non-sustaining measured at fair value	--	--	--	--

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

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

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

Content	**Ending fair value**	**Valuation technology**	**Unobservable input value**
Equity instrument investment			
Non-listed equity investment	57,500.00	Market method	Investment cost

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

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

7. Changes of valuation technique in the Period and reasons

8. Financial assets and liabilities not measured at fair value

9. Other

XIV. Related party and related transactions

1. Parent company

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

Other explanation

4.Other related parties

Other related parties	Relationship between other related parties and the company
Shenzhen Agricultural Products Group Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenchu Supply Chain Co., Ltd.	Holding subsidiary of parent company
Shenzhen Medical Materials Co., Ltd.	Holding subsidiary of parent company
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Guangxi Higreen Agricultural Products International Logistics 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 Duoxi Equity Investment Fund Management Co., Ltd.	Associated enterprise of the company
Shenzhen Shichumingmen Catering Management Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Shennong Kitchen Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Xi'an Moer Agricultural Products Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Cabbage Technology Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Zhanjiang Haitian Aquatic Feed Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Changzhou Shenbao Chacang E-business Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Shenliang Cold Transport Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Ningxia Higreen International Agricultural Products Logistic Management Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Zhenshihui Cold Chain Distribution Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate

	controlling party
Hunan Higreen Supply Chain Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Zhenpin Market Operation Technology Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Higren Food Quality Testing Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Zhenpin Group Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Futian Agricultural Products Wholesale Market Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Yueyang Higreen International Agricultural Products Market Development Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Science and Technology Innovation Group Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Tianjin Higreen Agricultural Products Logistics Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Danzhou City Shennong Modern Agricultural Development Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Agricultural Products Small Loan Co., Ltd	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Shenzhen Southern Agricultural Products Logistics Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Changsha Mawangdui Agricultural Products Co., Ltd.	Subsidiary of the Company's shareholders, controlled by the ultimate controlling party
Directors, Manager, Chief Financial Officer and Secretary of the Board	Key management

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
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Procurement of goods	38,514.23	38,514.23	N	
Hunan Higreen Supply Chain Co., Ltd	Procurement of goods	42,782.25	42,782.25	N	32,972.11
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Procurement of goods	24,616.52	24,616.52	N	57,605.50
Huizhou Higreen Agricultural Products International	Procurement of goods	16,329.04	16,329.04	N	1,887.61

Logistics Co., Ltd.					
Ningxia Higreen International Agricultural Products Logistic Management Co., Ltd	Procurement of goods	541,827.61	541,827.61	N	391,922.15
Shenzhen Shennong Kitchen Co., Ltd.	Procurement of goods	4,979,522.29	4,979,522.29	N	2,532,162.72
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd.	Procurement of goods	17,388.50	17,388.50	N	78,705.72
Shenzhen Shenyuan Data Tech. Co., Ltd	Information software development	5,848,041.25	5,848,041.25	N	3,007,850.00
Shenzhen Zhenshihui Cold Chain Distribution Co., Ltd.	Procurement of goods	53,886.40	53,886.40	N	
Xi'an Moer Agricultural Products Co., Ltd	Procurement of goods	78,147.73	78,147.73	N	75,433.21
Zhenpin Market Operation Technology Co., Ltd.	Procurement of goods	153,060.00	153,060.00	N	
Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	Procurement of goods			N	561,526.59
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd.	Procurement of goods			N	5,840.70
Shenzhen Higren Food Quality Testing Co., Ltd	Procurement of goods			N	120,810.00
Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	Procurement of goods			N	279,031.93

Goods sold/labor service providing

In RMB

Related party	Content of related transaction content	Current period	Last period
Danzhou City Shennong Modern Agricultural Development Co., Ltd.	Product sales	863.72	5,095.74
Guangxi Xinliuyong Farm Produce Wholesale Market Co., Ltd.	Product sales	32,961.06	
Hunan Higreen Supply Chain Co.,	Product sales		2,346,629.25

Ltd			
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Product sales	318,430.17	10,364.60
Shenzhen Agricultural Power Group Co., Ltd.	Product sales	11,830.09	130,831.87
Shenzhen Agricultural Power Group Co., Ltd. (Shenzhen Food and Material Group Co., Ltd)	Product sales	800.00	
Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	Product sales	8,118.08	18,138.04
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Product sales	43,549.64	
Shenzhen Higreen International Food Industry Development Co., Ltd.	Product sales	5,180.74	
Shenzhen Agricultural Products Small Loan Co., Ltd	Product sales	4,646.07	
Shenzhen Shennong Kitchen Co., Ltd.	Product sales	63,385.28	879,201.32
Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd.	Product sales	4,846.63	32,769.25
Shenzhen Zhenshihui Cold Chain Distribution Co., Ltd.	Product sales	77,614.80	
Shenzhen Zhenchu Supply Chain Co., Ltd.	Product sales	78,220.00	236,382.00
Tianjin Higreen Agricultural Products Logistics Co., Ltd	Product sales	23,320.35	
Xi'an Moer Agricultural Products Co., Ltd	Product sales	12,488.49	
Changsha Mawangdui Agricultural Products Co., Ltd.	Product sales	25,486.73	
Changzhou Shenbao Chacang E-business Co., Ltd.	Product sales		30,693.00
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Product sales		660.55
Huaiji County Shennong Modern Agriculture Development Co., Ltd	Product sales		2,591.15
Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd.	Product sales		66,466.69
Shenzhen Agricultural Science and Technology Innovation Group Co., Ltd	Product sales		6,900.00
Shenzhen Cabbage Technology Co., Ltd	Product sales		10,364.60
Shenzhen Futian Agricultural Products Wholesale Market Co., Ltd.	Product sales		5,005.15
Shenzhen Agricultural Products Group Co., Ltd	Product sales		9,634.02
Shenzhen Medical Materials Co., Ltd.	Product sales		12,955.75

Shenzhen Zhenpin Group Co., Ltd	Property management service		239,831.90
Yueyang Higreen International Agricultural Products Market Development Co., Ltd.	Product sales		20,729.20
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Property management service		30,188.68
Zhenpin Market Operation Technology Co., Ltd.	Property management service		3,396.24

Explanation on goods purchasing, labor service providing and receiving

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

Trusteeship management/contract:

In RMB

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

Related trusteeship management/contract:

Entrusted management/outsourcing:

In RMB

Client/contract issuer	Trustee/Contractor	Type of entrusted/outsourced assets	Start date of entrusted/outsourced	End date of entrusted/outsourced	Pricing basis of entrust/outsourcing expense	Entrust/outsourcing expense recognized in current period

Related management/ outsourcing:

(3) Related lease

The company acts as the lessor:

In RMB

Lessee	Assets type	Lease income recognized in current period	Lease income recognized in last period
Shenzhen Shenyuan Data Technology Co., ltd.	Lease of houses	184,288.58	184,228.58

The company acts as the lessee:

In RMB

Lessor	Assets type	Simplified rental fees for short-term leases and low value asset leases (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right- of-use assets	
		Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Lease of houses	15,771.00	15,771.00								
Shenzhen Agricultural Power Group Co., Ltd.	Lease of houses	68,000.00	79,200.00								

Explanation on related lease

(4) Related guarantee

The Company acts as the guarantor

In RMB

Guaranted party	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled

The Company acts as the guaranted party

In RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled

Explanation on related guarantee:

(5) Related party's borrowed funds

In RMB

Related party	Borrowing amount	Start date	Expiry date	Note
Borrowing				
Lending				

(6) Assets transfer and debt reorganization of related party

In RMB

Related party	Content of related transaction	Current period	Last period

(7) Remuneration of key executives

In RMB

Item	Current period	Last period

(8) Other related transaction

6. Accounts receivable from /payable to related parties

(1) Accounts receivable from related parties

In RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debts reserve	Book balance	Bad debts reserve
Account receivable	Hunan Higreen Supply Chain Co., Ltd	2,753,266.00	26,990.56	2,699,056.00	26,990.56
Account receivable	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	190,604.35	2,379.60	237,960.30	2,379.60
Account receivable	Shenzhen Cabbage Technology Co., Ltd	18,404.00			
Account receivable	Shenzhen Guangming Higreen Agricultural Products Industry Development Co., Ltd	22,160.00	277.44	27,744.00	277.44
Account receivable	Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	26,996.00	750.34	75,033.94	750.34
Account receivable	Shenzhen Shennong	31,780.00	79.38	126,145.65	1,407.65

	Kitchen Co., Ltd.				
Account receivable	Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd.	2,022.20	26.76	2,676.30	26.76
Account receivable	Shenzhen Zhenchu Supply Chain Co., Ltd.	33,470.00	0.00		
Account receivable	Tianjin Higreen Agricultural Products Logistics Co., Ltd	55,632.00	2,400.96	29,280.00	292.80
Account receivable	Xi'an Moer Agricultural Products Co., Ltd	2,400.00	6,546.96	654,696.00	6,546.96
Account receivable	Yueyang Higreen International Agricultural Products Market Development Co., Ltd.	11,712.00	234.24	23,424.00	234.24
Account receivable	Shenzhen Higreen International Food Industry Development Co., Ltd.	5,710.00			
Account receivable	Shenzhen Agricultural Products Small Loan Co., Ltd	15,500.00			
Account receivable	Changsha Mawangdui Agricultural Products Co., Ltd.	28,800.00			
Account receivable	Guangxi Xinliuyong Farm Produce Wholesale Market Co., Ltd.	2,180.00			
Account receivable	Shenzhen Agricultural Power Group Co., Ltd.	2,475,200.16		84,880.00	848.80
Account receivable	Shenzhen Guolian Supply Chain Co., Ltd			45,720.00	457.20
Account receivable	Shenzhen Agricultural Products Group Co., Ltd			44.00	0.00
Account receivable	Shenzhen Higreen Agricultural Products, Food Import and Export Trade Service Co., Ltd.			31,885.20	318.85
Other account receivable	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd			5,520.00	5,520.00
Other account receivable	Chengdu Agricultural Products Center Wholesale Market			19,000.00	

	Co., Ltd.				
Other account receivable	Changsha Mawangdui Agricultural Products Co., Ltd.			5,000.00	
Other account receivable	Tianjin Higreen Agricultural Products Logistics Co., Ltd			3,000.00	
Other account receivable	Changzhou Shenbao Chacang E-business Co., Ltd.	23,115,502.46	20,687,644.18	23,615,502.46	23,615,502.46
Other account receivable	Shenzhen Agricultural Power Group Co., Ltd.	16,666.00		26,400.00	
Other account receivable	Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	50,000.00		50,000.00	
Other account receivable	Shenzhen Shenyuan Data Tech. Co., Ltd	98,113.21		153,584.90	
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

(2) Accounts payable to related parties

In RMB

Item	Related party	Ending book balance	Opening book balance
Account payable	Chengdu Agricultural Products Center Wholesale Market Co., Ltd.	2,160.00	2,160.00
Account payable	Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	315.00	0.00
Account payable	Hunan Higreen Supply Chain Co., Ltd	13,796.00	3,038.00
Account payable	Huaiji County Shennong Modern Agriculture Development Co., Ltd	3,354.00	0.00
Account payable	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	1,550.00	0.00
Account payable	Ningxia Higreen International Agricultural Products Logistic Management Co., Ltd	11,457.00	11,532.00
Account payable	Shenzhen Agricultural Power Group Co., Ltd.	2,958.00	0.00
Account payable	Shenzhen Shenliang Cold Transport Co., Ltd.	406.00	0.00
Account payable	Shenzhen Shennong Kitchen Co., Ltd.	1,086,673.13	0.00
Account payable	Shenzhen Shennong Revitalization Rural Industry Development Co., Ltd.	13,664.50	5,289.50
Account payable	Shenzhen Zhenchu Supply Chain Co., Ltd.	14.84	0.00
Account payable	Xi'an Moer Agricultural Products Co., Ltd	1,815.00	641.00
Account payable	Zhenpin Market Operation Technology Co., Ltd.	153,060.00	0.00
Account payable	Shenzhen Municipal People’s	60,861,292.92	40,574,195.28

	Government State-owned Assets Supervision & Administration Commission		
Other account payable	Shenzhen Agricultural Power Group Co., Ltd.	146,162,941.72	146,162,941.72
Other account payable	Shenzhen Shennong Kitchen Co., Ltd.	1,008,768.18	275,000.00
Other account payable	Shenzhen Shenyuan Data Tech. Co., Ltd	284,910.37	2,396,937.66
Other account payable	Zhanjiang Haitian Aquatic Feed Co., Ltd	20,000.00	20,000.00
Contract liability	Shenzhen Shennong Kitchen Co., Ltd.	3,131.00	16,459.00
Contract liability	Shenzhen Zhenshihui Cold Chain Distribution Co., Ltd.	332.89	0.00

7. Related party commitment

8. Other

XV. Share-based payment

1. Overall situation of share-based payment

□ Applicable ☑ Not applicable

2. Share-based payment settled by equity

□ Applicable ☑ Not applicable

3. Share-based payment settled by cash

□ Applicable ☑ Not applicable

4.Share-based payment expense in current period

□Applicable ☑Not applicable

5. Modification and termination of share-based payment

Nil

6. Other

Nil

XVI. Commitment or contingency

1. Important commitments

Important commitments on balance sheet date

As of June 30, 2026, there were no 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	Guangdong Yongshen Construction Engineering Co., Ltd	International Food Industrial Park	Construction engineering contract dispute lawsuit	The First People's Court of Dongguan City, Guangdong Province,	2,175.59	Pending

The contract dispute case between Guangdong Yongsheng Construction Engineering Co., Ltd and International Food Industrial Park

In December 2025, Guangdong Yongshen Construction Engineering Co., Ltd filed a lawsuit requesting the International Food Industrial Park to pay a total of 21.7559 million yuan, including the high-quality project bonus, work safety and civilized construction award, additional project funds for increased steel reinforcement quantity, safety and civilized construction fees, as well as legal fees and guarantee fees.

The case was heard at court on July 21, 2026. The collegial panel has not yet rendered a judgment, and the Company has not received any judicial document to date. As of the reporting date, the Company is unable to assess the expected financial impact arising from the above-mentioned pending litigation, and no provision has been recognised in respect of such pending litigation.

(2) If the Company has no important contingency need to disclosed, explain reasons

The Company has no important contingency that need to disclose.

3.Other

XVII. Events after balance sheet date

1. Important non-adjustment matters

In RMB

Item	Content	Impact on financial status and operation results	Reasons of failing to estimate the impact

2.Profit distribution

3. Sales return

4. Other events after balance sheet date

XVIII. Other important events

1. Previous accounting errors correction

(1) Retrospective restatement

In RMB

Content of accounting error correction	Procedures	Items impact during every comparative period	Accumulated impact

(2) Prospective application

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

2. Debt restructuring

3. Assets exchange

(1) Exchange of non-monetary assets

(2) Other assets exchange

4. Pension plan

5. Discontinuing operation

In RMB

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

Other explanation

6. Branch

(1) Recognition basis and accounting policy for reportable branch

(2) Financial information for reportable branch

In RMB

Item		Offset between branches	Total

(3) Explain reasons in case the Company has no branches, or is unable to disclose total assets and liabilities of segments

(4) Other explanation

7. Other major transaction and events makes influence on investor’s decision

8. Other

XIX. Notes to main items of financial statements of parent company

1. Account receivable

(1) By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	37,417,175.60	25,750,909.96
Over 3 years	37,454,481.28	25,788,215.64
Over 5 years	37,417,175.60	25,750,909.96
Total	37,305.68	37,305.68

(2) Accrued bad debts reserve

In RMB

Category	Ending balance					Opening balance				
	Book value		Bad debts reserve		Book value	Book value		Bad debts reserve		Book value
	Amount	Ratio	Amount	Accrued ratio		Amount	Ratio	Amount	Accrued ratio	
Account receivable with bad debts reserve accrual on a single basis	28,453.08	0.08%	28,453.08	100.00%	0.00	28,453.08	0.11%	28,453.08	100.00%	0.00
Including:										
Account receivable with bad debts reserve accrual on portfolio	37,426,028.20	99.92%	7,082.08	0.02%	37,418,946.12	25,759,762.56	99.89%	7,082.08	0.03%	25,752,680.48
Including:										
Portfolio of sales receivable	47,858.60	0.13%	7,082.08	14.80%	40,776.52	8,852.60	0.03%	7,082.08	80.00%	1,770.52
Object-specific portfolio	37,378,169.60	99.80%	0.00	0.00%	37,378,169.60	25,750,909.96	99.86%	0.00	0.00%	25,750,909.96
Total	37,454,481.28	100.00%	35,535.16	0.09%	37,418,946.12	25,788,215.64	100.00%	35,535.16	0.14%	25,752,680.48

Accrual of bad debts reserve on single item

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debts reserve	Book balance	Bad debts reserve	Accrued ratio	Accrual reason
Accrual of bad debts reserve on a single basis	28,453.08	28,453.08	28,453.08	28,453.08	100.00%	Little probability of recovery
Total	28,453.08	28,453.08	28,453.08	28,453.08		

Make bad debts reserve in terms of portfolio: Portfolio of sales receivable, object-specific portfolio

In RMB

Name	Ending balance		
	Book balance	Bad debts reserve	Accrued ratio
Portfolio of sales receivable	47,858.60	7,082.08	14.80%
Object-specific portfolio	37,378,169.60	0.00	0.00%

Total	37,426,028.20	7,082.08	

Explanation on the basis to determine such portfolio:

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

□Applicable ☑Not applicable

(3) Bad debts reserve accrued, collected or reversal

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Charged off	Other	
Bad debts reserve of account receivable	35,535.16					35,535.16
Total	35,535.16					35,535.16

Important bad debts reserve 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

(4) Account receivable charged off in the period

In RMB

Item	Amount charged off

Including major account receivable charged off:

In RMB

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

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 provision of contract assets

2.Other account receivable

In RMB

Item	Ending balance	Opening balance
Other account receivable	3,575,928,615.75	2,964,238,623.06
Total	3,575,928,615.75	2,964,238,623.06

(1) Interest receivable

1) By category

In RMB

Item	Ending balance	Opening balance

2) Important overdue interest

Borrower	Ending balance	Overdue time	Overdue causes	Whether impairment occurs and its judgment basis

Other explanation:

3)Accrued bad debts reserve

□Applicable ☑Not applicable

4)Bad debts reserve accrued, collected or reversal

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	

Important bad debts reserve 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) Interest receivable charged off in the period

In RMB

Item	Amount charged off

Including major interest receivable charged off:

In RMB

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

Explanation on interest receivable charged off:

Other explanation:

(2) Dividends receivable

1) Category

In RMB

Item (or the invested entity)	Ending balance	Opening balance
Total	0.00	0.00

2) Important dividend receivable with aging over one year

In RMB

Item (or investee)	Ending balance	Account aging	Reasons for not collection	Whether impairment occurs and its judgment basis

3) Accrued bad debts reserve

□Applicable ☑Not applicable

4) Bad debts reserve accrued, collected or reversal

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	

Important bad debts reserve 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) Dividends receivable charged off in the period

In RMB

Item	Amount charged off

Including major dividend receivable charged off:

In RMB

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

Explanation on those charged off:

Other explanation:

(3) Other account receivable

1)By nature

In RMB

Nature	Ending book balance	Beginning book balance
Margin and deposit	12,121,784.62	7,791,342.21
Other intercourse funds	3,590,136,566.17	2,983,277,015.89
Total	3,602,258,350.79	2,991,068,358.10

2)By aging

In RMB

Aging	Ending book balance	Beginning book balance
Within 1 year(inclusive)	3,568,484,941.01	2,956,794,948.32

1-2 year	9,897,832.02	9,897,832.02
2-3 years	0.00	0.00
Over 3 years	23,875,577.76	24,375,577.76
3-4 years	0.00	0.00
4-5 years	0.00	0.00
Over 5 years	23,875,577.76	24,375,577.76
Total	3,602,258,350.79	2,991,068,358.10

3)Accrued bad debts reserve

In RMB

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

Bad debts reserve is made on the basis of the general model of expected credit losses:

In RMB

Bad debts reserve	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2026	176,463.75		26,653,271.29	26,829,735.04
Balance on Jan. 1, 2026 in the period				
Current reversal			-500,000.00	-500,000.00
Balance on Jun. 30, 2026	176,463.75		26,153,271.29	26,329,735.04

Classification basis and bad debts reserve ratio for each stage

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

□Applicable ☑Not applicable

4)Bad debts reserve accrued, collected or reversal

Bad debts reserve accrued in the period:

In RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrued	Collected or reversal	Written off or charged off	Other	
Bad debts reserve of other account receivable	26,829,735.04		500,000.00			26,329,735.04
Total	26,829,735.04		500,000.00			26,329,735.04

Important bad debts reserve 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

5) Other account receivable charged off in the period

In RMB

Item	Amount charged off

Including major other account receivable charged off:

In RMB

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

Explanation on other account receivable charged off:

6) Top 5 accounts receivable at ending balance by 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 accounts receivables due to centralized fund management

In RMB

Other explanation:

3.Long-term equity investment

In RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,185,668,641.37	5,500,000.00	4,180,168,641.37	4,036,688,641.37	5,500,000.00	4,031,188,641.37
Total	4,185,668,641.37	5,500,000.00	4,180,168,641.37	4,036,688,641.37	5,500,000.00	4,031,188,641.37

(1) Investment in subsidiaries

In RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/ -)				Ending balance (book value)	Ending balance of impairment provision
			Additional 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.	321,680,000.00		98,980,000.00				420,660,000.00	
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 Shenliang Food	80,520,842.36	5,500,000.00					80,520,842.36	5,500,000.00

Co., Ltd.								
Xingye Food	4,344,216.28						4,344,216.28	
Shenliang Hongli			50,000,000.00				50,000,000.00	
Total	4,031,188,641.37	5,500,000.00	148,980,000.00				4,180,168,641.37	5,500,000.00

(2) Investment in associated enterprises and joint venture

In RMB

Investee	Opening balance (book value)	Opening balance of impairment provision	Current changes (+/ -)								Ending balance(book value)	Ending balance of impairment provision
			Additional 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												

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

□Applicable ☑Not applicable

The recoverable amount is determined on the basis of the present value of expected future cash flows

□Applicable ☑Not applicable

Reasons for significant discrepancies between the aforementioned information and the information or external information used in previous years' impairment testing

Reasons for significant discrepancies between the information used in the company's previous annual impairment tests and the actual situation of the current year

(3) Other explanation

4.Operating revenue and operating cost

In RMB

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Main business	182,667,328.92	83,388,480.92	75,010,570.45	12,461,791.38
Other business	89,465.14	235,795.14	73,807.97	235,795.14
Total	182,756,794.06	83,624,276.06	75,084,378.42	12,697,586.52

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

Other explanation

Information related to the transaction price apportioned to the remaining performance obligations:

The amount of income corresponding to performing obligations that have been signed at the end of this reporting period but have not yet been fulfilled or have not done with fulfillment is 0.00 yuan, among them, 0.00 yuan of revenue is expected to be recognized in the year

Significant contract changes or significant transaction price adjustments

Item	Accounting treatment method	Impact on income

Other explanation:

5. Investment income

In RMB

Item	Current Period	Last Period

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	3,974,345.36	
Governmental subsidies reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are enjoyed according to certain standard, and having a continuous impact on the company's gains/losses)	30,241,325.01	It mainly refers to the relocation compensation received by the Company from Shuguang Grain Depot.

Other non-operating income and expenditure except for the aforementioned items	501,580.31	
Less: impact on income tax	8,666,865.77	
Total	26,050,384.91	--

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

□ Applicable ☑ Not applicable

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

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

□Applicable ☑Not applicable

2. ROE and earnings per share

Profits during reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits attributable to common stock stockholders of the Company	2.22%	0.0971	0.0971
Net profits attributable to common stock stockholders of the Company after deducting non-recurring gains/ losses	1.70%	0.0745	0.0745

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

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

☑ Applicable □Not applicable

In RMB

	Net profit		Net asset	
	Current amount	Last amount	Ending balance	Opening balance
Under Chinese GAPP	111,864,974.09	176,015,525.87	4,962,151,973.03	4,988,751,158.32
Items and amount adjusted under IAS				
			1,067,000.00	1,067,000.00
Under IAS	111,864,974.09	176,015,525.87	4,963,218,973.03	4,989,818,158.32

(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