



Guangdong Haid Group Co., Limited

2021 Annual Report

Stock Code: 002311

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Section I. Important Notes, Table of Contents and Definitions

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

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

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

The Report contains forward-looking statements such as future plans, which do not constitute any specific undertakings by the Group to its investors. Investors are advised to pay attention to investment risks.

Risk Warning:

1. Risk of periodical fluctuation of feed industry affected by abnormal weather and animal diseases

The feed industry is mainly served for the downstream breeding industry. The abnormal changes of temperature, precipitation and typhoon may lead to the fluctuation of livestock and aquaculture inventory, even the large-scale outbreak of diseases, further impacting the demand for feed and likely causing the risk of periodic and regional fluctuations of feed industry. Animal epidemic diseases may also occur frequently owing to the environmental changes and the expansion of large-scale animal industry. For instance, African swine fever broke out in August 2018 and spread across China, and PRRSV-mediated pig diseases, shrimp-relevant EMS epidemic diseases and poultry-relevant H7N9 diseases occurred recently. The outbreak of animal diseases directly holds up the scale of breeding and reduces the demand for feed in the short term. Major animal epidemic diseases may also reduce the demand of end-consumers, leading to the downturn of the animal breeding and further the demand of feed

products, resulting in adverse effects on the production and operation of feed enterprises.

Risk control methods: (1) The company is currently fully deploying manufacturers and local markets in major areas of Southern China, Central China, Eastern China and Northern China and overseas markets in Southeast Asia, etc. The expansion of regional distribution can effectively decrease the risk of weather anomalies and natural disasters in local areas. (2) The feed products cover pig, chicken, duck, goose, fish, shrimp feeds and other livestock and aquatic feeds. The variety of products and well-balanced structure can effectively mitigate the risk of single species disease with strong comprehensive risk-relieve capability.

2. Risk of the drastic fluctuation of main ingredient materials' price

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

Risk control methods: (1) The materials were divided into different categories such as centralized purchasing staple category and local procurement of regional varieties category. It not only guarantees the advantages of large-scale raw material procurement, but also makes best use of localization advantages from rapid response in respect of regional procurement. (2) The raw material procurement research system was continuously invested and constructed. The members of team are professional and familiar with raw material information. It can effectively control the procurement risk through real-time tracking, studying and judging the market trend in domestic and foreign bulk raw material, and manage the risk of bulk raw materials through futures hedging, raw materials trade and other tools. (3) The company has strong research and development (R&D) team composed of nearly 2,000 employees with extensive experience in research on animal nutrition and feed formulation technologies.

Large amounts of funds are invested on R&D each year, focusing on animal nutrition requirements, feed formulation technology, animal farming and genetic improvement, overall investigation on healthy animal farming strategies, and other research areas. Whenever the material price is fluctuated, the formula can be quickly adjusted to guarantee feed nutrient level and control the cost based on the profound understanding of animal nutritional requirements and the expertise in making best use of raw materials.

3. Risk of environmental protection laws and policies on the scale structure and regional adjustment in animal industry

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

Risk control measures: (1) The company continually improves its service capability to farmers. In addition to feed products, the company is also engaged in the industrial fields of animal healthcare products, vaccines and finance, and set up strong connection with large-scale farmers. (2) The feed products of the company cover the field of livestock, poultry, and aquatic animals with abundant product lines. The producing lines for pig feed, chicken feed, duck feed and pelleted fish feed can be shared and switched. The company can rapidly shift the production layout according to the changes in the market through adjusting the production capacity. (3) The company adopts multiple models to

speed up the production layout in areas with abundant resources and permitted environment, and to obtain more market share in new animal farming areas. (4) The company continues to increase R&D investment, and the key technologies on microbial fermented feed and antibiotic substitutes have been effectively applied to foster the progress and development of the industry.

4. Risk of Exchange Rate Fluctuations

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

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

The proposed profit distribution plan of the Company was considered and passed by the Board: on the basis of the total number of shares on the date of record minus the repurchased shares when the plan is implemented in the future, the Company will distribute cash dividend of RMB 1.50 (tax inclusive) and 0 bonus share (tax inclusive) for every 10 existing shares held by all shareholders without capitalization of capital reserve.

This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail. The complete published Chinese 2021 Annual Report is available at the media designated for information disclosure .

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Documents Available for Reference

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

Definitions

Item	Definition
Company, Group, Haid Group	Guangdong Haid Group Co., Limited
Board	the board of directors of Guangdong Haid Group Co., Limited
Supervisory Committee	the supervisory committee of Guangdong Haid Group Co., Limited
General Meeting	the general meeting of Guangdong Haid Group Co., Limited
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Articles of Association	the Articles of Association of Guangdong Haid Group Co., Limited
RMB	Renminbi
reporting period, the period, the year	the period from 1 January 2021 to 31 December 2021
last year, the same period of last year	the period from 1 January 2020 to 31 December 2020
the end of the period	31 December 2021
the beginning of the period or the year	1 January 2021
CSRC	China Securities Regulatory Commission

Section II. Company Profile and Key Financial Indicators

I. Company profile

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

II. Contact persons and contact methods

	Board Secretary	Securities Affairs Representative
Name	Zhijian Huang	Jiewen Lu and Huafang Yang
Correspondence address	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town,	Room 701 , Building 2, Haid Mansion, No. 42, Road 4, Wangbo, Nancun Town,

	Panyu Dist, Guangzhou, China	Panyu Dist, Guangzhou, China
Telephone	8620-39388960	8620-39388960
Facsimile	8620-39388958	8620-39388958
Email address	zqbgs@haid.com.cn	zqbgs@haid.com.cn

III. Information disclosure and places for inspection

Stock exchange website where the Annual Report is disclosed	Securities Times, China Securities Journal, Securities Daily, Shanghai Securities News
Media and website where the Annual Report is disclosed	www.cninfo.com.cn
Places for inspection of the Company's Annual Report	Securities Department of the Company

IV. Change in registration

Organisation registration code	No change
Change of principal activities since its listing (if any)	No change
Change of the controlling shareholder (if any)	No change

V. Other relevant information

CPA firm engaged by the Company

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

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

Applicable Not applicable

Name	Office address	Representative	Period of supervision
China Merchants Securities Co., Ltd.	111 Fuhua First Road, Futian Street, Futian District, Shenzhen	Ziqiang Kang and Xiaoliang Shen	From 16 April 2020 to 31 December 2021

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

Applicable Not applicable

VI. Major accounting data and financial indicators

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

Yes No

	2021	2020	Increase/decrease for the year as compared to the prior year	2019
Operating income (RMB)	85,998,559,748.78	60,323,862,405.94	42.56%	47,612,587,464.50
Net profit for the year attributable to shareholders of the parent company (RMB)	1,596,046,173.08	2,522,730,419.35	-36.73%	1,648,762,579.59
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss (RMB)	1,519,412,737.99	2,459,587,964.11	-38.22%	1,580,784,060.76
Net cash flows from operating activities (RMB)	3,137,948,250.69	485,259,232.03	546.65%	3,246,980,705.08
Basic earnings per share (RMB per share)	0.96	1.60	-40.00%	1.06
Diluted earnings per share (RMB per share)	0.96	1.60	-40.00%	1.05
Rate of return on equity on weighted average basis	11.46%	23.87%	-12.41%	19.54%
	As at the end of 2021	As at the end of 2020	Increase/decrease as at the end of the year compared to the end of the prior year	As at the end of 2019
Total assets (RMB)	35,648,579,800.09	27,526,958,371.19	29.50%	18,854,315,218.31
Total equity attributable to shareholders of the parent company (RMB)	14,461,135,509.32	13,972,788,864.41	3.49%	9,103,789,731.01

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

Yes No

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

Yes No

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

VIII. Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	15,713,132,477.82	22,478,102,881.45	26,122,667,497.11	21,684,656,892.40
Net profit for the year attributable to shareholders of the parent company	707,280,316.86	825,305,727.12	213,887,814.83	-150,427,685.73
Net profit for the year attributable to shareholders of the parent company after deducting the non-recurring gain or loss	691,739,925.38	805,116,849.80	206,917,039.33	-184,361,076.52
Net cash flows from operating activities	-834,854,929.29	1,415,157,516.61	1,671,634,848.35	886,010,815.02

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

Yes No

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

√ Applicable □ Not applicable

Unit: RMB

Item	Amount for 2021	Amount for 2020	Amount for 2019	Explanation
Gain or loss on disposal of non-current assets	-21,381,178.37	-8,506,037.63	-699,384.34	
Government grants charged to current profit or loss (excluding government grants consistently given in the Company's ordinary course of business at fixed quotas or amounts as per government's policies or standards)	91,417,497.06	123,628,058.53	53,217,210.55	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	40,510.51	1,749,131.53	3,199,250.94	
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading and financial liabilities held for trading, and investment income from disposal of financial assets held for trading, financial liabilities held for trading, and financial assets available for sale		292.58	4,383,792.92	
Reversal of provision for bad and doubtful debt where accounts receivable are individually tested for impairment	11,769,732.86	3,118,886.26	3,818,866.10	
Profits or losses from external entrusted loans		18,750.00		
Other non-operating incomes and expenses, except for the above	12,478,800.92	-43,325,417.81	19,284,324.06	
Other gain or loss satisfied the definition of non-recurring gain or loss	3,713,581.31		5,465,542.39	
Less: impact of Income tax	15,798,527.34	9,094,660.10	17,653,550.72	
Less: impact of non-controlling interests (net of tax)	5,606,981.86	4,446,548.12	3,037,533.07	
Total	76,633,435.09	63,142,455.24	67,978,518.83	--

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Section III. Management Discussion and Analysis

I. Industry situation during the reporting period

1. Basic situation and development stage of the industry

The breeding industry is in the middle of agricultural industry chain, linking the planting industry with the food industry. As the upstream of the breeding industry, the feed industry is the link between the planting industry and the breeding industry. The feed industry possesses the highest degree of industrialization in the agricultural industrial chain. The feed generally accounts for more than 70% of the farming cost and undertakes the important function of guaranteeing the breeding transformation efficiency and reducing the breeding cost. With the promotion of consumption upgrading, food safety and technological innovation, the farming industry has entered the stage of industrialized, large-scale, intensive and intelligent development after the upgrades of environmental protection regulations and the test of pandemics. However, the level of development varies in different species due to the objective factors such as resources, technologies, land et al. Among them, poultry farming is at the highest degree of industrialized, large-scale, centralized and intelligent development, followed by pig and aquaculture farming, and cattle & sheep farming is still in their early development stage. With the intensification, large-scale, centralized and intelligent development of farming industry as well as the improvement of farming techniques, the sectors related to farming industry such as feeds and animal healthcare products are also increasing intensively, and the industry integration is accelerated.

The detailed situations of feed, seedling, animal healthcare and poultry, pig and aquaculture farming industry: (1) Feed industry is the important link in the production system of animal breeding. The development of feed industry in China began in the 1980s. After more than 40 years of development, the total amount of feed has continuously ranked the top in the world in recent years. According to the overview of the development of national feed industry in 2021 issued by the Ministry of agriculture and rural areas and the feed industry association, the feed output in 2021 reached a new high with the total output of more than 290 million tons, the increase of 16.1% year-on-year. The output value of feed was 1,223.41 billion yuan, the increase of 29.30% year-on-year. In last 10 years, the feed industry has gradually changed from quantity oriented to high-quality development stage. The feed industrial has entered the stage of industrial integration and upgrading, and the market growth rate has decreased. At the same time, a few advanced enterprises in the industry have gradually emerged, and the industrial

concentration has increased rapidly. In 2021, with the accelerated recovery of pig production and the continuous development of aquaculture and ruminant breeding, the output of feed industry increased rapidly, and the total output of domestic industrial feed increased significantly, reaching an all-time high. (2) High-quality seedlings are the key of animal farming, particularly in the aquaculture industry. However, the supply of high-quality seedlings, especially aquatic seedlings, is insufficient. Few new seedlings with independent intellectual property rights and small production capacity are far from reaching the needs of the upgrading and progress of the animal industry. Seedlings will face the pressure on improving production through research and increasing the supply capacity in the long term. (3) The market demand of animal healthcare products has grown rapidly. In particular, the demand for healthy, safe and green farming has significantly increased with the uprising of consumption and the upgrading of farming species. The concept that the disease prevention is more important than treatment is increasingly accepted by most farmers. The benefits of reasonable investment of animal healthcare products for farming is mainly reflected in the direct effects of reducing disease risk, health improvement, safety-added values of end-products, controllable farming costs, and higher farming efficiency, there are also many extra effects such as decreasing labor intensity and the improvement of industrial chain extension capability. In the future, the capacity of the animal healthcare industry will have a large space for sustainable development based on the current situation, and the advantageous enterprises will usher in major market development opportunities. (4) The output value of poultry breeding industry exceeds 1 trillion yuan, which is the industry with the highest degree of large-scale and standardization. The stock of large-scale poultry breeding in China accounts for more than 70%, and the centralized trend is keeping up. With the help of capital, technology, scale and other advantages, the industrial chain integration become an important trend for the development of poultry breeding industry. (5) The output value of pig breeding industry is about 1.5 trillion yuan, which is rapidly moving towards large-scale, intensive and industrialized process. The outbreak of African swine fever in 2018 and COVID-19 in 2020 accelerated the industrial centralization, and the small-scale and free-style farms quickly withdrew from the market. During the epidemic period, large-scale enterprises are expected to rapidly expand their breeding volume relying on their advantages in capital, technology and the construction of the unbroken epidemic prevention system. Large-scale family farms with strong epidemic prevention capacity become the main force besides large-scale enterprises. (6) Aquaculture industry has broad prospects for development, and the output value of aquaculture also exceeds 1 trillion yuan. Aquatic products industry is dominated by aquaculture farming and supplemented by fishing industry. In recent years, the policy of marine summer fishing moratorium has accelerated the proportion of aquaculture farming in the whole aquatic products. With the development of

intelligence and automation and the rapid improvement of aquaculture technology, the large-scale aquaculture will accelerate the development of aquaculture business. With the upgrading of consumption, the development of catering industry and the awareness of food safety, it is gradually increasing the demand for stable, safe and high-quality aquatic animal protein. The change of consumption structure will drive the supply of high-end aquatic products. Aquaculture enterprises with high-quality seedlings and strong technical and financial strength will become pioneers in the field of aquaculture and create broader market prospects in promoting technological innovation of aquaculture.

2. The industry situation in 2021

In 2021, COVID-19 continued to spread in the world, along with limited import and export, the rising prices of bulk raw materials, the declining consumer demand of domestic residents, and the depressed prices of poultry and pork, livestock and poultry breeding was squeezed by the declining of meat products' price and the rising of raw material price, resulting in huge losses and difficulties. The price of aquatic products is relatively better, but the profit is also decreased by the upward prices of raw material.

In terms of bulk agricultural products, corn prices will further increase after rising to the high level in 2020. The price of soybean meal rose to the historical high compared with the beginning of the year and remained at the high price throughout the year. According to the statistics of the Ministry of rural agriculture, at the end of 2021, the average price of corn reached 2,930 yuan / ton, an increase of 26.3% over last year's average price with a record high. The average price of soybean meal reached 3,790 yuan / ton, an increase of 14.2% over the average price of last year. The price rise of corn and soybean meal has also driven the rise of other agricultural products' prices. The prices of wheat, sorghum, rice and cottonseed meal have increased to varying degrees. Driven by the rising prices of raw grain, the domestic feed price has reached a record high, and the breeding cost has further increased.

In terms of the breeding industry, (1) the poultry breeding continues its depressed market after 2020. Affected by the continuous weakness of market demand and the continuous decline of pig prices, combined with the sharp rise of feed costs, the income of poultry breeding industry continues to decline, and the industrial capacity is at the stage of rapid clearance. Meat duck farming has suffered losses for 20 consecutive months. In 2021, the operating rate of slaughtering enterprises and the average storage capacity rate of frozen products fell year-on-year, and the production capacity was further cleared. With the continuous release of high production capacity, white feather chicken farming increased significantly from 2020 to 2021. The problem of over-capacity became more and more prominent again. Over-supply led to market downturn and the income of the whole industrial chain continued to

decline. The consumption of yellow feather chicken farming was greatly impacted by the control management of live poultry market. The output began to decline from 2020. The number of slaughters in 2021 decreased by 8.5% and the output decreased by 4.7% compared with 2020. (2) With the standardized prevention and the control of African swine fever virus and the further recovery of breeding capacity, according to the statistical bulletin of national economic and social development in 2021 issued by National Bureau of statistics, the number of pigs sold in the whole year was 671.28 million and the number of pigs in stock at the end of the year was 449.22 million, with a year-on-year increase of 27.4% and 10.5%, respectively. The output of pork was 52.96 million tons, an increase of 28.8%. The supply of live pigs increased significantly, and the price of live pigs dropped from the highest 36 yuan / kg in the first half of the year to the lowest 10 yuan / kg in the second half of the year. The continuous downward of pig prices led to the loss of farmers from the second quarter. Farms began to eliminate many inefficient breeding and reserve sows, and the pig breeding industry entered the huge loss stage. (3) In the first two years of aquaculture affected by COVID-19 and the comprehensive ban on fishing in the Yangtze River system and the relatively small number of aquatic seedlings, the storage and discharge of aquatic products are generally tight in 2021 resulting in better prices of aquatic products in 2021. The prices of traditional common water fish such as silver carp, spotted silver carp, carp and grass carp continued to rise, reaching a record high from June to July. Among them, the wholesale prices of grass carp, carp and silver carp exceeded 20 yuan / kg. Although the prices fell in the second half of the year, the prices were still generally higher than the average prices in last 10 years. After the downturn of shrimp culture in the past few years, with the further improvement of domestic culture technology, the success rate of shrimp culture has been improved by small shed, greenhouse, high-level pool and industrialized culture mode. During the epidemic period, the consumption demand of shrimp has been stimulated, and the shrimp price has been rising. Due to the high dependence on catering and circulation, the demand of special water fish species is low throughout the year due to the impact of the epidemic.

In terms of feed industry, although the farming industry is depressed, due to the significant investment release of livestock and poultry production capacity in last two years, especially the further recovery of pig production capacity, feed demand has increased, and feed output has increased rapidly to a new high. In 2021, the total output of feed exceeded 290 million tons, with the year-on-year increase of 16.1%. Among them, pig feed was 130.765 million tons, the year-on-year increase of 46.6%. 121.41 million tons of poultry feed, the year-on-year decrease of 3.1%. 22.93 million tons of aquatic feed, the year-on-year increase of 8.0%. The centralization and large-scale of feed industry have been further improved. There are 39 feed enterprise groups with an annual output of more than one million tons, accounting for 59.7% of the total feed output in China, an increase of 5.1 percentage points over

the previous year. It is expected that the integration will continue in the later stage, the number of enterprises will be further reduced, and the business centralization will be further enhanced. Dominant enterprises utilize industry integration opportunities and scale advantages to expand production capacity through purchasing and building new construction or extend the industrial chain and develop diversified businesses. Owing to the bottleneck factors of capital, talents, technical pressure and service capacity, small and medium-sized enterprises will gradually be integrated, merged and withdrawn from the market by dominant enterprises.

3. The periodic characteristics of the industry

The periodicity of the breeding industry is mainly determined by the supply side (the farming quantity). The periodicity of feed, animal healthcare, seedling and other industries is related to the periodicity of the breeding industry.

China is the country with a large population, and the food consumption demand of residents is huge, which remains relatively rigid and stable for a certain period. Therefore, the supply side of the breeding industry determines the price of breeding varieties, thus determining the periodicity of the breeding industry. The periodicity of the feed industry generally lags behind the breeding industry. When the breeding volume is less than the consumption demand, the price of breeding products will rise with considerable profit, resulting in the prosperity of the breeding cycle. The feed demand will be reduced due to the reduction of breeding volume. When the amount of breeding is greater than the consumption demand, the prices of breeding end products will fall, and the breeding cycle will be depressed. The rigid demand for feed is large due to the large amount of breeding. But at the same time, the decline in the prosperity of the breeding industry directly affects the farmers' choice of high-quality or low-quality feed products, the enthusiasm of feeding, the sensitivity of feed product prices and the effective transmission of feed raw material price fluctuations. Therefore, in fact, the periodic factors of the feed industry such as seedlings and animal healthcare will offset each other and have less impact on feed, which is a weak periodic industry.

4. The position of the company in the industry

The company belongs to the large comprehensive enterprise.

In terms of feed, although the industry centralization is strengthening, it is still relatively scattered. In 2021, the company's feed sales volume was 19.63 million tons, accounting for about 6.69% of the country's total feed output, ranking second in China feed industry, and the market share still has plenty space to increase. Among them, the

external sales volume is 18.77 million tons, and the internal farming consumption sales volume is 860,000 tons. The company's aquatic feed technology and scale are leading in the world. Livestock and poultry feed ranks among the top ten in the industry and is in the leading position in technology and industrial scale in the regional market. The company has gradually developed feed, seedling and animal healthcare markets in Southeast Asia, Africa, South America and other countries. The company also ranks among the top ten in the production and marketing scale of global feed enterprises.

The company is regarded as the national key leading enterprise in agricultural industrialization, the national enterprise technology center, China top 500 enterprises, China top 500 manufacturing enterprises, China top 500 private enterprises, Fortune China top 500 enterprises in 2021, and China top 500 listed companies in 2021.

II. Main businesses of the company during the reporting period

The company should comply with the disclosure requirements of livestock and poultry aquaculture industry in the guidelines for self-discipline supervision of listed companies of Shenzhen Stock Exchange No. 3 - industry information disclosure.

1. Main businesses, products and business models of the company during the reporting period

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

(1) Main business and products

The core business of feed is integrated with seedling and animal healthcare products as two wings for breeding industry

Feed business is the core foundation of the company. Based on fully understanding the needs of farmers, the company has developed its aquatic seedlings and animal healthcare products as supplements to facilitate the growth

of the feed business after over ten years' relentless efforts. After more than 20 years of development, the company's feed business has accumulated a wide range of customer resources. Through providing customers with valuable high-quality animal seedlings and cost-effective feed products in the market, relying on breeding technical services to drive the development of vaccines, veterinary medicines, biological products and other animal healthcare products, the company can better support customers to achieve breeding success through a full set of breeding services, and help customers realize that healthy breeding at the same time, can also better control the breeding cost and obtain the competitive advantage in respect of end products.

Extended development of breeding and product processing

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

(2) Major business model

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

Feeds, seedlings and animal healthcare products business

With the increasing scale of feed business, the business management is mainly carried out with the business model of the centralized procurement of raw materials, the distribution of production layout, sales of products accompanied by technical services. The adoption of the centralized procurement model of group headquarter plus

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

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

Animal breeding and processing business

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

The aquatic animal farming and processing business has just started, and the primary aquatic products are fishes, prawns and other specialty products. With its advantages in high-quality seedlings, feeds, animal healthcare and technology, the company carries out standardized and industrialized aquaculture breeding, supplying sustainable,

healthy, traceable aquatic products (processed products) to large catering enterprises and fresh food platforms.

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

III. Analysis of Core Competitiveness

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

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

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

The technical content of various feed varieties is different, the gross profit rate, the market characteristics and

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

Over the years, the company has orderly arranged high-quality aquatic animal seedlings, aquatic animal protection products, livestock and poultry vaccines, veterinary medicines, livestock and poultry animal protection products, pig breeding and other businesses. The core technology in the industrial chains has gradually obtained the advantages of technology, industrial layout and industrial synergy, cultivating more new business growth and profit growth points for the company, and further amplifying the multiplier effect of the industrial chain and laying good foundation for building comparative competitive advantages.

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

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

The embodiment of product power needs the support of professional abilities indispensable including the R&D ability of animal nutrition and raw material utilization, the formula technical ability of products, the value procurement ability of raw materials, efficient internal operation ability and other professional abilities such as the support of value purchasing capacity. The company's procurement team has outstanding professional capacity. The team is young and specialized. The division of labor is carried out according to the classification of raw materials. The industry perspective is broad, and the amount of information collection and analysis is huge. The team can track, study and judge the market trend of large raw materials at home and abroad in real-time, and use futures tools to hedge bulk raw materials, and effectively control the price risk and financial risk of procurement. The team finds out many purchasing opportunities of raw materials with their outstanding purchasing capacity, making the cost advantage of feed products and raw material trade possible. The company is the first enterprise in the industry to

successfully set up centralized procurement, with obvious advantages in scale procurement. Due to its rich experience in the application of spot, futures, options and other procurement tools, the application method is also relatively flexible. Long term value procurement and risk position management are also conducive to the company's acquisition of procurement cost advantages.

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

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

At the beginning of its founded, the company established the research center to build an industry-leading R&D system of the whole industry chain including breeding, nutrition, health, breeding and food. With the increasing of investment in application technology, the company has focused on strengthening the technical platform construction of each business module in the industrial chain, forming the three-level R&D system from platform technology research to application technology development to system solution application, promoting the rapid transformation and application demonstration of scientific and technological achievements through the effective connection of the three-level R&D system and the operation mechanism of "Research Institute plus subsidiary company". The company carries out research on basic, forward-looking and key problems in seven R&D directions: animal genetics and breeding, animal nutrition and feed, animal medicine and biopharmaceutical, microbial engineering, biochemical industry, protein engineering and healthy breeding, constantly improves the three-level R&D system, and comprehensively and effectively supports, drives and serves the needs of the rapid development of the whole industrial chain of the group.

The company has rich technical research reserves with the R&D team of more than 3000 people and huge funds were invested in R&D every year. The R&D personnel include talents from animal nutrition, veterinary, breeding, farming model, bioengineering, biochemistry, machinery and other disciplines. The transformation speed of R&D

results is fast, the investment supporting strategy can be implemented clearly and quickly, and the product allocation ability of the company is strong.

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

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

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

4. The comprehensive breeding technology service system is important for the company to coordinate the product chain, create value for customers, continuously obtain new customers and improve customer loyalty

In 2006, the company took the lead in providing comprehensive technical services to farmers in the industry and established the company as a service-oriented enterprise providing overall breeding services to farmers. The company provides farmers with products and technical service support in the whole breeding process, such as seedling stocking mode - environmental control - epidemic prevention and control - feed - market information - financial support, to ensure that farmers can use the most advanced breeding technology to guarantee the success and profitability. The company has more than 9,000 experienced and passionate technical service teams in the industry and accumulates a variety of advanced breeding modes in combination with local characteristics. There are hundreds of highly efficient service stations in intensive breeding areas across the country, which can provide

technical services for tens of thousands of farmers at the same time. The relatively complete service system in the industry can give full play to the advantages of product power and provide the whole process technical services of breeding, effectively enlarging the income of customers and increase the loyalty of customers.

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

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

The company has a consistent, diligent and professional management team. Most of the team members have graduated from agricultural colleges and universities and have strong professional background. The management has a deep and comprehensive understanding of the feed industry and has accumulated abundant practical experience. They have a grand and unified vision and goal, strong industry insight, leadership and execution capacity. The management can adapt to the rapid change of feed industry and the higher and higher management requirements depending on their educational background, knowledge structure, industry experience and age level. In recent years, the industry goes through a drastic changes era. The great changes have taken place in the development of the industry, the scale of farmers and the needs of customers. Emerging industries such as rural finance and internet plus also continue to impact on the industry, promoting the reform and innovation of the industry, and creating a corporate mechanism and culture that can quickly respond to changes, that is, the collective learning ability that enables the company to continuously create value for customers, which is the foundation of the company to keep a sustainable competitive advantage.

The business has started from aquatic premix to various aquatic compound feeds such as freshwater fish, marine fish and shrimp, from the core advantages of aquatic feed to the advantages of livestock and poultry feed, from simple feed management to comprehensive service capabilities such as providing breeding, animal protection and breeding technical services for farmers, and has experienced many expansion from South China to central China, East China,

North China, Southeast Asia and South America, the process of being stronger and bigger and leading the industry depends on the collective learning ability of the company's management and all employees. This capacity and culture keep the company in learning progress and growing in learning.

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

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

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

IV. The analysis of main business

1. Overview

(1) Analysis of industry competition pattern

China will face unprecedented drastic changes in the industry of agricultural and animal husbandry in next 3-5 years. The growth inflection point appears in the industry. In past two decades, the industry has been developing in the increasing growth. All links in the breeding industry chain, both enterprises and practitioners obtain the growth dividends from the expansion of market demand. However, we will face stagnant consumption and growth, and even the decline growth of the industry in next few years. From the continuous deterioration of international environment and the great difficulties and challenges faced by domestic economy, the total domestic meat demand is likely to continue to decline, posing a severe challenge to the survival of most agricultural and animal husbandry enterprises. The entire animal industry faces extreme serious overproduction. In 2019, African swine fever caused the periodic shortage of pork. The high pig price drove the whole industry go crazy. In last two and a half years, hundreds of billions and trillions of investments into the industry caused the serious overproduction of pork. Driven by high meat prices, the poultry industry has also increased significantly in last three years, also forming a serious overproduction to make the matter worse. In the next few years, the whole pig and poultry industry chain will face a cruel process of capacity reduction. All enterprises will face all challenge of capital, technology, team and cost control ability. Some will have difficult to survive without professional ability, technical ability and service ability. The industry will reshuffle fast and firmly. The cost of breeding industry increases rapidly with the continuously rising expenses of land, infrastructure, environmental protection, labor and raw materials. Grain is expected to remain high price in next two or three years. The intensified situation of high grain prices, and the weak consumption and other high costs will put huge pressure on the industrial chains.

The company fully understands and senses the changes in the future industry and has been making efforts on strategic layout and internal capacity-building in last two years. After strengthening the core competitive advantages and team training, rapidly improving organizational management ability and internal efficiency, and creating differentiated competitive advantages through innovation, the company can face the challenges in the next few years and transfer huge pressure into the driving force for team development. The company will face more brutal competition and ensure to achieve the five-year development plan from 2021 to 2025.

After the practice of the past two years, the strategic plan of the company has become clearness. Feed, seedling and animal healthcare products are the core businesses and the technology and team ability continue to improve, laying

the foundation for rapid growth in the next few years. On the premise of stability, the breeding business should be cultivated patiently, the pig business should maintain the existing investment scale in the relatively light asset model, and quickly improving the management ability and professional ability. At present, the cost of raising pigs has been well controlled and strive to reach the industry top-level within two years. No more investment will be used for poultry breeding and slaughtering, and the original poultry business will aim to improve its capacity. The aquaculture business will focus on the industrialized shrimp farming and raw fish farming which the company already has the overall advantages. The industrialized shrimp farming business is expected to become the new growth point of the company in addition to feed, seedlings and animal healthcare in next two years.

Feed business is still in its gold stage among the breeding industry chain and the core business of the company in the middle and long terms. Facing the harsh competitive environment, the company has confidence to achieve the sale target of 40 million tons. From the perspective of industry, the downturn of consumption and the reduction of breeding capacity in next few years will bring great pressure to the company. However, it will bring very good development opportunities for the company from the perspective of market competition. The harsh competitive environment will accelerate the industry integration, and the withdrawal of small and medium-sized feed enterprises. A large number of large-scale feed enterprises have also been dragged down by their deep involvement in farming industry in last few years. The product strength and operating efficiency in the feed sector are expected to continue to improve and strengthen its competitive advantage over the industry. In the on-coming harsh competitive environment, the company has ushered in better strategic development opportunities. The aquatic feed, poultry feed and pig feed went hand in hand, and ruminant feed also began to be distributed rapidly. Aquatic feed has the most advantage in the industry. The company will continue to expand the gap with the industry in terms of seedling, animal healthcare, feed product strength and service mode, provide overall services for farmers, and ensure the achievement of the high goal of 2025. In last two years, the research and development of poultry feed has begun to subdivide the varieties of poultry feed, seeking breakthroughs in technology and create differentiated products. At the same time, the internal efficiency has been continuously improved to make the products more competitive. The product research and development of pig feed has made continuous progress, the production capacity layout nationally has been basically achieved, and the pig feed is expected to reach the leading position in the industry in 2025. Another support system for poultry and pig feed is the establishment of service station starting in 2021, which is long-term strategy. The company has patience, determination and confidence to reach the "thousand station plan" and strives to establish the competition threshold of livestock and poultry feed in 2025.

(2) Main business analysis

In 2021, the company achieved an operating revenue of 85.999 billion yuan, the year-on-year increase of 42.56%; The net profit attributable to the shareholders of the listed company was 1.596 billion yuan, the year-on-year decrease of 36.73%. Among them, the operating revenue of pig breeding sector was about 4.642 billion yuan, the year-on-year increase of 25.08%. The net profit attributable to the shareholders of the listed company in the pig breeding business was -896 million yuan, the year-on-year decrease of 238.09%. Excluding other businesses of pig breeding, the company achieved an operating revenue of 81.357 billion yuan, the year-on-year increase of 43.71%, and the net profit attributable to shareholders of listed companies was 2.492 billion yuan, the year-on-year increase of 32.97%.

1. Feed sales achieved new high, and the market share was further increased

During the reporting period, the company sold 19.63 million tons of feed, including 860,000 tons of the internal breeding. The company achieved 18.77 million tons of external feed sales, the year-on-year increase of 28%, much higher than the growth rate of the industry, and further increased the market share. ① Poultry feed achieved the external sales of 9.44 million tons, the year-on-year increase of 11%. Relying on the advantages of product strength, the company expanded its cooperation with large-scale breeding plants and one-stop breeding companies to provide customized products and breeding schemes. Under the condition of sharp declining demand, the poultry feed still achieved contrarian growth. ② Pig feed sales reached 4.6 million tons, the year-on-year increase of 100%. After the investment of R & D and the team building of pig feed in recent years, the customer recognition of the company's pig feed brand continues to increase, the key sales areas of products are further expanded from the original South and central China to north, southwest and northwest regions, and quickly obtain product competitive advantages in these new markets. ③ the sales of aquatic feed reached 4.67 million tons, the year-on-year increase of 21%. In 2021, the price of common fish was high, the breeding profit was huge, and the demand for feed was strong. The company's common fish feed (granular material and ordinary expanded material) increased by 21% year-on-year; However, due to the decline of catering consumption demand and the degradation of seedlings, the demand for special water fish feed is low, and the sales volume is basically the same; Benefiting from the company's advantages in shrimp seedlings, shrimp feed, aquatic animal protection and service model, the annual sales of shrimp and crab feed increased by 35% year-on-year.

2. Seedlings and animal healthcare products continue to grow, the breeding service system was further improved, and the core competitiveness was continuously enhanced

Seedling business: the seedling business is mainly aquatic seedlings with prominent core technology advantages and excellent profitability. During the reporting period, the operating revenue was 855 million yuan, with the year-on-year increase of 42.30% and the gross profit margin of 51.22%. Aiming at solving the key problem of the degradation of germplasm resources in the aquatic seed industry, the company has developed and launched a variety of new national aquatic varieties such as *Litopenaeus vannamei* "haixingnong No. 2" shrimp seedlings and long pearl hybrid mandarin fish. Among them, *Litopenaeus vannamei* "haixingnong No. 2" is selected using multiple parent shrimp populations from different regions of the world, and the growth and survival rate as the breeding goal and family BLUP breeding technology combined with molecular assisted breeding technology for five consecutive generations. Compared with common shrimp seedlings, "haixingnong 2" has the characteristics of fast growth, strong stress resistance and high survival rate. Combined with the company's feed and animal healthcare products, the breeding service scheme is outstanding in various breeding areas. The breeding success rate is far higher than the market level, quickly driving the sales of shrimp feed.

The animal healthcare business realized an operating revenue of 892 million yuan, a year-on-year increase of 34.27% and a gross profit margin of 50.85%. Among them, the operating income of aquatic animal healthcare products reached 676 million yuan, with a year-on-year increase of 26.48% and a gross profit margin of 54.10%. Livestock and poultry animal healthcare business realized an operating revenue of 216 million yuan, a year-on-year increase of 66.29% and a gross profit margin of 40.70%. During the reporting period, the company continued to promote the "thousand store plan" of the core breeding regional service station. By integrating the advantages of the company's industrial chain, the company established a comprehensive service platform for advanced products and technologies in the industry, provided breeding technical services for farmers, expanded the company's leading advantages in the industry, and established the entry threshold for livestock and poultry feed and breeding services.

3. With the support of specialization, the company will extend to the upstream and downstream of the industrial chain to create multi-dimensional comprehensive competitiveness

In the pig breeding business, about 2 million pigs were sold throughout the year, realizing an operating revenue of about 4.642 billion yuan, the year-on-year increase of 25.08%. Since the company mainly focused on the construction of breeding team in the early stage without the breeding system established, the pigs in 2021 were mainly fattened by purchasing piglets. Affected by the sharp fluctuations of piglets and pigs' prices during the reporting period, the pig breeding business lost 896 million yuan in the whole year. The pig breeding team has professional breeding technology, veterinary technology and environmental protection technology. During the reporting period, the biological prevention and control ability of the pig breeding team was further improved. The

breeding survival rate at the fattening stage exceeded 90%. Combined with R&D and scale advantages of feed products, the pig breeding cost decreased significantly.

Aquaculture business: the company started to enter the aquaculture business in recent years. The main aquaculture varieties include special aquatic products such as raw fish and shrimp. At present, the business is at cultivation stage, and the operating revenue in the reporting period is 618 million yuan. Compared with traditional aquaculture breeding, the company has obvious advantages such as the industrial shrimp breeding plants designed scientifically, the recycling water system and biological bait technology and the precisely management system, the company will further expand the scale of aquaculture in the future.

Poultry industry business, including poultry breeding and slaughtering business, achieved an operating revenue of 2.457 billion yuan during the reporting period, with the year-on-year increase of 36.70%. As the company's feed downstream industry chain extension business, it can extend the company's understanding of the industry.

Trade business, mainly on bulk raw materials, achieved an operating revenue of 6.39 billion yuan and a gross profit margin of 4.05% during the reporting period. As the company's feed upstream industry chain business, the trading business of 40-million-ton procurement volume can cultivate the team and increase the understanding of the industry.

4. Continuously increasing investment in talents and R&D to build a scientific and advanced agricultural and animal husbandry company

Talents are the core resource of the company's development and the first productivity of the company's development. The company attaches great importance to talent recruitment, cultivation and incentive. In 2021, more than 7,300 employees were hired, with the year-on-year increase of 27.88%. Among them, more than 400 personnel with master's degree and doctoral degree, with the year-on-year increase of 37%, 887 technicians with the year-on-year increase of 41%, and the proportion of higher education and technical talents were further increased. At the same time, the company has implemented the new equity incentive plan, covering more than 4,000 core persons and technical talents. Due to the personnel growth, structural changes and the implementation of the new incentive plan, the annual personnel cost was 4.54 billion yuan with the significant increase over last year, the year-on-year increase of 39.91%.

In 2021, the company invested 653 million yuan in R&D, with the year-on-year increase of 36.24%. The R&D team has exceeded 3,000 people including more than 700 doctors and masters. The key jobs of feed in the company includes the revision and improvement of animal nutrition and feed formula database, the development and application of feed resources, especially protein resources, the technology of raw material toxins treatment, the

development and application of precision nutrition, green environmental protection, non- antibiotics feed, functional feed and feed additives. The breeding model focuses on exploring the healthy livestock and poultry breeding model suitable for small-scale intensive breeding. In terms of breeding, the company focuses on the development of new varieties such as shrimp, tilapia, blunt snout bream, mandarin fish, Australian lobster, grass carp and raw fish. In terms of biological products, the company focuses on the disease prevention and controlling technology of livestock, poultry and aquatic animals, as well as the development of vaccines, detection kits and disinfectant products.

5. Accelerate the regional and product layout for further increasing the market share

During the reporting period, the company paid 4.659 billion yuan in cash for the purchase and construction of fixed assets, intangible assets and other long-term assets. From 2020 to 2021, due to the impact of COVID-19 and the substantial increase of agricultural product prices, the enterprises was rapidly integrated. The company seized the opportunity to actively plan and increase the investment in feed production capacity. The newly invested production capacity is nearly 5 million tons, covering all feed product lines, of which the production capacity of special aquatic shrimp is increased by nearly 2 million tons. At the same time, the company added more than 30 feed plants through leasing, M & A and cooperative operation, and increased the production capacity by about 3.7 million tons, laying the foundation for achieving the target feed output of 40 million tons.

In addition, according to the market development trend, the company has actively arranged new products and categories, such as ruminant feed, pig premix, concentrated feed and other varieties. During the reporting period, the company has made certain reserves in market development and team construction.

2. Revenue and cost

(1) Components of operating income

Unit: RMB

	2021		2020		Increase/decrease
	Amount	% of operating income	Amount	% of operating income	
Total operating income	85,998,559,748.78	100%	60,323,862,405.94	100%	42.56%
By industry					
Feed industry	77,369,298,601.07	89.97%	53,955,776,608.48	89.44%	43.39%
Farming industry	8,629,261,147.71	10.03%	6,368,085,797.46	10.56%	35.51%

By product					
Feed sales	69,825,872,761.95	81.19%	48,765,213,907.42	80.84%	43.19%
Animal healthcare products sales	892,463,422.53	1.04%	664,662,163.91	1.10%	34.27%
Agricultural sales	8,629,261,147.71	10.03%	6,368,085,797.46	10.56%	35.51%
Trade business	6,389,973,548.31	7.43%	4,404,959,107.51	7.30%	45.06%
Other	260,988,868.28	0.30%	120,941,429.64	0.20%	115.80%
By region					
Southern China	55,147,949,625.58	64.13%	34,089,748,602.32	56.51%	61.77%
Eastern China	10,648,037,268.13	12.38%	8,782,920,530.71	14.56%	21.24%
Northern China	26,902,001,964.34	31.28%	21,128,275,963.35	35.02%	27.33%
Central China	20,310,973,692.55	23.62%	12,591,006,531.74	20.87%	61.31%
Overseas	7,058,846,596.73	8.21%	5,586,714,516.28	9.26%	26.35%
Combined offset	-34,069,249,398.55	-39.62%	-21,854,803,738.46	-36.23%	55.89%

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

✓ Applicable □ Not applicable

Unit: RMB

	Operating income	Operating costs	Gross profit margin	Increase/decrease of operating income as compared to the corresponding period of the prior year	Increase/decrease of operating costs as compared to the corresponding period of the prior year	Increase/decrease of gross profit margin as compared to the corresponding period of the prior year
By industry						
Feed industry	77,369,298,601.07	70,138,650,435.90	9.35%	43.39%	45.06%	-1.04%
Farming industry	8,629,261,147.71	8,560,127,195.18	0.80%	35.51%	73.23%	-21.60%
By product						
Feed sales	69,825,872,761.95	63,485,844,564.16	9.08%	43.19%	45.16%	-1.24%
Animal healthcare products sales	892,463,422.53	438,660,889.58	50.85%	34.27%	33.55%	0.27%
Agricultural sales	8,629,261,147.71	8,560,127,195.18	0.80%	35.51%	73.23%	-21.60%

Trade business	6,389,973,548.31	6,131,124,456.61	4.05%	45.06%	44.01%	0.70%
By region						
Southern China	55,147,949,625.58	50,950,143,007.06	7.61%	61.77%	70.67%	-4.82%
Eastern China	10,648,037,268.13	9,929,998,592.89	6.74%	21.24%	21.45%	-0.17%
Northern China	26,902,001,964.34	25,862,468,378.71	3.86%	27.33%	29.97%	-1.96%
Central China	20,310,973,692.55	19,609,992,345.12	3.45%	61.31%	66.93%	-3.25%

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

Applicable Not applicable

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

Yes No

By industry	Item	Unit	2021	2020	Increase/ decrease
Feed industry	Sales volume (including internal farming volume)	10,000 tons	1,963.01	1,520.53	29.10%
	Production output	10,000 tons	1,968.72	1,469.58	33.96%
	Inventories	10,000tons	24.34	18.64	30.58%

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

Applicable Not applicable

The Company's production output and inventories increased 33.96% and 30.58% respectively during the reporting period compared with last year, primarily driven by the expansion of the Company's operating scale.

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

Applicable Not applicable

(5) Composition of operating costs

By industry and product

Unit: RMB

By industry	Item	2021		2020		Increase/decrease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed industry	Material costs	66,949,873,406.58	95.45%	46,208,636,806.18	95.57%	44.89%

Feed industry	Labor costs	811,822,422.69	1.16%	577,162,499.20	1.19%	40.66%
Feed industry	Manufacturing expenses	2,125,642,816.64	3.03%	1,381,867,251.75	2.86%	53.82%
Feed industry	Contract performance costs	168,291,264.44	0.24%	152,737,782.34	0.32%	10.18%
Feed industry	Others	83,020,525.57	0.12%	29,918,004.28	0.06%	177.49%
Total of feed industry		70,138,650,435.92	100.00%	48,350,322,343.75	100.00%	45.06%
Farming industry	Material costs	7,313,386,810.78	85.44%	3,977,617,606.06	80.49%	83.86%
Farming industry	Labor costs	780,987,405.81	9.12%	632,978,273.06	12.81%	23.38%
Farming industry	Manufacturing expenses	443,554,945.17	5.18%	323,797,587.09	6.56%	36.99%
Farming industry	Contract performance costs	22,198,033.43	0.26%	7,063,849.47	0.14%	214.25%
Total of farming industry		8,560,127,195.18	100.00%	4,941,457,315.68	100.00%	73.23%

Unit: RMB

By product	Item	2021		2020		Increase/decrease
		Amount	% of total operating costs	Amount	% of total operating costs	
Feed sales	Material costs	60,455,275,979.29	95.23%	41,661,229,143.22	95.26%	45.11%
Feed sales	Labor costs	785,254,553.84	1.24%	568,414,674.05	1.30%	38.15%
Feed sales	Manufacturing expenses	2,093,425,159.76	3.30%	1,370,569,543.68	3.13%	52.74%
Feed sales	Contract performance costs	151,888,871.26	0.24%	134,263,615.31	0.31%	13.13%
Total feed sales		63,485,844,564.16	100.00%	43,734,476,976.26	100.00%	45.16%
Animal healthcare products sales	Material costs	363,472,970.68	82.86%	289,949,820.97	88.27%	25.36%
Animal healthcare products sales	Labor costs	26,567,868.84	6.06%	8,747,825.15	2.66%	203.71%
Animal healthcare	Manufacturing expenses	32,217,656.88	7.34%	11,297,708.07	3.44%	185.17%

products sales						
Animal healthcare products sales	Contract performance costs	16,402,393.18	3.74%	18,474,167.03	5.63%	-11.21%
Total animal healthcare products sales		438,660,889.58	100.00%	328,469,521.22	100.00%	33.55%
Agricultural sales	Material costs	7,313,386,810.78	85.44%	3,977,617,606.06	80.49%	83.86%
Agricultural sales	Labor costs	780,987,405.81	9.12%	632,978,273.06	12.81%	23.38%
Agricultural sales	Manufacturing expenses	443,554,945.17	5.18%	323,797,587.09	6.56%	36.99%
Agricultural sales	Contract performance costs	22,198,033.43	0.26%	7,063,849.47	0.14%	214.25%
Total agricultural sales		8,560,127,195.18	100.00%	4,941,457,315.68	100.00%	73.23%
Trade business	Sales costs	6,131,124,456.61	100.00%	4,257,457,841.99	100.00%	44.01%
Other	Sales costs	83,020,525.57	100.00%	29,918,004.28	100.00%	177.49%

Notes:

N/A

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

Yes No

During the year, the scope of consolidation included 497 subsidiaries, increasing by 123 and reducing by 15 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" and the Note "VII. Interests in Other Entities" in Section X "Financial Statements".

(7) Significant change in or adjustment of the businesses, products or services of the Company during the reporting period

Applicable Not applicable

(8) Sales to major customers and major suppliers

Sales to major customers of the Company

Total sales to top 5 customers (RMB)	1,777,398,802.96
Total sales to top 5 customers as a percentage of the total sales for the year	2.07%

Sales to top 5 customers who are related parties as a percentage of the total sales for the year	0.00%
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Information on top 5 customers of the Company

No.	Name of customer	Sales (RMB)	As a percentage of the total sales for the year (%)
1	No. 1	379,928,490.98	0.44%
2	No. 2	378,020,407.86	0.44%
3	No. 3	376,844,952.88	0.44%
4	No. 4	338,320,135.88	0.39%
5	No. 5	304,284,815.36	0.35%
Total	--	1,777,398,802.96	2.07%

Other explanation of major customers

✓ Applicable Not applicable

The top five customers of the Company are mainly customers of raw materials and poultry feed. The top five customers have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major customers. The top five customers accounted for 2.07% of total annual sales. The Company's sales revenue does not depend on single or top five customers.

Major suppliers of the Company

Total purchases from top 5 suppliers (RMB)	9,773,980,706.17
Total purchases from top 5 suppliers as a percentage of the total purchases for the year	12.60%
Total purchases from top 5 suppliers who are related parties as a percentage of the total purchases for the year	0.00%

Information on top 5 suppliers of the Company

No.	Name of supplier	Purchases (RMB)	As a percentage of the total purchases for the year (%)
1	No. 1	4,514,855,863.59	5.82%
2	No. 2	2,195,154,513.46	2.83%
3	No. 3	1,469,815,941.13	1.89%
4	No. 4	826,909,265.59	1.07%

5	No. 5	767,245,122.40	0.99%
Total	--	9,773,980,706.17	12.60%

Other explanation of major suppliers

✓ Applicable Not applicable

The top five suppliers of the Company have no related relationship with the Company. The Company's directors, supervisors, senior management, core technical personnel, shareholders holding more than 5% of shares, actual controller and other related parties do not have direct or indirect interest in the major suppliers. The top five suppliers accounted for 12.6% of total annual purchases. The Company's purchases do not depend on single or top five suppliers.

3. Expenses

Unit: RMB

	2021	2020	Increase/ decrease	Reasons for material changes
Selling and distribution expenses	1,808,249,264.31	1,342,844,756.41	34.66%	Mainly due to the expansion of the Company's operating scale, the increase in personnel and their salaries, the increase in expense amortization under the 2021 share option incentive plan, and the increase in travel and other expenses
General and administrative expenses	2,228,521,838.59	1,558,972,459.50	42.95%	Mainly due to the expansion of the Company's operating scale, the increase in management personnel and their salaries and benefits, the increase in expense amortization under the 2021 Share Option Incentive Plan, and the increase in office expenses
Financial expenses	402,888,653.32	236,239,259.96	70.54%	Mainly due to the increased loans, the increased interest rate of loans and interest expenses due to the repayment of the opening COVID-19-related subsidized loan upon maturity, and the increased amortization of unrecognized financing costs on lease liabilities due to the adoption of the new accounting standards for leases
Research and development expenses	652,995,298.85	479,306,685.65	36.24%	Mainly due to a higher number of R&D personnel and higher salaries for the R&D personnel in a bid to enhance the research and development, as well as the increase in expense amortization under the 2021 Share

				Option Incentive Plan
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4. Research and development investments

In 2021, the Company worked together with multiple universities and scientific research institutes including the Ocean University of China, the South China Agricultural University, and the Pearl River Fisheries Research Institute (PRFRI), Chinese Academy of Fishery Science (CAFS) to undertake the national key R&D plans and key R&D projects in Guangzhou Province or Guangzhou City. Furthermore, the Company jointly undertook the international science and technology cooperation projects of Guangdong Province with the Tiran Shipping LTD of Israel.

Progress of major R&D projects in the current year:

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

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

Research and development personnel of the Company

	2021	2020	Percentage change
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Research and development headcount	3,049	2,162	41.03%
Ratio of research and development personnel	9.09%	8.24%	0.85%
Educational background of research and development personnel	—	—	—
Bachelor's degree	736	515	42.91%
Master's degree	636	410	55.12%
Doctoral degree	111	83	33.73%
Age structure of research and development personnel	—	—	—
Below 30	1,701	1,179	44.27%
30~40	938	666	40.84%
40~50	266	231	15.15%
Over 50	144	86	67.44%

Research and development investments of the Company

	2021	2020	Percentage change
Research and development investments (RMB)	652,995,298.85	490,795,848.72	33.05%
Research and development investments as % of operating income	0.76%	0.81%	-0.05%
Capitalized amount of research and development investments (RMB)	14,561,385.46	12,836,233.50	13.44%
Capitalized research and development investments as % of total research and development investments	2.23%	2.62%	-0.39%

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

 Applicable Not applicable

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

 Applicable Not applicable

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

 Applicable Not applicable

5. Cash flows

Unit: RMB

Item	2021	2020	Increase/ decrease
Sub-total of cash inflows from operating activities	88,764,663,792.04	62,715,373,846.39	41.54%
Sub-total of cash outflows for operating activities	85,626,715,541.35	62,230,114,614.36	37.60%
Net cash flows from operating activities	3,137,948,250.69	485,259,232.03	546.65%
Sub-total of cash inflows from investing activities	4,131,496,813.28	4,079,849,668.13	1.27%
Sub-total of cash outflows for investing activities	8,354,711,112.76	8,400,395,782.73	-0.54%
Net cash flows from investing activities	-4,223,214,299.48	-4,320,546,114.60	2.25%
Sub-total of cash inflows from financing activities	17,465,010,784.87	13,992,384,966.94	24.82%
Sub-total of cash outflows for financing activities	16,686,344,678.54	9,978,234,208.90	67.23%
Net cash flows from financing activities	778,666,106.33	4,014,150,758.04	-80.60%
Net increase in cash and cash equivalents	-329,778,050.36	186,622,412.65	-276.71%

Explanation on main effects of material changes

✓ Applicable Not applicable

1. Net cash flows from operating activities increased by 546.65% as compared to the corresponding period of the prior year mainly because the end of the prior year saw a substantial increase in inventories as compared to the beginning of the period, resulting in a low amount of net cash flows from operating activities in the prior year.

2. Net cash flows from financing activities decreased by 80.60% as compared to the corresponding period of the prior year mainly due to a high amount of cash inflows from financing activities as a result of the offering of convertible corporate bonds in the prior year.

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

✓ Applicable Not applicable

During the reporting period, the net cash flows from operating activities of the Company amounted to RMB 3,137.9483 million, which was RMB 1,326.8577 million higher than the net profit of RMB 1,811.0906 million. The difference was mainly due to the depreciation and amortization of fixed assets, intangible assets and productive biological assets.

V. Analysis of Non-Principal Operations

Applicable Not applicable

VI. Analysis of Assets and Liabilities

1. Material changes of asset items

Unit: RMB

	As at the end of 2021		As at the beginning of 2021		Percentage change	Description of major changes
	Amount	As % of total assets	Amount	As % of total assets		
Cash at bank and on hand	1,739,655,125.14	4.88%	2,056,471,632.75	7.12%	-2.24%	At the end of the period, the percentage in total assets decreased by 2.24 percentage points; and the balance decreased by 15.41% from the beginning of the period, which was mainly due to the increase in payments for raw materials and investments as a result of the expansion of the Company's operating scale.
Accounts receivable	1,293,328,829.38	3.63%	1,067,301,941.46	3.70%	-0.07%	At the end of the period, the percentage in total assets decreased by 0.07 percentage points; and the balance increased by 21.18% from the beginning of the period, which was mainly due to the expansion of the Company's operating scale.
Contract assets		0.00%		0.00%	0.00%	N/A
Inventories	8,922,903,666.78	25.03%	7,255,350,539.93	25.13%	-0.10%	At the end of the period, the percentage in total assets decreased by 0.10 percentage points; and the balance increased by 22.98% from the beginning of the period, which was mainly due to the increase in stocks of raw materials for trading and production and the inventory of

						consumptive biological assets at the end of the period.
Investment properties	26,941,013.33	0.08%	29,426,486.24	0.10%	-0.02%	At the end of the period, the percentage in total assets decreased by 0.02 percentage points, almost flat with the beginning of the period.
Long-term equity investments	301,076,512.33	0.84%	59,465,879.68	0.21%	0.63%	At the end of the period, the percentage in total assets increased by 0.63 percentage points; and the balance increased by 406.30% from the beginning of the period, which was mainly due to the increase in investments in associates including Guangzhou Hengjuchang Venture Investment Partnership (Limited Partnership).
Fixed assets	11,271,964,642.07	31.62%	7,668,294,587.09	26.56%	5.06%	At the end of the period, the percentage in total assets increased by 5.06 percentage points; and the balance increased by 46.99% from the beginning of the period, which was mainly because the Company's projects under construction were transferred to fixed assets after completion and being put into production in the year, as well as due to the acquisition of new companies and the increase in purchase and construction of fixed assets.
Construction in progress	1,531,493,842.31	4.30%	1,591,741,924.42	5.51%	-1.21%	At the end of the period, the percentage in total assets decreased by 1.21 percentage points; and the balance decreased by 3.79% from the beginning of the period, almost flat with the beginning of the period.
Right-of-use assets	2,331,346,912.43	6.54%	1,757,671,818.57	6.09%	0.45%	At the end of the period, the percentage in total assets increased by 0.45 percentage points; and the balance increased by 32.64% from the beginning of the period, which was mainly due to the new business of leases conducted by the Company in a bid to expand its operating scale.

Short-term loans	3,782,336,144.35	10.61%	4,735,948,585.16	16.40%	-5.79%	At the end of the period, the percentage in total assets decreased by 5.79 percentage points; and the balance decreased by 20.14% from the beginning of the period, which was mainly due to the adjustments to the debt structure.
Contract liabilities	1,908,259,980.27	5.35%	1,889,338,880.88	6.54%	-1.19%	At the end of the period, the percentage in total assets decreased by 1.19 percentage points; and the balance increased by 1.00% from the beginning of the period, almost flat with the beginning of the period.
Long-term loans	4,411,107,883.25	12.37%	1,161,404,700.00	4.02%	8.35%	At the end of the period, the percentage in total assets increased by 8.35 percentage points; and the balance increased by 279.81% from the beginning of the period, which was mainly due to the adjustments to the debt structure.
Lease liabilities	1,578,746,388.19	4.43%	1,169,692,122.19	4.05%	0.38%	At the end of the period, the percentage in total assets increased by 0.38 percentage points; and the balance increased by 34.97% from the beginning of the period, which was mainly due to the new business of leases conducted by the Company in a bid to expand its operating scale.
Prepayments	2,550,853,738.02	7.16%	1,870,673,397.18	6.48%	0.68%	At the end of the period, the percentage in total assets increased by 0.68 percentage points; and the balance increased by 36.36% from the beginning of the period, which was mainly due to the increase in prepayments for raw materials as a result of the rapid development of the Company's business.
Productive biological assets	508,486,715.64	1.43%	286,202,211.97	0.99%	0.44%	At the end of the period, the percentage in total assets increased by 0.44 percentage points; and the balance increased by 77.67% from the beginning of the period, which was mainly due to the increase in sows bred

						and purchased by the Company.
Notes payable	407,090,978.58	1.14%	-	-	1.14%	At the end of the period, the percentage in total assets increased by 1.14 percentage points; and the balance increased by 100% from the beginning of the period, which was mainly due to the procurement of raw materials.
Accounts payable	4,051,704,338.04	11.37%	2,060,550,537.54	7.14%	4.23%	At the end of the period, the percentage in total assets increased by 4.23 percentage points; and the balance increased by 96.63% from the beginning of the period, which was mainly due to the procurement of raw materials.
Employee benefits payable	1,212,811,083.04	3.40%	925,893,314.96	3.21%	0.19%	At the end of the period, the percentage in total assets increased by 0.19 percentage points; and the balance increased by 30.99% from the beginning of the period, which was mainly due to the increase in employees and their salaries and benefits as a result of the expansion of the Company's operating scale.
Non-current liabilities due within one year	563,923,844.74	1.58%	344,310,074.48	1.19%	0.39%	At the end of the period, the percentage in total assets increased by 0.39 percentage points; and the balance increased by 63.78% from the beginning of the period, which was mainly due to the increase in long-term loans due within one year.
Treasury stock	792,321,152.16	2.22%	165,350,332.65	0.57%	1.65%	At the end of the period, the percentage in total assets increased by 1.65 percentage points; and the balance increased by 379.18% from the beginning of the period, which was mainly due to the repurchase of shares for intended use in equity incentive and/or employee stock ownership plans.
Non-controlling interests	1,472,249,227.12	4.13%	985,903,096.95	3.41%	0.72%	At the end of the period, the percentage in total assets increased by 0.72 percentage points; and the balance

						increased by 49.33% from the beginning of the period, which was mainly due to the receipt of capital increases from non-controlling shareholders and entities with non-controlling shareholders making profits during the reporting period compared with the prior year.
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Overseas assets account for a larger proportion in total assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Gain or loss from changes in fair value during the period	Cumulative fair value changes recognized in equity	Impairment provided during the period	Purchases during the period	Disposal during the period	Other changes	Closing balance
Financial assets								
1. Held-for-trading financial assets (exclusive of derivative financial assets)	86,719,309.28	85,867,798.79						2,507,784.13
Sub-total of financial assets	86,719,309.28	85,867,798.79						2,507,784.13
Others (note)	504,417,562.64				36,000,000.00	253,848,262.09		286,569,300.55
Total of the above	591,136,871.92	85,867,798.79	0.00	0.00	36,000,000.00	253,848,262.09	0.00	289,077,084.68
Financial liabilities	127,446,229.19	-38,761,796.62						44,174,431.17

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

Contents of other changes

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

Yes No

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

As at the end of the reporting period, the Company still had restricted assets of RMB 94,004,157.88, which were mainly land reclamation deposits, letter of credit deposits, guarantee deposits, deposits for bank guarantees, and collaterals for loans.

VII. Analysis of Investments

1. Overview

Applicable Not applicable

Investments during the reporting period (RMB)	Investments during the corresponding period of prior year (RMB)	Change
4,659,257,785.73	3,390,357,467.37	37.43%

2. Material equity investments during the reporting period

Applicable Not applicable

3. Material non-equity investments during the reporting period

Applicable Not applicable

4. Financial investments

(1) Securities investments

Applicable Not applicable

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

(2) Derivatives investments

Applicable Not applicable

Unit: RMB'0,000

Counter party	Relation ship	Related-party	Type of derivativ	Initial investm	Start date	End date	Opening investm	Purchase d in the	Sold in the	Impai rment	Closing investme	Closin g	Actual gain/los
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	with the Company	transaction or not	Instrument	Contract amount	Start date	End date	Contract amount	Period	Period	Allowance (if any)	Contract amount	Investment amount as % of the Company's closing net assets	Positions in the period
Futures company	Non-related party	Not	Futures contracts of corn, soybean meal, etc.	0	1 Jan. 2021	31 Dec. 2021	22,787.37		12,917.4		9,869.97	0.62%	32,931.85
Commercial bank	Non-related party	Not	Forward and swap contracts	0	1 Jan. 2021	31 Dec. 2021	30,416.73	161,333.61			191,750.34	12.03%	1,216.68
Total				0	--	--	53,204.1	161,333.61	12,917.4		201,620.31	12.65%	34,148.54
Funding source				Self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of the announcement about the board's consent for the derivative investment (if any)				19 January 2021 24 September 2021									
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)				4 February 2021									
Risk analysis of positions held in derivatives during the reporting period and explanation of control measures (Including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>1. The hedging business was compatible with the production and operation of the Company. The Company strictly controlled the positions of futures and options, conducted foreign exchange hedging transactions in strict accordance with its projected collection period, payment period and amount, and reasonably made use of futures, options, portfolios of the aforementioned products, foreign exchange hedging and other instruments to have a lock on the Company's costs and expenses of raw materials of animal feeds and other related products.</p> <p>2. Relevant departments and personnel strictly controlled the scale of hedging funds, reasonably planned and used the margin, and gave operation instructions in strict accordance with the Company's futures trading management policies. No operation could be carried out unless it had been approved in light of related regulations. The Company will reasonably allocate funds for its hedging business.</p> <p>3. In accordance with the Guidelines No. 1 of the Shenzhen Stock Exchange for the</p>									

	<p>Self-regulation of Listed Companies—the Standard Operation of Main Board Listed Companies (《深圳证券交易所上市公司自律监管指引第 1 号--主板上市公司规范运作》), the Futures Management Policy (《期货管理制度》) and the Measures for Futures Management (《期货管理办法》) have been formulated, which clearly stipulate the approval authority, internal review process and risk handling procedures for hedging business. The Company has established a special team for commodity hedging operation and a monitoring team for commodity hedging operation, and developed corresponding business procedures. Relevant business and activities were controlled through the implementation of authorization, position restraint, internal audit and other measures.</p> <p>4. The Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》), which clearly stipulates the limit of foreign exchange hedging business, the scope of varieties, approval authority, internal review procedures, responsible departments and persons, information isolation measures, internal risk reporting policies and risk handling procedures. The Policy is in conformity with the relevant requirements of regulatory authorities, meets the needs of actual operation, and contains effective risk control measures.</p> <p>5. The Securities Department of the Company conducted regular and irregular inspections of the hedging transaction business, and supervised the implementation of risk management policies and risk management procedures by the personnel taking charge of the hedging transaction business, to timely prevent operational risks in the business.</p>
Changes in market prices or fair value of derivative products during the reporting period, specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives	Since the Company's varieties of commodity hedging transactions were traded at futures exchanges, with transparent markets and active transactions, the transaction price and the settlement unit price of the day could fully reflect the fair value of the derivatives. The varieties of foreign exchange hedging transactions were measured at the fair value on the date of contract signing between the Company and commercial banks, and their fair value was subsequently measured based on the valuation notices issued by each commercial bank at the end of the period.
Explanation of significant changes in accounting policies and specific financial accounting principles in respect of the Company's derivatives for the reporting period as compared to the previous reporting period	The Company conducted accounting processing of hedging business in accordance with the stipulations in the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (《企业会计准则第 22 号——金融工具确认和计量》), the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets (《企业会计准则第 23 号——金融资产转移》), the Accounting Standards for Business Enterprises No. 24 - Hedging Accounting (《企业会计准则第 24 号——套期会计》) and the Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (《企业会计准则第 37 号——金融工具列报》) as well as their guidelines.
Special opinions expressed by independent directors concerning the Company's derivatives investment and risk control	1. The commodity hedging business of the Company was carried out in strict accordance with relevant policies. Therefore, the Company effectively controlled the cost of raw materials related to production and trade as well as related products, and effectively prevented and mitigated risks. The relevant approval procedures for the Company to use its own funds to carry out hedging business in commodity futures and options markets were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association (《公司章程》). The Company has established a sound organizational

	<p>structure and developed the Futures Management Policy (《期货管理制度》) for commodity hedging. There is no circumstance where the interest of the Company and its entire shareholders has been damaged.</p> <p>2. The decision-making procedures of the Company for foreign exchange hedging business were in compliance with relevant national laws and regulations as well as provisions in the Articles of Association. The Company made use of foreign exchange hedging instruments to reduce exchange rate risks and financial expenses and control operational risks on the basis of normal production and operation. There is no circumstance where the interest of the Company, its entire shareholders and especially, its minority shareholders has been damaged. At the same time, the Company has formulated the Policy for the Management of Foreign Exchange Hedging Business (《外汇套期保值业务管理制度》). By strengthening internal control and implementing risk prevention measures, specific operation standards have been developed for the Company's foreign exchange hedging business.</p> <p>In summary, it is approved that the Company and its majority-owned subsidiaries carry out commodity hedging business and foreign exchange hedging business within the considered limit.</p>
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5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: RMB'0,000

Year for fund-raising	Method of fund-raising	Total raised funds	Total raised funds that have been used in the current period	Total raised funds that have been used accumulatively	Total raised funds with altered purposes during the reporting period	Total accumulative raised funds with altered purposes	Proportion of total accumulative raised funds with altered purposes	Total raised funds that have not been used yet	Use and ownership change of unused raised funds	Raised funds that have been left unused for over two years
2020	Public offering of convertible corporate bonds	283,000	94,835.45	187,383.54	31,477.24	31,477.24	11.12%	95,461.61	In addition to temporary replenishment of working capital and cash	0

									management, the unused amount of raised funds was deposited in the special bank account for fund-raising projects.	
Total	--	283,000	94,835.45	187,383.54	31,477.24	31,477.24	11.12%	95,461.61	--	0
Explanation of the overall use of raised funds										
<p>Upon the approval of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") through the issuance of the Approval on the Public Offering of Convertible Corporate Bonds by Guangdong Haid Group Co., Limited (《关于核准广东海大集团股份有限公司公开发行可转换公司债券的批复》) (Zheng Jian Xu Ke [2020] No. 205), the Company was allowed to issue convertible corporate bonds with a total face value of RMB 2,830 million to the public. Actually, the Company issued 28.30 million convertible corporate bonds with a face value of RMB 100 each to the public, and raised RMB 2,830,000,000.00 of funds in total. After deducting the fees related to the issuance, the actual net raised funds was RMB 2,810,854,230.16. The availability of the above-mentioned raised funds has been verified by Grant Thornton China (Special General Partnership), which issued the Capital Verification Report (《验资报告》) (Grant Thornton Yan Zi [2020] No. 440ZC0065) on 26 March 2020.</p> <p>As at the end of 2021, the Company used RMB 1,873.8354 million of raised funds, accrued RMB 17.8325 million of interest income (with banks' handling fees deducted), and temporarily replenished the working capital with RMB 874 million of idle raised funds. The balance of its special account for raised fund deposit was RMB 80.6161 million.</p>										

(2) Committed projects of raised funds

√ Applicable □ Not applicable

Unit: RMB'0,000

Committed investment projects and investment of excessive raised funds	Whether projects have been altered (including partial alternation)	Total committed investment with raised funds	Adjusted total investment amount (1)	The investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3) = (2)/(1)	Date when the projects are ready for their intended use	Benefits recorded during the reporting period	Whether the estimated benefits are reached	Whether there are material changes in the project feasibility
Committed investment projects										
Animal feed project of Nantong Haid with an	No	7,144.21	7,144.21	3,450.59	7,200.25	100.78%	31 October 2021	1,121.83	No	No

annual output of 240,000 tons (hereinafter referred to as the "Nantong Haid project")										
Animal feed project of Qingyuan Haid with an annual output of 240,000 tons (hereinafter referred to as the "Qingyuan Haid project")	No	6,493.11	6,493.11	1,049.5	6,504.38	100.17%	30 September 2021	2,713.24	Yes	No
Animal feed project of Huai'an Hailong with an annual output of 200,000 tons (hereinafter referred to as the "Huai'an Hailong project")	No	16,123.49	16,123.49	1,208.12	9,625.98	59.70%	31 December 2022	-13.62	No	No
Animal feed project of Nanning Haid with an annual output of 480,000 tons (hereinafter referred to as the "Nanning Haid project")	No	23,589.07	23,589.07	7,752.94	18,839.4	79.86%	30 November 2021	886.23	No	No
Animal feed project of Zhaoqing Gaoyao with an annual output of 240,000 tons (hereinafter referred to as the "Zhaoqing Gaoyao project")	No	4,679.43	4,679.43		4,679.43	100.00%	30 April 2020	1,722.37	No	No
Animal feed project of Fuzhou Haid with an annual output of 180,000 tons (hereinafter referred to as the "Fuzhou Haid project")	No	29,075.05	29,075.05	6,354.32	15,019.38	51.66%	30 June 2022	-1,896.97	No	No
Animal feed project of Qingyuan Haibei with an annual output of 30,000 tons (hereinafter referred to as the "Qingyuan Haibei project")	Yes	15,053.58	2,176.01	111.38	2,176.01	100.00%			N/A	Yes
Animal feed project of Shaoguan Haid with an annual output of 400,000 tons (hereinafter referred to	No	13,964.32	13,964.32	4,331.17	14,036.59	100.52%	31 December 2021	2,208.59	Yes	No

as the "Shaoguan Haid project")										
Animal feed project of Qingyuan Hailong with an annual output of 720,000 tons (hereinafter referred to as the "Qingyuan Hailong project")	No	36,955.3	36,955.3	13,001.8	29,247.41	79.14%	31 December 2022	1,952.43	No	No
Animal feed project of Yicheng Haid with an annual output of 380,000 tons (hereinafter referred to as the "Yicheng Haid project")	No	16,509.88	16,509.88	7,536.59	8,996.37	54.49%	31 December 2022	-470.74	No	No
Animal feed project of Hexian Haid with an annual output of 300,000 tons (hereinafter referred to as the "Hexian Haid project")	No	21,344.95	21,344.95	9,453.32	18,097.16	84.78%	30 June 2022	-610.3	No	No
Animal feed project of Kaifeng Haid with an annual output of 300,000 tons (hereinafter referred to as the "Kaifeng Haid project")	No	17,069.03	17,069.03	5,175.76	10,800.57	63.28%	30 June 2022	902.99	Yes	No
Animal feed project of Zhanjiang Haid with an annual output of 200,000 tons (hereinafter referred to as the "Zhanjiang Haid project")	Yes	20,380.33							N/A	Yes
Animal feed project of Yulin Haid with an annual output of 450,000 tons (hereinafter referred to as the "Yulin Haid project")	No	31,186.61	31,186.61	8,593.76	11,106.16	35.61%	31 December 2022	-271.28	No	No
Animal feed project of Sichuan Rongchuan with an annual output of 200,000 tons (hereinafter referred to as the "Sichuan Rongchuan project")	No	23,431.64	23,431.64	5,799.9	10,038.15	42.84%	30 June 2022	-1,024.06	No	No
Animal feed project of Jiangmen Rongchuan with	No		22,000	12,187.54	12,187.54	55.40%	30 June 2023	-	No	No

an annual output of 270,000 tons (hereinafter referred to as the "Jiangmen Rongchuan project")										
Biological compound feed project of Huainan Haid with an annual output of 300,000 tons (hereinafter referred to as the "Huainan Haid project")	No		9,477.24	8,828.76	8,828.76	93.16%	31 July 2021	-605.72	No	No
Subtotal of committed investment projects	--	283,000	281,219.34	94,835.45	187,383.54	--	--	6,614.99	--	--
Investment of excessive raised funds										
N/A										
Repaying bank loans (if any)	--						--	--	--	--
Replenishing the working capital (if any)	--						--	--	--	--
Subtotal of investment of excessive raised funds	--					--	--		--	--
Total	--	283,000	281,219.34	94,835.45	187,383.54	--	--	6,614.99	--	--
Cases and reasons for failing to reach the planned progress or predicted returns (by specific projects)	<p>1. Due to the impact of COVID-19 on food consumption, the Nantong Haid project and the Zhaoqing Gaoyao project failed to meet the objectives with respect to product mix and profitability. As such, these projects failed to reach the predicted returns.</p> <p>2. The Huai'an Hailong project failed to meet the objectives with respect to output and sales volume because the project was not yet entirely put into production. As such, this project failed to reach the predicted returns.</p> <p>3. The Nanning Haid project failed to meet the objectives with respect to output and sales volume because the project was not entirely completed and put into production until the second half of 2021. As such, this project failed to reach the predicted returns.</p> <p>4. Concerning the Fuzhou Haid project, the Yicheng Haid project, the Hexian Haid project, the Yulin Haid project and the Sichuan Rongchuan project, part of the equipment of some of the projects were put into production in mid 2021 but the respective projects were not yet entirely put into production. As such, these projects failed to meet the objectives with respect to output and sales volume and thus failed to reach the predicted returns.</p> <p>5. The Qingyuan Hailong project failed to meet the objectives with respect to output and sales volume in 2021 because only part of its equipment were put into production in July 2020, indicating a short term of operation. As such, this project failed to reach the predicted returns.</p> <p>6. The Jiangmen Rongchuan project is still under construction and not ready for production.</p> <p>7. The Huainan Haid project was put into production in July 2021, indicating a short-term of operation. As</p>									

	such, this project failed to reach the predicted returns.
Explanations of the material changes in the project feasibility	N/A
Amount, use, and use progress of excessive raised funds	N/A
Changes of implementation locations of the investment projects with the raised funds	Applicable
	Occurred during the reporting period
	As reviewed at the 14 th Meeting of the Fifth Board of Directors and the First Extraordinary General Meeting in 2021, it was approved to change the implementation entities and locations of the “Qingyuan Haibei project” and the “Zhanjiang Haid project”. To be specific, the implementation entities of “Qingyuan Haibei Biotechnology Co., Ltd.” and “Zhanjiang Haid Feed Co., Ltd.” were changed to “Jiangmen Rongchuan Feed Co., Ltd.” and “Huainan Haid Biological Feed Co., Ltd.”, and the implementation locations of “Qingyuan City, Guangdong Province” and “Zhanjiang City, Guangdong Province” to “Duanfen Town, Taishan City, Guangdong Province” and “Shouxian County, Huainan City, Anhui Province”.
Adjustments to the implementation methods of the investment projects with the raised funds	N/A
Early investment and replacement concerning the investment projects with the raised funds	Applicable
	On 9 April 2020, Grant Thornton China issued the Verification Report on the Early Investment of Self-raised Funds in the Investment Projects with Raised Funds by Guangdong Haid Group Co., Limited (《关于广东海大集团股份有限公司以自筹资金预先投入募集资金投资项目的鉴证报告》) (Grant Thornton Zhuan Zi (2020) No. 440ZA4433). The Company invested RMB 393,920,200 of self-raised funds in the raised fund projects in the preliminary stage. On 18 April 2020, the Proposal on Replacing Self-raised Funds That Has Been Invested in Fund-raising Investment Projects with the Raised Funds (《关于以募集资金置换预先已投入募集资金投资项目的自筹资金的议案》) on the Ninth Meeting of the Fifth Board of Directors. The Company replaced the self-raised funds that had been invested with the raised funds of RMB 393,920,200. The interval between this replacement with raised funds and the arrival of raised funds is shorter than six months.
Temporary replenishment of working capital with the idle raised funds	Applicable The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》) was reviewed and approved on the 24th Meeting of the Fifth Board of Directors on 13 December 2021. It was approved that the Company could temporarily replenish working capital with no more than RMB 900 million of idle raised funds. The use term should be less than 12 months upon the approval of the Board of Directors. As at 31 December 2021, the balance of the idle raised funds for temporary replenishment of working capital was RMB 874 million.
Surplus raised funds for	N/A

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

(3) Altered projects of raised funds

√ Applicable □ Not applicable

Unit: RMB'0,000

Project after alteration	Previous project	Total investment amount for the project after alteration (1)	The investment amount during the reporting period	Accumulative investment amount as at the end of the reporting period (2)	Investment progress as at the end of the reporting period (3) = (2)/(1)	Date when the projects are ready for their intended use	Benefits recorded during the reporting period	Whether the estimated benefits are reached	Whether there are material changes in the feasibility of the project after alteration
Jiangmen Rongchuan project	Qingyuan Haibei project and Zhanjiang Haid project	22,000	12,187.54	12,187.54	55.40%	30 June 2023		N/A	No
Huainan Haid project	Qingyuan Haibei project and Zhanjiang Haid project	9,477.24	8,828.76	8,828.76	93.16%	31 July 2021	-605.72	No	No
Total	--	31,477.24	21,016.3	21,016.3	--	--	-605.72	--	--
Reasons for the changes, decision-making procedure executed and information disclosed (by specific projects)	1. Decision-making procedure executed for the changes: According to the Proposal on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的议案》) approved at the First Extraordinary General Meeting in 2021 on 3 February 2021, it has been agreed to transfer the raised funds for the “Qingyuan Haibei project” and the “Zhanjiang Haid project” and the cash management income with the Guangzhou branch of HSBC Bank (China) Company Limited to the “Jiangmen Rongchuan project” and the “Huainan Haid project”.								

	<p>2. Reasons for the changes:</p> <p>A. Previously, the Qingyuan Haibei project intended to build an annual capacity of 30,000 tons of aquatic premixture with an investment of RMB 216.0009 million. Due to reasons such as the adjustments to the industry's farming scale and structure and production areas as well as the Company's constant refinement of its product portfolio, the Company intends to change the Qingyuan Haibei project to other feed projects so as to better meet market needs and further refine the existing production capacity structure.</p> <p>B. Previously, the Zhanjiang Haid project intended to build an annual capacity of 200,000 tons of biological compound feed with an investment of RMB 220.9288 million to increase its supply to West Guangdong Province and East Guangxi Province. However, the feed factory of Wuzhou Haid in East Guangxi Province has been completed, and construction accelerated for the raised funds investment project of Nanning Haid with an annual output of 480,000 tons of feed, which will help ease the supply pressure in the region to some degree. In view of the priority levels of the projects and the Company's capacity portfolio needs, the Company intends to change the Zhanjiang Haid project to other feed projects.</p> <p>To sum up, in view of market needs and the Company's capacity portfolio needs, and in order for better use of the raised funds, the Company has changed the construction arrangements for the Qingyuan Haibei project and the Zhanjiang Haid project and has decided to use the remaining raised funds for advance investment in the construction of the Jiangmen Rongchuan project and the Huainan Haid project.</p>
Cases and reasons for failing to reach the planned progress or predicted returns (by specific projects)	<p>1. The Jiangmen Rongchuan project is still under construction and not ready for production.</p> <p>2. The Huainan Haid project was put into production in July 2021, indicating a short-term of operation. As such, this project failed to reach the predicted returns.</p>

VIII. Disposal of Material Assets and Equity Interest

1. Disposal of material assets

Applicable Not applicable

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

2. Disposal of material equity interest

Applicable Not applicable

IX. Analysis of major subsidiaries and investees

Applicable Not applicable

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

Unit: RMB'0,000

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Qingyuan Haibei Biotechnology Co., Ltd. (hereinafter referred to as "Qingyuan Haibei")	Subsidiary	Production and sales of premixture, additives and micro-ecological products	1,000.00	131,091.05	98,068.51	71,175.42	22,634.28	19,552.63
China Haida Feed Group (HK) Limited (hereinafter referred to as "HK Haid")	Subsidiary	Trading	HKD 10,000.00	56,683.36	43,392.83	110,812.52	26,011.05	25,978.77

Acquisition and disposal of subsidiaries during the reporting period

 ✓ Applicable Not applicable

Name of companies	Methods to acquire and dispose of subsidiaries during the reporting period	Impact on overall production and operation and results
Ganzhou Lianduoli Feed Technology Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Raoping Haide Biotechnology Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Jiangmen Debao Group Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Maoming Debao Agriculture and Animal Husbandry Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Guangzhou Denong Feed Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Guangzhou Debao Nongshan Feed Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Foshan Dazhi Biotechnology Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Taishan Debao Feed Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Foshan Hanheng Luggage Manufacturing Co., Ltd.	Business combination not under common control	No material effects on the results of the period
Yueyang Fengtun Ecological Agriculture Co., Ltd.	Newly established	No material effects on the results of the period

Guangdong Yiheng Investment Co., Ltd.	Newly established	No material effects on the results of the period
Wugang Yitun Ecological Agriculture Co., Ltd.	Newly established	No material effects on the results of the period
Hunan Yitun Technology Co., Ltd.	Newly established	No material effects on the results of the period
Wuwei Haid Feed Co., Ltd.	Newly established	No material effects on the results of the period
Baoji Haid Agriculture and Animal Husbandry Co., Ltd.	Newly established	No material effects on the results of the period
Vinh Long Hailianke Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Haid Feed Bangladesh Limited	Newly established	No material effects on the results of the period
Dongying Haijingzhou Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Shanwei Haizenong Marine Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Zhenyuan Haidun Protein Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou An'an Logistics Co., Ltd.	Newly established	No material effects on the results of the period
Xiyu Haisheng (Guangzhou) Supply Chain Co., Ltd.	Newly established	No material effects on the results of the period
Jilin Haid Rongchuan Trade Co., Ltd.	Newly established	No material effects on the results of the period
Zhuhai Ronghai Farming Technology Co., Ltd.	Newly established	No material effects on the results of the period
Binh Dinh Hai Long Co., Ltd.	Newly established	No material effects on the results of the period
Suixian Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Yuncheng Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Shanxian Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Heze Dingxin Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period

Jining Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Jining Sishui Dingxin Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Feixian Hairuida Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Yinan Dingxin Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Binzhou Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Junan Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Liaocheng Haiding Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Dongying Dinghao Farming Co., Ltd.	Newly established	No material effects on the results of the period
Xuzhou Hairuida Feed Co., Ltd.	Newly established	No material effects on the results of the period
Xuzhou Zhongyi Haiding Agriculture and Animal Husbandry Co., Ltd.	Newly established	No material effects on the results of the period
Lanling Haiding Hekangyuan Agriculture and Animal Husbandry Co., Ltd.	Newly established	No material effects on the results of the period
Gaotang Haiding Agriculture and Animal Husbandry Co., Ltd.	Newly established	No material effects on the results of the period
Jiangsu Fengcheng Technology Co., Ltd.	Newly established	No material effects on the results of the period
Gansu Fengying Technology Co., Ltd.	Newly established	No material effects on the results of the period
Henan Mugaole Feed Co., Ltd.	Newly established	No material effects on the results of the period
Henan Haihe Houyi Agriculture and Animal Husbandry Technology Co., Ltd.	Newly established	No material effects on the results of the period
Qingyuan Baisheng Aquatic Farming Co., Ltd.	Newly established	No material effects on the results of the period
Yibin Yucan Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Dezhou Haiying Food Co., Ltd.	Newly established	No material effects on the results of the period

Linyi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Newly established	No material effects on the results of the period
Yantai Zhizhuren Pig Farm Feed Co., Ltd.	Newly established	No material effects on the results of the period
Gaomi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Newly established	No material effects on the results of the period
Zhongshan Rongda Aquatic Seed Co., Ltd.	Newly established	No material effects on the results of the period
Dali Haizhi Trading Co., Ltd.	Newly established	No material effects on the results of the period
Chongqing Hainong Veterinary Service Co., Ltd.	Newly established	No material effects on the results of the period
Haile (Luliang) Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Maoming Haiwei Feed Co., Ltd.	Newly established	No material effects on the results of the period
Yangjiang Haihe Feed Co., Ltd.	Newly established	No material effects on the results of the period
Leizhou Hailong Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Sichuan Hailong Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Qinzhou Haiwei Feed Co., Ltd.	Newly established	No material effects on the results of the period
Yancheng Rongchuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Nanning Dachuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Yongzhou Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Baotou Haichen Feed Co., Ltd.	Newly established	No material effects on the results of the period
Jiangsu Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guiyang Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Wuwei Haimu Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period

Guilin Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Inner Mongolia Haid Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guiyang Dachuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Xingtai Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Foshan Lianduoli Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Haifulai Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Liupanshui Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Haiqi Investment Co., Ltd.	Newly established	No material effects on the results of the period
Heze Haibo Youmei Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Hubei Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Kaifeng Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Sichuan Haiqi Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Xishui Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Kunming Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Mianyang Haiqi Farming Technology Co., Ltd.	Newly established	No material effects on the results of the period
Ya'an Haiqi Farming Technology Co., Ltd.	Newly established	No material effects on the results of the period
Nanchang Haiqi Veterinary Medicine Co., Ltd.	Newly established	No material effects on the results of the period
Hengyang Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Jingzhou Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period

Jingshan Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Huaihua Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Jieshou Haiqi Technical Service Co., Ltd.	Newly established	No material effects on the results of the period
Meizhou Haiqi Technology Co., Ltd.	Newly established	No material effects on the results of the period
Zhangzhou Haiqi Veterinary Medicine Co., Ltd.	Newly established	No material effects on the results of the period
Maoming Haiqi Technology Co., Ltd.	Newly established	No material effects on the results of the period
Yangjiang Haiqi Technology Co., Ltd.	Newly established	No material effects on the results of the period
Qingyuan Haiqi Technology Co., Ltd.	Newly established	No material effects on the results of the period
Gansu Muqi Agricultural Technology Co., Ltd.	Newly established	No material effects on the results of the period
Yulin Haiqi Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Qinzhou Pubei Haiqi Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Xingtai Haiqi Farming Technology Service Co., Ltd.	Newly established	No material effects on the results of the period
Nanning Haililai Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Shaoyang Haid Feed Co., Ltd.	Newly established	No material effects on the results of the period
Shaoguan Dachuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Liaoning Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Huai'an Haichang Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guizhou Hailongwang Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Huashite Testing Technology Co., Ltd.	Newly established	No material effects on the results of the period

Hebei Haimu Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Dali Dachuan Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Yunnan Hairui Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Henan Haid Jiuzhou Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Enshi Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Ningguo Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Chaozhou Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Haixin (Tianjin) Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Haid Nanshan Biotechnology (Jinhu) Co., Ltd.	Newly established	No material effects on the results of the period
Tongliao Haid Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Huaihua Hailong Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Guangzhou Haihan Financial Technology Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Haizhihui Aquaculture Technology Co., Ltd.	Newly established	No material effects on the results of the period
Jiangsu Haiwei Feed Co., Ltd.	Newly established	No material effects on the results of the period
Guangdong Hairuikē Biotechnology Co., Ltd.	Newly established	No material effects on the results of the period
Hubei Haid Seed Technology Co., Ltd.	Newly established	No material effects on the results of the period
Foshan Chuanghuamei Biotechnology Co., Ltd.	The Company took control of its in a business combination not under common control in May 2021 and ceased to control it in July 2021 due to equity transfer.	No material effects on the results of the period
Guangdong Zhongyu Duck Industry Co., Ltd.	The Company took control of its in a business combination not under common control in May 2021 and ceased to control	No material effects on the results of the period

	it in August 2021 due to equity transfer.	
Alaer Ruiliheng Biological Protein Co., Ltd.	The Company has ceased to control it due to change to its corporate governance structure.	No material effects on the results of the period
Wujiaqu Taikun Plant Protein Co., Ltd.	The Company has ceased to control it due to change to its corporate governance structure.	No material effects on the results of the period
Linyi Yitun Ecological Agriculture Co., Ltd.	De-registered	No material effects on the results of the period
Shaoxing Haid Biotechnology Co., Ltd.	De-registered	No material effects on the results of the period
Dingtao Hairong Livestock Farming Service Specialized Cooperative	De-registered	No material effects on the results of the period
Guigang Hairong Farming Service Specialized Cooperative	De-registered	No material effects on the results of the period
Dingtao Haiding Feed Co., Ltd.	De-registered	No material effects on the results of the period
Binzhou Dingxin Farming Service Co., Ltd.	De-registered	No material effects on the results of the period
Chengdu Haiqi Biotechnology Co., Ltd.	De-registered	No material effects on the results of the period
Heze Dingtao Hairong Farming Specialized Cooperative Association	De-registered	No material effects on the results of the period
Qingdao Daxin Feed Co., Ltd.	De-registered	No material effects on the results of the period
Yingde Haifeng Agriculture and Animal Husbandry Co., Ltd.	De-registered	No material effects on the results of the period
Deyang Dachuan Biotechnology Co., Ltd.	De-registered	No material effects on the results of the period

Description of major subsidiaries and investees

1. Qingyuan Haibei is principally engaged in the production and sales of aquatic and animal healthcare products. It recorded good operating income and profit from aquatic and animal healthcare products in the year.
2. HK Haid is one of the Company's platforms for importing and hedging raw materials. Its income and profit came from trading and hedging of raw materials in the year.

X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. The prospect of the company's future development

1. Industry pattern and trend

The 14th five- year- plan (2021-2025) is the first five years of the new journey on building a socialist modern country in all-round way. The opinions of the CPC Central Committee and the State Council on comprehensively promoting rural revitalization and accelerating agricultural and rural modernization (hereinafter referred to as the "opinions on Rural Revitalization") put forward "improving the supply capacity of grain and important agricultural products" and "accelerating the construction of a modern breeding system". The breeding industry will move towards standardization, industrialization, large -scale, intelligence and capitalization, the feed industry will enter the stage of high-speed integration, and the advantages and position of industry giants are becoming increasingly prominent in the international market.

(1) Structural development of feed industry

During the 13th five- year -plan period from 2016 to 2020, the total feed output was increased by 21%, and the industry continued to grow. With the industrialization and large-scale development of the aquaculture industry and the increasing popularity of feed, the total feed output will continue to grow. The continuous growth of national per capita disposable income, the upgrading of consumption, the improvement of urbanization level and the change of consumption concept will increase the demand for high-quality, characteristic and high-standard meat and food. The consumption of aquatic products, cattle and sheep meat will significantly increase, the consumption of meat and poultry / egg poultry will be stable, the consumption of pork will decline, and the feed varieties will also show structural adjustment.

(2) Industry integration is further intensified, and international competitiveness is increasing

The total feed growth slowed down and the competition among enterprises was intensified. Many factors such as the impact of epidemic diseases, the awareness of food safety, the pressure of self-sufficiency in food supply and the uncertainty of international trade, intensified the withdrawal of small and medium-sized enterprises in the industry, providing more opportunities for enterprises with advantages in comprehensive strength, capital,

management, technology and talents, and the leading enterprises will expand rapidly to emerging markets such as Southeast Asia, Northeast Asia and Africa with the increasing international competitiveness.

(3) The industry progress driven by technology is more obvious

Technology plays more and more important roles in industry competition along with the differentiation, integration and development of feed industry. The global relevance of agricultural products is becoming closer and closer. The weather conditions in some regions and the uncertainty of international trade relations will cause sharp fluctuations of agricultural products' prices. Animal nutrition demand, feed formula adjustment and raw material substitution technology are the core aspects of feed technology competition. Other technologies, such as the vigorous development of biological feed technology, the increasing variety and function of feed microorganisms and enzyme preparations, show great potential in promoting the substitution of feed antibiotics and the efficient utilization of feed resources, becoming the new competitive threshold for the industry.

(4) The seedling and animal protection industry will grow rapidly in the long term due to technology progress and breeding upgrading

The opinions on Rural Revitalization put forward that "major scientific and technological projects of agricultural biological breeding will be further increased" and "the construction of improved seed breeding system will be strengthened to promote the integrated development of breeding and reproduction". Focusing on the development of breeding industry, high-quality animal seedlings will be greatly demanded in the long term. Strengthening animal healthcare is an important trend feature of the development of animal breeding, and the demand for animal healthcare products will grow rapidly. In terms of aquaculture, with the upgrading of aquaculture industry and the implementation of national inspection and quarantine of aquatic seedlings, the seedlings will enter the process of industry integration and reshuffle, the demand for high-quality seedlings accredited by the State will increase rapidly, and the aquatic seedlings in the aquaculture industry chains will also become more valuable, including production / disease resistance / farming and other production and profit-making links. The upgrading of breeding varieties and structure, the decline of profitability of conventional varieties and their models, the improvement of consumption of special and excellent varieties in turn driving the upgrading of varieties and models. Large -scale breeding bases is gradually increasing, and extended to circulation and processing, forming a regional or single variety industry chain model of breeding / multiplying / raising / and processing.

(5) The breeding industry will be accelerated into large-scale, industrialization, intelligence and capitalization

The factors such as land constraints, food safety, industrial technological progress and increasingly young employees promote the process of industrialization, large-scale, intelligence and capitalization of the industry. At present, the large-scale poultry breeding has initially formed, and the scale threshold has been continuously raised. Due to the influence of African swine fever, pig breeding is rapidly completing the large-scale process. The large-scale of aquaculture is also gradually developing. The scale of ruminant breeding is still in its infancy. There is fund shortage in the whole industry. Excellent listed companies are increasing industrial expansion, the large real-estate companies and the Science and Technology corporations also entered the animal industry. Through bringing capital, manpower, technology and management, the excellent enterprises empower the animal industry with automation, digitization and intellectualization, promoting the intelligent and industrialized development of the animal industry.

(6) The development of industrial chain becomes more comprehensive and in-depth

The demand for green and safe food will promote the construction of food traceability system and agricultural standardization system. Large excellent enterprises will gradually improve the industrial chain layout with their technology, talents and capital advantages by connecting the entire businesses and being more capable of controlling the whole process including seedling, breeding, feed, animal healthcare, slaughtering, transportation and food processing, in turn further promoting large excellent enterprises more efficient and in-depth industrial chain layout. Food safety issue also forces the professional docking of large-scale enterprises in the industry's production links to ensure that each production link is safe, controllable and traceable, promoting the aggregation of industrial chains and accelerating industry integration.

2. The prospect of company's future development

(1). The goal of company's development is to become the leading high-tech agricultural and animal husbandry company with sustainable development ability in China. The development is based on "creating value for customers". Center on the upstream and downstream of breeding, the company focuses on seedling, animal healthcare, feed, breeding, slaughtering, food processing and other links. The company builds an industry-leading whole industry chain and provides comprehensive services for farmers including feed, seedling, animal healthcare and breeding technical services, as well as other needs such as financial services for farmers and dealers,

effectively improving the profitability of farmers and dealers, and realizing the win-win development mode between the company and customers.

(2). The basic strategy of the industrial chain development is to scale up based on its specialization, and to extend the industrial chain based on its core competitiveness. The company will take advantage of feed products as its core business, and actively expands businesses such as raw materials, animal healthcare, seedlings, breeding, circulation and food processing, to cultivate the professional ability in the industrial chain and build comprehensive core competitiveness in the industrial chain.

(3). The company's five-year business development plan (2021-2025). The development in next five years is still to focus on the needs of breeding links, provide overall services for farmers, and further expand the sales scale and the profitability of feed, seedlings and animal healthcare products. At the same time, the company maintains an appropriate amounts of pigs, aquatic products and poultry, resolutely strengthens the professional breeding capacity, and scales them up based on specialization.

Feed business is the core business of the company. The company's feed sales target in next five years is 40 million tons (2025, including export and internal use). In 2021, the company formulated an equity incentive plan including more than 4000 employees. The annual growth target of feed sales in next five years is no less than 3.2 million tons and increases year by year. Until 2024 and 2025, the annual growth target is 6 million tons, and the compound growth rate of five-year sales is 21%, which is much higher than the growth rate of feed industry and peer listed companies in recent years and significantly higher than that of the company in previous years. If the feed sales target can be successfully achieved, the company's market share will be greatly increased, the product competitive advantage will become more and more obvious, and the company will have sustained and strong competitive advantages.

The overall services for farmers must rely on seedlings and animal healthcare. At present, the company has become the leader in aquatic seedlings and animal healthcare, and the sales scale and product quality are ahead of the industry. In particular, shrimp seedlings have been performing well in recent years and have been accepted by farmers, not only greatly improving the income of farmers, but also increasing the growth of feed sales. The company continues to increase seedling research and development and business cooperation, and gradually expands the advantages of seedlings into fish, pigs and poultry varieties. For the animal healthcare business, the company will continue to promote the "thousand station plan" and plans to set up more than 1000 service stations within five years to provide breeding technical services for farmers. The main products of service stations are

animal healthcare products and technical services. Through the establishment of service stations, the company will accelerate the upgrading of aquatic animal protection products and services, expand its leading advantages in the industry, and serve the advantageous products to farmers all over the country (not limited to the company's feed farmers). For livestock and poultry protection, the company will quickly build a professional livestock and poultry service team with thousands of people to provide professional prevention, diagnosis, dispensing, after-sales and other services for farmers, to further improve the profitability of farmers and their fidelity to the company's products and services.

The breeding business sticks to the large-scale based on specialization. The development of breeding business can deepen the understanding of the company and team on breeding needs and provide many talents with high-quality services for feed, seedling and animal healthcare business. At the same time, the breeding business is also required for the company to further expand and develop the downstream of the industrial chain in the future, such as food processing business. In the future, the company hopes to provide healthy and traceable food materials for customers. The professional breeding capacity must be opened up and the breeding size can be controlled at an appropriate scale. The breeding business includes pig, aquatic and poultry breeding, will develop in the relatively balanced manner. The development of breeding business must adhere to the large-scale based on specialization, with mainly building the professional ability of the team.

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

√ Applicable □ Not applicable

Date	Place	Reception method	Type of communication party	Communication party	Main discussions and information provided	Index to basic information on communication
20 April 2021	Company Conference Room	By phone	Institution	Bosera Funds, Taikang Asset, Zhong Ou Asset, China Merchants Fund, Dacheng Fund, CIB Fund, Great Wall Fund, etc.	The Company's annual operating results	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2021-001) published on the website of www.cninfo.com.cn on 22 April 2021

28 April 2021	Company Conference Room	Other	Other	The investors participating in the interaction of "Panorama Road Show"	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2021-002) published on the website of www.cninfo.com.cn on 29 April 2021
20 May 2021	Multi-function Hall of Sheraton Guangzhou Panyu	Field research	Institution	Harvest Fund, Taikang Asset, Fullgoal Fund, UBS SDIC Fund, GF Fund Management, ICBC Credit Suisse Asset, Penghua Fund, China Universal Asset Management, E Fund, etc.	The Company's operations and development strategy	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2021-003) published on the website of www.cninfo.com.cn on 24 May 2021
27 July 2021	Company Conference Room	By phone	Institution	Harvest Fund, Baoying Fund, Purekind Fund, New China Asset Management, Guotai Fund, etc.	The Company's interim operating results	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2021-004) published on the website of www.cninfo.com.cn on 28 July 2021
20 October 2021	Company Conference Room	By phone	Institution	Harvest Fund, Baoying Fund, Purekind Fund, New China Asset Management, Guotai Fund, etc.	The Company's Q3 operating results	For details, please refer to the Table of Investor Relations Activity Records of Guangdong Haid Group Co., Limited 2021-005) published on the website of www.cninfo.com.cn on 20 October 2021

Section IV. Corporate Governance

I Overview

1. The Establishment of the Company System

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

2. Shareholders and General Meeting of Shareholders

During the reporting period, the Company strictly adhered to applicable laws and regulations such as the Company Law (《公司法》), the Articles of Association (《公司章程》), and the Rules of Procedure of the General Meeting of Shareholders (《股东大会议事规则》), as well as the Company's internal control rules, and standardized the convening, holding and voting procedures of the General Meeting of Shareholders to ensure that all shareholders could be equal, and fully exercise their rights. In addition, as witnessed by the hired lawyers, the legitimacy of the meeting's convening, holding and voting procedures could be guaranteed, and relevant legitimate rights and interests of the Company and its shareholders could be secured as well. In 2021, four general meetings of shareholders were convened and held by the Board in total; the convening, holding and voting procedures of such meetings were witnessed by the lawyers and all were legal and valid.

3. Directors and the Board of Directors

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

All directors of the Company have performed their duties in strict compliance with relevant laws, regulations, and

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

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

4. Supervisors and the Supervisory Committee

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

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

5. Internal Audit System

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

6. Stakeholders

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

7. Information Disclosure and Transparency

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

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

8. Investor Relations Management

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

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

9. Insider Information Management

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

reports and 10 days before the disclosure of quarterly reports, earnings forecast announcements and preliminary earnings estimate announcements, and conducted an internal audit on the buying and selling of the Company's shares by directors, supervisors, senior management and relevant information insiders. During the reporting period, no information insider was ever involved in the illegal buying and selling of the Company's shares, and no relevant personnel was suspected of being involved in insider trading and was imposed some supervision measures and administrative penalties by competent regulatory departments.

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

Yes No

No such incompliance.

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

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

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

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

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

4. Organizational structure: The Company's Board of Directors, Supervisory Committee, and internal functional departments can independently operate. There is no leader-member relation between the controlling shareholder and internal institutions. The controlling shareholder did not directly or indirectly intervene in the Company's decision-making and business activities without the General Meeting of Shareholders.

5. Business: The business structure of the Company is independent and complete, which is of the business capability of independent market orientation and management. There is no competition in terms of the Company's

business cope, business nature, customer objects, and product replaceability. In addition, the controlling shareholder cannot harness its controlling position to the Company to try to gain the Company's business opportunities. Moreover, the controlling shareholder cannot substitute the General Meeting of Shareholders and the Board of Directors to directly make major decisions for the listed company and intervene in the normal decision-making process of the listed company.

III. Horizontal Competition

Applicable Not applicable

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

1. General Meetings of Shareholders Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Disclosure date	Resolutions
First Extraordinary General Meeting of Shareholders of 2021	Extraordinary	58.44%	3 February 2021	4 February 2021	For details, see the Announcement on Resolutions of First Extraordinary General Meeting of Shareholders of 2021 (No. 2021-019) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
2020 Annual General Meeting of Shareholders	Annual	58.41%	20 May 2021	21 May 2021	For details, see the Announcement on Resolutions of 2020 Annual General Meeting of Shareholders (No. 2021-064) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Second Extraordinary General Meeting of Shareholders of 2021	Extraordinary	62.77%	11 August 2021	12 August 2021	For details, see the Announcement on Resolutions of Second Extraordinary General Meeting of Shareholders of 2021 (No. 2021-086) disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Third Extraordinary General Meeting of Shareholders of 2021	Extraordinary	62.64%	30 December 2021	31 December 2021	For details, see the Announcement on Resolutions of Third Extraordinary General Meeting of Shareholders of 2021 (No. 2021-112) disclosed on Securities

													Times, China Securities Journal, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
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2. Extraordinary General Meetings of Shareholders Convened at Request of Preferred Shareholders with Resumed Voting Rights

Applicable Not applicable

V. Directors, Supervisors and Senior Management

1. General Information

Name	Office title	Incumbent/Former	Gender	Age	Starting date of tenure	Ending date of tenure	Opening shareholding (share)	Increase in Reporting Period (share)	Decrease in Reporting Period (share)	Other increase/decrease (share)	Closing shareholding (share)	Reasons for share changes
Hua Xue	Chairman of the Board	Incumbent	Male	52	6 June 2007	16 July 2022						
Hua Xue	President	Incumbent	Male	52	25 May 2010	16 July 2022						
Yingzhuo Xu	Vice Chairman of the Board	Incumbent	Male	54	6 June 2007	16 July 2022						
Li Tian	Director	Former	Female	50	7 June 2016	18 January 2021	1,965,100				1,965,100	
Qi Cheng	Director	Incumbent	Male	42	16 July 2019	16 July 2022	70,000				70,000	
Qi Cheng	Executive Vice President	Incumbent	Male	42	16 July 2019	16 July 2022						
Xueqiao Qian	Director	Incumbent	Male	55	3 February 2021	16 July 2022	340,900		85,200		255,700	Personal financial needs
Xueqiao Qian	Vice President	Incumbent	Male	55	16 July 2019	16 July 2022						
Xueqiao	Chief	Incumbent	Male	55	6 June	16 July						

Qian	Engineer				2007	2022						
Jianfang Gui	Independent Director	Incumbent	Male	66	16 July 2019	16 July 2022						
Jianguo He	Independent Director	Incumbent	Male	60	16 July 2019	16 July 2022						
Yunguo Liu	Independent Director	Incumbent	Male	56	16 July 2019	16 July 2022						
Zhenxiong Qi	Supervisor	Incumbent	Male	52	6 June 2007	16 July 2022						
Hua Wang	Supervisor	Incumbent	Male	35	16 November 2020	16 July 2022						
Yongfang Mu	Supervisor	Incumbent	Female	33	16 November 2020	16 July 2022						
Guoxiang Liu	Vice President	Incumbent	Male	53	16 July 2019	16 July 2022	270,170		67,500		202,670	Personal financial needs
Shaolin Yang	Vice President	Incumbent	Male	48	16 July 2019	16 July 2022	330,900				330,900	
Shaolin Yang	Chief Financial Officer	Incumbent	Male	48	22 October 2012	16 July 2022						
Xiewu Jiang	Vice President	Incumbent	Male	54	16 July 2019	16 July 2022	66,780				66,780	
Guocheng Mi	Vice President	Incumbent	Male	50	16 July 2019	16 July 2022	323,700		80,900		242,800	Personal financial needs
Zhongzhu Chen	Vice President	Incumbent	Male	52	16 July 2019	16 July 2022	251,470		62,800		188,670	Personal financial needs
Mingzhong Chen	Vice President	Incumbent	Male	57	6 June 2007	16 July 2022						
Zhijian Huang	Vice President	Incumbent	Male	44	26 July 2012	16 July 2022	412,244				412,244	
Zhijian Huang	Board Secretary	Incumbent	Male	44	26 July 2012	16 July 2022						

Total	--	--	--	--	--	--	4,031,264	0	296,400		3,734,864	--
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Indicate whether any director, supervisor or senior management resigned before the expiry of their tenures during the reporting period.

Yes No

Ms. Li Tian resigned as Director of the Fifth Board of Directors on 18 January 2021 for personal reasons and ceased to be a member of the Audit Committee and the Strategy Committee under the Board of Directors at the same time. For further information, see the Proposal on Change of Director (Announcement No. 2021-013) disclosed by the Company on the media designated for information disclosure, namely Securities Times, China Securities Journal, Shanghai Securities News, Securities Times and <http://www.cninfo.com.cn> dated 18 January 2021.

Change in directors, supervisors and senior management:

Applicable Not applicable

Name	Office title	Type of change	Date	Reason
Li Tian	Director	Resignation	18 January 2021	Voluntary resignation
Xueqiao Qian	Director	Appointed	3 February 2021	

2. Brief Biographies

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

1. Directors

(1) Hua Xue

Mr. Hua Xue is an engineer. He graduated from College of Fisheries of Huazhong Agricultural University in 1992 with a major in special aquaculture; in 1995, he obtained the master's degree in zoology from School of Life Sciences of Sun Yat-Sen University. As one of the founders of the Company, he now serves as the Chairman of the Board and President (General Manager) of the Company, as well as an Executive Director of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. He was/is the Executive Vice President of China Feed Industry Association (CFIA), Chairman of China Vocational Education Group of Modern Fishery, Vice Chairman of China Association of Young Rural Entrepreneurial Leaders (CAYREL), Chairman of Guangdong Hi-tech Enterprise Association (GDHTEA), Vice President of Guangdong Feed Industry Association, Vice Chairman of Guangdong Antibiotic-Free Feed Industry Alliance, the NPC Member of the 14th National Congress of the Communist Party of Guangzhou, a member of the 11th Chinese People's Political Consultation Conference Guangzhou Committee, the NPC Member of the 16th National Congress of the Communist Party of Guangzhou, Vice Chairman of the 15th Executive Committee of Guangzhou Federation of Industry and Commerce, and Honorary Chairman of Guangzhou Feed Profession Association (GZFPA). Meanwhile, he is recognized as "Leading Entrepreneur in China's Feed Industry" by the Ministry of Agriculture, and "Top 30 Excellent Entrepreneurs in China" by China Feed Industry Association (CFIA). Mr. Hua Xue holds 39.75% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. and is the actual controller of the Company.

(2) Yingzhuo Xu

Mr. Yingzhuo Xu is one of the founders of the Company, and he now serves as the Company's Vice Chairman of the Board. He holds a bachelor's degree and is a livestock specialist. He also holds a master's degree in business administration from HEC Paris. From 1991 to 1997, he worked for Guangdong Academy of Agricultural Sciences in technology research and promotion with respect to feed for the animal husbandry industry. He served as a Vice President and Director of the Company starting from 1998 before being a Vice Chairman of the Board of the Company. Mr. Yingzhuo Xu holds 27% equity interests in Guangzhou Haihao Investment Co., Ltd., the Company's controlling shareholder.

(3) Qi Cheng

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

(4) Xueqiao Qian

Dr. Xueqiao Qian, Chinese Han nationality, is an Associate Professor and has obtained the doctorate degree from the Institute of Hydrobiology, Chinese Academy of Science. He successively presided over or participated in the Hubei Provincial Natural Science Fund Project -- Development and Utilization of Feather Proteins in Fishery Feeds, the development projects of the State Key Laboratory of Freshwater Ecology and Biotechnology -- Effects of Nutrition Levels and Nutritional History on Fish's Growth and Activities, Research on the Feeding Behavior and Chemical Sensation of Allogynogenetic Crucian Carp, and Studies on the Utilization of Plant Protein by Main Cultured Freshwater Fish, the NSFC Project -- Studies on the Comparative Nutritional Energetics of Feed Protein Requirements of Carnivorous Fish and Omnivorous Fish, and the MOA's 948 project -- Artificial Propagation and Large-scale Aquaculture of Paddlefish etc.. Further, he has published more than 20 papers, of which, three papers were published in international publications and included in SCI. He joined the Company in 2004 and is mainly engaged in the aquatic animal nutrition and feed research and the development of new feed additives. Now, he is a Director, Vice President (Vice General Manager) and the Chief Engineer of the Company. And he holds 3% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(5) Jianfang Gui

Dr. Jianfang Gui has obtained PhD and is a doctoral supervisor, academician of the Chinese Academy of Sciences and of The World Academy of Sciences. He graduated from the major of Cytobiology of Wuhan University and obtained the Bachelor's degree in January 1982; obtained the Master's degree in Genetics from Wuhan University in December 1984 and joined in Institute of Hydrobiology, Chinese Academy of Sciences in the same year and has since worked there. In 1995, he obtained the Doctor's degree of science from Institute of Hydrobiology,

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

(6) Jianguo He

Dr. Jianguo He has obtained PhD and is a professor of Sun Yat-sen University, winner of “The National Science Fund for Distinguished Young Scholars” and Chief Scientist of the State Shrimp and Crab Industry Technology System. He graduated from the major of Zoology of Sun Yat-sen University and obtained the Doctor’s degree of science in 1990. He has been working in Sun Yat-sen University since 1991. He served as Deputy Director of College of Life Sciences, Sun Yat-sen University from 2000 to 2008, and Director of College of Marine Science, Sun Yat-sen University from 2008 to 2018. His current positions include Director of State Key Laboratory of Pest Control and Resource Utilization (Sun Yat-sen University), Director of China-ASEAN Mariculture Technology “Belt and Road” Joint Laboratory, Member of Fisheries Advisory Committee of MARA, Deputy Director of Aquacultural Disease Control Expert Commission of MARA, President of Guangdong Zoological Society, Vice President of the Crustacean Branch of China Zoological Society, and Independent Director of the Company.

(7) Yunguo Liu

Dr. Yunguo Liu has obtained the Doctor’s degree in management (accounting) from Xiamen University. His current positions and titles include Professor of Accounting and Doctoral Supervisor in Sun Yat-sen Business School (SYSBS), Director of Sun Yat-sen University Cost and Management Accounting Research Center, Director of School of Accountancy in Guangzhou Xinhua University (a private university), Member of Management Accounting Professional Committee of Chinese Accounting Society, Executive Director of Cost Research Society of China, a management, accounting and consultancy expert of the Ministry of Finance, Leading Talent in Accountancy (Phase I) under the Ministry of Finance, Third Batch of Shortlisted Candidates for Special Support Program of the Development of State Leading Talents in Accountancy under the Ministry of Finance, Shortlisted Candidate (2019) for the Development of Accounting Celebrities under the Ministry of Finance, Member of CGMA North Asian 100 Think Tank Leaders, Member of IMA China Academic Consultation Commission, and Vice Chairman of Guangdong Association of Management Accountants. Currently, he is also Independent Director of Shenzhen Heungkong Holding Co., Ltd. (600162.SH), Guangdong Daya Smart Kitchen Appliances Co., Ltd. (837009.OC) and Changwei Information Technology Development Co., Ltd..

2. Supervisors

(1) Zhenxiong Qi

Dr. Zhenxiong Qi is a doctoral degree holder and senior engineer. He successively participated in a key program of National Natural Science Foundation of China, the National Key Technologies R & D Program of China during the 8th Five-Year Plan Period, National Climb—B Plan, and programs of the Shandong and Guangdong

Provincial Natural Science Funds. Meanwhile, he has also published many research papers, applied for multiple invention patents and been granted a State Technological Invention Award (Second Prize). Since he joined the Company, he has been mainly engaged in researches on animal nutrition and feed, aquatic farming and disease control. He has years of experience in product development, grass-root farming and technology promotion. He is now the Chairman of the Company's Supervisory Committee. Mr. Zhenxiong Qi holds 0.1% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(2) Hua Wang

Mr. Hua Wang, Chinese Han nationality, is a member of the CPC, an economist and a political mentor. Hua Wang majored in politics and administration and graduated from Southwest Jiaotong University in 2009. He obtained a professional master's degree in political theory from Wuhan University in 2011. Hua Wang worked for China Tunnel Construction Co. Ltd. Guangdong from July 2011 to March 2017, and worked for Guangdong Cinda Real Estate Co., Ltd. from June 2017 to March 2019. He joined Guangdong Haid Group Co., Limited in April 2019, and currently serves as the Senior Manager of the Group's Secretary Office.

(3) Yongfang Mu

Ms. Yongfang Mu, Chinese Han nationality, is an intermediate accountant. Yongfang Mu graduated from Henan University of Economics and Law in June 2012, majoring in accounting. She joined Guangdong Haid Group Co., Limited in July 2012 and has held positions related to cost accounting, budget management and financial management for the Company. She currently serves as Financial Director of the Company.

3. Senior Management

(1) Guoxiang Liu

Mr. Guoxiang Liu is an assistant research fellow. He graduated from the Aquaculture Department of Huazhong Agricultural University in 1992, majoring in special aquaculture professionalism. He is now a Vice President (Vice General Manager) and the Central China General Manager of the Company, in addition to being the Vice Chairman of Hubei Province Feed Industry Association. Mr. Guoxiang Liu holds 1.5% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(2) Shaolin Yang

Mr. Shaolin Yang has obtained the master's degree. Graduated from Sun Yat-sen University with a major in Business Administration, he is also a senior accountant, certified public accountant, and certified tax accountant, and has been selected and listed into the expert database of the high-tech enterprises of Department of Science and Technology of Guangdong Province. From December 2008 to April 2012, he served as Executive Director, CFO and Joint Secretary of KEE Holdings Company Limited (HK.02011). From May 2016 to May 2021, he served as a supervisor of Guangdong Association of Management Accountants (GAMA); and has become Vice Chairman of GAMA since October 2021. Since June 2016, he has acted as an extramural tutor for master's degree students in accounting of Sun Yat-sen Business School. Since 2021, he has been a tutor for master's degree students in accounting of Guangdong University of Foreign Studies. In April 2012, he joined the Company and is currently

the Company's Vice President (Vice General Manager) and CFO.

(3) Xiewu Jiang

Mr. Xiewu Jiang is an aquacultural engineer. He graduated from the major of Special Aquaculture of College of Fisheries, Huazhong Agricultural University in 1992. Subsequently, he studied in the postgraduate program of Aquatic Animal Nutrition of Sun Yat-sen University and EMBA of South China University of Technology. Currently, he serves as Vice President (Deputy General Manager) of the Company and General Manager of Aquacultural Breeding/Premix BU. His other positions include Director of Guangzhou Municipal Agricultural Leading Enterprises Association, Executive Director of the First Board of Directors of the Aquatic Seed Branch of China Fisheries Association, Chairman of Weifang Fisheries Association, Vice Chairman of Guangdong Ocean Association, and Vice Chairman of the Marine Animal Branch of Guangdong Ocean Association. Mr. Xiewu Jiang holds 4.5% equity interests in the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd..

(4) Guocheng Mi

Mr. Guocheng Mi graduated from the major of Freshwater Fishery of Southwest Agricultural University. He joined in the Company in 2010 and currently serves as a Vice President (Vice General Manager) and the General Manager of the Pig Farming BU of the Company.

(5) Zhongzhu Chen

Mr. Zhongzhu holds an MBA degree for senior management personnel from Xiamen University. He joined in the Company in 2004 and currently serves as a Vice President (Vice General Manager) and the General Manager of the Shrimp Feed BU of the Company.

(6) Mingzhong Chen

Mr. Mingzhong Chen graduated from MBA of Hong Kong Baptist University. His past titles include Deputy to Zhuhai Municipal People's Congress and Member of Shaowu Municipal CPPCC and current social titles include Vice President of Guangzhou Municipal Agricultural Leading Enterprises Association, Vice President of the Standing Committee of Panyu District Federation of Industry and Commerce of Guangzhou, Vice President of the three federations of Guangzhou (including Guangzhou Industrial Economy Federation) and Executive Vice President of Nancun General Chamber of Commerce of Panyu District, Guangzhou. He has won a number of honors and titles, such as "Excellent Entrepreneur for Caring for Employees in Panyu District, Guangzhou". He joined in the Company in 2004 and served as the head for project investment and preparations and Director of Purchase. He currently serves as a Vice President (Vice General Manager) of the Company and is responsible for public relations, brand image and promotion of the Company.

(7) Zhijian Huang

Mr. Zhijian Huang is an accountant and a bachelor's degree holder. He joined the Company in 2004 and is now a Vice President (Vice General Manager) and the Board Secretary of the Company.

Posts concurrently held in shareholding entities:

 Applicable Not applicable

Name	Shareholding entity	Post held in shareholding entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from shareholding entity
Hua Xue	Guangzhou Haihao Investment Co., Ltd.	Executive director	27 September 2006		No
Xueqiao Qian	Guangzhou Haihao Investment Co., Ltd.	Supervisor	1 December 2021		No
Yingzhuo Xu	Guangzhou Haihao Investment Co., Ltd.	General Manager	1 December 2021		Yes
Note	Yingzhuo Xu has ceased to be paid by the Company and started to be paid by Guangzhou Haihao Investment Co., Ltd. since December 2021.				

Posts held concurrently in other entities:

 Applicable Not applicable

Name	Other entity	Post held in other entity	Starting date of tenure	Ending date of tenure	Remuneration or allowance from the entity
Hua Xue	Guangdong Aerocity Holding Co., Ltd.	Director	21 January 2015		No
Hua Xue	Guangzhou Huading Investment Holding Co., Ltd.	Executive Director	4 June 2021		No
Hua Xue	Guangzhou Huayu Investment Co., Ltd.	Executive Director	14 December 2021		No
Yingzhuo Xu	Zhuhai Haihao Industrial Investment Co., Ltd.	Executive Director	20 March 2020		No
Yingzhuo Xu	Guangzhou Haihao Technology Industry Operation Co., Ltd.	Director	20 March 2020		No
Yingzhuo Xu	Guangdong Haihaowan Development Co., Ltd.	Executive Director	22 April 2020		No
Yingzhuo Xu	Guangzhou Haihao Biotechnology Co., Ltd.	Executive Director	29 April 2020		No
Yingzhuo Xu	Guangzhou Haoyue Biotechnology Development Co., Ltd.	Executive Director	29 May 2020		No
Yingzhuo Xu	Guangzhou Zhuoling Investment Development Co., Ltd.	Executive Director	2 June 2021		No

Yingzhuo Xu	Guangzhou Zhuoyi Investment Development Co., Ltd.	Supervisor	4 June 2021		No
Yingzhuo Xu	Guangzhou Zhuosheng Investment Holding Co., Ltd.	Executive Director	8 June 2021		No
Yingzhuo Xu	Guangzhou Huayu Investment Co., Ltd.	Manager	14 December 2021		No
Jianfang Gui	Institute of Hydrobiology, Chinese Academy of Sciences	Research fellow	1 August 1995		Yes
Jianguo He	Sun Yat-Sen University	Professor	1 December 1994		Yes
Yunguo Liu	Sun Yat-Sen University	Professor	1 December 1999		Yes
Yunguo Liu	Guangdong Daya Smart Kitchen Appliances Co., Ltd.	Independent Director	22 June 2017	12 October 2022	Yes
Yunguo Liu	Shenzhen Heungkong Holding Co., Ltd.	Independent Director	6 May 2016	17 May 2022	Yes
Yunguo Liu	Changwei Information Technology Development Co., Ltd.	Independent Director	1 September 2016	1 September 2022	Yes
Xiewu Jiang	Bangpu Breeding Technology Co., Ltd.	Director	1 May 2019		No
Shaolin Yang	Sun Yat-Sen University	Extramural Tutor for master's degree students	5 June 2016	5 June 2022	Yes
Shaolin Yang	Guangdong University of Foreign Studies	Tutor for master's degree students	1 January 2021	1 January 2025	Yes
Shaolin Yang	Guangdong Association of Management Accountants	Vice Chairman	1 October 2021	1 October 2027	No
Note	N/A				

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

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management

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

The remuneration of the Company's directors, supervisors and senior management is in strict compliance with the Company's Rules of Procedure for Meetings of Shareholders (《股东大会议事规则》) and Rules of Procedure for

Board (《董事会议事规则》), as well as with the Company Law and the Company's Articles of Association. The remuneration is determined according to the Company's operating performance and these personnel's performance appraisal indicators.

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

Unit: RMB'0,000

Name	Office title	Gender	Age	Incumbent/Former	Total before-tax remuneration from the Company	Remuneration from related party
Hua Xue	Chairman of the Board and General Manager	Male	52	Incumbent	303.46	No
Yingzhuo Xu	Vice Chairman of the Board	Male	54	Incumbent	87.51	Yes (note 1)
Li Tian (note 3)	Director	Female	50	Former	0	No
Jianfang Gui	Independent Director	Male	66	Incumbent	12	No
Jianguo He	Independent Director	Male	60	Incumbent	12	No
Yunguo Liu	Independent Director	Male	56	Incumbent	12	No
Zhenxiong Qi	Supervisor	Male	52	Incumbent	163.81	No
Hua Wang	Supervisor	Male	35	Incumbent	49.52	No
Yongfang Mu	Supervisor	Female	33	Incumbent	42.32	No
Qi Cheng (note 2)	Director and Executive Vice President	Male	42	Incumbent	174.48	No
Guoxiang Liu (note 2)	Vice President (Vice General Manager)	Male	54	Incumbent	148.51	No
Xueqiao Qian (note 2)	Director, Vice President (Vice General Manager) and Chief Engineer	Male	55	Incumbent	176.87	No
Shaolin Yang (note 2)	Vice President (Vice General Manager) and Chief Financial Officer	Male	48	Incumbent	159.57	No
Xiewu Jiang (note 2)	Vice President (Vice General Manager)	Male	54	Incumbent	148.9	No
Guocheng Mi (note 2)	Vice President (Vice General Manager)	Male	50	Incumbent	149.53	No

Zhongzhu Chen (note 2)	Vice President (Vice General Manager)	Male	52	Incumbent	129.57	No
Mingzhong Chen (note 2)	Vice President (Vice General Manager)	Male	57	Incumbent	104.4	No
Zhijian Huang (note 2)	Vice President (Vice General Manager) and Board Secretary	Male	44	Incumbent	120.38	No
Total	--	--	--	--	1,994.83	--

Notes:

1. Yingzhuo Xu, Vice Chairman of the Board of the Company, has acted as General Manager of the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. (hereinafter referred to as "Haihao Investment") since December 2021, and has been paid by Haihao Investment since 1 December 2021. His remunerations in the table above are salaries, year-end bonuses, etc. from the Company for the period from January to November 2021.
2. The table above is exclusive of a total of RMB 27.3744 million out of the operating profit of the last three years that were granted in 2021 as rewards to Vice General Managers Qi Cheng, Guoxiang Liu, Xueqiao Qian, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen and Zhijian Huang. The aforesaid amounts have been given to their personal accounts after deducting the individual income tax as required.
3. Director Li Tian has resigned on 18 January 2021 before the expiry of her tenure.

VI. Performance of Duties by Directors in the Reporting Period

1. Board Meetings Convened in the Reporting Period

Meeting	Date of the meeting	Disclosure date	Resolutions
The 14 th Meeting of the Fifth Board of Directors	18 January 2021	19 January 2021	The following proposals were deliberated and approved: 1. The Proposal on the Changes to Certain Raised Funds Investment Projects (《关于变更部分募集资金投资项目的议案》); 2. The Proposal on the Application for Comprehensive Credit Line from Banks in 2021 (《关于2021年向银行申请综合授信额度的议案》); 3. The Proposal on the External Guarantee in 2021 (《关于2021年对外担保的议案》); 4. The Proposal on Conducting Hedging Business in 2021 (《关于2021年开展套期保值业务的议案》); 5. The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》); 6. The Proposal on the Change in the Company's Directors (《关于变更公司董事的议案》); 7. The Proposal on Convening the 1st Extraordinary General Meeting of 2021 (《关于召开2021年第一次临时股东大会的议案》).
The 15 th Meeting of the Fifth Board of Directors	3 February 2021	4 February 2021	1. It deliberated and approved the Proposal on the By-election of Members of the Special Committees of the Board of Directors of the Company (《关于补选公司董事会专门委员会委员的议案》).

The 16 th Meeting of the Fifth Board of Directors	4 March 2021	6 March 2021	1. It deliberated and approved the Proposal on Adjusting the Plan for Share Repurchase (《关于调整回购股份方案的议案》).
The 17 th Meeting of the Fifth Board of Directors	6 April 2021	7 April 2021	The following proposals were deliberated and approved: 1. The Proposal on the 2021 Share Option Incentive Plan (Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司 2021 年股票期权激励计划(草案)>及其摘要的议案》); 2. The Proposal on the Management Methods for the Implementation and Appraisal for the 2021 Share Option Incentive Plan of Guangdong Haid Group Co., Limited (《关于<广东海大集团股份有限公司 2021 年股票期权激励计划实施考核管理办法>的议案》); 3. The Proposal on Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2021 Share Option Incentive Plan (《关于提请股东大会授权董事会办理公司 2021 年股票期权激励计划有关事项的议案》); 4. The Proposal on Terminating the Plan for Share Repurchase (《关于终止回购公司股份方案的议案》).
The 18 th Meeting of the Fifth Board of Directors	17 April 2021	20 April 2021	The following proposals were deliberated and approved: 1. The Proposal on the 'Report on the Work of the Board of Directors for 2020' (《关于<公司 2020 年度董事会工作报告>的议案》); 2. The Proposal on the 'Report on the Work of the General Manager of the Company for the Year 2020' (《关于<公司 2020 年度总经理工作报告>的议案》); 3. The Proposal on the 'Annual Report of the Company for 2020' and its Abstract (《关于<公司 2020 年年度报告>及其摘要的议案》); 4. The Proposal on the 'Financial Final Report for 2020 of the Company' (《关于<公司 2020 年度财务决算报告>的议案》); 5. The Proposal on the Profit Appropriation Plan in 2020 (《关于 2020 年度利润分配预案的议案》); 6. The Proposal on the 'Internal Control Self-assessment Report of the Company in 2020' (《关于<公司 2020 年度内部控制自我评价报告>的议案》); 7. The Proposal on the 'Special Report on Deposit and Usage of Raised Funds of the Company in 2020' (《关于<公司 2020 年年度募集资金存放与使用情况的专项报告>的议案》); 8. The Proposal on the 'Corporate Social Responsibility Report 2020 of the Company' (《关于<公司 2020 年社会责任报告>的议案》); 9. The Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》); 10. The Proposal on the Satisfaction of the Unlocking Conditions of the 2016 Restricted Share Incentive Plan (《关于 2016 年限制性股票激励计划符合解锁条件的议案》); 11. The Proposal on Routine Related-party Transactions in 2021 (《关于 2021 年日常关联交易的议案》); 12. The Proposal on the Cash Management of Part of Idle Funds Raised and Self-owned Funds (《关于使用部分闲置募集资金及自有资金进行现金管理的议案》); 13. The Proposal on the Application for Syndicated Loans and Provision of

			<p>Guarantees for Subsidiaries (《关于子公司申请银团贷款及为其提供担保的议案》); 14. The Proposal on the External Guarantee (《关于对外提供担保的议案》); 15. The Proposal on the Application for the Adjustment of Comprehensive Credit Line from Banks (《关于向银行申请综合授信额度调整的议案》); 16. The Proposal on the Fourth Plan of the Employee Stock Ownership Plan for Core Team (Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司核心团队员工持股计划之四期计划(草案)>及其摘要的议案》); 17. The Proposal on the 'First Quarter Report for 2021 of the Company' (《关于<公司 2021 年第一季度报告>的议案》).</p>
<p>The 19th Meeting of the Fifth Board of Directors</p>	<p>29 April 2021</p>	<p>30 April 2021</p>	<p>The following proposals were deliberated and approved: 1. The Proposal on the 2021 Share Option Incentive Plan (Revised Draft) of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司 2021 年股票期权激励计划(草案修订稿)>及其摘要的议案》); 2. The Proposal on Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2021 Share Option Incentive Plan (《关于提请股东大会授权董事会办理公司 2021 年股票期权激励计划有关事项的议案》); 3. The Proposal on Convening the 2020 Annual General Meeting of Shareholders (《关于召开 2020 年年度股东大会的议案》).</p>
<p>The 20th Meeting of the Fifth Board of Directors</p>	<p>10 June 2021</p>	<p>15 June 2021</p>	<p>1. It deliberated and approved the Proposal on Adjustments to the List of Awardees and the Numbers of Equities to Be Granted to Them in the First Grant under the 2021 Share Option Incentive Plan (《关于调整公司 2021 年股票期权激励计划首次授予激励对象名单及授予权益数量的议案》); 2. It deliberated and approved the Proposal on the Grant of Share Options to the Awardees for the First Grant under the 2021 Share Option Incentive Plan (《关于向公司 2021 年股票期权激励计划首次授予激励对象授予股票期权的议案》).</p>
<p>The 21st Meeting of the Fifth Board of Directors</p>	<p>23 July 2021</p>	<p>27 July 2021</p>	<p>The following proposals were deliberated and approved: 1. The Proposal on the 'Semi-Annual Report of the Company for 2021' and its Abstract (《关于<公司 2021 年半年度报告>及其摘要的议案》); 2. The Proposal on the 'Special Report on Deposit and Usage of Raised Funds of the Company in the First Half of 2021' (《关于<公司 2021 年半年度募集资金存放与使用情况的专项报告>的议案》); 3. The Proposal on the External Guarantee (《关于对外提供担保的议案》); 4. The Proposal on the Routine Related-party Transactions (《关于日常关联交易的议案》); 5. The Proposal on Changing the Registered Capital of the Company and Revising the Articles of Association (《关于变更公司注册资本及修订<公司章程>的议案》); 6. The Proposal on Revising the 'Management System for Information Disclosure of Debt Financing Instruments in Inter-bank Bond Market' (《关于修订<银行间债券市场债务融资工具信息披露管理制度>的议案》); 7. The Proposal on Convening the 2nd Extraordinary General Meeting of 2021 (《关于召开 2021 年第二次临</p>

			时股东大会的议案》)。
The 22 nd Meeting of the Fifth Board of Directors	23 September 2021	24 September 2021	1. It deliberated and approved the Proposal on Adjusting the Foreign Exchange Hedging Business (《关于调整外汇套期保值业务的议案》)。
The 23 rd Meeting of the Fifth Board of Directors	18 October 2021	20 October 2021	The following proposals were deliberated and approved: 1. The Proposal on the 'Third Quarter Report for 2021 of the Company' (《关于<公司2021年第三季度报告>的议案》); 2. The Proposal on the Renewal of Appointment of Grant Thornton China (LLP) as the Audit Institution for 2021 of the Company (《关于续聘致同会计师事务所(特殊普通合伙)为公司2021年度审计机构的议案》); 3. The Proposal on the Securities Investment and Derivatives Trading (《关于进行证券投资及衍生品交易的议案》); 4. The Proposal on the Formulation of the 'External Guarantee Management System' (《关于制定<对外担保管理制度>的议案》); 5. The Proposal on the Routine Related-party Transactions (《关于日常关联交易的议案》)。
The 24 th Meeting of the Fifth Board of Directors	13 December 2021	14 December 2021	The following proposals were deliberated and approved: 1. The Proposal on Temporary Replenishment of Working Capital with Partial Idle Raised Funds (《关于使用部分闲置募集资金暂时补充流动资金的议案》); 2. The Proposal on Changing the Responsible Person of Internal Audit (《关于变更内审负责人的议案》); 3. The Proposal on Convening the Third Extraordinary General Meeting of Shareholders of 2021 (《关于召开2021年第三次临时股东大会的议案》)。

2. Attendances of Directors at Board Meetings and General Meetings

Attendances of directors at board meetings and general meetings							
Director	Due attendances at board meetings in Reporting Period	Attendances at board meetings on site	Attendances at board meetings by telecommunication	Attendances at board meetings through a proxy	Absences at board meetings	Not attending board meetings in person for twice in a row	Attendances at general meetings
Hua Xue	11	11	0	0	0	N/A	4
Yingzhuo Xu	11	10	1	0	0	N/A	1
Li Tian	1	1	0	0	0	N/A	0
Xueqiao Qian	10	9	1	0	0	N/A	0
Qi Cheng	11	9	2	0	0	N/A	1
Jianfang Gui	11	5	6	0	0	N/A	2
Jianguo He	11	9	2	0	0	N/A	1
Yunguo Liu	11	7	4	0	0	N/A	2

Explanation for any independent director not attending board meetings in person for twice in a row:

None of the directors failed to attend board meetings in person for twice in a row in the reporting period.

3. Objections Raised by Directors on Matters of the Company

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

Yes No

No such cases in the reporting period.

4. Other Information about Performance of Duties by Directors

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

Yes No

Suggestions of directors adopted or not adopted by the Company:

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

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

Committee	Members	Meetings convened	Date of the meeting	Topics of the meeting	Substantial opinion and recommendations put forward	Other activities	Details of objections (if any)
The Audit Committee	Yunguo Liu, Jianguo He and Li Tian	2	18 January 2021	Communicated before the 2020 annual audit	Discussed the key audit matters in 2020 to be reviewed	N/A	N/A
			18 January 2021	Summarized the 2020 internal audit	N/A	N/A	N/A
The Audit Committee	Yunguo Liu, Jianguo He and Li Tian	6	17 April 2021	Communicated about the first draft of the 2020 Independent Auditors Report, as well as reviewed	Discussed audit procedures carried out in the 2020 annual audit and the identification of key audit matters	N/A	N/A

				accounting policy changes, the financial statements and the internal audit report for Q1 2021			
			13 July 2021	Reviewed the financial statements and the internal audit report for Q2 2021	N/A	N/A	N/A
			13 October 2021	Appointed Independent Auditor for 2021	Agreed to re-appoint Grant Thornton China (Special General Partnership) as the Independent Auditor for 2021	N/A	N/A
			13 October 2021	Reviewed the financial statements and the internal audit report for Q3 2021	N/A	N/A	N/A
			13 December 2021	Communicated before the 2021 annual audit	Discussed the key audit matters in 2021 to be reviewed	N/A	N/A
			13 December 2021	Reviewed the summary of the 2021 internal audit and 2022 internal audit plan	Discussed audit procedures carried out in the 2021 annual audit and the identification of key audit matters, as well as the key areas for the 2022 internal audit	N/A	N/A
The Nomination Committee	Jianguo He, Yunguo Liu and Qi Cheng	2	13 January 2021	Nominated Xueqiao Qian as a Non-independent Director of the Fifth Board of Directors	N/A	N/A	N/A
			13 December 2021	Nominated Jing Wang as Assistant to Chairman of the Board	N/A	N/A	N/A

The Remuneration and Appraisal Committee	Yunguo Liu, Jianguo He and Yingzhuo Xu	5	27 March 2021	Discussed the post system and the remuneration system and plans, as well as the draft of the 2021 Share Option Incentive Plan	Discussed the awardees and performance requirements for the 2021 Share Option Incentive Plan	N/A	N/A
			7 April 2021	Discussed the draft of the Fourth Plan of the Employee Stock Ownership Plan for Core Team, as well as the repurchase and retirement of shares and the unlocking conditions under the 2016 Restricted Share Incentive Plan (Revised) (2016 年限制性股票激励计划 (修订稿))	N/A	Discussed performance appraisals of the awardees under the equity incentive plan	N/A
			31 May 2021	Determined the list of holders and their shares allocated under the Fourth Plan of the Employee Stock Ownership Plan for Core Team	N/A	N/A	N/A
			5 June 2021	Discussed the list of awardees, number adjustment and the first grant under the 2021 Share Option Incentive Plan	N/A	N/A	N/A
			31 December 2021	Discussed the three vestings under the Third	N/A	N/A	N/A

				Plan of the Employee Stock Ownership Plan, and the first grant under the Fourth Plan of the Employee Stock Ownership Plan for Core Team			
							N/A
The Strategy Committee	Hua Xue, Yingzhuo Xu and Li Tian		1 13 January 2021	Discussed hedges to be carried out in 2021 and the intention to enhance effort in factory-based aquaculture	Focused on the feasibility and risks of derivative investments	N/A	N/A
The Strategy Committee	Hua Xue, Yingzhuo Xu and Li Tian		2 5 June 2021	Discussed the pig farming capacity layout	Focused on the related strategic objectives and risks	N/A	N/A
The Strategy Committee	Hua Xue, Yingzhuo Xu and Li Tian		2 18 September 2021	Discussed adjustments to the upper limit for the amount of hedges, as well as securities and derivative investments	Focused on the feasibility and risks of securities and derivative investments	N/A	N/A

VIII. Performance of Duties by the Supervisory Committee

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

Yes No

The Supervisory Committee raised no objections in the reporting period.

IX Employees

1. Numbers, Functions and Educational Backgrounds of Employees

Number of in-service employees of Parent Company (Haid Group exclusive of subsidiaries) at the end of the period	2,022
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Number of in-service employees of major subsidiaries at the end of the period	31,535
Total number of in-service employees at the end of the period	33,557
Total number of paid employees in Reporting Period	33,557
Number of retirees to whom Parent Company or its major subsidiaries need to pay retirement pension	0
Functions	
Function	Employees
Production	15,698
Sales	9,092
Technical	3,049
Financial	1,856
Administrative	3,056
Procurement	806
Total	33,557
Educational backgrounds	
Educational background	Employees
Doctoral degree	123
Master's degree	1,365
Bachelor's degree	6,741
Junior college	6,625
Senior high school, technical secondary school and below	18,703
Total	33,557

2. Employee Remuneration Policy

While strictly abiding by the Labor Law of the People's Republic of China (《中华人民共和国劳动法》), the Labor Contract Law of the People's Republic of China (《中华人民共和国劳动合同法》) and other national and local related laws, regulations, department rules and regulatory documents, the Company implements the following principles according to the characteristics of the industry and the Company's operations: persist in the principle of labor-based distribution combining duties, power and interests; implement the principle of linking income levels with the Company's performance and work goals; implement the principle of integrating individual remuneration with the Company's long-term interests to ensure sustained and sound growth in main business, prevent short-term behaviors and promote the Company's sustained operations and development; stick to the principle of linking remuneration with performance appraisal with equal emphasis on incentive and restraint; give comprehensive consideration to market changes and market remuneration levels. The Company has established a reasonable post and remuneration system to provide employees with competitive salaries in the industry, link performance with remuneration, align employees' and the Company's interests, enhance staff awareness for team

work and give full play to every employee's enthusiasm and creativity.

3. Employee Training Plans

The Company always emphasizes the development of human resources and talents with a firm belief that staff development is an important power and resource for the Company's continuous development. The Company has established an extensive talent cultivation system covering new employees, key personnel, managers, assistant general managers/vice general managers and the general manager, matching employees in different positions and at different levels with better learning resources to help them grow faster. It possesses an excellent course development system and a systematic internal trainer development system and carries out broad-based and precise talent development through famous trainer courses, outdoor training, behavior learning, coach tutoring, online broadcasting, online learning and other channels. The Company has also established a self-inspection mechanism covering "talent development mechanism, talent development platform operation and plan implementation, talent assessment and talent management self-inspection reports".

Haid College, the Company's functional department for talent development, has always closely followed the Group's strategies and the guidelines of the Group's business. It remains committed to the values of "All for your growth" and follows the principle of elite training and inclusive education to solve key problems for the development of the organization. Through the combination of online and offline working methods, it has kept exploring new modes for talent development.

In 2021, Haid College created a learning organization centering on creating value for customers. It has focused on its efforts to cultivate a team of managerial staff with cultural strategies, business operation, and leadership. It continued to carry out the EDP Future Pilot Program and the Min-MBA Class and initiate the IDP Core Cadre Class, Chief Financial Officer (CFO) Class, and Managerial Staff Class for Regional Business Division. The number of managerial staff for all professional centers has surpassed 800. Moreover, it has continuously strengthened and standardized cultural education for recruits from universities and society.

The Company's new platform for online learning, namely, "Haiwei", has accelerated the formation of the learning ecosystem. The learning resource base of professional institutes has preliminarily taken shape, with more than 8,000 online course resources, approximately 30,000 online learners, and total learning hours of approximately 620,000, which makes the average learning hours for online learners exceed 22 throughout the year.

The atmosphere of talent development in the Company has come into vogue. The Company has established the resource system of talent development, implemented the learning roadmap of professional centers, set up professional institutes, launched the BP cultivation program and cultivated 100 staff that can independently handle the talent cultivation work in regional business divisions/divisions, branches, and subsidiaries. It held the Haid Talent Development Annual Conference at Jinggangshan. The training system for professional lines and divisions has gradually taken shape, which has become the performance highlight of HR and business managers. The development of cadres has been comprehensively launched and the resource platform has gradually shaped, forging a profound learning atmosphere in the organization.

4. Labor Outsourcing

Applicable Not applicable

X. Profit Distribution and Capitalization of Capital Reserve

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

Applicable Not applicable

According to the Proposal on 2020 Equity Distribution Plan (《关于2020年年度权益分派实施的议案》) as considered and approved at the 2020 Annual General Meeting convened on 20 May 2021, the distribution plan is as follows: The Company proposed to distribute RMB 3.20 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the company (parent company) available for distribution to shareholders as at 31 December 2020. The retained earnings will be carried forward to the following year. On 9 July 2021, the equity distribution was completed.

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

Particulars of Cash Dividend Policy	
Whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting;	Yes
Whether the basis and ratio of the distribution of dividends are well-defined and clear;	Yes
Whether the relevant decision making procedure and system are sound;	Yes
Whether the independent directors have duly performed their duties and functions;	Yes
Whether there are enough opportunities for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc;	Yes
Whether the conditions and procedures are legal and transparent in respect of cash dividend policy with adjustments and changes;	Not applicable

The Company made a profit and had positive retained profit available for ordinary shareholders of parent company during the

reporting period without cash dividend being proposed

Applicable Not applicable

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

Applicable Not applicable

Number of bonus share per 10 shares (share(s))	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	1.50
Share base of the distribution proposal (shares)	Total number of shares exclusive of the repurchased shares on the registration date when the plan is implemented in the future
Amount of cash dividend (RMB) (tax inclusive)	247,633,342.95
Amount of cash dividend distribution through other means (such as share repurchase) (RMB)	707,442,393.60
Total amount of cash dividends (including other means) (RMB)	955,075,736.55
Distributable profits (RMB)	2,991,262,794.10
Total amount of cash dividends (including other means) as % of total profit distribution	100%
Cash dividend policy	
For profit distribution of companies which are in the growth period with significant capital expenditure arrangement, the percentage for cash dividend shall represent at least 20% of the profits distribution for the current year	
Particulars of profit distribution and capitalization of capital reserves	
<p>According to the audit report issued by Grant Thornton China (Special General Partnership), the Company (parent company) achieved a net profit of RMB 1,073,335,056.61 and made provision for statutory surplus reserves of RMB 107,333,505.66 (10% of the net profit), without allocation to discretionary revenue reserve in 2021. As at 31 December 2021, the profit available for distribution to shareholders amounted to RMB 2,991,262,794.10.</p> <p>Based on the operating results of the Company in 2021, as well as the Company's business scale and future growth, the legitimate demands of investors and continuous return to shareholders, the Company formulated the 2021 annual profit distribution plan as follows: The Company proposed to distribute RMB 1.50 (tax inclusive) per 10 shares based on "the total number of shares exclusive of the repurchased shares (the number of shares eligible for profit distribution) on the date of record when the plan is implemented in the future". The proposed total amount of dividend shall not exceed the profit of the Company (parent company) available for distribution to shareholders as at 31 December 2021. The retained earnings will be carried forward to the following year.</p> <p>Where any change occurs to the Company's total share capital during the period from the disclosure of the distribution plan to its implementation due to reasons such as conversion of convertible corporate bonds to shares, share repurchases, exercise of equity incentives, and new offering of shares for re-financing, the dividend per 10 shares shall remain the same while the total amount of dividend shall be adjusted accordingly.</p>	

In order to look after the shareholders' immediate and long-term interests in a better way on the premise of guaranteeing the Company's normal operations and long-term development, the Company put forward the above-mentioned profit distribution plan. The preparation of the above-mentioned profit distribution plan is in line with the Company Law (《公司法》) and the Articles of Association (《公司章程》), and the Dividend Distribution Plan of the Company for the Next Three Years (2019-2021) (《未来三年(2019-2021年)分红回报规划》). The distribution plan is legal, compliant and reasonable and in line with the Company's distribution policy.

The independent directors of the Company expressed their independent opinions that the Company's 2021 profit distribution plan gives full consideration to the returns to investors and is in line with the actual situation of the company without any prejudice to the interests of shareholders, in particular minority shareholders. Therefore, they agreed to the 2021 profit distribution plan.

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

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

✓ Applicable Not applicable

1. Equity Incentives

(1) 2016 Restricted Share Incentive Plan

① Decision-making procedures and approval

On 15 February 2017, the Company convened the First Extraordinary General Meeting of 2017 to consider and approve the 2016 Restricted Share Incentive Plan of Guangdong Haid Group Co., Limited (Revised) (广东海大集团股份有限公司2016年限制性股票激励计划(修订稿)) and its summary (hereinafter referred to as "2016 Restricted Share Incentive Plan") and the Proposal Regarding Authorisation of the Board of Directors at the General Meeting to Handle Matters Related to the 2016 Restricted Share Incentive Plan (《关于提请股东大会授权董事会办理公司2016年限制性股票激励计划相关事宜的议案》) and related resolutions, pursuant to which the Company was approved to issue no more than 46 million restricted shares to awardees by way of private placement of which 41,601,300 shares would be first granted to 1,484 awardees at the grant price of RMB 7.48 per share, and 4,398,700 restricted shares would be reserved.

On 13 March 2017, the Company convened the Sixth Meeting of the Fourth Board of Directors to consider and approve the Proposal on Adjustment to the Number of Interests under the 2016 Restricted Share Incentive Plan of the Company (《关于调整公司2016年限制性股票激励计划权益数量的议案》), pursuant to which the number of awardees of the first grant was changed from 1,484 into 1,373 and the restricted shares not granted yet were adjusted from 41,601,300 shares to 40,283,200 shares. The Proposal on Grant of Restricted Shares to Incentive Targets under the 2016 Restricted Share Incentive Plan of the Company (《关于向公司2016年限制性股票激励计划激励对象授予限制性股票的议案》) was also considered and approved at the aforesaid meeting, pursuant to which the Company was approved to grant 40,283,200 shares to 1,373 awardees for the first time with 13 March 2017 as the first grant date and the grant price of RMB 7.48 per share. On 20 March 2017, the Company

completed the registration of grant of all the above-mentioned restricted shares.

On 8 December 2017, the Company convened the Eleventh Meeting of the Fourth Board of Directors to consider and approve the Proposal Regarding the Grant of Reserved Restricted Shares to Awardees under the 2016 Restricted Share Incentive Plan of the Company (《关于向公司2016年限制性股票激励计划激励对象授予预留限制性股票的议案》), pursuant to which the Company was approved to grant 4,398,700 reserved restricted shares to 399 awardees with the grant price of RMB 10.44 per share and 8 December 2017 as the grant date. Upon audit and confirmation by the Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the registration for grant of reserved restricted shares to 360 awardees. 4,308,000 reserved restricted shares were granted and the listing date of the restricted shares would be 24 January 2018.

② Implementation during the reporting period

A. The fourth unlocking period of the first grant and the third unlocking period of the reserve grant of the 2016 Restricted Share Incentive Plan

On 17 April 2021, the Company convened the 18th Meeting of the Fifth Board of Directors to consider and approve the Proposal on the Satisfaction of the Unlocking Conditions of the 2016 Restricted Share Incentive Plan (《关于2016年限制性股票激励计划符合解锁条件的议案》). The Board was of the view that the unlocking conditions had been satisfied for the fourth unlocking period of the first grant and for the third unlocking period of the reserve grant under the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》) and thus approved the awardees to unlock the relevant shares as prescribed. In the fourth unlocking period of the first grant, the number of restricted shares available for listing and trading was 10,690,680; and in the third unlocking period of the reserve grant, the number of restricted shares available for listing and trading was 1,448,720.

B. Repurchase for cancellation for the 2016 Restricted Share Incentive Plan

On 17 April 2021, the Company convened the 18th Meeting of the Fifth Board of Directors to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, failure to pass the 2020 individual performance appraisal, etc. of 7 awardees in the first grant of restricted shares and 2 awardees in the reserve grant, the Company was agreed to repurchase and cancel 34,290 restricted shares in the first grant and 15,400 restricted shares in the reserve grant that had been granted to the aforesaid awardees but had not yet reached the unlocking conditions. On 17 June 2021, as confirmed by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited, the Company completed the repurchase for cancellation of the above-mentioned restricted shares.

③ Awardees' exercise of interests during the reporting period and interests accumulatively granted but not yet exercised as at the end of the reporting period

In summary, during the reporting period, due to implementation of the 2016 Restricted Share Incentive Plan (Revised) (《2016年限制性股票激励计划(修订稿)》), the Company repurchased a total of 49,690 restricted shares for cancellation. As at the end of the reporting period, the restricted shares granted had all been unlocked.

(2) 2021 Share Option Incentive Plan

① Decision-making procedures and approval

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

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

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

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

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

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

(3) Explanations for other circumstances due to the implementation of the 2016 Restricted Share Incentive Plan (2016年限制性股票激励计划) during the reporting period

① Explanation on changes in share capital caused by implementation of the 2016 Restricted Share Incentive Plan (Revised) (2016年限制性股票激励计划(修订稿)).

During the reporting period, the total shares of the Company decreased by 49,690 shares in total due to repurchase of restricted shares for cancellation.

② Accounting treatment method for option incentive and effects of equity incentive cost on the results of the Company

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

The implementation of the above equity incentive plan will not have a significant impact on the Company's

financial position and operating results during the reporting period and in the future.

Equity incentives for directors and senior management:

✓ Applicable □ Not applicable

Unit: share

Name	Office title	Share options held at the beginning of the reporting period	Share options granted in the reporting period	Exercisable share options for the reporting period	Exercise d share options in the reporting period	Exercise price for exercise d share options in the reporting period (RMB / share)	Share options held at the end of the reporting period	Market price at the end of the reporting period (RMB / share)	Restricted shares held at the beginning of the reporting period	Shares unblocke d in the reporting period	Restricted shares granted in the reporting period	Grant price of the restricte d shares (RMB/s hare)	Restrict ed shares held at the end of the reporting period
Qi Cheng	Director and Executive Vice President		100,000				100,000	73.3	40,000	40,000		10.44	
Xueqiao Qian	Director and Chief Engineer		90,000				90,000	73.3	33,450	33,450		7.48	
Guoxiang Liu	Vice President								122,840	122,840		10.44	
Guoxiang Liu	Vice President		80,000				80,000	73.3	72,600	72,600		7.48	
Xiewu Jiang	Vice President		80,000				80,000	73.3	33,390	33,390		7.48	
Guoche ng Mi	Vice President								126,000	126,000		10.44	
Guoche ng Mi	Vice President		80,000				80,000	73.3	66,630	66,630		7.48	
Zhongz hu Chen	Vice President								112,840	112,840		10.44	
Zhongz hu Chen	Vice President		100,000				100,000	73.3	68,850	68,850		7.48	
Shaolin Yang	Vice President and CFO		90,000				90,000	73.3	33,660	33,660		7.48	

Zhijian Huang	Vice President and Board Secretary		90,000				90,000	73.3	41,280	41,280		7.48	
Total	--	0	710,000	0	0	--	710,000	--	751,540	751,540	0	--	0
Notes (if any)	1. The grant prices of the restricted shares in the table are ex-right and ex-dividend prices. 2. A total of 710,000 share options were granted to the eight directors and senior management in the table during the reporting period, all of which were still in lockup as of the end of the reporting period.												

Appraisal mechanism and incentives for senior management:

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

2. Employee stock ownership plans

✓ Applicable □ Not applicable

Outstanding employee stock ownership plans during the reporting period:

Scope of employees	Number of employees	Total shares held	Change	As a percentage of the Company's total share capital	Funding source
The awardees for the Second Plan of the Employee Stock Ownership Plan for Core Team are key personnel that play a significant role in the Company's operating performance and mid- and long-term development.	No more than 30	4,386,186.00	N/A	0.26%	The special fund established by the Company for the employee stock ownership plan, legitimate employee remunerations, and funds pooled by other means allowed by the applicable laws and administrative regulations
The awardees for the Third Plan of the Employee Stock Ownership Plan for Core	No more than 30	888,500.00	N/A	0.05%	The special fund established by the Company for the employee stock ownership plan

Team are key personnel that play a significant role in the Company's operating performance and mid- and long-term development.					
The awardees for the Fourth Plan of the Employee Stock Ownership Plan for Core Team are key personnel that play a significant role in the Company's operating performance and mid- and long-term development.	No more than 30	1,194,582.00	N/A	0.07%	The special fund established by the Company for the employee stock ownership plan

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

Name	Office title	Shares held at the beginning of the reporting period	Shares held at the end of the reporting period	As a percentage of the Company's total share capital
Qi Cheng	Director and Executive Vice President (Vice General Manager)	4,094,921	1,428,500	0.09%
Xueqiao Qian	Director, Vice President (Vice General Manager) and Chief Engineer			
Guoxiang Liu	Vice President (Vice General Manager)			
Shaolin Yang	Vice President (Vice General Manager) and CFO			
Xiewu Jiang	Vice President (Vice General Manager)			
Guocheng Mi	Vice President (Vice General Manager)			
Zhongzhu Chen	Vice President (Vice General Manager)			
Zhijian Huang	Vice President (Vice General Manager) and Board Secretary			

Note: The shares held in the table above are inclusive of shares that had yet been vested.

Change of asset management organizations during the reporting period:

Applicable Not applicable

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

Applicable Not applicable

Exercise of shareholder rights during the reporting period:

N/A.

Other information about employee stock ownership plans during the reporting period:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

1. Accounting treatments for share repurchases for the Fourth Plan of the Employee Stock Ownership Plan for Core Team

According to the application guide for the Accounting Standards for Business Enterprises No. 11 - Share-based Payment (《企业会计准则第11号—股份支付》), share repurchases carried out by an enterprise as rewards for its employees are equity-settled share-based payments, for which the accounting treatments are as follows:

(1) Share repurchases

All the costs in share repurchases shall be recorded as inventory stock and the relevant registration for reference shall be carried out.

(2) Recognition of costs and expenses

The amount by which the price for receiving repurchased shares for employee stock ownership plans is lower than the fair value on the grant date, as expenses on share-based payments, is recorded in costs and expenses and amortized over the vesting period, and at the same time recognized in capital reserve (other capital reserve).

(3) Exercise under employee stock ownership plans

Where any exercise occurs upon the expiry of a lockup period under employee stock ownership plans, the Company writes off treasury stock costs and the cumulative amount in capital reserve (other capital reserve) during the vesting period, and the difference is recognized as an adjustment to capital reserve (surplus reserve).

2. Financial impact on the Company during the reporting period

The Company completed the non-transaction transfer formalities in June 2021 with respect to all the 1,194,582

shares under the Fourth Plan of the Employee Stock Ownership Plan for Core Team. The relevant total expenses recognized during the reporting period were RMB 54.6483 million, which was recognized in general and administrative expenses and capital reserve.

Termination of employee stock ownership plans during the reporting period:

Applicable Not applicable

Other information:

1. On 14 May 2018, the Proposal Regarding the Second Plan of the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited and Its Summary (《关于<广东海大集团股份有限公司核心团队员工持股计划之二期计划>及其摘要的议案》) (hereinafter referred to as the “Second Plan of the Stock Ownership Plan”) was approved at the 2017 Annual General Meeting. As such, the Company was approved to implement the Second Plan of the Employee Stock Ownership Plan. A special fund of RMB38,511,460.57 would be established and the related employees would raise no more than RMB50,000,000. As of 11 July 2018, the “GF Yuanchi • Haid Core No. 2 Targeted Asset Management Program” (广发原驰•海大核心2号定向资产管理计划) purchased 4,386,186 shares of the Company’s stock from the secondary market for the Second Plan of the Stock Ownership Plan, of which 1,908,436 shares were purchased with the special fund. On 28 December 2018, the first vesting of the said shares purchased with the special fund was completed, with 40% of these shares, i.e. 763,374 shares, being vested. On 31 December 2019, the second vesting of the said shares purchased with the special fund was completed, with 30% of these shares, i.e. 572,531 shares, being vested. On 31 December 2020, the third vesting of the said shares purchased with the special fund was completed, with 30% of these shares, i.e. 572,531 shares, being vested. The 2,477,750 shares purchased with the employees’ self-raised capital were vested according to their payment percentage, including a total of 1,585,760 shares to directors and senior management (Ms. Li Tian, Mr. Qi Cheng, Mr. Xueqiao Qian, Mr. Shaolin Yang, Mr. Zhijian Huang, Mr. Guoxiang Liu, Mr. Xiewu Jiang, Mr. Guocheng Mi, and Mr. Zhongzhu Chen) and a total of 891,990 shares to other core employees. As of 31 December 2020, the total 4,386,186 shares under the Second Plan of the Stock Ownership Plan had been vested, with the vesting particulars in line with the Second Plan of the Stock Ownership Plan.

As of the end of the reporting period, all the 4,386,186 shares held under the Second Plan of the Stock Ownership Plan had been sold by way of centralized bidding, accounting for 0.26% of the then total share capital.

2. On 6 May 2019, the Proposal Regarding the Third Plan of the Employee Stock Ownership Plan for Core Team of Guangdong Haid Group Co., Limited and Its Summary (《广东海大集团股份有限公司核心团队员工持股计划之三期计划》及其摘要的议案》) (hereinafter referred to as the “Third Plan of the Stock Ownership Plan”) was approved at the 2018 Annual General Meeting. As such, the Company was approved to implement the Third Plan of the Employee Stock Ownership Plan. A special fund of RMB30,180,630.23 would be established as the capital source. As of 4 November 2019, the “GF Yuanchi • Haid Core Employee Stock Ownership Plan No. 3 Single Asset Management Program” (广发原驰•海大核心员工持股计划3号单一资产管理计划) purchased 888,500 shares of the Company’s stock from the secondary market for the Third Plan of the Stock Ownership Plan. On 31 December 2019, the vesting of the first vesting period of the above-mentioned shares was completed, with 40% of these shares, i.e. 355,400 shares, being vested. On 31 December 2020, the vesting of the second vesting period of the above-mentioned shares was completed, with 30% of these shares, i.e. 266,550 shares, being vested. On 31

December 2021, the vesting of the third vesting period of the above-mentioned shares was completed, with 30% of these shares, i.e. 266,550 shares, being vested. As of 31 December 2021, the total 888,500 shares under the Third Plan of the Stock Ownership Plan had been vested, with the vesting particulars in line with the Third Plan of the Stock Ownership Plan. On 31 December 2021, the lockup period for the Third Plan of the Stock Ownership Plan expired and the unlocking conditions had been satisfied. Therefore, starting from 31 December 2021, all the 888,500 shares under the Third Plan of the Stock Ownership Plan have been allowed for trading.

As of the end of the reporting period, 888,500 shares were held under the Third Plan of the Stock Ownership Plan, accounting for 0.05% of the then total share capital. During the reporting period, no change occurred to the holders of the Third Plan of the Stock Ownership Plan and their holdings.

3. On 20 May 2021, the Proposal Regarding the Fourth Plan of the Employee Stock Ownership Plan for Core Team (Draft) of Guangdong Haid Group Co., Limited and Its Summary (《广东海大集团股份有限公司核心团队员工持股计划之四期计划(草案)》) (hereinafter referred to as the “Fourth Plan of the Stock Ownership Plan”) was approved at the 2020 Annual General Meeting. As such, the Company was approved to implement the Fourth Plan of the Employee Stock Ownership Plan. A special fund of RMB 82,438,128.98 would be established as the capital source. As of 18 June 2021, the Company had transfer 1,194,582 shares of the treasury stock in the securities account of Haid Group for repurchased shares to the Fourth Plan of the Stock Ownership Plan through a non-transaction transfer. On 31 December 2021, the vesting of the first vesting period of the above-mentioned shares was completed, with 40% of these shares, i.e. 477,832 shares, being vested.

As of the end of the reporting period, 1,194,582 shares were held under the Fourth Plan of the Stock Ownership Plan, accounting for 0.07% of the then total share capital. During the reporting period, no change occurred to the holders of the Fourth Plan of the Stock Ownership Plan and their holdings.

3. Other Employee Incentive Measures

Applicable Not applicable

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

1. Establishment and Implementation of the Internal Control System

(I) Control environment

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

(1) Governance structure

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

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

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

(2) Organizational structure

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

(3) Development strategy

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

(4) Corporate culture

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

(5) Procedures and systems

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

(6) Internal supervision

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

(7) Information communication

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

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

B. The timely information transmission procedures. The Company can communicate and feedback relevant

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

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

(8) Human resources management

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

(II) Risk assessment

(1) Risk identification and analysis

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

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

(2) Risk control

The Company has developed relatively complete provisions of risk control management to carry out the pre-event assessment, in-event supervision, and post-event appraisal for the determination of the Company's financial structure, the arrangement of financing structure, the estimation of financing cost, and the repayment plan for financing. Feasible research must be conducted for all kinds of investments and the approval authority is

determined according to the project size and the amount required. Contingency plans are formulated to cope with any negative factors that might occur in the course of investment. The early warning system of financial risks and management system of business contracts have been established to enhance the assessment and control over credit risks and contract risks.

(III) Control activities

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

(1) The approval control of transaction authorization

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

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

(2) The separate control of incompatible duties

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

(3) Voucher and record control

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

(4) Property preservation control

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

(5) Independent inspection control

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

(6) Electronic information system control

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

(7) Complete budgetary control

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

(8) External guarantee control

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

(9) Information disclosure control

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

violating rules.

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

(10) The monitoring of control

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

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

2. Material Internal Control Deficiencies Identified for the Reporting Period

Yes No

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

Company name	Consolidation plan	Consolidation progress	Problems arising in consolidation	Solutions taken	Solution implementation progress	Subsequent solutions
Jiangmen Debao Group Co., Ltd.	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, the Company provided compliance guidance for the target company in organizational structure, personnel adjustment, internal controls, financial system, etc., and has included the target company in the Company's system for unified management.	Completed	N/A	N/A	N/A	N/A
Ganzhou Lianduoli Feed Technology Co.,	As per the applicable regulations of the CSRC and the Shenzhen Stock Exchange, as well as the Company's	Completed	N/A	N/A	N/A	N/A

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

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

1. Internal Control Self-Assessment Report

Disclosure date of internal control self-assessment report	12 April 2022	
Index to disclosed internal control self-assessment report	www.cninfo.com.cn	
Assessed entities' combined assets as a percentage of consolidated total assets	100.00%	
Assessed entities' combined operating income as a percentage of consolidated operating income	100.00%	
Internal control deficiency identification standards		
Type	Financial-reporting related	Non-financial-reporting related
Nature standard	A material deficiency refers to a deficiency or a deficiency group that consists of multiple deficiencies that may cause a great deviation from the control objective. It is considered a material financial-reporting internal control deficiency if any of the following cases occurs: (1) Any of the	Material deficiencies: (1) The internal control environment is invalid; (2) Any leak of insider information about any investment in external parties, asset restructuring, etc. against regulations causes any severe fluctuations in the Company's stock price or any materially

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

	1% of profit before income tax, misstated amount \leq 1% of net asset value.	Ordinary deficiency: loss amount \leq 1% of profit before income tax, loss amount \leq 1% of net asset value.
Number of material financial-reporting internal control deficiencies		0
Number of material non-financial-reporting internal control deficiencies		0
Number of serious financial-reporting internal control deficiencies		0
Number of serious non-financial-reporting internal control deficiencies		0

2. Independent Auditor's Report on Internal Control

Applicable Not applicable

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

On 10 December 2020, the China Securities Regulatory Commission issued the Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies ([2020] No.69) (《关于开展上市公司治理专项行动的公告》). According to the notice and requirements of special self-inspection on the governance of listed companies issued by the Securities Regulatory Bureau of Guangdong of the CSRC, the Company made coordinated plans, based on the practical and realistic principle, to conduct self-inspection on the governance of the Company. The relevant self-inspection and remediation report is presented as follows:

1. Self-inspection of the Company

The Company shall need to further refine relevant systems. The Company has set up sound internal management systems according to relevant laws and regulations and operated by relevant systems and specifications. Upon the self-inspection, it has been discovered that the provisions on the subject of the legal right to solicit voting rights of shareholders in the Articles of Association (《公司章程》) are incomplete, which should be revised accordingly.

2. Remediation of the Company

The Company held the 21st Meeting of the 5th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders of 2021 on 23 July 2021, and 11 August 2021, respectively. The Proposal on Changing the Registered Capital of the Company and Revising the 'Articles of Association' (《关于变更公司注册资本及修订<公司章程>的议案》) was deliberated and approved, revising the incomplete clauses related to the subject of legal right to solicit voting rights of shareholders. Details are presented as follows:

Before revision	After revision
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<p>Article 82 The shareholders (including shareholder proxies) shall exercise their voting rights with the number of voting shares represented by them, with one vote for each share.</p>	<p>Article 82 The shareholders (including shareholder proxies) shall exercise their voting rights with the number of voting shares represented by them, with one vote for each share.</p>
<p>In the event of deliberating major events that may compromise the interests of small and medium-sized investors at the General Meeting of Shareholders, the votes of such investors shall be counted separately. The separate voting results shall be publicly disclosed in time.</p>	<p>In the event of deliberating major events that may compromise the interests of small and medium-sized investors at the General Meeting of Shareholders, the votes of such investors shall be counted separately. The separate voting results shall be publicly disclosed in time.</p>
<p>The shares held by the Company have no voting rights, and such shares shall not be counted in the total number of voting shares present at the General Meeting of Shareholders.</p>	<p>The shares held by the Company have no voting rights, and such shares shall not be counted in the total number of voting shares present at the General Meeting of Shareholders.</p>
<p>The Board of Directors, independent directors and eligible shareholders can solicit the voting rights of shareholders. Sufficient disclosure of voting intentions shall be disclosed to the shareholders whose voting rights are to be solicited. It is prohibited from soliciting shareholders' voting rights in a paid form or a disguised paid form. The Company shall not put forward a minimum shareholding limit for the solicited voting rights.</p>	<p>The Board of Directors, independent directors, shareholders with more than one percent of the voting shares, or the investor protection institutes established according to laws, administrative regulations, or the provisions of the CSRC can solicit voting rights by themselves or entrust securities companies and securities service agencies. They can publicly request the shareholders of the Company to entrust them to attend the General Meeting of Shareholders, and exercise their rights of proposals, voting and other shareholder rights on their behalf. Documents related to the solicitation of voting rights of shareholders shall be disclosed to the corresponding shareholders and the Company shall cooperate with such behaviors accordingly. It is prohibited from soliciting shareholders' voting rights in a paid form or a disguised paid form. The Company shall not put forward a minimum shareholding limit for the solicited voting rights. If the Company or its shareholders suffer a loss due to the illegal solicitation of shareholders' voting rights against the law, administrative regulations, or the provisions of the CSRC, the corresponding party shall be held accountable for compensation according to laws.</p>

Section V. Environmental and Social Responsibility

I. Material Environmental Issues

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

✓ Yes No

Name of the company or subsidiary	Names of major pollutants and characteristic pollutants	Discharge method	The number of discharge outlets	Distribution of discharge outlets	The concentration of the discharge	Pollutant discharge standards	Total discharge	Total discharge approved	Excess discharge
Jiaxiang Haiying Food Co., Ltd.	Wastewater: chemical oxygen demand (COD), ammonia nitrogen, total nitrogen (TN), total phosphorus (TP), pH	Discharged into the municipal pipe network after reaching the standard	1	Total discharge outlets	COD 48.9 mg/L; ammonia nitrogen 10.6 mg/L; TN 24.4 mg/L; TP 2.6 mg/L; pH 7.15	Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水污染物排放标准》) (GB13457-92); Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城镇下水道水质标准》) (GB/T31962-2015); Emission Standards for Odor Pollutants (《恶臭污染物排放标准》) (GB14554-93); Discharge Standard of Cooking Fume (《饮食业油烟排放标准》) (DB37/597—2006); Integrated Emission Standard of Air Pollutants (《大气污染物综合排放标准》) (GB16297-1996); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (DB372374-2018); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (GB13271-2014)	COD 4.64t/y; ammonia nitrogen 0.608t/y; TN 2.57t/y; TP 0.449t/y	COD 50.495t/y; ammonia nitrogen 4.385t/y; TN 56.7t/y; TP 6.48t/y	None
Linxi Haiying Food Co., Ltd.	Wastewater: COD, ammonia nitrogen, biochemical oxygen	Wastewater: Discharged into the municipal	6	One outlet for wastewater, two outlets for	COD: 100mg/L; BOD: 40mg/L; total suspended	Wastewater: Secondary standard of the Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水污染物排放标准》) (GB13457-1992); exhaust gas: Emission Standard of	COD 6.97t/y; ammonia nitrogen	COD 6.97t/y; ammonia nitrogen	None

	demand (BOD), TP, TN, PH, suspended solids, and animal and vegetable oil; exhaust gas: Sulfur dioxide, nitrogen oxide, particles, odor concentration, hydrogen sulfide, and ammonia	l pipe network after reaching the standard; exhaust gas: Organized discharge		boilers, and three outlets for exhaust gas from production	particulates: 100mg/L; ammonia nitrogen: 20mg/L; TN: 40mg/L; TP: 3mg/L; PH: 6-9; animal and vegetable oil: 20mg/L; sulfur dioxide: 10mg/m ³ ; nitrogen oxide: 30mg/m ³ ; particles: 5mg/m ³ ; ammonia: 4.9kg/h; hydrogen sulfide: 0.33kg/h; odor concentration (dimensionless): 2000	Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (GB13271-2014); Emission Standards for Odor Pollutants (《恶臭污染物排放标准》) (GB14554-1993)	0.67t/y; TP 0.021t/y; TN 0.716t/y; sulfur dioxide 0.288t/y; nitrogen oxide 1.464t/y	0.67t/y; TP 0.021t/y; TN 0.716t/y; sulfur dioxide 0.288t/y; nitrogen oxide 1.464t/y	
Yiyuan Haiying Food Co., Ltd.	Exhaust gas: Particles, nitrogen oxide, odor concentration, Ringelmann emittance; wastewater: COD, ammonia nitrogen, TN, TP, pH value,	Exhaust gas: Organized discharge and unorganized discharge; wastewater: Discharge after treatment	10	Three outlets for workshops, four outlets for boilers, and three outlets for wastewater	Odor concentration 2000; nitrogen oxide 100mg/N m ³ ; Ringelmann emittance shade 1; sulfur dioxide 50mg/N m ³ ; particles 10mg/N m ³ ; pH value	Table 2 standard of the Emission Standards for Odor Pollutants (《恶臭污染物排放标准》) (GB14554-93); Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (DB37/2374-2018); Level 3 standard in Table 3 of the Discharge Standard of Water Pollutants for Meat Packing Industry (《肉类加工工业水污染物排放标准》) (GB13457-92); Grade B standards in Table 1 of the Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城镇	COD 73.62t/y; ammonia nitrogen 7.98t/y; sulfur dioxide 0.225t/y; nitrogen oxide 0.315t/y	COD 73.62t/y; ammonia nitrogen 7.98t/y; sulfur dioxide 0.225t/y; nitrogen oxide 0.315t/y	None

	chroma, suspended solids, five-day BOD, fecal coliform, and animal and vegetable oil				6-8.5; COD 500mg/L; TN 70mg/L; fecal coliform 10000; five-day BOD 250mg/L; ammonia nitrogen 45mg/L; chroma 64; suspended solids 300mg/L; animal and vegetable oil 50mg/L; TP 8mg/L	下水道水质标准》) (GB/T31962-2015)	y; particles 0.067t/y	y; particles 0.067t/y	
Sichuan Hailinger Biopharmaceutical Co., Ltd.	Wastewater: COD, ammonia nitrogen (nitrogen H3 - nitrogen), pH value, TN, chroma, suspended solids, five-day BOD, animal and vegetable oil, formaldehyde, acetonitrile, total residual chlorine (in	Wastewater: Discharge after being treated by wastewater treatment station in the workshop and reaching the standard; exhaust gas: Organized discharge and unorgani	Five	One discharge outlet for wastewater and four discharge outlets for exhaust gas	Acute toxicity: 0.07mg/L; TOC: 30mg/L; volatile phenols: 0.5mg/L; pH value: 6-9; ammonia nitrogen (nitrogen H3 - nitrogen): 25mg/L; TP (in P): 5.1mg/L; formaldehyde: 2.0mg/L; animal and vegetable oil: 70mg/L; chroma: 55; number of fecal	Discharge Standards of Water Pollutants for Pharmaceutical Industry Bio-pharmaceutical Category (《生物工程类制药工业水污染物排放标准》) (GB 21907-2008 and the concentration limits specified in the drainage agreement of sewage treatment plant; Emission Standard of Air Pollutants for Boilers (《锅炉大气污染物排放标准》) (GB13271-2014); Emission Standards for Odor Pollutants (《恶臭污染物排放标准》) (GB14554-93); Sichuan Emission Control Standard for Volatile Organic Compounds (《四川省固定污染源大气挥发性有机物排放标准》) DB51/ 2377—2017	OCD: 9.06t/y; ammonia nitrogen: 0.453t/y; TP: 0.092t/y	OCD: 9.06t/y; ammonia nitrogen: 0.453t/y; TP: 0.092t/y	None

	chloride), total organic carbon (TOC), acute toxicity, number of fecal coliforms, and volatile phenolic surfactants ; exhaust gas: Odor concentrati on, NMHC, particles, the blackness of smoke, nitrogen oxide, sulfur dioxide, ammonia (ammonia gas), and hydrogen sulfide	zed discharge		coliforms/ (MP nitrogen/L): 500; suspended solids: 350mg/L; acetonitrile: 3.0mg/L; COD: 500mg/L; five-day BOD: 250mg/L; total residual chlorine (in chloride): 0.5mg/L; TN (in nitrogen): 38mg/L; ammonia: 1.5mg/m ³ ; hydrogen sulfide: 0.06 mg/m ³ ; odor concentratio n: 2000 (dimensionle ss); volatile organic compounds (in NMHC): 2.0 mg/m ³ ; sulfur dioxide: 50 mg/m ³ ; nitrogen oxide:150mg /m ³ ; particles: 20mg/m ³ ; the blackness of smoke: ≤ shade 1				
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Gaozhou Sanhe Animal Husbandry Co., Ltd.	Wastewater: TP, TN, OCD, ammonia nitrogen, PH, and suspended solids	Discharge after sewage treatment	1	One outlet in the wastewater treatment zone	OCD: 86mg/L; suspended solids: 50mg/L; ammonia nitrogen: 5.6mg/L; TN:69mg/L; TP: 2.9mg/L; PH:6-9	Level-1 standards for the 2nd time interval of the Discharge Limits of Water Pollutants of Maoming City (《茂名市水污染物排放限值》); Pollutant Discharge Standards for Livestock and Poultry Farming Industry (《畜禽养殖业污染物排放标准》)	OCD: 3.14t/y; suspended solids: 1.82t/y; ammonia nitrogen: 0.2t/y; TN: 2.52t/y; TP: 0.11t/y	None	None
Guangzhou Haiwei Feed Co., Ltd.	Exhaust gas: Nitrogen oxide; sulfur dioxide; particles (smoke); mercury and its oxides; and the blackness of smoke; wastewater: Suspended solids; ammonia nitrogen; PH; and COD	The exhaust gas is discharged after being processed for urea spraying denitration in a bag-type dust collector; the wastewater is discharged into the municipal pipe network after reaching the standard	2	Boiler exhaust gas outlet; wastewater discharge outlet	Sulfur dioxide 6mg/m ³ ; nitrogen oxide 90mg/m ³ ; smoke 20mg/m ³ ; suspended solids 60mg/L; ammonia nitrogen 10mg/L; COD 90mg/L; animal and vegetable oil 10mg/L; COD 10mg/L	The discharge limits of air pollutants for the biomass-fired briquette boiler of the Emission Standard of Air Pollutants for Boiler (《锅炉大气污染物排放标准》)(DB44/26-2001) of Guangdong Province; Grade 1 of the second period of the Discharge Limits of Water Pollutants (《水污染物排放限值》)(DB44/26-2001) of Guangdong Province	Sulfur dioxide 0.118t/y; nitrogen oxide 1.769t/y; smoke 0.393t/y; suspended solids 0.087t/y; ammonia nitrogen 0.010t/y; COD 0.087t/y; animal and vegetable oil 0.010t/y	Sulfur dioxide 0.118t/y; nitrogen oxide 1.769t/y; smoke 0.393t/y; suspended solids 0.087t/y; ammonia nitrogen 0.010t/y; COD 0.087t/y; animal and vegetable oil 0.010t/y	None

							y; BOD 0.010t/ y	y; BOD 0.010t/ y	
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Construction and operation of pollution prevention and control facilities:

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

Environmental impact assessment and other environmental protection administrative licensing of construction projects:

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

Emergency plan for emergent environmental incidents:

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

Self-monitoring program for environment:

All the branch companies and subsidiaries have formulated environmental self-monitoring plans in accordance with the requirements of local environmental protection authorities and contacted qualified monitoring units to conduct self-monitoring on a regular basis. Besides, they disclosed relevant information or filed with local environmental protection authorities as required. All self-monitoring activities were in compliance with the

requirements of the environmental protection evaluation and emission standards. Furthermore, some subsidiaries engaged external professional agencies to carry out phased environmental monitoring. The supervision of the Company on environmental protection has been intensified by the combination of the Company's self-monitoring and the third-party professional monitoring. For example, Sichuan Hailinger Biopharmaceutical Co., Ltd., engaged a third-party independent agency, namely, Sichuan Jiecheng Environmental Technology Co., Ltd., to monitor the discharged pollutants. It monitored the ammonia, odor concentration, and nitrogen oxide in exhaust gas and COD, suspended solids, and ammonia nitrogen in wastewater and issued testing reports stating that all results conform to requirements of relevant standards.

Administrative penalties imposed for environmental issues during the Reporting Period:

Name of the company or subsidiary	Reason for penalty	Regulation violated	Penalty	Impact on the Company	Remediation measures
Jiaxiang Haiying Food Co., Ltd.	It violated the provisions of Clause I of Article 48 of the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》)	The collection pipe of exhaust gas ruptured, resulting in the direct discharge of exhaust gas to the external environment	It was instructed to correct the unlawful act and fined RMB20,000	No significantly adverse impact	Repaired the ruptured pipe and conducted regular inspections
Jiaxiang Haiying Food Co., Ltd.	It violated the provisions of Article 10 of the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中华人民共和国大气污染防治法》)	The TP in the discharged wastewater exceeded the requirements of the standard	It was instructed to correct the unlawful act and fined RMB370,000	No significantly adverse impact	The environmental facilities and equipment have been replaced in time to enhance the capability of wastewater treatment
Linxi Haiying Food Co., Ltd.	It violated the provisions of Article 45 of the Law of the People's Republic of China on the Prevention and Control of Atmospheric	The pipe connecting the photo-oxygen integrated machine above the gas trap hood in its butchering workshop was damaged, generating the	It was instructed to correct the unlawful act and fined RMB23,000	No significantly adverse impact	Repaired the damaged pipe and conducted regular inspections

	Pollution (《中华人民共和国大气污染防治法》)	exhaust gas containing volatile organic compounds. Although the production was carried out in a confined space, the pollution prevention measures were not effective.			
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Other environmental information that should be disclosed:

N/A.

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

Applicable Not applicable

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

Other information on environmental protection:

N/A.

II. Fulfillment of Social Responsibility

Please refer to the “Haid Group: Social Responsibility Report 2021” (《海大集团：2021年度社会责任报告》) disclosed by the Company on the media designated for information disclosure.

III. Efforts in Poverty Alleviation and Rural Revitalization

As a privately-held enterprise rooted in agriculture, rural areas, and farmers and dedicated to agriculture and animal husbandry, Haid Group has proactively responded to the call of the Party and the state. It has remained committed to the enterprise mission of "prospering agriculture with science and technology, changing rural China", aiming to facilitate farmers to achieve prosperity and contribute to comprehensive rural revitalization. Since the founding of Haid Group, over 9,000 service engineers have rushed to ponds and hogcotes to practically assist

farmers to carry out scientific animal husbandry, fulfilling its responsibility as an example of a leading agricultural and animal husbandry enterprise. It has exerted well the industry, technology, service, mode, talent, and capital advantages and continued to enhance its independent innovation capability and comprehensive strength of scientific research. As a result, it has built a rural revitalization mode with characteristics of Haid, facilitating the realization of industrialized agriculture, professional farmers, and popularized agricultural techniques, thus writing a new chapter of comprehensive rural revitalization.

During the Reporting Period, the Company took the realization of common prosperity of farmers as the fundamental goal. It has focused on industrial revitalization, talent revitalization, scientific revitalization, and public services to facilitate the realization of three goals, which are, industrialized agriculture, professional farmers, and popularized agricultural techniques. It has built a rural revitalization mode with characteristics of Haid, which has been recognized by all sectors of society. Specifically:

Bureau of Agriculture and Rural Affairs of Guangzhou Municipality and Bureau of Agriculture and Rural Affairs of Panyu District in Guangzhou have recognized the Haijingzhou animal husbandry base in Gull island and Guangzhou Rongda Aquatic Technology Co., Ltd. (both are owned by Haid Group) as the production base for the "vegetable basket" project in the Guangdong-Hong Kong-Macao Greater Bay Area, facilitating the local rural revitalization.

Rural Development Bureau of Guangzhou has recognized Haid Group as the "Outstanding Contribution Collective for Poverty Alleviation of the Province", fully demonstrating the high recognition of all sectors of society of Haid Group for its devotion to poverty alleviation. Meanwhile, it also demonstrates the high appreciation of the industrial poverty alleviation model featuring the "five elements of empowerment" of Haid Group.

The Leading Group Office for the Implementation of Rural Revitalization Strategy of Guangdong Provincial Party Committee has recognized Haid Group as the "Advanced Collective of Rural Revitalization in Guangdong Province". As a local key national leading enterprise for the industrialization of agriculture in Guangdong, Haid Group has closely followed the work arrangements of rural revitalization in Guangzhou, contributing to poverty alleviation.

China Society for Promotion of the Guangcai Program announced the "Key Guangcai Programs in China of 2020". Relying on the outstanding contribution to poverty alleviation and rural revitalization, the "charitable education project for one million new professional farmers" submitted by Haid Group was listed on the "Key Guangcai Programs in China of 2020", becoming one of the 28 enterprises that have been rewarded with such honor in China.

Department of Agriculture and Rural Affairs of Guangdong Province, the Rural Revitalization Administration of Guangdong Province, Guangdong Federation of Industry and Commerce, and Nanfang Daily Media Group jointly launched the "Power of Revitalization - 2021 Excellent Case Promotion Campaign of Rural Revitalization in Guangdong". The case of Leveraging the Power of Industry and Technology (《发挥产业之能, 善用科技之力》) conducted by Haid Group has been highly recognized by the recommended panel, successfully being selected as the 2021 Excellent Case of Rural Revitalization in Guangdong.

For further information, please refer to the “Haid Group: Social Responsibility Report 2021” (《海大集团：2021年度社会责任报告》) disclosed by the Company on the media designated for information disclosure.

Section VI. Material Matters

I. Performance of Undertakings

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

√ Applicable □ Not applicable

Undertaking	Party involved in undertaking	Types of undertaking	Details of undertaking	Undertaking date	Term of undertaking	Particulars on the performance
Undertaking on shareholding structure reformation						
Undertaking made in offering documents or shareholding alternation documents						
Undertaking made during asset restructuring						
Undertaking made on initial public offering or refinancing	Hua Xue	Undertaking on horizontal competition, related party transaction and capital occupation	1. Mr. Hua Xue guarantees no prejudice to the interests of Haid Group and its other shareholders by virtue of his capacity as the actual controller. 2. Mr. Hua Xue guarantees that, as long as he serves as the actual controller of Haid Group, he and his wholly-owned subsidiaries, controlled subsidiaries and actually controlled companies (except Haid Group) will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment,	27 November 2009	Long term	In strict performance

			acquisition or merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.			
	Guangzhou Haihao Investment Co., Ltd.	Undertaking on horizontal competition, related party transaction and capital occupation	<p>1. It guarantees no prejudice to the interests of Haid Group and other shareholders of Haid Group by virtue of its capacity as the controlling controller. 2. Guangzhou Haihao guarantees that, as long as it is the controlling shareholder of Haid Group, it and its wholly-owned subsidiaries, controlled subsidiaries (except Haid Group) and actually controlled companies will not engage in business activities that, directly or indirectly, compete with or constitute competitive threat to the principal businesses or major products of Haid Group in any form, including investment, acquisition or merger of companies, enterprises or other economic organizations the principal businesses or major products of which are the same with or similar to those of Haid Group.</p>	27 November 2009	Long term	In strict performance
Undertakings related to equity incentives	Guangdong Haid Group Co., Limited	Other undertakings	<p>The Company guarantees no provision of loans or financial assistance in other forms to the awardees for acquisition of relevant interests under the 2016 Restricted Share Incentive Plan of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司 2016 年限制性股票激励计划》), including provision of guarantees for their loans.</p>	15 February 2017	From 15 February 2017 to 17 June 2021	Expired

	Guangdong Haid Group Co., Limited	Other undertakings	The Company guarantees no provision of loans, loan guarantees, or financial assistance in other forms to the awardees for acquisition of relevant interests under the 2021 Share Option Incentive Plan of Guangdong Haid Group Co., Limited (《广东海大集团股份有限公司 2021 年股票期权激励计划》).	20 May 2021	From 20 May 2021 to 27 June 2021	In strict performance
Undertakings made to minority shareholders of the Company	Guangdong Haid Group Co., Limited	Dividend undertaking	Specific conditions, proportions and intervals of cash dividends: The following conditions shall be satisfied when the company makes distribution of cash dividends: (1) The profits and the accumulative distributable profit (i.e., tax after the Company makes up losses and make allocation to reserves) realized by the company in the year or half year is positive in value and the cash flow is sufficient. The distribution of cash dividend will not affect the Company's subsequent operations; (2) The auditor has issued a standard unqualified audit report on the Company's annual financial report (if the Company distributes the interim dividend, the auditor shall have issued a standard unqualified audit report on the Company's financial report for the previous year); (3) The Company has no plan on material external investment or major cash outlays within the next twelve months (except proceeds-financed investment projects). A major investment plan means that the accumulated expenditure of the Company to be used for external investment and purchase of assets or equipment within the next	6 May 2019	From 6 May 2019 to 5 May 2022	In strict performance

			<p>twelve months will reach or exceed 30% of the Company's latest audited net assets. (4) Other circumstances in which the Board considers it is not suitable for distribution of cash dividends. In compliance with the above conditions, the Company will, in principle, make a distribution of cash dividend once a year. The Board of the Company may propose interim cash dividends based on the profitability of the Company when the relevant regulations allow. In principle, the Company's profits accumulated in cash every three years should not be less than 30% of the annual average distributable profit realized in the three years.</p>			
	Hua Xue, Yingzhuo Xu, Qi Cheng, Jianfang Gui, Jianguo He, Yunguo Liu, Zhenxiong Qi, Hua Wang, Yongfang Mu, Guoxiang Liu, Xueqiao Qian, Shaolin Yang, Xiewu Jiang, Guocheng Mi, Zhongzhu Chen, Mingzhong Chen and Zhijian Huang	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	27 November 2009	Long term	In strict performanc e
	Jing Wang, Jia Chen and Li Tian	Undertaking on reduction of shareholding	In compliance with the laws and regulations governing shareholding reductions by directors, supervisors and senior management	21 August 2013	16 January 2023	In strict performanc e

Whether undertakings performed on time	Yes
Specific reasons why undertakings were not performed on time and next steps	N/A

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

Applicable Not applicable

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

Applicable Not applicable

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

III. External Guarantees against the Rules and Regulations

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

For the changes in accounting policies and accounting estimates as compared to the financial report for the prior year, please refer to Note III, 39 in Section X. "Financial Statements".

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

Applicable Not applicable

During the year, the scope of consolidation included 497 subsidiaries, increasing by 123 and reducing by 15 as compared with the last year. For details, please refer to the Note "VI. Change in Consolidation Scope" and the Note "VII. Interests in Other Entities" in Section X "Financial Statements".

VIII. Engagement or Dismissal of Accounting Firm

Current accounting firm engaged

Name of the domestic accounting firm	Grant Thornton China (Special General Partnership)
Remuneration of the domestic accounting firm (RMB '0,000)	450
Continued term of service of the domestic accounting firm	3
Name of certified public accountants of the domestic accounting firm	Wenyuan Guan, Shuxia Zhang
Continued term of service of certified public accountants of the domestic accounting firm	Wenyuan Guan: 3 years Shuxia Zhang: 4 years
Name of the overseas accounting firm (if any)	N/A
Remuneration of the overseas accounting firm (RMB '0,000) (if any)	0
Continued term of service of the overseas accounting firm (if any)	N/A
Name of certified public accountants of the overseas accounting firm (if any)	N/A
Continued term of service of certified public accountants of the overseas accounting firm (if any)	N/A

Whether to appoint another accounting firm during the current period

Yes No

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

Applicable Not applicable

IX. Delisting Upon Publication of Annual Report

Applicable Not applicable

X. Matters Related to Bankruptcy and Reorganisation

Applicable Not applicable

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

XI. Material Litigation and Arbitration

Applicable Not applicable

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

XII. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XIV. Significant Related Party Transactions

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

Applicable Not applicable

Related party	Related party relationship	Types of the related party transactions	Subject matter of the related party transactions	Pricing basis of the related party transactions	Price of related party transactions	Amount of related party transactions (RMB '0,000)	Percentage as the amount of similar transactions	Amount of transactions approved (RMB '0,000)	Whether exceeding approved cap	Settlement of related party transactions	Market price of available similar transaction	Disclosure date	Disclosure index
Guizhou Fuhai Chemical Co., Ltd.	Associate	Purchase of raw materials and receipt of labor services	Purchase of raw materials and receipt of labor services	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform	20,779.82	0.27%	21,053	No	On normal commercial terms or in accordance with relevant agreements	N/A	20 April 2021	Announcement on Day-to-day Related Party Transaction in 2021 (Announcement No. 2021-041) publish

					market price as quoted externally by the seller at the time of transaction.								ed on 20 April 2021 in the media designated for information disclosure
Alaer Ruiliheng Biological Protein Co., Ltd.	Associate	Purchase of raw materials	Purchase of raw materials	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	1,221.87	0.02%	2,700	No	On normal commercial terms or in accordance with relevant agreements	N/A	20 October 2021	Announcement on Day-to-day Related Party Transaction (Announcement No. 2021-099) published on 20 October 2021 in the media designated for information disclosure
Wujiaqu Taikun Plant Protein	Associate	Purchase of raw materials	Purchase of raw materials	Market price	The price of each transaction shall	2,551.98	0.03%	2,300	Yes	On normal commercial terms or	N/A	20 October 2021	Announcement on Day-to-day

Co., Ltd.					be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.					in accordance with relevant agreements			Related Party Transaction (Announcement No. 2021-099) published on 20 October 2021 in the media designated for information disclosure
Haid Yingtaogu Farm (Vietnam) Co., Ltd. and its branch companies and subsidiaries	Associate	Purchase of raw materials	Purchase of ducklings	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the	109.11	0.0014 %	160.00	No	On normal commercial terms or in accordance with relevant agreements	N/A	27 July 2021	Announcement on Day-to-day Related Party Transaction (Announcement No. 2021-081) published on 27 July 2021 in the media designated for

					seller at the time of transaction.								information disclosure
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd. and its branch companies and subsidiaries	Associate	Sales of commodities	Sales of feed and other products	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	11,138.07	0.13%	11,550	No	On normal commercial terms or in accordance with relevant agreements	N/A	20 April 2021 and 27 July 2021	Announcement on Day-to-day Related Party Transaction in 2021 (Announcement No. 2021-041) and Announcement on Day-to-day Related Party Transaction (Announcement No. 2021-081) published on 20 April 2021 and 27 July 2021 respectively in

													the media designated for information disclosure
Haid Yingtaogu Farm (Vietnam) Co., Ltd. and its branch companies and subsidiaries	Associate	Sales of commodities	Sales of feed and other products	Market price	The price of each transaction shall be determined by both parties through negotiation based on the uniform market price as quoted externally by the seller at the time of transaction.	4,086.81	0.05%	4,340	No	On normal commercial terms or in accordance with relevant agreements	N/A	20 October 2021	Announcement on Day-to-day Related Party Transaction (Announcement No. 2021-099) published on 20 October 2021 in the media designated for information disclosure
Total				--	--	39,887.66	--	42,103	--	--	--	--	--
Particulars on refund of bulk sale				N/A									
Actual performance of day-to-day transactions to be conducted in the period for which the total transaction amount is estimated by categories during the reporting period (if any)				N/A									

Reasons for large differences between transaction prices and market reference prices (if applicable)	N/A
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2. Related party transactions in connection with purchase or sale of assets or equity interest

Applicable Not applicable

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

3. Related party transactions connected to joint external investment

Applicable Not applicable

There was no related party transaction of the Company connected to joint external investment during the reporting period.

4. Related creditors' rights and debts transactions

Applicable Not applicable

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

5. Transactions with related finance companies

Applicable Not applicable

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

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

Applicable Not applicable

No related parties made deposits in, received loans or credit from or was involved in any other finance business with any finance company controlled by the Company.

7. Other significant related party transactions

Applicable Not applicable

The Proposal on External Investment and Related Party Transactions (《关于对外投资暨关联交易的议案》) was reviewed and approved on the Eleventh Meeting of the Fifth Board of Directors on 25 July 2020 and the First Extraordinary General Meeting of 2020 on 14 August 2020. It was approved that the wholly-owned subsidiary of the Company could transfer 33.47% of the fund share of Guangzhou Hengjuchang Venture Investment Partnership (Limited Partnership) held by Guangzhou Haihao Investment Co., Ltd., the controlling shareholder of the Company, with its own capital of RMB 1,011,100, and assume the remaining capital contribution of RMB 669 million from Guangzhou Haihao Investment Co., Ltd. in the Partnership Agreement of Guangzhou Hengjuchang Venture Investment Partnership (Limited Partnership) (《广州市恒聚昌创业投资合伙企业(有限合伙)之合伙

协议》) and all the rights and obligations under the Partnership Agreement. As at 16 April 2021, the transfer of the above-mentioned share has been completed and registered for business change.

Current announcements on the significant related party transactions and website where they are disclosed:

Title of current announcement	Disclosure date	disclosure website
Announcement on Investment in External Entity & Related Party Transaction	28 July 2020	Securities Times, China Securities Journal, Shanghai Securities News, Securities Times, and http://www.cninfo.com.cn/

XV. Material Contracts and Implementation

1. Custody, contracting and leasing

(1) Custody

Applicable Not applicable

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

(2) Contracting

Applicable Not applicable

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

(3) Leasing

Applicable Not applicable

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

2. Significant guarantees

√ Applicable □ Not applicable

Unit: RMB'0,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Customers (such as farmers and dealers) of seven controlled subsidiaries including Hunan Haid Bio-Feed Co., Ltd.	28 June 2018	2,000	15 April 2020		6 Joint liability guarantee		The Company has the right to confiscate the relevant funds (including but not limited to prepayments, discounts and annual bonuses) of the customer for repaying the principal and interest of the customer's overdue loan.	3 years	No	No
Customers (such as farmers and dealers) of eleven controlled subsidiaries including Guangxi	16 April 2019	1,500	16 May 2019		282 Joint liability guarantee		The Company has the right to confiscate the relevant funds (including but not limited to prepayments, discounts, annual bonuses, security deposits, farming entrustment fees) of the customer for repaying the principal and interest of the customer's overdue loan.	3 years	No	No

Haid Feed Co., Ltd.									
Customers (such as farmers and dealers) of subsidiary	17 March 2020	38,450	14 May 2020	174.5	Joint liability guarantee	The spouse of the borrower, adult children of the borrower and their spouses, and/or third-party guarantors provide counter-guarantees; and the Company has the right to confiscate the relevant funds (including but not limited to prepayments, discounts, annual bonuses, security deposits, farming entrustment fees) of the customer for repaying the principal and interest of the customer's overdue loan.	1-3 years	No	No
Customers (such as farmers and dealers) of subsidiary	28 July 2020	52,850	4 January 2021	4,184.9	Joint liability guarantee	The spouse of the borrower, adult children of the borrower and their spouses, and/or third-party guarantors provide counter-guarantees; and the Company has the right to confiscate the relevant funds (including but not limited to prepayments, discounts, annual bonuses, security deposits, farming entrustment fees) of the customer for repaying the principal and interest of the customer's overdue loan.	Within 1 year	Yes	No
			29 December 2020	633	Joint liability guarantee		1 year	No	No
Customers (such as farmers and dealers) of subsidiary	19 January 2021	91,400	3 February 2021	45,220.6	Joint liability guarantee	The spouse of the borrower, adult children of the borrower and their spouses, and/or third-party guarantors provide counter-guarantees; and the Company has the right to confiscate the relevant funds (including but not limited to prepayments, discounts, annual bonuses, security deposits, farming entrustment fees) of the customer for	Within 1 year	Yes	No
			4 February 2021	47,094.2	Joint liability guarantee		1-3 years	No	No

							repaying the principal and interest of the customer's overdue loan.			
Customers (such as farmers and dealers) of subsidiary	27 July 2021	24,000	11 August 2021	476.31	Joint liability guarantee		The spouse of the borrower, adult children of the borrower and their spouses, and/or third-party guarantors provide counter-guarantees.	1 year	Yes	No
Total external guarantees approved during the reporting period (A1)		115,400		Total actual external guarantees during the reporting period (A2)		98,071.52				
Total external guarantees approved at the end of the reporting period (A3)		210,200		Total balance of actual external guarantees at the end of the reporting period (A4)		48,115.64				
Guarantees between the Company and its subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Sheng Long Bio-Tech International Co.,Ltd	17 March 2020	33,096	25 January 2021	1,186.38	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	5 months	Yes	No
Haid International Group Limited	27 October 2017	31,878.5	13 June 2018	31,878.5	Joint liability guarantee		N/A	7 years	No	No
	20 April 2021	255,028	10 September	255,028	Joint liability		N/A	3 years	No	No

			2021		guarantee					
Sheng Long Bio Tech(M)SDN. BHD	19 January 2021	685								
Haid Feed Co.,Limited	17 March 2020	7,953	21 January 2021	775.77	Joint liability guarantee		N/A	3 months	Yes	No
Haid Feed Co.,Limited	19 January 2021	6,851	3 February 2021	12,725.69	Joint liability guarantee		N/A	1-3 months	Yes	No
Shenglong Bio-Tech (India) Private Limited	19 January 2021	8,973	20 February 2021	2,091.65	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1-5 months	Yes	No
	20 April 2021	2,055	29 May 2021	2,334.19	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	4-5 months	Yes	No
			17 July 2021	3,427.97	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Hai Duong Haid Company Limited	19 January 2021	6,166	3 February 2021	9,817.13	Joint liability guarantee		N/A	1-3 months	Yes	No
China Haida Feed Group (HK) Limited	19 January 2021	30,502								
China Haida Feed Group (HK) Limited	20 April 2021	40,000								
Pt.Haida Agriculture	19 January 2021	10,277	24 February 2021	10,164.05	Joint liability guarantee		N/A	2-5 months	Yes	No

Indonesia			21 October 2021	1,044.42	Joint liability guarantee		N/A	1 year	No	No	
Vinh Long Hai Dai Co.,Ltd	20 April 2021	2,055									
Guangzhou Yitun Pig Industry Investment Co., Ltd.	29 June 2019	100,000	28 November 2019	49,166.2	Joint liability guarantee		N/A	10 years	No	No	
	28 July 2020	55,000	10 September 2020	41,527.16	Joint liability guarantee		N/A	10 years	No	No	
	19 January 2021	180,000	131,146	8 February 2021	15,332.88	Joint liability guarantee		N/A	10 years	No	No
				12 March 2021	7,000	Joint liability guarantee		N/A	1-6 months	Yes	No
				12 March 2021	33,000	Joint liability guarantee		N/A	1 year	No	No
				2 July 2021	20,000	Joint liability guarantee		N/A	1 year	No	No
	20 April 2021	50,000	18,854	28 September 2021	7,045.72	Joint liability guarantee		N/A	9 years	No	No
				18 June 2021	10,000	Joint liability guarantee		N/A	1 month	Yes	No
Subsidiaries including Shijiazhuang Weike Biotechnology Co., Ltd.	19 January 2021	15,700									
Shandong Haiding	19 January	50,000									

Agriculture and Animal Husbandry Co., Ltd.	2021									
Guangdong Haid International Trade Co., Ltd.	20 April 2021	95,000								
Qingyuan Hailong Biotechnology Co., Ltd.	28 July 2020	350	17 August 2020	345	Joint liability guarantee	N/A	2-3 years	No	No	
Wholly-owned or controlled subsidiaries	19 January 2021	183,225	3 February 2021	23,600.28	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Wholly-owned or controlled subsidiaries	20 April 2021	6,000	20 May 2021	879.79	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Wholly-owned or controlled subsidiaries	27 July 2021	55,000	11 August 2021	9,268.06	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Wholly-owned or controlled subsidiaries	19 January 2021	121,000								
Total amount of guarantee provided for subsidiaries approved during the reporting period (B1)				1,268,517	Total amount of guarantee provided for subsidiaries during the reporting period (B2)					547,638.84
Total amount of guarantee provided for subsidiaries				1,496,794.5	Total balance of guarantee provided for subsidiaries as at the end of the					467,532.82

approved as at the end of the reporting period (B3)		reporting period (B4)								
Guarantees between subsidiaries										
Name of obligee	Date of the related announcement disclosing the guarantee amount	Amount of guarantee	Guarantee date	Guarantee provided	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Term	Fulfilled or not	Guarantee to related parties or not
Sheng Long Bio-Tech International Co.,Ltd	28 July 2020	50,353	18 January 2021	5,484.69	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	3-6 months	Yes	No
	19 January 2021	109,305	3 February 2021	47,504.35	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	2-6 months	Yes	No
			16 July 2021	8,421.68	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Hai Duong Haid Company Limited	19 January 2021	8,000	7 April 2021	641.6	Joint liability guarantee		N/A	2 months	Yes	No
Haid Feed Co.,Limited	19 January 2021	3,426	2 March 2021	2,554.76	Joint liability guarantee		N/A	2 months	Yes	No
Shenglong Bio-Tech (India) Private Limited	19 January 2021	9,999	10 May 2021	891.27	Joint liability guarantee		Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	3 months	Yes	No

			26 August 2021	959.83	Joint liability guarantee	Minority shareholders provide counter-guarantees for the Company in proportion to their shareholding percentages.	1 year	No	No
Pt.Haida Agriculture Indonesia	19 January 2021	3,426	25 August 2021	571.8	Joint liability guarantee	N/A	2 months	Yes	No
Vinh Long Hai Dai Co.,Ltd	19 January 2021	8,221							
Long Sheng International Co.,Ltd	20 April 2021	3,426							
Jiangmen Debao Group Co., Ltd. and its controlled subsidiaries	27 July 2021	7,500	11 August 2021	7,500	Joint liability guarantee	N/A	1 year	No	No
Total amount of guarantee between subsidiaries approved during the reporting period (C1)			153,303	Total amount of guarantee between subsidiaries during the reporting period (C2)					74,529.98
Total amount of guarantee between subsidiaries approved as at the end of the reporting period (C3)			203,656	Total balance of guarantee between subsidiaries as at the end of the reporting period (C4)					16,881.5
Total amount of guarantee provided (i.e. sum of the above three guarantee amounts)									
Total amount of guarantee approved during the reporting period (A1+B1+C1)			1,537,220	Total amount of guarantee during the reporting period (A2+B2+C2)					720,240.34
Total amount of guarantee approved as at the end			1,910,650.5	Total balance of guarantee as at the end of the reporting period					532,529.96

of the reporting period (A3+B3+C3)	(A4+B4+C4)
The percentage of total amount of guarantee provided (i.e. A4+B4+C4) to the net assets of the Company	36.82%
Of which:	
Balance of guarantee provided for shareholders, beneficial controllers and its related parties (D)	0
Balance of guarantee directly or indirectly provided for obligors with gearing ratio over 70% (E)	465,429.56
Total amount of guarantee provided in excess of 50% of net assets (F)	0
Total amount of the three kinds of guarantees above (D+E+F)	465,429.56
Explanations on liability to guarantee occurred during the reporting period or possible joint liability for satisfaction for undue guarantee contracts (if any)	During the reporting period, the Company paid a total of RMB 3.2416 million for overdue loans with its guarantee, of which RMB 437,100 was collected while it is trying to collect the rest.
Explanations on provision of guarantee in violation of established procedures	N/A

Notes:

1. The guarantee amounts provided by subsidiaries for external parties are calculated according to the equity-holding percentages of the Company in those subsidiaries.
2. The foreign-currency guarantees in the table above are converted at the middle rate of exchange at the end of the reporting period.

3. Entrusted cash and asset management

(1) Entrusted wealth management

Applicable Not applicable

Entrusted wealth management during the reporting period

Unit: RMB'0,000

Type	Fund source for entrusted wealth management	Amount of entrusted wealth management	Undue balance	Overdue outstanding amount	Impairment allowances for the overdue outstanding amount
Wealth management products of banks	Owned funds	30,000	0	0	0
Wealth management products of securities firms	Raised funds	15,000	0	0	0
Wealth management products of banks	Raised funds	25,000	0	0	0
Total		70,000	0	0	0

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

Applicable Not applicable

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

Applicable Not applicable

(2) Entrusted loans

Applicable Not applicable

Overview of entrusted loans during the reporting period

Unit: RMB'0,000

Total entrusted loans	Source	Undue balance	Overdue outstanding amount
2,250	Owned funds	1,850	0

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

Applicable Not applicable

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

Applicable Not applicable

4. Other material contracts

Applicable Not applicable

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

XVI. Other Matters of Significance

Applicable Not applicable

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

XVII. Matters of Significance of Subsidiaries of the Company

Applicable Not applicable

Section VII. Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the reporting period (+/-)					After	
	Shares	Percentage (%)	New issue	Shares as dividend converted from retained earnings	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Restricted shares	14,413,777	0.87%				-11,379,230	-11,379,230	3,034,547	0.18%
1.1 Shares held by the state									
1.2 Shares held by state-owned juridical persons									
1.3 Shares held by other domestic investors	14,413,777	0.87%				-11,379,230	-11,379,230	3,034,547	0.18%
Of which: shares held by domestic juridical persons									
Shares held by domestic natural persons	14,413,777	0.87%				-11,379,230	-11,379,230	3,034,547	0.18%
1.4 Shares held by foreign investors									
Of which: shares held by foreign juridical persons									
Shares held by foreign natural persons									
2. Non-restricted shares	1,646,796,974	99.13%				11,329,540	11,329,540	1,658,126,514	99.82%
2.1 RMB ordinary shares	1,646,796,974	99.13%				11,329,540	11,329,540	1,658,126,514	99.82%
2.2 Domestically listed									

foreign shares									
2.3 Overseas listed foreign shares									
2.4 Other									
3. Total shares	1,661,210,751	100.00%				-49,690	-49,690	1,661,161,061	100.00%

Reasons for share changes:

Applicable Not applicable

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

2. As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016 年限制性股票激励计划(修订稿)》) had resigned, been dismissed or failed in their individual performance appraisals of 2020, among others, the Company repurchased and cancelled a total of 49,690 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 17 June 2021, the Company completed the repurchase and cancellation of the said restricted shares. As such, the Company's total shares decreased by 49,690 shares.

3. Restricted shares were unlocked under the restricted share incentive plan: On 7 May 2021, as the unlocking conditions had been satisfied for the fourth unlocking period of the first grant and for the third unlocking period of the reserve grant under the 2016 Restricted Share Incentive Plan (Revised) (《2016 年限制性股票激励计划(修订稿)》), a total of 12,139,400 restricted shares were unlocked, including 10,690,680 restricted shares in the first grant and 1,448,720 restricted shares in the reserve grant.

4. Shares of senior management that were in lockup increased by 809,860 shares during the reporting period.

After all the changes above, the Company's total shares have changed from 1,661,210,751 shares to 1,661,161,061 shares.

Approval of share changes:

Applicable Not applicable

On 17 April 2021, the Company convened the 18th Meeting of the Fifth Board of Directors and the 2021 Annual General Meeting to consider and approve the Proposal Regarding Repurchase of Certain Restricted Shares for Cancellation (《关于回购注销部分限制性股票的议案》). Due to the resignation, failure to pass the 2020 individual performance appraisal, etc. of 7 awardees in the first grant of restricted shares and 2 awardees in the reserve grant, the Company was agreed to repurchase and cancel 34,290 restricted shares in the first grant and 15,400 restricted shares in the reserve grant that had been granted to the aforesaid awardees but had not yet reached the unlocking conditions.

Transfer of share ownership:

Applicable Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, equity per share attributable to

the ordinary shareholders of the parent company and other financial indicators of the prior year and the prior period, respectively:

Applicable Not applicable

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

Applicable Not applicable

2. Change in Restricted Shares

Applicable Not applicable

Unit: share

Shareholder	Opening restricted shares	Increased in Reporting Period	Unlocked in Reporting Period	Closing restricted shares	Reason for lockup	Date of unlocking
Certain directors and senior management of the Company	3,023,447	809,860	798,760	3,034,547	Restricted shares and shares of senior management that were in lockup	N/A
Other restricted share awardees than senior management	11,390,330		11,390,330	-	Restricted shares	7 May 2021
Total	14,413,777	809,860	12,189,090	3,034,547	--	--

II. Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

As certain awardees of the 2016 Restricted Share Incentive Plan (Revised) (《2016 年限制性股票激励计划 (修订稿)》) had resigned, been dismissed or failed in their individual performance appraisals of 2020, among others, the Company repurchased and cancelled a total of 49,690 restricted shares that had been granted to the said awardees but failed to meet the unlocking conditions. On 17 June 2021, the Company completed the repurchase and cancellation of the said restricted shares. As such, the Company's total shares decreased by 49,690 shares.

The above changes in the Company's total shares did not result in the change of the Company's actual controller.

3. Existing Staff-Held Shares

Applicable Not applicable

III. Shareholders and Actual Controller

1. Shareholders and Their Shareholdings at the Period-End

Unit: share

Ordinary shareholders at the period-end	19,898	Ordinary shareholders at the month-end prior to the disclosure of this Report	22,047	Preferred shareholders with resumed voting rights at the period-end (if any)	0	Preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report (if any)	0	
5% or greater shareholders or top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Change during Reporting Period	Restricted shares	Non-restricted shares	Pledged, marked or frozen shares	
							Status	Shares
Guangzhou Haihao Investment Co., Ltd.	Domestic non-state-owned juridical person	54.04%	897,627,559	2,038,200		897,627,559	Pledged	51,235,000
Hong Kong Securities Clearing Company Ltd.	Foreign juridical person	4.20%	69,756,544	24,290,137		69,756,544		
Industrial and Commercial Bank of China – Invesco Great Wall Newly Growth Mixed Securities Investment Fund	Other	2.59%	42,999,933	14,000,676		42,999,933		
Norges Bank – Proprietary Fund	Foreign juridical person	1.08%	17,996,681	-1,925,425		17,996,681		
Bank of China – Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	Other	0.96%	15,999,899	3,999,955		15,999,899		

Industrial and Commercial Bank of China—Dongfanghong Qiheng Three-year Mixed Securities Investment Fund	Other	0.81%	13,489,252	13,489,252		13,489,252		
National Social Security Fund Portfolio 104	Other	0.51%	8,529,088	-1,376,487		8,529,088		
Abu Dhabi Investment Authority	Foreign juridical person	0.51%	8,481,214	-444,301		8,481,214		
Rosefinch Fund—Shaanxi Coal Industry Company Limited—Shaanxi Coal Rosefinch New Economy Single Asset Management Plan	Other	0.50%	8,287,633	3,712,348		8,287,633		
Monetary Authority of Macao—Proprietary Fund	Foreign juridical person	0.46%	7,717,608	-3,816,334		7,717,608		
Strategic investor or general juridical person becoming top-10 shareholder due to placing of new shares (if any) (see note 3)	N/A							
Related or acting-in-concert parties among shareholders above	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Administrative Measures On Acquisition Of Listed Companies (《上市公司收购管理办法》) or any related party.							
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights	N/A							
Special securities account for repurchased shares among the top 10 shareholders (if any) (see note 10)	At the end of the reporting period, the balance of the special securities account for repurchased shares of Guangdong Haid Group Co., Limited was 10,272,100 shares, which was not among the top 10 shareholders.							
Top 10 non-restricted shareholders								
Name of shareholder	Non-restricted shares held at period-end					Type of shares		
						Type	Shares	
Guangzhou Haihao Investment Co., Ltd.	897,627,559					RMB ordinary stock	897,627,559	

Hong Kong Securities Clearing Company Ltd.	69,756,544	RMB ordinary stock	69,756,544
Industrial and Commercial Bank of China—Invesco Great Wall Newly Growth Mixed Securities Investment Fund	42,999,933	RMB ordinary stock	42,999,933
Norges Bank – Proprietary Fund	17,996,681	RMB ordinary stock	17,996,681
Bank of China—Invesco Great Wall Dingyi Mixed Securities Investment Fund (LOF)	15,999,899	RMB ordinary stock	15,999,899
Industrial and Commercial Bank of China—Dongfanghong Qiheng Three-year Mixed Securities Investment Fund	13,489,252	RMB ordinary stock	13,489,252
National Social Security Fund Portfolio 104	8,529,088	RMB ordinary stock	8,529,088
Abu Dhabi Investment Authority	8,481,214	RMB ordinary stock	8,481,214
Rosefinch Fund—Shaanxi Coal Industry Company Limited—Shaanxi Coal Rosefinch New Economy Single Asset Management Plan	8,287,633	RMB ordinary stock	8,287,633
Monetary Authority of Macao—Proprietary Fund	7,717,608	RMB ordinary stock	7,717,608
Related or acting-in-concert parties among top 10 non-restricted ordinary shareholders, as well as between top 10 non-restricted ordinary shareholders and top 10 ordinary shareholders	Among the top 10 shareholders above, the first shareholder is the controlling shareholder of the Company, which is neither a related party nor an acting-in-concert party to the other shareholders. It is unknown whether there is, among the other shareholders, any acting-in-concert party as defined in the Measures for Administration of Takeover of Listed Companies (《上市公司收购管理办法》) or any related party.		
Top 10 ordinary shareholders conducting securities margin trading (if any) (see note 4)	As at the end of the reporting period, the Company's controlling shareholder Guangzhou Haihao Investment Co., Ltd. held 34,000,000 shares in the Company in its client account of collateral securities for margin trading; and it took back 2,038,200 shares (not a shareholding increase as ownership of these shares had not been transferred) in its refinancing business. Except for that, other shareholders of the top 10 ordinary shareholders		

	were not engaged in margin trading.
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Note: At the end of the reporting period, the balance of the special securities account for repurchased shares of Guangdong Haid Group Co., Limited was 10,272,100 shares, which was not among the top 10 non-restricted shareholders.

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea No

No such cases in the Reporting Period.

2. Controlling Shareholder

Nature of controlling shareholder: Controlled by a natural person

Type of controlling shareholder: Juridical person

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

Change of the controlling shareholder during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

3. Actual Controller

Nature of actual controller: Domestic natural person

Type of actual controller: Natural person

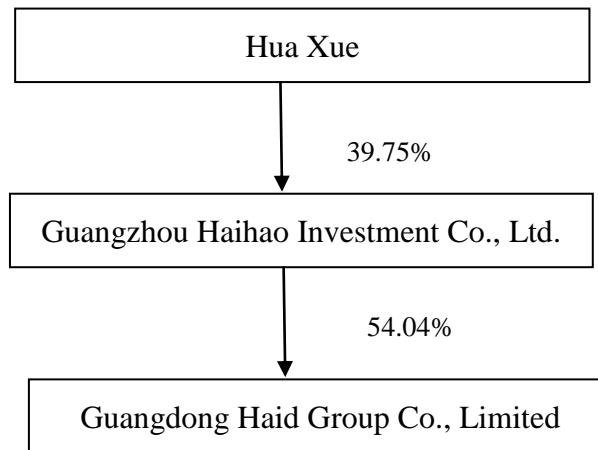
Name of actual controller	Relationship with actual controller	Nationality	Right of residence in other countries or regions
Hua Xue	Himself	Chinese	None
Main office titles	Chairman of the Board, and President (General Manager)		
Used-to-be-holding listed companies at home and abroad in past 10 years	N/A		

Change of the actual controller during the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company:



Indicate by tick mark whether the actual controller controls the Company via trust or other ways of asset management.

Applicable Not applicable

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

Applicable Not applicable

5. Other 10% or Greater Juridical-Person Shareholders

Applicable Not applicable

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

Applicable Not applicable

IV. Share Repurchases during the Reporting Period

Implementation progress of any share repurchase:

Applicable Not applicable

Disclosure date of the share repurchase plan	Number of shares to be repurchased	As a percentage of the total share capital	Amount to be used	Repurchase period	Purpose	Number of shares repurchased	Shares repurchased as a percentage of the total target number of the equity incentive plan (if any)
26 October 2020	4,444,444 to 8,888,888 shares	0.27% to 0.54%	No less than RMB 400 million and no more than RMB 800 million	Within 12 months starting from the approval of the share repurchase plan by the Board of Directors	For use in equity incentive plans and/or employee stock ownership plans	11,466,690	

Note: On 26 October 2020, the Proposal on the Plan for Share Repurchase (《关于回购公司股份方案的议案》) was reviewed and approved by the Board of Directors. As such, the Company intended to repurchase shares with no less than RMB 300 million and no more than RMB 600 million. On 4 March 2020, the Proposal on Adjusting the Plan for Share Repurchase (《关于调整回购股份方案的议案》) was reviewed and approved by the Board of Directors. The amount to be used for the share repurchase program was adjusted from “no less than RMB 300 million and no more than RMB 600 million” to “no less than RMB 400 million and no more than RMB 800 million”.

Implementation progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

Section VIII. Preferred Shares

Applicable Not applicable

No preferred shares in the reporting period.

Section IX. Bonds

Applicable Not applicable

I. Enterprise Bonds

Applicable Not applicable

No enterprise bonds in the reporting period.

II. Corporate Bonds

Applicable Not applicable

No corporate bonds in the reporting period.

III. Debt Instruments as a Non-financial Enterprise

Applicable Not applicable

1. General Information on Debt Instruments as a Non-Financial Enterprise

Unit: RMB

Name of debt instrument	Abbr.	Code of debt instrument	Date of issuance	Value date	Maturity	Outstanding balance	Interest rate	Way of principal repayment and interest payment	Place of trading
The First Tranche of Super Short-term Commercial Papers of 2022 of Guangdong Haid Group Co., Limited (Rural Revitalization, Bond Connect)	22 Haid SCP001BC (Rural Revitalization)	012281164	23 March 2022	25 March 2022	21 September 2022	400,000,000.00	3.18%	Principal and interest repayable in full upon maturity	Inter-bank bond market

Investor eligibility arrangements (if any)	N/A
Trading system applicable	The trading system of the inter-bank bond market
Risk of termination of listing and trading (if any) and countermeasures	N/A

Overdue debt instruments:

Applicable Not applicable

2. Triggering and Execution of Issuer or Investor Option Clauses and Investor Protection Clauses

Applicable Not applicable

In the duration of “22 Haid SCP001BC (Rural Revitalization)”, the Company shall make sure that in its consolidated financial statements, the financial indicators at the end of each year shall meet the following condition: the outstanding balance of the debt instrument shall account for no more than 40% of the total liabilities of the latest year.

If the Company fails to meet any of the aforesaid financial indicators, the protection mechanism as agreed will be triggered.

The Company did not trigger the aforesaid protection mechanism during the reporting period.

3. Intermediary Agencies

Bond name	Intermediary agency	Office address	Accountant writing signatures	Contact person	Tel.
22 Haid SCP001BC (Rural Revitalization)	China CITIC Bank Corporation Limited	Tower 1, Courtyard 10, Longhua Road, Chaoyang District, Beijing	N/A	Xiangzhe Shen	010-66635910
22 Haid SCP001BC (Rural Revitalization)	Bank of China Limited	1 Fuxingmennei Avenue, Xicheng District, Beijing	N/A	Su Xu	010-66595011
22 Haid SCP001BC (Rural Revitalization)	Beijing Zhong Lun (Shanghai) Law Firm	6/10/11/16/17F, Two IFC, 8 Century Avenue, Pudong New Area, Shanghai	N/A	Qin Hu	021-60613666
22 Haid SCP001BC (Rural Revitalization)	Grant Thornton China (Special General Partnership)	5th Floor, Scitech Palace 22 Jianguomen Wai Avenue, Chaoyang District, Beijing	Guan Wenyuan and Zhang Shuxia	Wenyuan Guan	010-85665858

Change of the agencies in the table above during the Reporting Period:

Yes No

4. Use of Raised Funds

Unit: RMB

Bond name	Total amount raised	Amount used	Amount unused	Status of the special account for raised funds (if any)	Rectification for any irregularity (if any) in the use of raised funds	In compliance with the purpose, use plan and other information stated in the prospectus
22 Haid SCP001BC (Rural Revitalization)	400,000,000.00	400,000,000.00	0.00	N/A	N/A	Yes

Use of raised funds in construction projects:

Applicable Not applicable

Indicate whether the raised funds were re-purposed during the reporting period:

Applicable Not applicable

5. Changes in Credit Ratings in the Reporting Period

Applicable Not applicable

6. Execution and Changes with respect to Guarantees, Repayment Plans and Other Repayment-Ensuring Measures in the Reporting Period, as well as the Impact on the Interests Of Debt Instrument Holders

Applicable Not applicable

IV. Convertible Corporate Bonds

Applicable Not applicable

No convertible corporate bonds in the reporting period.

V. Consolidated Loss of the Reporting Period Accounting for Over 10% of Net Assets as at the End of Last Year

Applicable Not applicable

VI. Interest-bearing Liabilities Other than Bonds that Were Overdue at the End of the Reporting Period

Applicable Not applicable

VII. Irregularities during the Reporting Period

Yes No

VIII. Key Financial Information of the Company in the Past Two Years

Unit: RMB'0,000

Item	31 December 2021	31 December 2020	Change
Current ratio	1.24	1.31	-5.34%
Debt/asset ratio	55.30%	45.66%	9.64%
Quick ratio	0.55	0.65	-15.38%
	2021	2020	Change
Net profit after deducting the non-recurring gain or loss	153,473.8	245,958.8	-37.60%
EBITDA/debt ratio	39.97%	71.26%	-31.29%
Interest cover (times)	7.24	13.92	-47.99%
Cash-to-interest cover (times)	7.96	2.05	288.29%
EBITDA-to-interest cover (times)	10.94	17.47	-37.38%
Debt repayment ratio (%)	100.00%	100.00%	0.00%
Interest payment ratio (%)	100.00%	100.00%	0.00%

Section X. Financial Statements

Independent Auditors Report

Audit Opinion	Unmodified unqualified audit opinion
Audit Report Sign-off Date	April 10 th , 2022
Audit Institution Name	Grant Thornton China (Special General Partnership)
Audit Report Number	GTCNSZ (2022) NO. 440A008865
Name of Certified Public Accountant	Wenyuan Guan, Shuxia Zhang

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

I. Opinion

We have audited the financial statements of Guangdong Haid Group Co., Limited (the “Company”), which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated income statement, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company’s financial position as at December 31, 2021, and the consolidated and the Company’s financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Key audit matters

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

(I) Revenue Recognition

Please refer to Note III. 29 and Note V. 49 in the Notes to the Financial Statements for the disclosure of revenue recognition.

1. Description

Haid Group is mainly engaged in feed production and sales. In 2021, the Company's operating revenue was RMB85,998.56 million. We identified revenue recognition as a key audit matter because operating revenue is one of the Company's key performance indicators, there is an inherent risk that management may manipulating the timing of revenue recognition to achieve specific goals or expectations.

2. How Our Audit Addressed the Key Audit Matter

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

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

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

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

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

the sales data in the Company's logistics system and financial system.

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

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

(II) Expected Credit Losses on Accounts Receivable

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

1. Description

As of December 31, 2021, the balance of the Company's accounts receivable was RMB1,293.33 million, including provision of bad and doubtful debts of RMB192.71 million. The Company's management assessed the expected credit losses on accounts receivable individually and collectively based on the consideration of past events, current situations and predictions of future economic conditions. Except for accounts receivable with provision of bad and doubtful debts made individually, the management classified the accounts receivable into corresponding portfolios based on similar credit risk characteristics. For accounts receivable classified into portfolios, the management prepared comparison table of the accounts receivable aging and expected credit loss rate based on the historical credit losses in conjunction with the current situation and predictions of future economic conditions, and calculated the expected credit losses.

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

2. How Our Audit Addressed the Key Audit Matter

1) We understood and evaluated the design effectiveness of internal controls related to expected credit losses on accounts receivable. We tested the operation effectiveness of key internal controls.

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

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

against the Company's book records.

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

(III) Inventory Provision

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

1. Description

As of December 31, 2021, the balance of the Company's inventory was RMB8,922.90 million, which accounted for 25.03% of the total assets, with an inventory provision of RMB29.01 million. The Company measured its inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs to completion, estimated selling expenses and relevant tax expenses. The Company used the conclusive evidence obtained as the basis, in conjunction with the consideration of the purpose of holding the inventories and the impact of subsequent events after the balance sheet date to determine the net realizable value.

We identified inventory provision as a key audit matter because the inventory balance was significant as at December 31, 2021 and it involved management's significant judgment in determining the net realizable value.

2. How Our Audit Addressed the Key Audit Matter

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

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

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

4) We obtained the inventory list as at December 31, 2021. We performed analytical review on inventories with long aging in conjunction with the inventory condition and evaluated the appropriateness of inventory provision.

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

6) For products with available open market price, we selected samples to perform independent research and compared the open market price with the Company's estimated sales price. For products without available open market price, we compared the Company's estimated sales price against their latest actual sales price or actual

sales price in the subsequent period or actual sales price of similar products, to evaluate if the inventory provision was adequate.

IV. Other Information

The Company's management is responsible for the other information. The other information comprises all of the information included in the Company's 2021 Annual Report other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Auditor's Responsibilities for Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

identified during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Consolidated and Company Balance Sheet

As at December 31, 2021

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note V	As at 31/12/2021		As at 31/12/2020	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash at bank and on hand	1	1,739,655,125.14	608,829,404.62	2,056,471,632.75	699,532,802.68
Held-for-trading financial assets	2	2,507,784.13	-	336,719,309.28	263,640,850.00
Notes receivable	3	9,902,395.11	-	17,833,751.84	-
Accounts receivable	4	1,293,328,829.38	17,219.37	1,067,301,941.46	-
Accounts receivable financing		-	-	-	-
Prepayments	5	2,550,853,738.02	1,177,163.76	1,870,808,733.28	1,819,630.87
Other receivables	6	780,025,770.40	13,207,220,849.29	732,315,186.36	10,705,830,242.22
Including: Interest receivables		-	-	2,807.70	-
Dividend		900,009.00	900,009.00	-	-

receivables					
Inventories	7	8,922,903,666.78	46,967,892.60	7,255,350,539.93	84,736,207.88
Contract assets		-	-	-	-
Assets held-for-sale		-	-	-	-
Non-current assets due within one year	8	9,645,605.89	-	2,457,622.86	-
Other current assets	9	794,339,839.32	15,832,844.29	925,208,486.45	8,795,911.92
Total current assets		16,103,162,754.17	13,880,045,373.93	14,264,467,204.21	11,764,355,645.57
Non-current assets:					
Debt investments	10	14,501,072.58	-	22,501,033.35	-
Loans and advances to customers	11	4,397,461.24	-	31,418,327.11	-
Other debt investments		-	-	-	-
Long-term receivables	12	86,932,591.35	2,494,068.21	97,462,501.79	907,302.50
Long-term equity investments	13	301,076,512.33	6,331,184,148.05	59,465,879.68	4,452,434,939.93

Investments in other equity instruments		-	-	-	-
Other non-current financial assets	14	286,569,300.55	255,147,950.55	254,417,562.64	222,596,212.64
Investment properties	15	26,941,013.33	18,516,515.82	29,426,486.24	20,565,176.04
Fixed assets	16	11,271,964,642.07	270,269,433.52	7,703,538,937.81	239,611,327.76
Construction in progress	17	1,531,493,842.31	21,971,207.85	1,591,741,924.42	16,372,133.08
Productive biological assets	18	508,486,715.64	-	286,202,211.97	-
Oil and natural gas assets		-	-	-	-
Right-of-use assets	19	2,331,346,912.43	75,059,956.05		
Intangible assets	20	1,490,419,035.61	112,961,029.65	1,257,221,361.76	118,046,787.57
Development costs	21	5,953,762.00	-	13,567,349.13	-
Goodwill	22	364,614,702.18	-	342,738,904.21	-
Long-term deferred expenses	23	134,993,772.59	31,863,128.22	352,075,183.20	28,770,769.63
Deferred tax assets	24	734,900,665.63	243,534,161.40	847,086,216.97	398,251,653.53

Other non-current assets	25	450,825,044.08	26,973,605.46	373,627,286.70	2,695,741.00
Total non-current assets		19,545,417,045.92	7,389,975,204.78	13,262,491,166.98	5,500,252,043.68
Total assets		35,648,579,800.09	21,270,020,578.71	27,526,958,371.19	17,264,607,689.25
Current liabilities:					
Short-term loans	26	3,782,336,144.35	2,569,087,753.67	4,735,948,585.16	4,169,670,770.39
Held-for-trading financial liabilities	27	44,174,431.17	38,923,761.17	127,446,229.19	1,046,249.19
Notes payable	28	407,090,978.58	696,404,396.50	-	-
Accounts payable	29	4,051,704,338.04	41,622,240.49	2,060,550,537.54	38,737,771.88
Advances from customers	30	69,917.84	-	-	-
Contract liabilities	31	1,908,259,980.27	-	1,889,338,880.88	-
Employee benefits payable	32	1,212,811,083.04	189,613,686.92	925,893,314.96	150,890,070.01
Taxes payable	33	241,421,008.19	480,338.96	196,208,088.61	1,013,415.11
Other payables	34	427,912,490.76	6,922,399,128.52	456,555,079.92	2,976,129,435.19
Including: Interest payables		-	-	-	-
Dividend payables		21,827,574.34	-	2,591,473.50	-
Liabilities held-for-sale		-	-	-	-
Non-current liabilities due within one year	35	563,923,844.74	216,252,005.11	142,405,690.99	39,999,252.87
Other current liabilities	36	398,722,254.96	21,269,289.31	314,566,716.35	17,907,456.12

Total current liabilities		13,038,426,471.94	10,696,052,600.65	10,848,913,123.60	7,395,394,420.76
Non-current liabilities:					
Long-term loans	37	4,411,107,883.25	565,000,000.00	1,161,404,700.00	-
Debentures payable		-	-	-	-
Lease liability	38	1,578,746,388.19	51,426,577.63	-	
Long-term payables	39	53,886,898.67	-	36,320,489.48	-
Long-term employee benefits payable	40	168,352,908.90	19,633,044.09	144,890,945.29	23,032,749.25
Provisions		-	-	-	-
Deferred income	41	286,411,601.04	10,174,804.63	202,333,450.44	11,016,146.26
Deferred tax liabilities	24	178,262,911.66	14,158,114.77	174,403,701.02	10,829,462.30
Other non-current liabilities		-	-	-	-
Total non-current liabilities		6,676,768,591.71	660,392,541.12	1,719,353,286.23	44,878,357.81
Total liabilities		19,715,195,063.65	11,356,445,141.77	12,568,266,409.83	7,440,272,778.57
Share capital	42	1,661,161,061.00	1,661,161,061.00	1,661,210,751.00	1,661,210,751.00
Other equity instruments		-	-	-	-
Including: Preference share		-	-	-	-
Perpetual debt		-	-	-	-
Capital reserve	43	5,127,738,338.63	5,307,476,327.94	5,041,921,064.80	5,136,265,883.82
Less:	44			165,350,332.65	

Treasury stock		792,321,152.16	792,321,152.16		165,350,332.65
Other comprehensive income	45	-144,698,175.60	-	-106,486,348.07	-
Specific reserve		-	-	-	-
Surplus reserve	46	745,996,406.06	745,996,406.06	638,662,900.40	638,662,900.40
General risk provision	47	9,005,028.55	-	7,814,011.67	-
Retained earnings	48	7,854,254,002.84	2,991,262,794.10	6,895,016,817.26	2,553,545,708.11
Total equity attributable to shareholders of the parent company		14,461,135,509.32	9,913,575,436.94	13,972,788,864.41	9,824,334,910.68
Non-controlling interests		1,472,249,227.12	-	985,903,096.95	-
Total shareholders' equity		15,933,384,736.44	9,913,575,436.94	14,958,691,961.36	9,824,334,910.68
Total liabilities and shareholders' equity		35,648,579,800.09	21,270,020,578.71	27,526,958,371.19	17,264,607,689.25

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated and Company Income Statement

For the year ended December 31, 2021

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note	2021		2020	
		Consolidated	Company	Consolidated	Company
I. Operating income	49	85,998,559,748.78	2,024,047,232.85	60,323,862,405.94	1,259,053,597.66

Less: Operating costs	49	78,698,777,631.10	866,481,873.15	53,291,779,659.43	605,645,251.12
Taxes and surcharges	50	103,114,300.28	2,863,641.90	68,867,125.96	3,547,468.19
Selling and distribution expenses	51	1,808,249,264.31	-	1,342,844,756.41	5,140,366.51
General and administrative expenses	52	2,228,521,838.59	530,685,944.80	1,558,972,459.50	370,336,332.69
Research and development expenses	53	652,995,298.85	204,111,930.64	479,306,685.65	176,021,384.05
Financial expenses	54	402,888,653.32	131,344,861.78	236,239,259.96	106,253,737.27
Including: Interest expenses		319,824,182.96	221,337,729.86	226,613,261.69	199,329,480.27
Interest income		29,932,608.81	114,907,837.95	27,826,287.56	109,576,830.47
Add: Other income	55	90,871,598.32	11,384,679.18	101,912,587.05	23,045,148.97
Investment income ("-" for losses)	56	384,851,154.17	833,556,750.22	2,075,166.49	67,117,893.44
Including: Income from		-1,557,102.23	219,125.44	-2,612,715.19	1,265,025.86

investment in associates and joint ventures					
Income from derecognition of financial assets measured at amortized cost ("-" for losses)		-	-	-	-
Net exposure hedge income ("-" for losses)		-	-	-	-
Gains from changes in fair value ("-" for losses)	57	47,106,002.17	-2,669,641.98	-11,980,259.31	9,546,233.81
Credit losses ("-" for losses)	58	-87,397,171.55	1,584,131.30	-43,414,958.12	-1,057,645.44
Impairment losses ("-" for losses)	59	-72,194,585.99	-	-56,901,585.79	-
Gains from assets disposal ("-" for losses)	60	647,470.97	943.99	9,248,271.38	-37,061.08
II. Operating profit ("-" for losses)		2,467,897,230.42	1,132,415,843.29	3,346,791,680.73	90,723,627.53
Add: Non-operating income	61	42,373,960.51	713,166.80	24,320,115.25	91,722.27
Less: Non-operating	62				

expenses		48,501,004.55	4,541,364.44	86,797,071.05	46,860,743.13
III. Profit before income tax ("-" for losses)		2,461,770,186.38	1,128,587,645.65	3,284,314,724.93	43,954,606.67
Less: Income tax expenses	63	650,679,589.05	55,252,589.04	434,503,577.10	1,403,639.76
IV. Net profit for the year ("-" for losses)		1,811,090,597.33	1,073,335,056.61	2,849,811,147.83	42,550,966.91
(I) Classification according to operation continuity					
Including: Net profit from continuing operations ("-" for net loss)		1,811,090,597.33	1,073,335,056.61	2,849,811,147.83	42,550,966.91
Net profit from discontinued operations ("-" for net loss)		-	-	-	-
(II) Attributable to:					
Including: Shareholders of the parent company ("-" for net loss)		1,596,046,173.08	1,073,335,056.61	2,522,730,419.35	42,550,966.91
Non-controlling					

interests ("-" for net loss)		215,044,424.25	-	327,080,728.48	-
V. Other comprehensive income, net of tax		-37,081,918.64	-	-111,562,601.99	-
Other comprehensive income (net of tax) attributable to shareholders of the parent company		-38,211,827.53	-	-111,778,611.97	-
(I) Items that will not be reclassified to profit or loss		-	-	-	-
(II) Items that may be reclassified to profit or loss		-38,211,827.53	-	-111,778,611.97	-
1. Translation differences arising from translation of foreign currency financial statements		-38,211,827.53	-	-111,778,611.97	-
Other comprehensive income (net of tax) attributable to non-controlling interests		1,129,908.89	-	216,009.98	-
VI. Total comprehensive income		1,774,008,678.69	1,073,335,056.61	2,738,248,545.84	42,550,966.91

for the year					
Attributable to shareholders of the parent company		1,557,834,345.55	1,073,335,056.61	2,410,951,807.38	42,550,966.91
Attributable to non-controlling interests		216,174,333.14	-	327,296,738.46	-
VII. Earnings per share					
1. Basic earnings per share		0.96		1.60	
2. Diluted earnings per share		0.96		1.60	

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated and Company Cash Flow Statement

For the year ended December 31, 2021

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Note	2021		2020	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities	V				
Cash received from sales of goods and rendering of services		87,156,308,826.61	64,099,598.56	61,960,961,513.04	20,873,482.39
Cash received from					

interest, handling fee and commission		52,398,783.61	-	45,244,949.44	-
Refund of taxes		28,552,067.44	2,018.26	38,261,655.98	4,284,368.54
Cash received from other operating activities	64	1,527,404,114.38	94,344,720,105.45	670,905,727.93	62,409,219,017.91
Sub-total of cash inflows from operating activities		88,764,663,792.04	94,408,821,722.27	62,715,373,846.39	62,434,376,868.84
Cash paid for goods and services		77,942,873,205.55	585,113,729.02	57,120,540,167.98	809,973,824.23
Net increase in loans and advances to customers		120,656,045.94	-	-14,879,876.33	-
Cash paid to and on behalf of employees		4,247,371,433.26	503,103,566.29	3,001,611,662.91	383,005,520.39
Taxes payments		842,752,484.72	6,300,961.42	597,257,702.00	10,039,004.17
Cash paid for other operating activities	64	2,473,062,371.88	89,949,434,656.19	1,525,584,957.80	64,388,722,865.81
Sub-total of cash outflows for operating activities		85,626,715,541.35	91,043,952,912.92	62,230,114,614.36	65,591,741,214.60
Net cash flows from operating activities		3,137,948,250.69	3,364,868,809.35	485,259,232.03	-3,157,364,345.76
II. Cash flows from					

investing activities					
Cash received from disposal of investments		3,746,774,708.37	366,348,722.88	3,725,092,243.75	482,597,769.82
Cash received from investment gains		362,775,819.58	821,023,044.31	285,536,504.66	71,510,549.50
Cash received from disposal of fixed assets, intangible assets and other long-term assets		15,390,950.11	324,334.20	69,020,919.72	237,045.38
Net proceeds from disposal of subsidiaries and other business units		-	-	-	-
Cash received from other investing activities	64	6,555,335.22	-	200,000.00	-
Sub-total of cash inflows from investing activities		4,131,496,813.28	1,187,696,101.39	4,079,849,668.13	554,345,364.70
Payment for acquisition of fixed assets, intangible assets and other long-term assets		4,659,257,785.73	135,919,979.73	3,390,357,467.37	78,357,682.21
Payment for acquisition of investments		3,535,622,590.51	2,157,226,931.75	4,860,043,796.49	1,107,328,066.90
Net payments for acquisition of subsidiaries and other		145,778,584.48	-	132,986,317.45	-

business units					
Cash paid for other investing activities	64	14,052,152.04	-	17,008,201.42	-
Sub-total of cash outflows for investing activities		8,354,711,112.76	2,293,146,911.48	8,400,395,782.73	1,185,685,749.11
Net cash flows from investing activities		-4,223,214,299.48	-1,105,450,810.09	-4,320,546,114.60	-631,340,384.41
III. Cash flows from financing activities					
Cash received from investors		418,241,406.00	-	60,493,073.65	-
Including: Proceeds from non-controlling shareholders of subsidiaries		418,241,406.00	-	60,493,073.65	-
Cash received from borrowings		17,029,202,863.80	11,530,201,972.64	13,881,524,523.67	11,747,213,296.52
Cash received from other financing activities	64	17,566,515.07	5,996,166.86	50,367,369.62	7,530,907.48
Sub-total of cash inflows from financing activities		17,465,010,784.87	11,536,198,139.50	13,992,384,966.94	11,754,744,204.00
Repayments of borrowings		14,557,113,635.09	12,419,698,614.75	8,959,667,200.65	7,283,320,406.16

Payment for dividends, profit distributions or interests		941,106,454.09	729,053,571.15	844,897,007.11	714,931,286.78
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		121,478,678.04	-	77,305,907.82	-
Cash paid for other financing activities	64	1,188,124,589.36	720,664,327.03	173,670,001.14	100,419,296.90
Sub-total of cash outflows for financing activities		16,686,344,678.54	13,869,416,512.93	9,978,234,208.90	8,098,670,989.84
Net cash flows from financing activities		778,666,106.33	-2,333,218,373.43	4,014,150,758.04	3,656,073,214.16
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-23,178,107.90	-13,655,242.35	7,758,537.18	-4,119,911.66
V. Net increase in cash and cash equivalents		-329,778,050.36	-87,455,616.52	186,622,412.65	-136,751,427.67
Add: Cash and cash equivalents at the beginning of the period		2,010,888,021.43	691,266,966.09	1,824,265,608.78	828,018,393.76
VI. Cash and cash equivalent at the end of the period		1,681,109,971.07	603,811,349.57	2,010,888,021.43	691,266,966.09

Legal representative: Hua Xue

Person in charge of accounting function: Shaolin Yang

Person in charge of accounting department: Shaolin Yang

Consolidated Statement of Changes in Shareholders' Equity

For the year ended December 31, 2021

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2021												
	Attributable to shareholders' equity of the parent company											Non-contr olling interests	Total sharehold ers' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehe nsive income	Specific reserve	Surplus reserve	General risk provision	Retained earnings		
Prefe rence share		Perp etual debt	Othe rs										
I. Balance at the end of last year	1,661,210, 751.00	-	-	-	5,041,921, 064.80	165,350,33 2.65	-106,486,3 48.07	-	638,662,90 0.40	7,814,011. 67	6,895,016, 817.26	985,903,09 6.95	14,958,691 ,961.36
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-

Adjustments for business combinations involving enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,661,210,751.00	-	-	-	5,041,921,064.80	165,350,332.65	-106,486,348.07	-	638,662,900.40	7,814,011.67	6,895,016,817.26	985,903,096.95	14,958,691,961.36
III. Changes in equity during the year ("- " for decrease)	-49,690.00	-	-	-	85,817,273.83	626,970,819.51	-38,211,827.53	-	107,333,505.66	1,191,016.88	959,237,185.58	486,346,130.17	974,692,775.08
(I) Total comprehensive	-	-	-	-	-	-	-38,211,827.53	-	-	-	1,596,046,	216,174,33	1,774,008,

income							7.53				173.08	3.14	678.69
(II) Shareholders' contributions and decrease of capital	-49,690.00	-	-	-	181,248,150.10	626,970,819.51	-	-	-	-	-	410,777,209.68	-34,995,149.73
1. Contribution by ordinary shareholders	-49,690.00	-	-	-	-312,567.20	-362,257.20	-	-	-	-	-	418,241,406.00	418,241,406.00
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share based payment included in shareholders' equity	-	-	-	-	262,778,762.42	-80,958,259.20	-	-	-	-	-	11,540,405.47	355,277,427.09
4. Others	-	-	-	-	-81,218,045.12	708,291,335.91	-	-	-	-	-	-19,004,601.79	-808,513,982.82
(III) Appropriation													

of profits	-	-	-	-	-	-	-	-	107,333,50	1,191,016.	-636,808,9	-140,605,4	-668,889,8
									5.66	88	87.50	12.65	77.61
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	107,333,50	-	-107,333,5	-	-
									5.66		05.66		
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	1,191,016.	-1,191,016.	-	-
										88	88		
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-528,284,4	-140,605,4	-668,889,8
											64.96	12.65	77.61
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-95,430,876.27	-	-	-	-	-	-	-	-95,430,876.27
IV. Balance at the end of the year	1,661,161,061.00	-	-	-	5,127,738,338.63	792,321,152.16	-144,698,175.60	-	745,996,406.06	9,005,028.55	7,854,254,002.84	1,472,249,227.12	15,933,384,736.44

Item	Year ended 31/12/2020												
	Attributable to shareholders' equity of the parent company											Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	General risk provision	Retained earnings		
Preference share		Perpetual debt	Others										

I. Balance at the end of last year	1,580,357,494.00	-	-	-	2,118,792,106.43	172,540,566.20	5,292,263.90	-	634,407,803.71	-	4,937,480,629.17	638,200,576.75	9,741,990,307.76
Add:	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-

involving enterprises under common control													
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,580,357,494.00	-	-	-	2,118,792,106.43	172,540,566.20	5,292,263.90	-	634,407,803.71	-	4,937,480,629.17	638,200,576.75	9,741,990,307.76
III. Changes in equity during the year ("-" for decrease)	80,853,257.00	-	-	-	2,923,128,958.37	-7,190,233.55	-111,778,611.97	-	4,255,096.69	7,814,011.67	1,957,536,188.09	347,702,520.20	5,216,701,653.60

(I) Total comprehensive income	-	-	-	-	-	-	-111,778,611.97	-	-	-	2,522,730,419.35	327,296,738.46	2,738,248,545.84
(II) Shareholders' contributions and decrease of capital	80,853,257.00	-	-	-	2,788,649,129.67	-2,773,077.10	-	-	-	-	-	99,144,120.70	2,971,419,584.47
1. Contribution by ordinary shareholders	-431,357.00	-	-	-	-2,590,753.16	-86,802,893.35	-	-	-	-	-	60,493,073.65	144,273,856.84
2. Contribution	81,284,614.0	-	-	-	2,791,538.92	-	-	-	-	-	-	-	2,872,823.54

n by holders of other equity instruments	0				7.85								1.85
3. Share based payment included in shareholders' equity	-	-	-	-	7,968,763.90	-	-	-	-	-	-	351,840.94	8,320,604.84
4. Others	-	-	-	-	-8,267,808.92	84,029,816.25	-	-	-	-	-	38,299,206.11	-53,998,419.06
(III) Appropriation of profits	-	-	-	-	-	-4,417,156.45	-	-	4,255,096.69	7,814,011.67	-565,194,231.26	-78,738,338.96	-627,446,305.41

1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	4,255,096.69	-	-4,255,096.69	-	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	7,814,011.67	-7,814,011.67	-	-
3. Distributions to shareholders	-	-	-	-	-	-4,417,156.45	-	-	-	-	-553,125,122.90	-78,738,338.96	-627,446,305.41
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV)	-	-	-	-	-	-	-	-	-	-	-	-	-

Transfer within equity													
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-	-	-

4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific	-	-	-	-	-	-	-	-	-	-	-	-	-

reserve													
1. Appropriat ion during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	134,479,828. 70	-	-	-	-	-	-	-	134,479,828. 70
IV. Balance at the end of the year	1,661,210,75 1.00	-	-	-	5,041,921,06 4.80	165,350,33 2.65	-106,486,34 8.07	-	638,662,90 0.40	7,814,011 .67	6,895,016,81 7.26	985,903,096 .95	14,958,691,9 61.36

Company Statement of Changes in Shareholders' Equity

For the year ended December 31, 2021

Prepared by: Guangdong Haid Group Co., Limited

Expressed in RMB

Item	Year ended 31/12/2021										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
I. Balance at the end of last year	1,661,210,751.00	-	-	-	5,136,265,883.82	165,350,332.65	-	-	638,662,900.40	2,553,545,708.11	9,824,334,910.68
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others											

	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,661,210,751.00	-	-	-	5,136,265,883.82	165,350,332.65	-	-	638,662,900.40	2,553,545,708.11	9,824,334,910.68
III. Changes in equity during the year ("-" for decrease)	-49,690.00	-	-	-	171,210,444.12	626,970,819.51	-	-	107,333,505.66	437,717,085.99	89,240,526.26
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	1,073,335,056.61	1,073,335,056.61
(II) Shareholders' contributions and decrease of capital	-49,690.00	-	-	-	274,006,600.69	626,970,819.51	-	-	-	-	-353,013,908.82
1. Contribution by ordinary shareholders	-49,690.00	-	-	-	-312,567.20	-362,257.20	-	-	-	-	-
2. Contribution by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-

3. Share based payment included in shareholders' equity	-	-	-	-	274,319,167.89	-80,958,259.20	-	-	-	-	355,277,427.09
4. Others	-	-	-	-	-	708,291,335.91	-	-	-	-	-708,291,335.91
(III) Appropriation of profits	-	-	-	-	-	-	-	-	107,333,505.66	-635,617,970.62	-528,284,464.96
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	107,333,505.66	-107,333,505.66	-
2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-528,284,464.96	-528,284,464.96
4. Others											

	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-
4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve											

	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-102,796,156.57	-	-	-	-	-	-102,796,156.57
IV. Balance at the end of the year	1,661,161,061.00	-	-	-	5,307,476,327.94	792,321,152.16	-	-	745,996,406.06	2,991,262,794.10	9,913,575,436.94

Item	Year ended 31/12/2020										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual debt	Others							
I. Balance at the	1,580,357,494.	-	-	-	2,202,920,835.	172,540,566.	-	-	634,407,803.	3,068,374,960.	7,313,520,528.

end of last year	00				86	20			71	79	16
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	1,580,357,494.00	-	-	-	2,202,920,835.86	172,540,566.20	-	-	634,407,803.71	3,068,374,960.79	7,313,520,528.16
III. Changes in equity during the year ("- " for decrease)	80,853,257.00	-	-	-	2,933,345,047.96	-7,190,233.55	-	-	4,255,096.69	-514,829,252.68	2,510,814,382.52
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-	42,550,966.91	42,550,966.91
(II) Shareholders'		-	-	-			-	-	-	-	

contributions and decrease of capital	80,853,257.00				2,797,268,779.53	-2,773,077.10					2,880,895,113.63
1. Contribution by ordinary shareholders	-431,357.00	-	-	-	-2,590,753.16	-86,802,893.35	-	-	-	-	83,780,783.19
2. Contribution by holders of other equity instruments	81,284,614.00	-	-	-	2,791,538,927.85	-	-	-	-	-	2,872,823,541.85
3. Share based payment included in shareholders' equity	-	-	-	-	8,320,604.84	-	-	-	-	-	8,320,604.84
4. Others	-	-	-	-	-	84,029,816.25	-	-	-	-	-84,029,816.25
(III) Appropriation of profits	-	-	-	-	-	-4,417,156.45	-	-	4,255,096.69	-557,380,219.59	-548,707,966.45
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	4,255,096.69	-4,255,096.69	-

2. Appropriation for general risk provision	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-4,417,156.45	-	-	-	-553,125,122.90	-548,707,966.45
4. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve for making up losses	-	-	-	-	-	-	-	-	-	-	-

4. Transfer the changes in defined benefit plan into retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Transfer of other comprehensive income to retained earning	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-
2. Utilization during the year	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	136,076,268.4 3	-	-	-	-	-	136,076,268.4 3
IV. Balance at the end of the year	1,661,210,751.00	-	-	-	5,136,265,883.82	165,350,332.65	-	-	638,662,900.40	2,553,545,708.11	9,824,334,910.68

Notes to the Financial Statements

I. Company Profile

1. Company's Information

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

As of December 31, 2021, the total share capital of the Company was 1,661,161,061 shares, of which 3,034,547 shares were restricted shares, accounted for 0.18% of the total shares, and 1,658,126,514 shares were non-restricted shares, accounted for 99.82% of the total shares.

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

The financial statements and notes have been approved by the 25th meeting of the fifth Board of Directors of the Company on April 10, 2022.

2. Scope of Consolidated Financial Statements

A total of 497 subsidiaries were included in the scope of the consolidated financial statements of the current year. 123 entities were added into and 15 entities were removed from the consolidation scope for the current year when compared to prior year. For further information, please refer to the disclosures in Note VI. Changes in Consolidation Scope and Note VII. Interests in Other Entities.

II. Basis of Preparation

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

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

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

III. Significant Accounting Policies and Accounting Estimates

The Group determines revenue recognition policy according to the characteristics of its production and operation and relevant requirements in Accounting Standards for Business Enterprises. For more information on the accounting policies, please refer to Note III. 29.

1. Representation of Compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards

for Business Enterprises. These financial statements have truly and completely presented the consolidated financial position and financial position of the Company as at December 31, 2020 and their operating results and cash flows for the year ended December 31, 2021.

2. Accounting Period

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

3. Operating Cycle

The operating cycle of the Group is 12 months.

4. Functional currency

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

5. Accounting Treatment for Business Combination Involving Entities under Common Control and not under Common Control

(1) Business combinations involving entities under common control

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

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

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

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

(2) Business combinations involving entities not under common control

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

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured based on its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period after reassessment.

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

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

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

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

(3) The accounting treatment of transaction costs in business combination

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

6. Consolidated Financial Statements

(1) Scope of consolidated financial statements

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

structured entity controlled by the entity).

(2) Basis of preparation of consolidated financial statements

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

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

Where a subsidiary or business was acquired during the reporting period, through a business combination involving entities not under common control, its revenue, expenses and profit from the acquisition date to the end of the reporting period are included in the consolidated income statement and its cash flows are included in the consolidated cash flow statement.

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

(3) Acquire shares from minority shareholders of subsidiary

Where the Group acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

(4) Disposal of subsidiaries

When the Group loses control over a subsidiary due to partial disposal of equity investment or other reasons, the remaining equity interests is re-measured at its fair value at the date when the control is lost. A gain or loss is the total of consideration received from the disposal of equity investment and the remaining equity investment at its fair value, deducted the total of the subsidiary's net asset and goodwill which calculated in proportion based on the original shareholding percentage since the acquisition date. Any resulting gain or loss is recognized as investment income for the current period.

Except for the other comprehensive income arose from the movement of net liabilities or net assets driven by investee's remeasurement on defined benefit plan, other comprehensive income related to the original equity investment in subsidiaries is transferred to profit or loss for the current period when the Group loses control of the subsidiary.

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

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

- ① The transactions are entered into at the same time or in contemplation of each other;

- ② The transactions are considered as a single transaction to achieve an overall commercial effect;
- ③ The occurrence of one transaction dependent on the occurrence of at least one other transaction;
- ④ A transaction is not economically justified when considered on its own, but it is economically justified when considered together with other transactions.

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

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

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

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

7. Joint Arrangement Classification and Accounting Treatment for Joint Operation

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

(1) Joint operations

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

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

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

E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

The Group adopts equity method of long-term equity investment to account for its investment in joint venture.

8. Cash and Cash Equivalents

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

9. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Group at the spot exchange rates or approximate spot exchange rates (usually, it refers to the central parity rate published by the People's Bank of China) on the dates of the transactions.

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

(2) Translation of foreign currency financial statements

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

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

Items of cash flow statement are translated to Renminbi at the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as Effect of foreign exchange rate changes on cash and cash equivalents in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity in the balance sheet.

When the control on foreign operation is lost due to disposal, the translation differences accumulated in shareholders' equity attributable to the foreign operation as presented under shareholders' equity in the balance sheet are transferred to profit or loss for the current period entirely or partially based on the disposed portion.

10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial

liability or an equity instrument of another entity.

(1) Recognition and derecognition of financial instruments

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

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

A. The contractual rights to receive the cash flows from the financial asset are terminated;

B. The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability is derecognized entirely or partially when its contractual obligation is ceased entirely or partially. If the Group (borrower) enters into an agreement with the lender to replace the existing financial liability with a new assumed financial liability, and contractual terms are different in substance, the existing financial liability is derecognized while a new financial liability is recognized.

Conventionally traded financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Group classifies financial assets into three categories at initial recognition according to the business model in which a financial asset is managed and its contractual cash flow characteristics: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

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

- The objective for the business model in which the financial asset is managed, is to collect the contractual cash flows;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest on the outstanding principal.

The effective interest method is adopted to measure such financial assets at amortized cost after initial recognition. Gains or losses arising from financial assets measured at amortized cost and are not part of any hedging relationship are recognized in profit or loss when they are derecognized, amortized according to the effective interest method or recognized for impairment.

Financial assets measured at fair value through other comprehensive income

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

- The objectives for the business model in which the financial asset is managed, are to collect the contractual cash flows and to sell the financial asset;
- The contract terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest on the outstanding principal.

Such financial assets are subsequently measured at fair value after initial recognition. Interest calculated by using effective interest method, impairment losses or gains, and exchange gains and losses are recognized

in the profit or loss for the current period, while other gains or losses are recognized in other comprehensive income. When they are derecognized, the accumulated gains or losses in the other comprehensive income are transferred to profit or loss for the current period.

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or financial assets measured at fair value through other comprehensive income as described above, the Group classifies them as financial assets measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial assets otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at financial assets measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These financial assets are subsequently measured at fair value. Gains or losses (including interest and dividend income) are recognized in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets, or both. The Group determines the business model for managing financial assets according to the objective facts and based on the specific business objectives for managing the financial assets determined by the key management personnel.

The Group 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 the payment for principal and interest on the outstanding principal. Principal is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal during a particular period of time and for other basic lending risks and costs, as well as profits. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Only when the Group changes the business model for managing financial assets, all relevant affected financial assets are reclassified on the first day of the first reporting period after the business model is changed, otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets are measured at fair value at initial recognition. The relevant transaction cost for financial assets measured at fair value through profit or loss is recognized in profit or loss for the current period, while the transaction cost for other financial assets is included in their initial cost. The Group recognizes the expected consideration that the Group is entitled to as the initial cost for accounts receivable arising from the sale of products or render of services and/or do not contain or consider significant financing components.

(3) Classification and measurement of financial liabilities

The Group classifies financial liabilities into different categories at initial recognition: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. The relevant transaction cost is included in initial cost for financial liabilities other than those classified as financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include held-for-trading financial liabilities and financial liabilities designated as financial liabilities measured at fair value through profit or loss at initial recognition. Such financial liabilities are subsequently measured at fair value. Gain or losses arising from change in fair value, and any dividend and interest expenses related to such financial liabilities are recognized in profit or loss for the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition or amortization are recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contract is not a financial liability designated as financial liabilities measured at fair value through profit or loss. It is initially measured at fair value, and subsequently measured at the higher of the loss allowance of provisions determined by the expected credit loss model, and the balance of the initial recognized amount deducts the accumulated amortization.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- A. a contractual obligation to deliver cash or another financial asset to another entity;
- B. a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group;
- C. a non-derivative contract that will or may be settled in the Group's own equity instruments and the Group is obliged to deliver a variable number of the Group's own equity instruments;
- D. a derivative contract that will or may be settled in the Group's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of the Group's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled by the Group's own equity instruments, classification of the instrument depends on whether the Group's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in the Group's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(4) Derivative financial instruments and embedded derivative instruments

The Group's derivative financial instruments included forward exchange contract, currency exchange rate swap agreement, interest rate swap agreement and foreign currency option contract, etc. Derivative financial instruments are initially measured at fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments with positive fair value are recognized as assets while those with negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized in profit or loss for the current period.

For hybrid instruments with embedded derivatives, the relevant requirements for financial asset classification are applicable to the entire hybrid instruments if the master contracts are financial assets. If the master contract is not a financial assets and such hybrid instrument is not designated as measured at fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to the master contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then the embedded derivative is separated from hybrid instrument and considered as an individual derivative. If the embedded derivative is unable to measure separately

either at acquisition or subsequently at balance sheet date, the entire hybrid instrument is designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Fair value of financial instruments

For the recognition of fair value of financial assets and financial liabilities, please refer to Note III. 11.

(6) Impairment of financial assets

The Group makes provisions of impairment and recognizes impairment losses based on expected credit loss for the following items:

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

Measurement of expected credit losses

Expected credit loss is the weighted average of credit losses of financial instruments with the risk of default. Credit loss is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group calculates the probability-weighted amount of the present value of the difference between the contractual cash flow receivables and the expected cash inflow, and recognizes as the expected credit loss, based on reasonable and reliable information on past events, current status and future economic conditions, and weighted by the risk of default.

The Group measures the expected credit losses of financial instruments at different stages separately. The financial instrument is at the first stage when there is no significant increase in credit risk since initial recognition. The Group measures the loss allowance according to the expected credit losses in the next 12 months. The financial instrument is at the second stage when there is significant increase in credit risk since initial recognition and credit loss is not yet occurred. The Group then measures the loss allowance according to expected credit losses over the expected life of a financial instrument. The financial instrument is at the third stage when there is significant increase in credit risk since initial recognition and credit loss is occurred. The Group then measures the loss allowance according to expected credit losses over the expected life of a financial instrument.

For financial instrument that has low credit risk at the balance sheet date, the Group assumes there is no significant increase in its credit risk since initial recognition. The Group measures the loss allowance according to the expected credit losses in the next 12 months.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Expected credit losses in the next 12 months are the portion of expected losses that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating expected credit losses is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

For the financial instruments at the first and second stage as well as financial instruments that have low

credit risk, the Group calculates the interest income based on the book value without loss allowance deducted and effective interest rate. While for the financial instruments at the third stage, the Group calculates the interest income based on the amortized cost of the book value less loss allowance and effective interest rate.

Notes receivable, accounts receivable

For notes receivable and accounts receivable, regardless of whether they involve significant financing components, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group classifies the notes receivable and accounts receivable into different groups according to the credit risk characteristics when the expected credit loss information of a single financial assets cannot be assessed at a reasonable cost. Expected credit losses are calculated based on groups. The basis of determination is as below:

A. Notes receivable

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

B. Accounts receivable

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

For notes receivable classified into groups, the Group calculates the expected credit losses through the exposure at default and the lifetime expected credit loss rate, based on the historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions.

For accounts receivable classified into groups, the Group prepares the credit loss matrix on the aging of accounts receivable/days of overdue and lifetime expected credit loss rates based on the Group's historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions. The Group then uses the matrix to calculate the expected credit losses.

Other receivables

The Group classifies other receivables into groups based on credit risk characteristics. Expected credit losses are calculated based on groups. The basis of determination is as below:

- Group 1 of other receivables: Security deposits
- Group 2 of other receivables: Futures margin
- Group 3 of other receivables: Receivables due from external parties
- Group 4 of other receivables: Advance social security and provident fund
- Group 5 of other receivables: Petty cash
- Group 6 of other receivables: Other receivables due from related parties within the scope of

consolidation

- Group 7 of other receivables: Others

For other receivables that are divided into portfolios, the Group calculates the expected credit loss through the exposure at default and the expected credit loss rate within the next 12 months or the entire duration.

Loans and advances to customers

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

Long-term receivables

The Group's long-term receivables include financial lease receivables, security deposit receivables, receivables for subcontracting due by installment, etc.

The Group classifies financial lease receivables, security deposit receivables and receivables for subcontracting due by installment into groups based on credit risk characteristics. Expected credit losses are calculated based on groups. The basis of determination is as below:

A. Finance lease receivables

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

B. Other long-term receivables

- Group 1 of long-term receivables: Security deposit receivables
- Group 2 of long-term receivables: Receivables for subcontracting due by installments
- Group 3 of long-term receivables: Other receivables

For security deposit receivables and receivables for subcontracting due by installment, the Group calculates the expected credit losses through the exposure at default and the lifetime expected credit loss rate, based on the historical credit loss experience, in conjunction with the current situation and predictions of future economic conditions.

For other receivables classified into portfolios, except for security deposit receivables and receivables for subcontracting due by installment receivables, the Group calculates the expected credit loss through the exposure at default and the expected credit loss rate within the next 12 months or the entire duration.

Debt investments and other debt investments

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

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk has increased significantly since initial recognition, the Group considers the reasonable and supportable information that is available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- Failure to make payments of principal or interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- An actual or expected significant deterioration in the operating results of the debtor; and
- Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group

Depending on the nature of the financial instruments, the Group assesses whether there is a significant increase in credit risk either on an individual basis or a collective basis. When the Group is assessed on a collective basis, the financial instruments are classified into groups based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group determines that the credit risk of a financial instrument has increased significantly if it is more than 30 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have adverse impact on the expected future cash flows of financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract, such as default or overdue in interest or principal payments;
- For economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concessions that would not otherwise consider;
- It is probable that the borrower will enter into bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of issuer's or borrower's financial difficulties.

Presentation of allowance for expected credit losses

The Group remeasures the expected credit losses at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any increase or reversal of expected credit losses shall be recognized as an impairment gain or loss in profit or loss for the current period. The Group recognizes an impairment gain or loss for financial assets measured at amortized cost with a corresponding adjustment to their carrying amount through a loss allowance account. While the Group recognizes a loss allowance in other comprehensive income for debt investments that are measured at fair value through other comprehensive income and does not adjust their carrying amount.

Write-off

The gross carrying amount of a financial asset is written off (either partially or entirely) to the extent that there is no realistic prospect of recovery of the contractual cash flows. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the

write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period when the recovery occurs.

(7) Transfer of financial assets

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

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

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

(8) Offset between financial assets and financial liabilities

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

11. Fair Value Measurement

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

The Group measures related assets or liabilities at fair value assuming the assets or liabilities are transferred in an orderly transaction in their principal market; in the absence of a principal market, the Group assumes that the transaction is occurred in the most advantageous market for the underlying asset or liability. Principal market (or the most advantageous market) is the market that the Group can normally enter into a transaction at the measurement date. The Group adopts the assumptions that would be used by market participants in achieving the maximized economic benefit when pricing the assets or liabilities.

For financial assets or financial liabilities that have an active market, the Group uses the quoted prices in the active market as their fair value. Otherwise, the Group uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset considers market participants' ability to generate economic benefits by using the asset in its best way or ability to sell the asset to another market participant who is able to generate economic benefits by using the asset in its best way.

The Group uses valuation techniques that are appropriate in the current circumstances and for which sufficient data and other information are available. The Group uses the relevant observable inputs in preference and only use unobservable input when the observable inputs are unavailable or impractical to obtain.

For assets and liabilities measured or disclosed at fair value in the financial statements, their level of fair value are determined according to the significant lowest level input to the entire fair value measurement: Level 1 inputs are the unadjusted quoted prices in active markets for identical assets or liabilities that can

be accessed at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

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

12. Inventories

(1) Classification

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

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. Raw materials and finished goods are calculated by using weighted average method.

(3) Basis for determining the net realizable value and method for provision for the decline in value of inventories

Net realizable value is the estimated selling price less the estimated costs to completion, estimated selling expenses and relevant tax expenses. The Group used the conclusive evidence obtained as the basis, in conjunction with the consideration of the purpose of holding the inventories and the impact of subsequent events after the balance sheet date to determine the net realizable value.

Any excess of the cost over the net realizable value at the balance sheet date is recognized as a provision for the decline in value of inventories. The Group generally recognizes the provision for decline in value of inventories by single inventory item. If the previous factors caused the decline in value of inventories have disappeared at the balance sheet date, the previously recognized provision for decline in value of inventories is reversed.

(4) Inventory count system

The Group maintains a perpetual inventory system.

13. Assets Held for Sale and Discontinued Operations

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

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

The non-current assets mentioned above do not include investment properties subsequently measured by fair value model, biological assets measured at fair value less selling costs, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

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

A non-current asset or disposal group is classified as held-for-sale when all the following criteria are met: the non-current asset or disposal group is available for immediate sale in its present condition according to the customary practices of selling such asset or disposal group in similar transactions; the sale is highly

probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding purchase agreement with other parties, and the sale is expected to be completed within one year. When the Group is committed to a sale plan involving loss of control of a subsidiary and the classification criteria for held-for-sale are met, the Group classifies the entire investment to subsidiary as held-for-sale in the separate financial statements, and classifies all the assets and liabilities of that subsidiary as held-for-sale in the consolidated financial statements, regardless of whether the Group retains any non-controlling interest in the subsidiary after the sale.

Non-current assets or disposal groups held-for-sale are initially and subsequently measured at the lower of carrying amount and fair value less selling cost. Any excess of the carrying amount over the fair value less selling cost is recognized as an impairment loss. The impairment loss recognized for a disposal group is adjusted to the carrying amount of goodwill allocated to the disposal group first, and then adjusted the carrying amount of other non-current assets on pro rata basis in proportion to the carrying amount of each non-current asset in the disposal group.

The Group recognizes a gain for any subsequent increase in fair value less selling cost of an asset in profit or loss for the current period, to the extent of the cumulative impairment loss that has been recognized after classified as held-for-sale. The reduced carrying amount of goodwill cannot be reversed.

The Group is no longer depreciated or amortized the non-current assets and assets in the disposal group once they have been classified as held-for-sale. The Group continue to recognize the interests and other expenses attributable to the liabilities of a disposal group classified as held-for-sale. If an entire or partial investment in an associate or a joint venture is classified as held-for-sale, the held-for-sale portion is no longer measured by the equity method while equity method is continue applied for the retain portion (which is not classified as held-for-sale). When the Group can no longer exercise significant influence over an associate or a joint venture due to the sale transaction, the use of equity method shall be suspended.

When an asset or disposal group is classified as held-for-sale, but no longer satisfies the recognition criteria for held-for-sale non-current assets subsequently, the Group ceases to classify it as held-for-sale, and measure it at the lower of:

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

(2) Discontinued operations

Discontinued operation is a component that either has been disposed or classified as held-for-sale by the Group if it is separately identifiable and satisfies one of the following conditions:

- ② It represents a separate major line of business or a separate geographical area of operations;
- ③ It is part of a single coordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired for the purpose of resale.

(3) Presentation

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

group classified as held-for-sale is presented as Liabilities held-for-sale in the balance sheet.

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

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

Where an operation is classified as discontinued in the current period, the information previously presented as profit or loss from continuing operations in the comparable period is reclassified to profit or loss from discontinued operations in the income statement for the current period. If the Group ceases to classify a discontinued operation as held-for-sale, the information previously presented as discontinued operations in the comparable period is reclassified to profit or loss from continuing operations.

14. Long-term Equity Investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates. When the Group can exercise significant influence over the investee, the investee is its associate.

(1) Recognition of initial investment cost

Long-term equity investments arising from business combination: the initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Group's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost is the combination cost.

For a long-term equity investment acquired other than through a business combination: a long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Investment in subsidiaries is measured by the cost method, unless the investment meets the conditions for held-for-sale while an investment in associates and joint ventures is measured by the equity method.

For a long-term equity investment which is subsequently measured by the cost method, except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Group recognizes its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is subsequently measured by the equity method, no adjustment is made to the initial investment cost if the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets. If the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets, the difference is recognized in profit or loss for the current period and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the investee's net profit or loss as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, respectively. The carrying amount of the investment is also adjusted accordingly. The carrying amount of the investment is reduced by the portion of any cash dividends or profit

distributions declared by the investee that is attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the Group's capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Group.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Group uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method on conversion date. If the previously-held equity is classified as an investment in a non-trading equity instrument that is measured at fair value through other comprehensive income, the accumulated changes in fair value previously recognized in other comprehensive income related to it, shall be transferred to retained earnings upon commencement of the equity method.

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments. The difference between the fair value and the carrying amount of the remaining equity investment shall be recognized in profit or loss for the current period at the date when the joint control or significant influence is lost. Any other comprehensive income previously recognized under the equity method shall be treated on the same basis as would have been required if the Group had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owners' equity related to original equity investment is transferred to profit or loss for the current period.

When the Group can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and able to exercise joint control of or significant influence over an investee with the remaining equity after disposal, the remaining equity is adjusted by equity method as would have been applied from the date of acquisition. When the Group cannot exercise joint control of or significant influence over an investee with the remaining equity after disposal, the difference between the fair value and the carrying amount of the remaining equity investment shall be recognized in profit or loss for the current period at the date when the control is lost in accordance with Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

When the Group can no longer exercise control over an investee due to new capital injection by other investors, and the Group can exercise joint control of or significant influence over an investee, the Group recognizes its share of the investee's newly added net assets based on the new shareholding percentage. The difference between its new share of the investee's newly added net assets and the reduction in the shareholding percentage of the original long-term equity investment is recognized in profit or loss for the current period. The long-term equity investment is adjusted accordingly to the new shareholding percentage by the equity method as it would have been used from the date of acquisition.

Unrealized profits or losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. The Group recognized them as investment income or loss. Any losses resulting from transactions between the Group and the investee, which are attributable to impairment loss shall not be eliminated.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether a joint control is existed, the Group considers whether the arrangement is controlled by all participants or a group of participants collectively. The Group also considers whether strategic decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that sharing of control. All participants or a group of participants are considered to control the arrangement

collectively if they must act together to determine the activities related to an arrangement. If there are two or more groups of participants that can control an arrangement collectively, joint control is not exist. Protective rights are not taken into consideration when assessing whether a joint control is existed.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Group can exercise significant influence over an investee, it considers the impact of direct or indirect voting rights held by the Group as well as the assumption of the current exercisable potential rights held by the Group or other parties have been converted into investee's equity, including the impact of convertible warrants, share options and convertible bonds.

When the Group holds 20% (inclusive) or more but less than 50% of investee's voting shares through its subsidiaries directly or indirectly, the Group has significant influence over the investee. Unless there is clear evidence indicated that the Group cannot participate in the production and business decisions of the investee, and therefore significant influence is not existed. When the Group holds 20% (exclusive) or less of the voting shares, the Group does not have significant influence over the investee. Unless there is clear evidence indicated that the Group can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Equity investments held-for-sale

Accounting treatment for an entire or partial equity investment in an associate or a joint venture that is classified as held-for-sale, please refer to Note III. 13.

Any remaining equity investment that has not been classified as held-for-sale shall be measured by using the equity method.

When an equity investment in an associate or a joint venture that has been previously classified as held-for-sale no longer meets the criteria of held-for-sale, the equity method shall be adopted and retrospective adjustment is required from the date when it is classified as assets held-for-sale.

(5) Method of impairment testing and impairment provision

For impairment on investments in subsidiaries, associates and joint ventures, please refer to Note III. 22.

15. Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. The Group's investment properties include leased land use rights, land use right held and ready to transfer after appreciation and leased buildings.

The Group's investment properties are initially measured at acquisition cost. They are depreciated or amortized in accordance with the relevant rules of fixed assets or intangible assets.

For impairment on investment properties that are subsequently measured by the cost model, please refer to Note III. 22.

The balance of the disposal income from the sale, transfer, scrapping or damage of the investment real estate after deducting its book value and relevant taxes shall be recorded into the current profit and loss.

16. Fixed Assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for the use in production of goods, in supply of services, for rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognized when its related economic benefits is probable to flow to the Group and its cost can be measured reliably.

Fixed asset are initially measured at cost up on acquisition.

Subsequent expenditures related to fixed assets are recognized as the cost of fixed assets when it is probable that the related economic benefits will flow to the Group and their costs can be measured reliably. The costs of routine repairs of fixed assets that do not qualify for capitalization of subsequent expenditures on fixed assets are recognized in the current profit or loss or as the cost of the related assets as incurred, depending on the object of benefit. For the replaced portion, the carrying amount is derecognized.

(2) Depreciation of fixed assets

The Group adopts the straight-line method for depreciation. Fixed asset begins to be depreciated when it is ready for its intended use, and stops being depreciated when it is derecognized or classified as non-current assets held for sale. Without considering the provision for impairment, the Group determines the annual depreciation rate of fixed assets according to the asset categories, estimated useful lives and estimated residual value of fixed as follows:

Category	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and buildings	5-40 <small>(Note)</small>	5	19.00-2.38
Machinery and equipment	3-12	5	31.67-7.92
Motor vehicles	5	5	19.00
Electronic equipment	3-5	5	31.67-19.00
Others	3-5	5	31.67-19.00

Note:

- ① For the immovable buildings on the leased land, they are depreciated over the shorter of the lease term of land use right and the expected useful lives of the immovable buildings.
- ② The Group purchased freehold lands in India, Ecuador and Indonesia. No depreciation is recognizes for these lands because their estimated useful lives is uncertain. The Group tests for impairment on these lands every year.

For impaired fixed assets, depreciation rate is calculated based on the carrying amounts after deducting the provision for impairment.

(3) For the impairment on fixed assets, please refer to Note III. 22.

(4) Recognition, measurement and depreciation of fixed assets acquired under finance leases

Fixed assets leased by the Group are recognized as finance leases when they meet one or more of the following criteria:

- ① The ownership of leased assets is transferred to the Group by the end of the lease term.
- ② The Group has the option to purchase the leased asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- ③ Even if the ownership of the assets is not transferred, the lease term covers for the most of the useful life of the leased asset.
- ④ At the inception of lease, the present value of minimum lease payments amounts is substantially all of the fair value of leased asset.
- ⑤ Leased assets are of a specialized nature that only the Group can use them without major modifications.

For fixed assets acquired under finance leases, the Group recognize their cost at the lower of the fair value of leased asset at the commencement of the lease term and the present value of minimum lease payment. The minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is recognized as unrecognized financing charges. Initial direct costs such as handling charges, legal fees, travelling expenses and stamp duty attributable to the finance lease that are incurred by the Group are included in the carrying amount of the leased asset. Unrecognized finance charges are amortized by using the effective interest method over the lease term.

Depreciation is accounted for in accordance with the accounting policies of fixed assets. If there is reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

- (5) At the end of each year, the Group reviews the useful lives, estimated net residual values and depreciation methods of fixed assets

The Group adjusts the useful lives and estimated net residual values of fixed assets if they are different from the original estimated useful lives and net residual values.

(6) Overhaul costs

Overhaul costs occurred in regular inspection are recognized in the cost if there is undoubted evidence to confirm that this part meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognized in profit or loss for the current period. Fixed assets are depreciated during the period of regular overhaul.

17. Construction-in-progress

Construction-in-progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs and any other costs directly attributable to bring the asset to working condition for its intended use.

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

For the impairment on construction in progress, please refer to Note III. 22.

18. Borrowing Costs

(1) Recognition of capitalized borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying

asset shall be capitalized as part of the cost of the asset. Other borrowing costs are expensed in profit or loss for the current period as incurred. The capitalization of borrowing costs shall commence only when the following criteria are met:

- ① asset expenditures have been incurred, including expenditures in the form of cash payment, transfer of non-cash assets or the assumption of interest-bearing liabilities;
- ② borrowing costs have been incurred;
- ③ acquisition, construction or production activities necessary for bring the asset to working conditions for its intended use or ready for sales have been commenced.

(2) Capitalization period of borrowing costs

Capitalization of borrowing costs ceases when qualifying the asset being acquired, constructed or produced becomes ready for its intended use, the borrowing costs incurred thereafter are recognized as expenses in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months. The borrowing costs incur during the normal interrupted period are continue to be capitalized.

(3) Capitalization rate and calculation method of borrowing costs

For specific-purpose borrowings, the amount of interest to be capitalized is the actual interest expense incurred during the current period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset. To the extent that the Group borrows funds generally and uses them for the acquisition and construction of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences of specific-purpose borrowings in foreign currency are capitalized while the exchange differences of general-purpose borrowings in foreign currency are recognized in profit or loss for the current period.

19. Biological Assets

(1) Recognition criteria for biological assets

Biological assets are assets that composed of living animals and plants. Biological assets shall be recognized if they satisfy all of the following conditions:

- ① The entity owns or controls the biological asset due to past transactions or events;
- ② The economic benefits or potential service related to the biological asset are probable to flow into the entity;
- ③ The cost of the biological asset can be measured reliably.

(2) Classification of biological assets

The Group's biological assets include consumptive biological assets and productive biological assets.

① Consumptive biological assets

Consumptive biological assets is the biological assets held-for-sale or harvested as agricultural products in the future, including livestock for sale, etc. Consumptive biological assets are initially measured at cost. The cost of self-propagating or breeding consumptive biological assets is the necessary expenditure incurred that can directly attributable to the asset before the asset is sold or shipped, including capitalized borrowing costs. Subsequent expenditures after harvest such as management, protection and feeding expenses are recognized in the profit or loss for the current period.

When the consumptive biological assets are harvested or sold, the cost of goods sold is recognized based on the carrying amount using the weighted average method.

② Productive biological assets

Productive biological assets are the biological assets held for the purpose of producing agricultural products, providing services or leasing, including livestock production. Productive biological assets are initially measured at cost. The cost of productive biological asset by self-growing or propagating is the necessary expenditure directly attributable to the asset incurred before the asset reaches its intended production and operation purpose, including capitalized borrowing costs.

The subsequent expenditures for managing, protecting and feeding the productive biological assets incurred after crown closure or reaching its intended objective of production and operation is recognized in profit or loss for the current period.

Productive biological assets are depreciated by straight-line method. Depreciation for each period is calculated and recognized based on the estimated useful lives less residual value of each type of biological assets.

At the end of each year, the Group reviews the useful lives, estimated net residual values and depreciation methods of productive biological assets. If there is any change, it is treated as a change in accounting estimates.

The proceeds on disposal of productive biological asset for the sales, inventory loss, dead or damage less the carrying amount and related taxes are recognized in profit or loss for the current period.

(3) Impairment of biological assets

When the net realizable value of a consumptive biological asset is lower than its carrying amount, the difference is recognized as the impairment provision and the corresponding impairment loss is recognized in profit or loss for the current period. If the previous factors caused the decline in value of consumptive biological asset have disappeared at the balance sheet date, the previously recognized provision for decline in value of consumptive biological assets is reversed, to the extent of provision recognized in the past, the reversal amount is recognized in profit or loss for the current period.

For the impairment of productive biological assets, please refer to Note III. 22.

20. Intangible Assets

Intangible assets include land use rights, patent rights, software use rights, trademarks, and non-patent, etc.

Intangible asset is initially measured cost and its useful life is determined at the time of acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected

realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

At the end of each year, the Group reviews the useful life and amortization method of intangible assets with finite useful life. If there is any change, adjustment made to original estimates and it shall be treated as the change of accounting estimate.

On the balance sheet date, an intangible asset shall be derecognized in profit or loss for the current period when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III. 22.

21. Research and Development Expenditure

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditures in the research phase is recognized in the profit or loss for the current period when incurred.

Expenditure in the development phase is capitalized only when the Group satisfies all of the following criteria: there is technical feasibility of completing the intangible asset so that it can be used or sold; has the intention to complete the intangible asset, and use or sell it; ways to generate economic benefits from the intangible asset, including the existence of a market for the output of the intangible asset or the intangible asset itself or, evidence of usefulness where it will be used internally; has sufficient technical, financial and other resources to complete the development of intangible assets as well as the ability to use or sell the intangible asset; the expenditure attributable to the intangible asset during its development phase can be measured reliably. If the development expenditure does not satisfied the above criteria, it is recognized as profit or loss for the current period.

The Group's research and development projects will enter into the development phase when they meet the above criteria, technical and economic feasibility research is completed and granted the necessary approval of the project.

Capitalized expenditure on the development phase is presented as Development costs in the balance sheet and transferred to intangible assets when the project is reached its intended use.

22. Asset Impairment

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured by the cost model, fixed assets, construction in progress, productive biological assets measured by the cost model, intangible assets, goodwill, etc. (excluding inventories, investment properties measured by the fair value model, deferred tax assets and financial assets) are determined as follows:

At the balance sheet date, the Group assesses whether there is any indication of impairment. If any indication exists, the Group will estimate the recoverable amount and test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that are not ready for use are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less disposal costs and the present value of expected future cash flows. The Group estimates the recoverable amount based on each individual asset. If it is impossible to estimate the recoverable amount of each individual asset, the Group determines the recoverable amount for the asset group to which the asset belongs. An asset group is determined based on whether the main cash inflow generated by the asset group is independent of the cash inflow of other assets or asset groups.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly.

For the impairment test of goodwill, the carrying amount of goodwill arising from a business combination shall be allocated to the relevant asset groups by using a reasonable method from the date of acquisition. If the carrying amount of goodwill is unable to be allocated to the asset group, it shall be allocated to the relevant set of asset groups. Relevant asset group or set of asset groups is the asset group or group of asset groups, that is expected to benefit from the synergies of the combination and not greater than the reportable segment of the Group.

If any impairment indication exists in asset group or set of asset groups related to goodwill, the Group shall perform an impairment test for the asset group or set of asset groups which does not contain goodwill first, the recoverable amount is calculated and recognized the corresponding impairment losses. Then the Group shall perform an impairment test for the asset group or set of asset groups that contain goodwill by comparing its carrying amount and recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it cannot be reversed in a subsequent period.

23. Long-term Deferred Expenses

Long-term deferred expenses are measured at cost and amortized by using straight-line method over the expected beneficial period. If the Group cannot benefit from the long-term deferred in the future accounting period, the amortized cost shall be recognized in profit or loss for the current period.

24. Employee Benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Group to the spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

Employee benefits are separately presented as Employee benefits payable and Long-term employee benefits payable on the balance sheet based on the liquidity.

(2) Short-term employee benefits

Employee wages or salaries, bonuses, social insurance contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred at the applicable benchmarks and rates, are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. If the liability is not expected to be settled in full within 12 months after the end of the annual reporting period in which the employees render the related services, and has significant financial impact, the liability will be measured at the discounted value.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans which an entity pays a fixed amount of fee to an independent fund and has no further payment obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

The contribution amount calculated according to the defined contribution plan is recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the projected unit credit method. The Group recognizes the following components of employee benefits cost arising from defined benefit plan:

- ① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- ② net interest on the net defined benefit plan liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- ③ changes as a result of re-measurement of the net defined benefit liabilities or assets.

Item①and item②above should be recognized in profit or loss for the current period unless another accounting standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item③shall be recognized in other comprehensive income and shall not be reclassified to profit or loss in a subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

The Group provides termination benefits to employees, the employee liabilities arising from the termination benefits shall be recognized with a corresponding charge to profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal; when the Group recognizes the costs or expenses related to a restructuring plan involving the payment of termination benefits.

When the Group implements an internal retirement plan, the economic compensation before the formal retirement date is attributable to the termination benefits. The salaries and social insurance payment to be paid for the early-retired employee are recognized as one-off expense in profit or loss for the current period between the date when the employee stops rendering service and formal retirement. Economic compensation after the date of formal retirement (such as normal pension) shall be accounted for as post-employment benefits.

(5) Other long-term employee benefits

The Group provides other long-term employee benefits to the employees. For those satisfied the conditions for classifying as a defined contribution plan, they shall be accounted for in accordance with the requirements relating to defined contribution plan as described above. When the benefits satisfied the conditions for defined benefit plan, they shall be accounted for in accordance with the requirements relating to defined benefit plan described as above. The movement arising from the remeasurement of net liabilities or assets in the defined benefit plan shall be recognized in profit or loss for the current period or included in the cost of assets where appropriate.

25. Provisions

A provision is recognized for an obligation related to a contingency if all the following conditions are satisfied:

- (1) The Group has a present obligation;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation and the relevant risk, uncertainty and time value of money shall be taken into consideration. Where the effect of the time value of money is significant, the best estimates are determined by discounting the expected future cash flows. The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If the entire or partial settlement related to the provision is expected to be compensated by a third party, and the compensated amount can be received certainly, the compensated amount is recognized as an asset. The recognized compensated amount shall not exceed the carrying amount of the provision.

26. Share-based Payment and Equity Instruments

(1) Types of share-based payment

The Group's share-based payment is classified into equity-settled share-based payment and cash-settled share-based payment.

(2) Recognition method of the fair value of equity instruments

If an active market exists for the equity instruments such as stock option granted by the Group, the fair value of the equity instrument shall be determined according to the quoted price in the active market. If an active market does not exist, the fair value of the equity instrument shall be determined by using the option pricing model. The Group considers the following factors when selecting the model: A) the exercise price of the option; B) the validity period of the option; C) current price of underlying stock; D) expected volatility of the stock price; E) expected dividend of the stock; F) risk-free interest rate within the validity period of the option.

(3) Basis for the best estimate of exercisable equity instruments

At each balance sheet date of the waiting period, the Group revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

(4) Accounting treatments for the implementation, modification and termination of share-based payment plans

① Accounting treatment on the grant date

When the Group grants restricted shares to its employees under a share incentive plan, the Group shall recognize the share capital and capital reserve (share premium) on the grant date based on the subscription

received from employees. The Group shall recognize the repurchase obligation based on the total repurchase amount as a liability, which shall be included in treasury stocks and presented as an allowance item for shareholders' equity in the balance sheet.

No accounting treatment is required for stock option granted to the employees under a share incentive plan on the grant date.

② Accounting treatment during the waiting period

Equity-settled share-based payments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date during the waiting period. If the share incentive plan is cancelled by forfeiture when the vesting conditions are not satisfied during the waiting period, the Group reverses the previously recognized relevant costs or expenses.

Restricted shares issued by the Group are eligible for profit distribution where cash dividends are cancellable. For the cash dividends allocated to the holders of restricted shares where their restricted shares are expected to be relieved in the future, the Group treats such cash dividends as profit distribution. For the cash dividends allocated to the holders of restricted shares where their restricted shares are expected not to be relieved in the future, the Group records the cash dividends against related liability. If any subsequent information indicates that the number of restricted shares that are expected not to be relieved in the future is different from the previous estimate, it shall be treated as a change in accounting estimates.

③ Accounting treatment on the vesting day or the day when the shares become unlock

When restricted stocks are regarded as the equity instrument for share-based payment, the Group shall repurchase and cancel those shares which did not meet the relevant requirement for unlocking. When the treasury stocks are cancelled, the share capital shall be reduced to the extent of the total par value of the treasury stocks cancelled. Where the cost of the treasury stocks cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury stocks cancelled is less than the total par value, the difference is credited to the capital reserve (share premium). When the treasury stocks are transferred, any excess of proceeds above cost is recognized in capital reserve (share premium) while any shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially. For restricted shares satisfied the unlock conditions where no repurchase is required, the Group reduced the corresponding liabilities and treasury stocks by their carrying amount, any difference is adjusted to capital reserve (share premium).

When stock options are regarded as the equity instrument for share-based payment, the Group shall recognizes the subscription paid by the employees as share capital on the vesting date and the capital reserve recognized during the waiting period shall be transferred to share premium at the same time.

27. General Risk Provision

General risk provision refers to the provision for loan losses which has been deducted after calculating the potential risk estimate of a risky asset using the standard method, and is set aside from undistributed profits and used to partially cover the potential loss that has not been identified. Risk assets include loans, advances and other current assets held by subsidiaries engaged in financial business.

28. Other Financial Instruments such as Preference Shares, Perpetual Bonds

(1) Distinction between financial liabilities and equity instruments

The Group classifies the financial instrument or its components as a financial asset, financial liabilities or equity instruments at initial recognition, according to the contract terms of the financial instrument issued and its economic substance, not only in legal form, and in conjunction with the definition of financial assets, financial liabilities and equity instruments.

(2) Accounting treatment for preference shares, perpetual bonds

The Group initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Group, and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost, and gains or losses arising from the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

When the Group issues financial instrument, the relevant transaction costs such as handling charges and commission are recognized the initial amount of issued instrument if it is classified as debt instrument measured at amortized cost. The transaction costs are deducted against equity if it is classified as equity instrument.

29. Revenue

(1) General principle

The Group recognizes the revenue when it satisfied its performance obligation stated in the contract, that is, when the control of the good or service is transferred to the customer.

If the contract comprises two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the proportion of sales price for the goods or service committed by each performance obligation at the commencement date of the contract. Revenue is recognized the allocated transaction for each performance obligation.

If one of the following conditions is satisfied, the Group satisfies its performance obligation over time; Otherwise, the performance obligation is satisfies at a point in time.

- ① The customer simultaneously receives and consumes the economic benefits provided by the Group's performance as the Group's performs its obligation;

- ② The Group's performance produces good that the customer control as the good is created;
- ③ The Group's performance produces goods without an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group shall recognize the revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the progress cannot be reasonably measured and the Group is expected to be compensated for the costs already incurred, revenue shall be recognized to the extent of the costs that have been incurred until the progress can be reasonably measured.

For performance obligation satisfied at a point in time, the Group recognizes revenue at the time when the control of good or service is transferred to the customer. The Group considers the following indications when determining whether the control of good or service is transferred to the customer:

- ① The Group has a present right to payment for good or service, i.e. the customer has a present payment obligation for the good
- ② The Group has transferred the legal title of the good to the customer, i.e. the customer has the legal title.
- ③ The Group has transferred the physical good to the customer, i.e. the customer has physical possession.
- ④ The Group has transferred the significant risks and rewards of ownership of the good to the customer, i.e., the customer has the significant risks and rewards of ownership.
- ⑤ The customer has accepted the good.
- ⑥ Other indications that the customer has the control of the good.

Contract asset is recognized when the Group has the right to consideration in exchange for goods or services that the Group has transferred to a customer (such right is conditional other than the passage of time). Impairment of contract assets is calculated based on the expected credit losses (please refer to Note III. 10 (6)). The Group presented the right to consideration is unconditional if only the passage of time is required before payment of that consideration is due, as accounts receivable.

Contract assets and contract liabilities under the same contract shall be presented as a net amount. The net amount is presented as Contract assets or Other non-current assets according to liquidity if it has a debit balance. While the net amount is presented as Contract liabilities or Other non-current liabilities according to liquidity if it has a credit balance.

(2) Specific method

The specific recognition method for the Group's sales of goods is as follows:

The Group recognizes the revenue when the customers collect the goods by door or the goods have been delivered to the designated location, and the customers accept the goods and obtain the control of goods.

For the sale of goods with sales return clauses, revenue recognition is limited to extent of cumulative recognized revenue that is unlikely to be materially reversed. The Group recognizes a liability according to the expected refund. The carrying amount of the returned goods less than the estimated cost to recover the goods (including the decline in value for the returned goods) is recognized as an asset at the same time.

30. Contract Cost

Contract costs include the incremental costs of obtaining a contract and costs to fulfill a contract.

Incremental costs of obtaining a contract are the cost only incurred if the contract is obtained (i.e. commission). The Group expects to recover these costs and recognized as an asset of incremental costs of obtaining a contract. Other expenditures of obtaining a contract except for the incremental costs expected to be recovered, are recognized in profit or loss for the current period when incurred.

The Group recognizes the costs to fulfill a contract as an asset if the costs are incurred for fulfilling the performance obligation of the contract, do not fall within the scope of other accounting standards, such as inventory, and meet the following criteria:

- ① The costs directly related to a contract or an anticipated contract that can specifically identify, including direct labor, direct materials, manufacturing overheads (or similar expenses), costs explicitly chargeable to the customer and other costs incurred solely for the contract;
- ② The costs generate or enhance resources of Group that will be used in satisfying performance obligations in the future.
- ③ The cost is expected to be recovered.

Assets recognized from costs of obtaining a contact and costs to fulfill a contract (hereinafter referred to as "assets related to contract cost") shall be amortized in the profit or loss for the current period on the same basis as revenue recognition of goods or services related to such assets. If the amortization period does not exceed one year, it is recognized in profit or loss for the current period when it occurs.

When the carrying amount of the assets related to the contract cost is greater than the difference between the following two items. The Group shall make provision for impairment of the excess amount and recognize as impairment loss:

- ① The remaining consideration that the Group is expected to be received as a result of the transfer of the goods or services related to the asset;
- ② Costs probably incurred for transferring of the relevant goods or services

When the costs to fulfill the contract is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Inventories. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

When the costs of obtaining a contact is recognized as assets with an amortization period less than one year or one normal business cycle at initial measurement, it is presented as Other current assets. It is presented as Other non-current assets if the amortization period is over one year or one normal business cycle at initial measurement.

31. Government Grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received

or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Group for expenses or losses already incurred is recognized in profit or loss or offset against related expenses directly. A grant that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in profit or loss or offset against related expenses in the periods in which the expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in the profit or loss for the current period. The Group applies the same method to the same or similar government grant.

A grant related to ordinary activities is recognized as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income.

For repayment of a government grant, if the government grant is offset against the carrying amount of the related asset at the time of recognition, the carrying amount of the related asset shall be adjusted. If there is related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the current period. Otherwise, the repayment is recognized immediately in profit or loss for the current period.

For the grant of interests on bank loan, the Group offset against the borrowing costs.

32. Deferred Tax Assets and Deferred Tax Liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are both recognized in current profit or loss except for the adjusted goodwill arising from business combination or the deferred tax related to the transactions or events directly included in the owner's equity.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;
- (2) taxable temporary differences associated with investments in the Group, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes a deferred tax asset for the deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) a transaction that is not a business combination and neither affects the accounting profit nor taxable profit;

(2) deductible temporary differences associated with investments in the Group, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, the Group measures the deferred tax assets and deferred tax liabilities according to the applicable tax rate during the period when the assets are expected to be recovered or the liabilities are settled, and reflect the income tax impact of the expected asset recovery or liability settlement method on the balance sheet date.

At the balance sheet date, the Company reviews the carrying amount of any deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

33. Leases

(1) Identifying a lease

At the commencement date of the lease, the Group, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Group considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The lease where the Group is a lessee

At the commencement date of the lease, the Group recognizes right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low-value assets that are subject to simplified treatment.

For the accounting policy of the right-of-use assets, see Note III.34.

Lease liabilities are initially measured at the present value of the lease payments outstanding at the commencement date of the lease term using the present value calculated using the interest rate implicit in the lease, and if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

Short-term leases

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Group records the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method

Leases of Low-value assets

Leases of low value assets refer to lease of a single leased asset whose value is less than RMB40,000 when it is a brand-new asset.

The Group includes the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method

For low-value asset leases, the Group chooses to apply the above simplified treatment depending on the specific circumstances of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: (i) the lease modifies the scope of the lease by adding the right to use one or more underlying assets; and (ii) the increase in consideration must be commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If a lease modification is not accounted for as a separate lease, at the effective date of the lease modification, the Group reallocates the consideration in the modified lease, redetermines the lease term, and remeasures the present value of lease liability according to the revised lease payments and revised discount rate.

If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the Group reduces the carrying amount of the right-of-use asset accordingly and recognizes the gain or loss related to partial termination or full termination of the lease in profit or loss for the current period.

If all other lease modifications result in the remeasurement of the lease liabilities, the Group makes a corresponding adjustment to the carrying amount of right-of-use asset.

(3) The lease where the Group is a lessor

When the Group acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases are recognized as operating leases.

Finance lease

In the case of finance leases, the Group takes the net investments in the lease as the carrying amounts of finance lease receivables at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date discounted at the implicit interest rate. The Group, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Group as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

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

Operating lease

For the rent in the operating lease, the Group shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modification

If an operating lease is modified, the Group will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Group will treat the finance lease modification as a separate lease if the following conditions are met: (i) the lease modifies the scope of the lease by adding the right to use one or more underlying assets; and (ii) the increase in consideration must be commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If the finance lease modification is not accounted for as a separate lease, the Group will deal with the modified lease under the following circumstances: (i) if the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Group will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; (ii) if the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Group will conduct accounting treatment in accordance with the provisions of the Accounting Standards for Business Enterprises No. 22 - "Recognition and Measurement of Financial Instruments" regarding the modification or renegotiation of contract.

34. Right-of-use Assets

(1) Criteria for recognition of right-of-use assets

A right-of-use asset represents the right of the Group, as a lessee, to utilize the leased assets over the duration of an agreed-upon lease term.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Group as the lessee; the costs which the Group, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Group, as the lessee, shall recognize and measure the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - "Contingencies". Subsequent adjustments are made for any remeasurement of the lease liability.

(2) Depreciation method of the right-of-use assets

The Group uses the straight line method of depreciation. Where the Group, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III. 22 for the impairment test method of the right-of-use assets and the loss allowance.

35. Repurchase Shares

When the Group repurchase its own shares, those shares are treated as treasury stock before they are cancelled or transferred. All the expenditures relating to the repurchased shares are recorded as the cost of treasury stock. The consideration and transaction costs paid in share repurchase reduce the shareholders' equity. No profit or loss is recognized when repurchasing, transferring or canceling the Group's shares.

When the treasury stock is transferred, the difference between the actual amount received and the carrying amount of treasury stock is recognized in capital reserve. Any excess is recognized in surplus reserve and

retained earnings. When the treasury stock is cancelled, the share capital should be reduced to the extent of the total par value and the number of shares cancelled. The difference between the carrying amount and par value of the treasure stock cancelled is recognized in capital reserve. Any excess is recognized in surplus reserve and retained earnings.

36. Restricted Stock

Under the share incentive plan, the Group grants restricted share to its employees, and the employees subscribe the share first. If the unlocking conditions specified in the share incentive plan are not met subsequently, the Group will repurchase the shares at the agreed price. When the procedures of the increase in capital completed such as registration in accordance with the relevant regulations, the Group recognizes the share capital and capital reserve (share premium) according to the subscription payment received from the employees on the date of grant. Treasury stock and other payables relating to the obligation of repurchase are recognized accordingly.

37. Hedge Accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of the hedging instrument.

The Group assesses an ongoing basis to determine that the hedging instrument actually have been highly effective throughout the financial reporting periods for which they were designated. The hedge relationship is ceased if it is unsatisfactory. Hedging accounting should meet the following requirements for the effectiveness of hedging:

- ① There is an economic relationship between hedged items and hedging instruments.
- ② The impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments.
- ③ The hedging ratio of the hedging relationship should be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of corresponding hedging instruments. It should not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance will cause the hedge to be invalid and may give accounting results that are inconsistent with objectives of the hedge accounting.

The Group ceases the use of hedge accounting if one of the following situation is exist:

- ① The hedging relationship is no longer meets the risk management objectives due to changes in risk management objectives.
- ② The hedging instrument is expired, sold, the contract is terminated or has been exercised.
- ③ The economic relationship between the hedged item and the hedging instrument is no longer existed, or the impact of credit risk does not dominate in the change of value caused by the economic relationship between hedged items and hedging instruments.
- ④ The hedging relationship is no longer satisfied other conditions for using hedging accounting.

Fair value hedge

Fair value hedge refers to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk. This change in fair value would affect the Group's profit or loss, or other comprehensive income.

Any gain or loss arising from fair value hedge is recognized in profit or loss for the current period. Gain or loss of hedged item arising from the exposure of risk is recognized in profit or loss for the current period, and adjusted the carrying amount of hedged items not measure at fair value accordingly.

If the hedged item is a financial instrument (or its component) measured at amortized cost, any adjustment to the carrying amount of the hedged item is amortized to profit or loss. The amortization is based on a recalculated effective interest rate at the date that amortization begins.

When unrecognized firm commitment is designated as a hedged item, the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss for the current period. When an asset is obtained or a liability is committed through the fulfillment of confirmed commitment, the initial amount of such asset or liability is adjusted according to the cumulative change in the fair value of recognized hedged item.

Cash flow hedging

Cash flow hedge refers to a hedge of exposure from cash flow changes. This variability in cash flows is attributable to a particular risk associated with a recognized asset or liability or a highly probably forecast transaction and can affect profit or loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized as cash flow hedging reserve in other comprehensive income. Any remaining gain or loss on the hedging instrument that is hedged ineffective is recognized in profit or loss for the current period.

For cash flow hedging, when the hedged item is an expected transaction, and a non-financial asset or non-financial liability arising from the expected transaction, or fair value hedge accounting is applicable to a commitment arising the expected transaction of non-financial assets or non-financial liability, the Group transfers the cash flow hedging reserve previously recognized in the other comprehensive income to the initial recognition amount of such asset or liability.

For cash flow hedges that do not fall into the above situations, the Group transfers cash flow hedging reserve previously recognized in the other comprehensive income to profit or loss for the period when the profit or loss is impacted by the expected cash flow being hedged.

If the cash flow hedging reserve recognized in the other comprehensive income is a loss, the entire or part of the loss is not expect to be recovered in the future accounting period, the Group transfers the unrecovered portion from the other comprehensive income to profit or loss.

When the Group ceases the use of hedging accounting for cash flow hedges, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained if the hedged cash flow is expected to occur in the future. The cash flow hedging reserve is treated in accordance with the accounting policies of cash flow hedging mentioned above when the expected transaction has occurred. The cumulative cash flow hedging reserve recognized in the other comprehensive income is transferred to profit or loss for the current period if the hedged cash flow is not expected to be occurred in the future. If the hedged cash flow is no longer probable to be occurred in the future but it may still be expected to be occurred, the cumulative cash flow hedging reserve recognized in the other comprehensive income is retained until the expected transaction has occurred, it is then treated in accordance with the accounting policies of cash flow hedging mentioned above.

38. Significant Accounting Estimates and Judgments

The Group assesses the significant accounting estimates and key assumptions on an ongoing basis, based on the historical experience and other factors, including reasonable expectation of future events.

It is probable that the significant adjustment risk to the carrying amount of assets and liability in the next accounting period will arise from the following significant accounting judgments and key assumptions:

Measurement of expected credit losses on accounts receivable

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

Impairment of goodwill

The Group assesses the impairment of goodwill at least once a year. The Group shall evaluate the value in use for the cash-generating units to which goodwill has been allocated. When assessing the value in use, the Group requires to estimate the expected future cash flows from the cash-generating unit and select an appropriate discount rate to calculate the present value.

Deferred tax asset

To the extent that there is likely that there will be sufficient profits to offset losses, deferred tax assets should be recognized for all unutilized tax losses. The management requires using many judgments to estimate the time and amount of future taxable profits, in conjunction with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

39. Significant Changes in Accounting Policies and Accounting Estimates, and Correction of Errors in prior periods

(1) Significant changes in accounting policies

① New lease standard

The Ministry of Finance issued the “Accounting Standards for Business Enterprises No. 21 - Lease (Revised)” in 2018, which requires enterprises listed both domestically and internationally, as well as those listed outside of China and adopting IFRS or ASBE for the preparation of financial statements, to be effective from January 1, 2019; and be effective from January 1, 2021 for other enterprises. The Company has implemented the new lease standard effectively since January 1, 2021, and has adjusted the related content of accounting policies. Revised accounting policies please refer to Note III. 33 and 34.

The Group selects not to reassess whether a contract exists prior to the date of initial application is, or contains a lease at the date of initial application. For contracts signed or modified after the date of initial application, the Group assesses whether the contract is a lease or includes a lease according to the definition of lease in the new lease standard.

The definition of lease in the new lease standard does not have a material impact on the scope of the Group's contracts that meet the definition of lease.

As lessee

The new lease standard requires lessees to recognize right-of-use assets and lease liabilities for all leases, with the exception of simplified treatment for short-term leases and leases of low-value assets, and to recognize depreciation and interest expenses respectively.

- The new lease standard allows lessees to choose one of the following methods of transitional treatment:

- In accordance with the provisions of the “Accounting Standards for Business Enterprises No.28 - Changes in Accounting Policies, Accounting Estimates and Errors Correction”, retrospective adjustment method is adopted.
- According to the cumulative impact of initial application of the standard, the amount of retained earnings and other relevant items in the financial statements at the beginning of the year of initial application of this standard will be adjusted, without adjusting the information for comparable periods.

In accordance with the provisions of the new lease standard, the Group retroactively adjusted the difference between the initial application of the new lease standard and the current lease standard into the retained earnings at the beginning of 2021. At the same time, the Group has not adjusted the data in the comparative financial statements.

- For the finance lease before the initial application date, the Group shall measure the use right asset and the lease liability respectively according to the original carrying amount of the finance lease asset and the finance lease payment payable.
- For operating leases prior to the initial application date, the Group measures the lease liabilities at the present value of the remaining lease payments discounted at the incremental borrowing rate on the initial application date, and measures the right-of-use assets at an amount equal to the lease liabilities for all leases and makes necessary adjustments to right-of-use assets according to prepaid rents.
- On the initial application date, the Group conducts impairment tests on the right-of-use assets in accordance with Note III.34 and carries out corresponding accounting treatment.

For operating leases whose leased assets belong to low-value assets before the initial application date or which will be completed within 12 months, the Group adopts the simplified method and does not recognize the right-of-use assets and lease liabilities.

- For operating leases before the initial application date, the Group adopts the following simplified method:
- When measuring lease liabilities, the same discount rate can be used for leases with similar characteristics, and the weighted average of incremental borrowing rates used is 3.20% to 4.00%; the measurement of the right-of-use assets does not include the initial direct costs;
- If there is an option to renew the lease or terminate the lease, the Group will determine the lease term according to the actual exercise of the option before the initial application date and the latest situation;
- As an alternative to the impairment test of the right-of-use assets, the Group evaluates whether the contract containing the lease is an onerous contract before the initial application date, and adjusts the right-of-use assets according to the loss provisions amount recorded in the balance sheet before the initial application date;
- For the lease modification prior to the initial application date, the Group shall conduct accounting treatment according to the final arrangement of the lease modification.

The impact of the implementation of the new lease standard on the consolidated balance sheet items as at January 1, 2021 is as follows:

Item	Carrying amount before adjustment (December 31, 2020)	Reclassification	Remeasurement	Carrying amount after adjustment (January 1, 2021)
Assets				

Item	Carrying amount before adjustment (December 31, 2020)	Reclassification	Remeasurement	Carrying amount after adjustment (January 1, 2021)
Prepayments	1,870,808,733.28	-135,336.10	-	1,870,673,397.18
Other receivables	732,315,186.36	-4,250,000.00	-	728,065,186.36
Other current assets	925,208,486.45	-84,677,340.47	-	840,531,145.98
Held-to-maturity investments	97,462,501.79	-32,583,330.00	-	64,879,171.79
Fixed assets	7,703,538,937.81	-35,244,350.72	-	7,668,294,587.09
Right-of-use asset	-	1,757,671,818.57	-	1,757,671,818.57
Long-term deferred expenses	352,075,183.20	-252,006,779.37	-	100,068,403.83
Other non-current assets	373,627,286.70	-4,816,778.49	-	368,810,508.21
Total assets	27,526,958,371.19	1,343,957,903.42	-	28,870,916,274.61
Liabilities				
Other payables	456,555,079.92	4,867,818.99	-	461,422,898.91
Non-current liabilities due within one year	142,405,690.99	201,904,383.49	-	344,310,074.48
Lease liability	-	1,169,692,122.19	-	1,169,692,122.19
Long-term payables	36,320,489.48	-32,506,421.25	-	3,814,068.23
Total Liabilities	12,568,266,409.83	1,343,957,903.42	-	13,912,224,313.25

The composition of the carrying amount of the right-of-use assets on January 1, 2021 is as follows:

Item	2021.01.01
Right-of-use assets:	
For the right-of-use assets recognized under the operating leases before the initial application date	1,710,523,239.69
Finance lease assets recognized under the original lease standard	47,148,578.88
Total	1,757,671,818.57

As lessor

According to the new lease standard, except for the subleases classified as operating leases before the initial application date and still exist after the initial application date (i.e. January 1, 2021), the Group does not need to adjust its lease as a lessor in accordance with the transition provisions, but needs to carry out accounting treatment in accordance with the new lease standard from the date of the initial application of the new lease standard.

(2) Significant changes in accounting estimates

There were no significant changes in the Company's accounting estimates during the year.

(3) Impact of the adoption of New Revenue Standards on the relevant items in the financial statements as at January 1, 2021

Consolidated balance sheet

Item	2020.12.31	2021.01.01	Adjustments
Current assets:			
Cash at bank and on hand	2,056,471,632.75	2,056,471,632.75	-
Held-for-trading financial assets	336,719,309.28	336,719,309.28	-
Notes receivable	17,833,751.84	17,833,751.84	-
Accounts receivable	1,067,301,941.46	1,067,301,941.46	-
Accounts receivable financing	-	-	-
Prepayments	1,870,808,733.28	1,870,673,397.18	-135,336.10
Other receivables	732,315,186.36	728,065,186.36	-4,250,000.00
Including: Interest receivables	2,807.70	2,807.70	-
Dividend receivables	-	-	-
Inventories	7,255,350,539.93	7,255,350,539.93	-
Contract assets	-	-	-
Assets held-for-sale	-	-	-
Non-current assets due within one year	2,457,622.86	2,457,622.86	-
Other current assets	925,208,486.45	840,531,145.98	-84,677,340.47
Total current assets	14,264,467,204.21	14,175,404,527.64	-89,062,676.57
Non-current assets:			
Debt investments	22,501,033.35	22,501,033.35	-
Loans and advances to customers	31,418,327.11	31,418,327.11	-
Other debt investments	-	-	-
Held-to-maturity investments	97,462,501.79	64,879,171.79	-32,583,330.00
Long-term equity investments	59,465,879.68	59,465,879.68	-
Investments in other equity instruments	-	-	-
Other non-current financial assets	254,417,562.64	254,417,562.64	-
Investment properties	29,426,486.24	29,426,486.24	-
Fixed assets	7,703,538,937.81	7,668,294,587.09	-35,244,350.72
Construction in progress	1,591,741,924.42	1,591,741,924.42	-
Productive biological assets	286,202,211.97	286,202,211.97	-
Oil and natural gas assets	-	-	-
Right-of-use asset	-	1,757,671,818.57	1,757,671,818.57
Intangible assets	1,257,221,361.76	1,257,221,361.76	-
Development costs	13,567,349.13	13,567,349.13	-
Goodwill	342,738,904.21	342,738,904.21	-
Long-term deferred expenses	352,075,183.20	100,068,403.83	-252,006,779.37

Item	2020.12.31	2021.01.01	Adjustments
Deferred tax assets	847,086,216.97	847,086,216.97	-
Other non-current assets	373,627,286.70	368,810,508.21	-4,816,778.49
Total non-current assets	13,262,491,166.98	14,695,511,746.97	1,433,020,579.99
Total assets	27,526,958,371.19	28,870,916,274.61	1,343,957,903.42
Current liabilities:			
Short-term loans	4,735,948,585.16	4,735,948,585.16	-
Held-for-trading financial liabilities	127,446,229.19	127,446,229.19	-
Notes payable	-	-	-
Accounts payable	2,060,550,537.54	2,060,550,537.54	-
Advances from customers	-	-	-
Contract liabilities	1,889,338,880.88	1,889,338,880.88	-
Employee benefits payable	925,893,314.96	925,893,314.96	-
Taxes payable	196,208,088.61	196,208,088.61	-
Other payables	456,555,079.92	461,422,898.91	4,867,818.99
Including: Interest payables	-	-	-
Dividend payables	2,591,473.50	2,591,473.50	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	142,405,690.99	344,310,074.48	201,904,383.49
Other current liabilities	314,566,716.35	314,566,716.35	-
Total current liabilities	10,848,913,123.60	11,055,685,326.08	206,772,202.48
Non-current liabilities:			
Long-term loans	1,161,404,700.00	1,161,404,700.00	-
Debentures payable	-	-	-
Lease liability	-	1,169,692,122.19	1,169,692,122.19
Long-term payables	36,320,489.48	3,814,068.23	-32,506,421.25
Long-term employee benefits payable	144,890,945.29	144,890,945.29	-
Provisions	-	-	-
Deferred income	202,333,450.44	202,333,450.44	-
Deferred tax liabilities	174,403,701.02	174,403,701.02	-
Other non-current liabilities	-	-	-
Total non-current liabilities	1,719,353,286.23	2,856,538,987.17	1,137,185,700.94
Total liabilities	12,568,266,409.83	13,912,224,313.25	1,343,957,903.42
Shareholders' equity			
Share capital	1,661,210,751.00	1,661,210,751.00	-
Other equity instruments	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-

Item	2020.12.31	2021.01.01	Adjustments
Capital reserve	5,041,921,064.80	5,041,921,064.80	-
Less: Treasury stock	165,350,332.65	165,350,332.65	-
Other comprehensive income	-106,486,348.07	-106,486,348.07	-
Specific reserve	-	-	-
Surplus reserve	638,662,900.40	638,662,900.40	-
General risk provision	7,814,011.67	7,814,011.67	-
Retained earnings	6,895,016,817.26	6,895,016,817.26	-
Total equity attributable to shareholders of the parent company	13,972,788,864.41	13,972,788,864.41	-
Non-controlling interests	985,903,096.95	985,903,096.95	-
Total shareholders' equity	14,958,691,961.36	14,958,691,961.36	-
Total liabilities and shareholders' equity	27,526,958,371.19	28,870,916,274.61	1,343,957,903.42

Company Balance Sheet

Item	2020.12.31	2021.01.01	Adjustments
Current assets:			
Cash at bank and on hand	699,532,802.68	699,532,802.68	-
Held-for-trading financial assets	263,640,850.00	263,640,850.00	-
Notes receivable	-	-	-
Accounts receivable	-	-	-
Accounts receivable financing	-	-	-
Prepayments	1,819,630.87	1,819,630.87	-
Other receivables	10,705,830,242.22	10,705,830,242.22	-
Including: Interest receivables	-	-	-
Dividend receivables	-	-	-
Inventories	84,736,207.88	84,736,207.88	-
Contract assets	-	-	-
Assets held-for-sale	-	-	-
Non-current assets due within one year	-	-	-
Other current assets	8,795,911.92	7,137,459.33	-1,658,452.59
Total current assets	11,764,355,645.57	11,762,697,192.98	-1,658,452.59
Non-current assets:			
Debt investments	-	-	-
Loans and advances to customers	-	-	-
Other debt investments	-	-	-
Held-to-maturity investments	907,302.50	907,302.50	-
Long-term equity investments	4,452,434,939.93	4,452,434,939.93	-

Item	2020.12.31	2021.01.01	Adjustments
Investments in other equity instruments	-	-	-
Other non-current financial assets	222,596,212.64	222,596,212.64	-
Investment properties	20,565,176.04	20,565,176.04	-
Fixed assets	239,611,327.76	239,611,327.76	-
Construction in progress	16,372,133.08	16,372,133.08	-
Productive biological assets	-	-	-
Oil and natural gas assets	-	-	-
Right-of-use asset	-	49,409,194.44	49,409,194.44
Intangible assets	118,046,787.57	118,046,787.57	-
Development costs	-	-	-
Goodwill	-	-	-
Long-term deferred expenses	28,770,769.63	18,799,356.81	-9,971,412.82
Deferred tax assets	398,251,653.53	398,251,653.53	-
Other non-current assets	2,695,741.00	2,695,741.00	-
Total non-current assets	5,500,252,043.68	5,539,689,825.30	39,437,781.62
Total assets	17,264,607,689.25	17,302,387,018.28	37,779,329.03
Current liabilities:			
Short-term loans	4,169,670,770.39	4,169,670,770.39	-
Held-for-trading financial liabilities	1,046,249.19	1,046,249.19	-
Notes payable	-	-	-
Accounts payable	38,737,771.88	38,737,771.88	-
Advances from customers	-	-	-
Contract liabilities	-	-	-
Employee benefits payable	150,890,070.01	150,890,070.01	-
Taxes payable	1,013,415.11	1,013,415.11	-
Other payables	2,976,129,435.19	2,976,129,435.19	-
Including: Interest payables	-	-	-
Dividend payables	-	-	-
Liabilities held-for-sale	-	-	-
Non-current liabilities due within one year	39,999,252.87	39,999,252.87	-
Other current liabilities	17,907,456.12	17,907,456.12	-
Total current liabilities	7,395,394,420.76	7,395,394,420.76	-
Non-current liabilities:			
Long-term loans	-	-	-
Debentures payable	-	-	-
Lease liability	-	37,779,329.03	37,779,329.03
Long-term payables	-	-	-

Item	2020.12.31	2021.01.01	Adjustments
Long-term employee benefits payable	23,032,749.25	23,032,749.25	-
Provisions	-	-	-
Deferred income	11,016,146.26	11,016,146.26	-
Deferred tax liabilities	10,829,462.30	10,829,462.30	-
Other non-current liabilities	-	-	-
Total non-current liabilities	44,878,357.81	82,657,686.84	37,779,329.03
Total liabilities	7,440,272,778.57	7,478,052,107.60	37,779,329.03
Shareholders' equity			
Share capital	1,661,210,751.00	1,661,210,751.00	-
Other equity instruments	-	-	-
Including: Preference share	-	-	-
Perpetual debt	-	-	-
Capital reserve	5,136,265,883.82	5,136,265,883.82	-
Less: Treasury stock	165,350,332.65	165,350,332.65	-
Other comprehensive income	-	-	-
Specific reserve	-	-	-
Surplus reserve	638,662,900.40	638,662,900.40	-
General risk provision	-	-	-
Retained earnings	2,553,545,708.11	2,553,545,708.11	-
Total shareholders' equity	9,824,334,910.68	9,824,334,910.68	-
Total liabilities and shareholders' equity	17,264,607,689.25	17,302,387,018.28	37,779,329.03

IV. Taxation

1. Main Type of Taxes and Corresponding Tax Rates

Tax	Tax base	Statutory tax rate
Value-added tax (VAT)	Sales revenue or taxable income	Exemption (Note 1, Note 2), 1% (Note 3), 3% (Note 4), 5%, 6%, 9% (Note 5), 10% (Note 6), 13% (Note 5)
Corporate income tax	Taxable income	Please refer to Note IV. 2
City maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Educational surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Note 1: In accordance with document Caishui [2001] No. 121 jointly issued by the Ministry of Finance and the State Administration of Taxation, the Company and its subsidiaries are exempted from VAT on their feed products, which has been filed with the competent tax authorities.

Note 2: The Company and its subsidiaries are eligible for valued-added tax exemption when selling self-produced products in accordance with Article 16 “Agricultural producers are exempted from value-added tax when selling self-produced agricultural products” of the Interim Regulation of People’s Republic of China on Value-Added Tax.

Note 3: According to announcement 2021 No. 7 issued by the Ministry of Finance and State Taxation Administration, “Announcement of the General Administration of Taxation of the Ministry of Finance on the continuation of the implementation of some preferential policies on taxes and fees in response to the epidemic”, VAT will be levied at a reduced rate of 1% for small-scale taxpayers during the epidemic period.

Note 4: In accordance with the regulation of the Circular of the Ministry of Finance and the State Administration of Taxation on the Policy of Simplified and Consolidated VAT Levy Rate (Caishui (2014) No. 57), the sales revenue of Qingyuan Haibei Biotechnology Co., Ltd. and Sichuan Hailinger Biopharmaceutical Co., Ltd. of the subsidiaries of the Company that meet the requirements are subject to VAT at a simplified rate of 3% and other taxable income is subject to VAT at the applicable tax rate.

Note 5: In accordance with the regulation of the Announcement of Related Policies on Further Reformation of Value-added Tax by the Ministry of Finance, State Taxation Administration and General Administration of Customs (Ministry of Finance, State Taxation Administration General Administration of Customs Announcement 2019 No. 39), the VAT rate changed to 13% and 9% since April 1, 2019 for those taxable sales that were formerly subject to 16% and 10%, respectively.

Note 6: In accordance with the VAT regulation of the Socialist Republic of Vietnam, feed and feed-related industries are exempted from VAT since 2016. The freezer rental revenue from SHENG LONG BIO-TECH INTERNATIONAL CO., LTD, a company incorporated in Vietnam, is subject to VAT at 10%.

2. Corporate Income Tax

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangdong Haid Group Co., Limited	Guangdong Haid	15	Note 1
Guangzhou Runchuan Investment Co., Ltd.	Guangzhou Runchuan	25	
Guangzhou Yitun Swine Industry Investment Co., Ltd.	Guangzhou Yitun	25	
Enping Fengwo Agriculture and Animal Husbandry Co., Ltd.	Enping Fengwo	12.5, exempt from income tax	Note 2, 3
Yangxi Fengwo Ecological Agriculture Co., Ltd.	Yangxi Fengwo	Exempt from income tax	Note 2
Yangjiang Yangdong Fengwo Agriculture and Animal Husbandry Co., Ltd.	Yangdong Fengwo	Exempt from income tax	Note 2
Enping Yitun Ecological Agriculture Co., Ltd.	Enping Yitun	Exempt from income tax	Note 2
Gaozhou Sanhe Animal Husbandry Co., Ltd.	Gaozhou Sanhe	Exempt from income tax	Note 2
Yingde Yitun Ecological Agriculture Co., Ltd.	Yingde Yitun	Exempt from income tax	Note 2
Hunan Yitun Ecological Agriculture Co., Ltd.	Hunan Yitun	Exempt from income tax	Note 2
Hengyang County Jisheng Agriculture and Animal Husbandry Development Co., Ltd.	Hengyang Jisheng	Exempt from income tax	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
Yueyang Yitun Agriculture and Animal Husbandry Co., Ltd.	Yueyang Yitun	Exempt from income tax	Note 2
Yueyang Fengtun Ecological Agriculture Co., Ltd.	Yueyang Fengtun	Exempt from income tax	Note 2
Guigang Qintang District Yitun Ecological Agriculture Co., Ltd.	Qintang Yitun	Exempt from income tax	Note 2
Pingnan Yitun Ecological Agriculture Co., Ltd.	Pingnan Yitun	Exempt from income tax	Note 2
Pingguo Yitun Ecological Agriculture Co., Ltd.	Pingguo Yitun	Exempt from income tax	Note 2
Guiping Yitun Ecological Agriculture Co., Ltd.	Guiping Yitun	Exempt from income tax	Note 2
Hengyang Yitun Ecological Agriculture Co., Ltd.	Hengyang Yitun	Exempt from income tax	Note 2
Hengshan Yitun Ecological Agriculture Co., Ltd.	Hengshan Yitun	Exempt from income tax	Note 2
Guigang Gangbei District Yitun Ecological Agriculture Co., Ltd.	Gangbei Yitun	Exempt from income tax	Note 2
Duyun Yitun Ecological Agriculture Co., Ltd.	Duyun Yitun	Exempt from income tax	Note 2
Rongjiang County Yitun Ecological Agriculture Co., Ltd.	Rongjiang Yitun	Exempt from income tax	Note 2
Binyang Yitun Ecological Agriculture Co., Ltd.	Binyang Yitun	Exempt from income tax	Note 2
Yicheng Yitun Ecological Agriculture Co., Ltd.	Yicheng Yitun	Exempt from income tax	Note 2
Zixing Yitun Ecological Agriculture Co., Ltd.	Zixing Yitun	Exempt from income tax	Note 2
Changning Yitun Ecological Agriculture Co., Ltd.	Changning Yitun	Exempt from income tax	Note 2
Guigang Donghuang Breeding And Breeding Co., Ltd.	Guigang Donghuang	Exempt from income tax	Note 2
Shaoguan Zhenjiang Yitun Ecological Agriculture Co., Ltd.	Zhenjiang Yitun	Exempt from income tax	Note 2
Shandong Yitun Ecological Agriculture Co., Ltd.	Shandong Yitun	Exempt from income tax	Note 2
Laizhou Zhizhu Animal Husbandry Co., Ltd.	Laizhou Zhizhuren	Exempt from income tax	Note 2
Qinzhou Yitun Ecological Agriculture Co., Ltd.	Qinzhou Yitun	Exempt from income tax	Note 2
Feicheng He Ruifeng Agricultural Science And Technology Co., Ltd.	Feicheng Heruifeng	Exempt from income tax	Note 2
Weifang Xuheng Agricultural Science And Technology Co., Ltd.	Weifang Xuheng	Exempt from income tax	Note 2
Gaotang Huayu Swine Co., Ltd.	Gaotang Huayu	Exempt from	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
		income tax	
Ganong (Lianyungang) Animal Husbandry Technology Co., Ltd.	Jianong Lianyungang	Exempt from income tax	Note 2
Guizhou Aikexin Swine Breeding Co., Ltd.	Guizhou Aikexin	Exempt from income tax	Note 2
Binyang County Hejiyitun Ecological Agriculture Co., Ltd.	Binyang Heji Yitun	Exempt from income tax	Note 2
Qinzhou Qinnan Yitun Ecological Agriculture Co., Ltd.	Qinzhou Qinnan Yitun	Exempt from income tax	Note 2
Huayuan Yitun Ecological Agriculture Co., Ltd.	Huayuan Yitun	Exempt from income tax	Note 2
Baojing County Yitun Ecological Agriculture Co., Ltd.	Baojing Yitun	Exempt from income tax	Note 2
Yingde Yitun Pig Breeding Co., Ltd.	Yingde Yitun	Exempt from income tax	Note 2
Hengnan Yitun Ecological Agriculture Co., Ltd.	Hengnan Yitun	Exempt from income tax	Note 2
Lianzhou Yitun Ecological Agriculture Co., Ltd.	Lianzhou Yitun	Exempt from income tax	Note 2
Longan County Yitun Ecological Agriculture Co., Ltd.	Longan Yitun	Exempt from income tax	Note 2
Youxian Yitun Ecological Agriculture Co., Ltd.	Youxian Yitun	Exempt from income tax	Note 2
Wengyuan County Yitun Pig Breeding Co., Ltd.	Wengyuan Yitun	Exempt from income tax	Note 2
Fufeng County Yitun Ecological Agriculture Co., Ltd.	Fufeng Yitun	Exempt from income tax	Note 2
Linyou Yitun Ecological Agriculture Co., Ltd.	Linyou Yitun	Exempt from income tax	Note 2
Laibin Yitun Ecological Agriculture Co., Ltd.	Laibin Yitun	Exempt from income tax	Note 2
Yantai Yitun Ecological Agriculture Co., Ltd.	Yantai Yitun	Exempt from income tax	Note 2
Yantai Zhizhuren Animal Husbandry Co., Ltd.	Yantai Zhizhuren	Exempt from income tax	Note 2
Guiyang Yitun Ecological Agriculture Co., Ltd.	Guiyang Yitun	Exempt from income tax	Note 2
Guangdong Yiheng Investment Co., Ltd.	Guangdong Yiheng	25	
Gaozhou Haiyuan Agriculture Co., Ltd.	Gaozhou Haiyuan	Exempt from income tax	Note 2
Ruyuan County Yitun Pig Breeding Co., Ltd.	Ruyuan Yitun	Exempt from income tax	Note 2
Luoding Yitun Ecological Agriculture Co., Ltd.	Luoding Yitun	Exempt from income tax	Note 2
Wugang Yitun Ecological Agriculture Co., Ltd.	Wugang Yitun	Exempt from	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
		income tax	
Hunan Yitun Technology Co., Ltd.	Hunan Yitun Tech.	Exempt from income tax	Note 2
Guangzhou Haiwei Feed Co., Ltd.	Guangzhou Haiwei	25	
Guangzhou Rongchuan Feed Co., Ltd.	Guangzhou Rongchuan	25	
Foshan Haihang Feed Co., Ltd.	Foshan Haihang	25	
Maoming Haihang Feed Co., Ltd.	Maiming Haihang	25	
Guangzhou Dachuan Feed Co., Ltd.	Guangzhou Dachuan	25	
Hubei Haid Feed Co., Ltd.	Hubei Haid	25	
Guangdong Hinter Biotechnology Group Co., Ltd.	Guangdong Hinter	15	Note 1
Guangzhou Haishengyuan Biotechnology Co., Ltd.	Guangzhou Haishengyuan	20	Note 18
Guangzhou Mutai Feed Technology Co., Ltd.	Guangzhou Mutai	20	Note 18
Guangzhou Haiyiyuan Biotechnology Co., Ltd.	Guangzhou Haiyiyuan	20	Note 18
Shaanxi Haid Agriculture and Animal Husbandry Co., Ltd.	Shanxi Haid	Exempt from income tax	Note 2
Yangling Haid Feed Co., Ltd.	Yangling Haid	25	
Gansu Haid Feed Co., Ltd.	Gansu Haid	15, exempt from income tax	Note 2, 7
Weinan Haid Feed Co., Ltd.	Weinan Haid	20	Note 18
Wuwei Haid Feed Co., Ltd.	Wuwei Haid	25	
Baoji Haid Agriculture and Animal Husbandry Co., Ltd.	Baoji Haid	25	
Hunan Haid Bio-Feed Co., Ltd.	Hunan Haid	25, 12.5	Note 3
Guangzhou Haihe Feed Co., Ltd.	Guangzhou Haihe	25	
Liaocheng Haixin Enterprise Management Consulting Co., Ltd.	Liaocheng Haixin	20	Note 18
Anyang Haiyue Feed Technology Co., Ltd.	Anyang Haiyue	20	Note 18
Zoucheng Haiyue Enterprise Management Consulting Co., Ltd.	Zoucheng Haiyue	20	Note 18
Yinan Haiyue Biotechnology Co., Ltd.	Yinan Haiyue	20	Note 18
Lanzhou Haid Feed Co., Ltd.	Lanzhou Haid	25	
Yichang Zhihai Feed Co., Ltd.	Yichang Zhihai	25	
Foshan Haipu Feed Co., Ltd.	Foshan Haipu	25	
Qingyuan Haibei Biotechnology Co., Ltd.	Qingyuan Haibei	15	Note 1
Zhanjiang Haid Feed Co., Ltd.	Zhanjiang Haid	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Jiangmen Haid Feed Co., Ltd.	Jiangmen Haid	15	Note 1
Chengdu Haid Biotechnology Co., Ltd.	Chengdu Haid	25	
Taizhou Haid Bio-Feed Co., Ltd.	Taizhou Haid	25, 12.5	Note 3
Jingzhou Haid Feed Co., Ltd.	Jingzhou Haid	25	
Ezhou Haid Feed Co., Ltd.	Ezhou Haid	25	
Dongguan Haid Feed Co., Ltd.	Dongguan Haid	25	
Fujian Haid Feed Co., Ltd.	Fujian Haid	25	
Zhejiang Haid Feed Co., Ltd.	Zhejiang Haid	25	
Guangxi Haid Feed Co., Ltd.	Guangxi Haid	25	
Kinghill Holdings Pte.Ltd.	Kinghill Holdings	17	Note 12
Kinghill Pte.Ltd.	Kinghill Pte.	17	Note 12
Haid Egypt Co.,Ltd	Haid Egypt Co.,Ltd	22.5	Note 21
Kinghill Resources Pte.Ltd.	Kinghill Resources	17	Note 12
Vinh Long Hailianke Biotechnology Co., Ltd	Vinh Long Hailianke	Exempt from income tax	Note 10
Kinghill Agri Pte.Ltd.	Kinghill Agri	17	Note 12
Pt.Haida Agriculture Indonesia	Haida Indonesia	22	Note 19
Pt.Haida Surabaya Trading	Haida Surabaya	22	Note 19
Pt Hisenor Technology Indonesia	PT Hisenor Technology Indonesia	22	Note 19
Haid Feed Bangladesh Limited	Bangladesh Haid	25	Note 25
Jiangxi Haid Feed Co., Ltd.	Jiangxi Haid	25	
Guangzhou Haid Feed Co., Ltd.	Guangzhou Haid	25	
Guangdong Hisenor Group Co., Ltd.	Guangdong Hisenor	12.5	Note 3
Zhanjiang Hisenor Marine Biotechnology Co., Ltd.	Zhanjiang Hisenor	12.5	Note 3
Zhanjiang Haijingzhou Marine Biotechnology Co., Ltd.	Zhanjiang Haijingzhou	12.5	Note 3
Hainan Hisenor Marine Biotechnology Co., Ltd.	Hainan Hisenor	12.5	Note 3
Jingtai Haijingzhou Fishery Technology Co., Ltd.	Jingtai Haijingzhou	12.5	Note 3
Yongji Haijingzhou Fishery Science And Technology Co., Ltd.	Yongji Haijingzhou	12.5	Note 3
Yuncheng Haishengyuan Fishery Technology Co., Ltd.	Yuncheng Haishengyuan	12.5	Note 3
Zhangzhou Haijingzhou Marine Biotechnology Co., Ltd.	Zhangzhou Haijingzhou	12.5	Note 3
Changyi Haijingzhou Biological Technology Co., Ltd.	Changyi Haijingzhou	12.5	Note 3

Taxpayer	Abbreviation	Income tax rate (%)	Note
Nantong Haijingzhou Biological Technology Co., Ltd.	Nantong Haijingzhou	12.5	Note 3
Shanwei Haijingzhou Marine Biological Technology Co., Ltd.	Shanwei Haijingzhou	12.5	Note 3
Guangzhou Haijingzhou Food Co., Ltd.	Guangzhou Haijingzhou	25	
Dongying Haijingzhou Biotechnology Co., Ltd.	Dongying Haijingzhou	12.5	Note 3
Shanwei Haizenong Marine Biotechnology Co., Ltd.	Shanwei Haizenong	12.5	Note 3
Rongcheng Rongchuan Biotechnology Co., Ltd.	Rongcheng Rongchuan	25	
Rongcheng Yandun Horn Fish Meal Co., Ltd.	Rongcheng Yandunjiao	25, exempt from income tax	Note 4
Fujian Haisheng Feed Co., Ltd.	Fujian Haidun	25, exempt from income tax	Note 5
Zhenyuan Haisheng Protein Feed Co., Ltd.	Zhenyuan Haisheng	25	
Pucheng Haisheng Feed Co., Ltd.	Pucheng Haidun	25, exempt from income tax	Note 5
Xinjiang Xiyu Haihua Products Co., Ltd.	Xiyu Haihua	25	
Jinzhou Zhengyuan Grain Trade Co., Ltd.	Jinzhou Zhengyuan	25	
Yingkou Fengmu Agricultural Development Co., Ltd.	Yingkou Fengmu	25	
Guangzhou Haiyou Trade Co., Ltd.	Guangzhou Haiyou	20	Note 18
Ningbo Fengmu Agricultural Development Co., Ltd.	Ningbo Fengmu	25	
Sanya Fengmu Agricultural Development Co., Ltd.	Sanya Fengmu	15	Note 22
Guangzhou Anan Logistics Co., Ltd.	An'an Logistics	25	
Xiyu Haisheng (Guangzhou) Supply Chain Co., Ltd.	Xiyu Haisheng	25	
Jilin Haid Rongchuan Trading Co., Ltd.	Jilin, Rongchuan	25	
Maoming Hailong Feed Co., Ltd.	Maoming Hailong	25	
Nanchang Haid Biotechnology Co., Ltd.	Nanchang Haid	25	
Zhuhai Rongchuan Feed Co., Ltd.	Zhuhai Rongchuan	15	Note 1
Jieyang Haid Feed Co., Ltd.	Jieyang Haid	25	
Zhuhai Ronghai Breeding Technology Co., Ltd.	Zhuhai Ronghai	12.5	Note 3
Foshan Sanshuifanling Feed Co., Ltd.	Sanshuifanling	25	
Dalian Haid Rongchuan Trading Co., Ltd.	Dalian Haid	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Haid International Group Limited	Haid International	8.25, exempt from income tax	Note 20
China Haida Feed Group(HK)Limited	Haida HK	16.5, exempt from income tax	Note 9
Rickworth Investments Limited	Rickworth	Exempt from income tax	Note 8
Hong Kong Longreat Trading Co., Limited	Hong Kong Longreat	16.5	Note 9
Haid Feed Company Limited	Dong Nai Haid	7.5	Note 10
Dong Nai Haid Farm Company Limited	Dong Nai Haid Breeding	15	Note 10
Dancl Limited	Dancl	16.5	Note 9
Panasia Trading Resources Limited	Panasia Trading	Exempt from income tax	Note 8
Sheng Long International Ltd.	Sheng Long International	Exempt from income tax	Note 8
Sheng Long Bio-Tech International Co.,Ltd	Sheng Long Bio-Tech	20, 17, 10	Note 10
Long Sheng International Co.,Ltd	Long Sheng International	20, 10	Note 10
Hisenor International Limited	Hisenor International	Exempt from income tax	Note 8
Hisenor Viet Nam Aquatic Breeding Co.,Ltd	Hisenor Vietnam	Exempt from income tax	Note 10
Kembang Subur International Ltd.	Kembang Subur International	24	Note 11
Namduong Vietnam Aquatic Hatchery Co.,Ltd.	Namduong Vietnam	Exempt from income tax	Note 10
Sheng Long Bio Tech(M)Sdn.Bhd.	Sheng Long Malaysia	24	Note 11
Prime World Co., Ltd.	Ding Sheng International	24	Note 11
Taiwan Shenglong Biotechnology Co., Ltd.	Taiwan Sheng Long	20	Note 23
Sheng Long Aqua Technology (M) Sdn. Bhd.	Sheng Long Aquatic Malaysia	24	Note 11
Nano South Limited	Nano	Exempt from income tax	Note 8
Oceanic Forward Ventures Limited	Oceanic	Exempt from income tax	Note 8
Power Spring Investments Limited	Power Spring	Exempt from income tax	Note 8
Link Tide Limited	Link	Exempt from	Note 8

Taxpayer	Abbreviation	Income tax rate (%)	Note
		income tax	
Thang Long(Vinh Long)Biotech Co.,Ltd.	Vinh Long Shenglong	Exempt from income tax	Note 10, 28
Changzhou Haid Bio-Feed Co., Ltd.	Changzhou Haid	25, 12.5	Note 3
Tianjin Haid Feed Co., Ltd.	Tianjin Haid	25	
Jiangmen A&T Xinhui Feed Co., Ltd.	A&T Xinhui	25	
Tianmen Haid Feed Co., Ltd.	Tianmen Haid	25	
Zhuhai Hailong Biotechnology Co., Ltd.	Zhuhai Hailong	15	Note 1
Yangjiang Haid Feed Co., Ltd.	Yangjiang Haid	25	
Guigang Haid Feed Co., Ltd.	Guigang Haid	25	
Yiyang Haid Feed Co., Ltd.	Yiyang Haid	25	
Nantong Haid Biotechnology Co., Ltd.	Nantong Haid	25	
Yunnan Haid Biotechnology Co., Ltd.	Yunnan Haid	15	Note 1
Guangzhou Hailong Feed Co., Ltd.	Guangzhou Hailong	20	Note 18
Zhaoqing Haid Feed Co., Ltd.	Zhaoqing Haid	25	
Wuhan Aquaera Biotechnology Co., Ltd.	Wuhan Aquaera	20	Note 18
Shenzhen Longreat Trading Co., Ltd.	Shenzhen Longreat	25	
Lanking Pte.Ltd.	Lanking	17	Note 12
Haid Lanking International Trading Inc.	Lanking America	13	Note 13
Lanking Nemo(Sg) Pte.Ltd.	Lanking Nemo	17	Note 12
Shenglong Bio-Tech(India)Private Limited	Sheng Long India	25	Note 14
Lanking Rickworth Pte.Ltd.	Lanking Rickworth	17	Note 12
Haidmarino Cia.Ltda.	Haidmarino Cia.Ltda	Exempt from income tax	Note 17
Lanking Nano Pte.Ltd.	Lanking Nano	17	Note 12
Hai Duong Haid Company Limited	Hai Duong Haid	8.5	Note 10
Hai Dai Company Limited	Hai Dai Company Limited	15	Note 10
Vinh Long Hai Dai Co.,Ltd	Vinh Long Hai Dai	Exempt from income tax	Note 10
Binh Dinh Hai Long Co.,Ltd	Binh Dinh Hailong	Exempt from income tax	Note 10
Coreseed Aquaculture(Guam) Corporation	Guam Xingyuan	21	Note 24
Hunan Dongting Haid Feed Co., Ltd.	Dongting Haid	25	
Zhangzhou Haid Feed Co., Ltd.	Zhangzhou Haid	25	
Anhui Haid Feed Co., Ltd.	Anhui Haid	25	
Xiangtan Haid Feed Co., Ltd.	Xiangtan Haid	25	
Guangzhou Changsheng Logistics Co., Ltd.	Changsheng Logistics	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangzhou Cangyouliang Trading Co., Ltd.	Guangzhou Cangyouliang	20	Note 18
Guangzhou Zhongcangsheng Commercial & Trading Co., Ltd.	Guangzhou Zhongcangsheng	25	
Guangzhou Danong Enterprise Management Co., Ltd.	Guangzhou Danong	25	
Chengnan Development Zone Hairong Livestock Farming Service Specialized Cooperative	Chengnan Hairong	20, exempt from income tax	Note 16, 18
Zhangzhou Longwen Hairong Farming Service Specialized Cooperative	Zhangzhou Hairong	Exempt from income tax	Note 15
Guangzhou Haifengchang Enterprise Management Co., Ltd.	Guangzhou Haifengchang	20	Note 18
Shandong Haiding Agriculture and Animal Husbandry Co., Ltd.	Shandong Haiding	25	
Suixian Yuliang Haiding Feed Co., Ltd.	Suixian Haiding	25	
Suixian Haiding Veterinary Service Co., Ltd.	Suixian Haiding	Exempt from income tax	Note 2
Yuncheng Haiding Hongda Feed Co., Ltd.	Yuncheng Haiding	25	
Yuncheng Haiding Veterinary Service Co., Ltd.	Yuncheng Haiding	Exempt from income tax	Note 2
Jinan Haiding Farming And Animal Husbandry Co., Ltd.	Jinan Haiding	25	Note 27
Liaocheng Haiding Feed Co., Ltd.	Liaocheng Haiding	25	
Shanxian Zhongyi Haiding Feed Co., Ltd.	Shanxian Haiding	25	
Jinan Haiding Veterinary Service Co., Ltd.	Jinan Haiding	Exempt from income tax	Note 2
Xinxiang Haiding Feed Co., Ltd.	Xinxiang Haiding	25	
Xinxiang Hairuida Feed Co., Ltd.	Xinxiang Hairuida	20	Note 18
Heze Haiding Feed Technology Co., Ltd.	Heze Haiding	15	Note 1
Heze Haiding Veterinary Service Co., Ltd.	Heze Haiding	Exempt from income tax	Note 2
Jining Haiding Feed Co., Ltd.	Jining Haiding	25	
Jining Haiding Veterinary Service Co., Ltd.	Jining Haiding	Exempt from income tax	Note 2
Sishui Dingxin Veterinary Service Co., Ltd.	Sishui Dingxin	Exempt from income tax	Note 2
Feixian Hairuida Feed Co., Ltd.	Feixian Hairuida	25	
Feixian Hairuida Veterinary Service Co., Ltd.	Feixian Hairuida	Exempt from income tax	Note 2
Yinan Haiding Feed Co., Ltd.	Yinan Haiding	25	
Yinan Haiding Veterinary Service Co., Ltd.	Yinan Haiding	Exempt from income tax	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
Jinan Fengcheng Agriculture and Animal Husbandry Co., Ltd.	Jinan Fengcheng	25	
Tengzhou Fengcheng Feed Co., Ltd.	Tengzhou Fengcheng	25	
Binzhou Haiding Feed Co., Ltd.	Binzhou Haiding	25	
Binzhou Haiding Veterinary Service Co., Ltd.	Binzhou Haiding	Exempt from income tax	Note 2
Jining Fengcheng Feed Co., Ltd.	Jining Fengcheng	20	Note 18
Dong'e Dingxin Farming Service Co., Ltd.	Dong'e Dingxin	Exempt from income tax	Note 2
Heze Haiding Ecological Farming Co., Ltd.	Heze Haiding Breeding	Exempt from income tax	Note 2
Linyi Haiding Feed Technology Co., Ltd.	Linyi Haiding	25	
Linyi Hedong Haiding Agriculture and Animal Husbandry Development Co., Ltd.	Linyi Hedong Haiding	25	
Junan Haiding Feed Co., Ltd.	Junan Haiding	25	
Junan Haiding Veterinary Service Co., Ltd.	Junan Haiding	Exempt from income tax	Note 2
Sihong Haiding Feed Co., Ltd.	Sihong Haiding	25	
Linyi Dingxin Farming Co., Ltd.	Linyi Dingxin	Exempt from income tax	Note 2
Linyi Haiding Veterinary Service Co., Ltd.	Linyi Haiding	Exempt from income tax	Note 2
Liaocheng Haiding Veterinary Service Co., Ltd.	Liaocheng Haiding	Exempt from income tax	Note 2
Henan Haiding Feed Co., Ltd.	Henan haiding	25	
Qingzhou Haidinghe Xinsheng Feed Co., Ltd.	Qingzhou Haiding	25	
Linyi Haiding Lusheng Feed Co., Ltd.	Linyi Haiding Lusheng	20	Note 18
Qinggang Feng Chengbai Zun Feed Co., Ltd.	Qinggang Fengcheng Bozun	20	Note 18
Suihua Feng Chengbaizun Feed Co., Ltd.	Suihua Fengcheng Bozun	20	Note 18
Chengwu Fengcheng Feed Co., Ltd.	Chengwu Fengcheng	20	Note 18
Weifang Binhai Haiding Feed Co., Ltd.	Binhai Haiding	25	
Linyi Dinghao Breeding Co., Ltd.	Linyi Dinghao	Exempt from income tax	Note 2
Dongying Dinghao Farming Co., Ltd.	Dongying Dinghao	Exempt from income tax	Note 2
Xuzhou Hairuida Feed Co., Ltd.	Xuzhou Hairuida	25	
Xuzhou Zhongyi Haiding Agriculture and Animal Husbandry Co., Ltd.	Xuzhou Zhongyi Haiding	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Lanling Haiding Hekangyuan Agriculture and Animal Husbandry Co., Ltd.	Lanling Haiding	25	
Gaotang Haiding Agriculture and Animal Husbandry Co., Ltd.	Gaotang Haiding	25	
Jiangsu Fengcheng Technology Co., Ltd.	Jiangsu Fengcheng	25	
Gansu Fengying Technology Co., Ltd.	Gansu Fengying	25	
Xishui Haid Feed Co., Ltd.	Xishui Haid	25	
Yancheng Haid Bio-Feed Co., Ltd.	Yancheng Haid	25	
Honghu Haid Feed Co., Ltd.	Honghu Haid	25	
Kaifeng Haid Feed Co., Ltd.	Kaifeng Haid	25	
Guangzhou Heshengtang Biotechnology Co., Ltd.	Guangzhou Heshengtang Biotechnology	25	
Guangzhou Heshengtang Veterinary Pharmaceutical Co., Ltd.	Guangzhou Heshengtang Pharmaceutical	25	
Guangdong Haid Livestock Veterinary Research Institute Co., Ltd.	Haid Livestock Veterinary Research Institute	25	
Henan Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Henai Haihe	25	
Xuchang Haihe Feed Co., Ltd.	Xuchang Haihe	20	Note 18
Anyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Anyang Haihe	25	
Jiyuan Haihe Jinyu Feed Co., Ltd.	Jiyuan Haihe	25	
Henan Mugaole Feed Co., Ltd.	Henan Mugaole	25	
Henan Haihehouyi Agriculture and Animal Husbandry Technology Co., Ltd.	Henan Haihehouyi	25	
Suqian Haid Feed Co., Ltd.	Suqian Haid	25	
Huaihua Haid Feed Co., Ltd.	Huaihua Haid	25	
Guangzhou Meinong Investment Management Co., Ltd.	Guangzhou Meinong	20	Note 18
Haid (Ecuador) Feed Cia.Ltda.	Haid Ecuador	Exempt from income tax	Note 17
Guangdong Hairuite Pet Nitribution Technology Co., Ltd.	Guangdong Hairuite	25	
Guangzhou Haijian Investment Co., Ltd.	Guangzhou Haijian	25	
Foshan Nanhai Bairong Aquatic Farming Co., Ltd.	Nanhai Bairong	12.5	Note 3
Zhaoqing Bairong Aquatic Farming Co., Ltd.	Zhaoqing Bairong	12.5	Note 3
Yangxin Bairong Aquatic Farming Co., Ltd.	Yangxin Bairong	12.5	Note 3
Jingzhou Bairong Aquatic Farming Co., Ltd.	Jingzhou Bairong	12.5	Note 3

Taxpayer	Abbreviation	Income tax rate (%)	Note
Shandong Bairong Fisheries Fine Seed Co., Ltd.	Shandong Bairong	12.5	Note 3
Hainan Bairong Aquatic Products Co., Ltd.	Hainan Bairong	12.5	Note 3
Zhaoqing Baishengyuan Aquatic Products Co., Ltd.	Zhaoqing Baishengyuan	12.5	Note 3
Qingyuan Baishengyuan Aquatic Seed Co., Ltd.	Qingyuan Baishengyuan	12.5	Note 3
Hunan Innovation Biotechnology Limited	Hunan Innovation	15	Note 1
Guangzhou Haishengke Investment Co., Ltd.	Guangzhou Haishengke	25	
Sichuan Hailinger Biopharmaceutical Co., Ltd.	Sichuan Hailinger	25	
Sanming Haid Feed Co., Ltd.	Sanming Haid	25	
Qingyuan Haid Biotechnology Co., Ltd.	Qingyuan Haid	25	
Qingyuan Hainong Agriculture and Animal Husbandry Co., Ltd.	Qingyuan Hainong	Exempt from income tax	Note 2
Xuancheng Haid Biotechnology Co., Ltd.	Xuancheng Haid	25	
Guangdong Shunde Haid Biotechnology Co., Ltd.	Shunde Haid	25	
Jiaxing Haid Yongwang Bio-Feed Co., Ltd.	Jiaxing Haid	25	
Shijiazhuang Weike Biotechnology Co., Ltd.	Shijiazhuang Weike	15	Note 1
Chongqing Haid Feed Co., Ltd.	Chongqing Haid	25	
Shenyang Haid Feed Co., Ltd.	Shenyang Haid	15	Note 1
Jiangsu Haihe Agriculture and Animal Husbandry Co., Ltd.	Jiangsu Haihe	20	Note 18
Xuzhou Haihe Feed Co., Ltd.	Xuzhou Haihe	25	
Lianyungang Haihe Feed Co., Ltd.	Lianyungang Haihe	20	Note 18
Xuzhou Haid Hexin Feed Co., Ltd.	Xuzhou Haid	25	
Anshan Dachuan Feed Technology Co., Ltd.	Anshan Dachuan	20	Note 18
Guangzhou Haiyuan Factoring Co., Ltd.	Guangzhou Haiyuan Factoring	25	
Haid Pet Care Co., Ltd.	Haid Pet	25	
Haid Pet Care (Weihai) Co., Ltd.	Weihai Pet	25	
Wuhan Zeyi Investment Co., Ltd.	Wuhan Zeyi	25	
Yibin Zhihai Feed Co., Ltd.	Yibin Zhihai	25	
Meishan Haidzhihai Feed Co., Ltd.	Meishan Zhihai	20	Note 18
Yibin Yucan Veterinary Service Co., Ltd.	Yibin Yucan	Exempt from income tax	Note 2
Ganzhou Haid Biotechnology Co., Ltd.	Ganzhou Haid	25	
Foshan Haid Beacon Feed Co., Ltd.	Foshan Haid	25	
Guangzhou Zecan Investment Management Co.,	Guangzhou Zecan	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Ltd.			
Guangzhou Punong Investment Management Co., Ltd.	Guangzhou Punong	25	
Shandong Fengying Food Co., Ltd.	Shandong Fengying	25	
Jiaxiang Haiying Food Co., Ltd.	Jiaxiang Haiying	Exempt from income tax	Note 6
Linxi Haiying Food Co., Ltd.	Linxi Haiying	Exempt from income tax	Note 6
Yiyuan Haiying Food Co., Ltd.	Yiyuan Haiying	Exempt from income tax	Note 6
Zouping Haiying Food Co., Ltd.	Zouping Haiying	Exempt from income tax	Note 6
Binzhou Haiying Food Co., Ltd.	Binzhou Haiying	Exempt from income tax	Note 6
Dezhou Haiying Food Co., Ltd.	Dezhou Haiying	Exempt from income tax	Note 6
Guangzhou Yannong Investment Management Co., Ltd.	Guangzhou Yuannong	20	Note 18
Guangdong Haid Poverty Alleviation Investment Development Co., Ltd.	Guangdong Haid Poverty Alleviation	25	
Liyang Jiu He Feed Co., Ltd.	Liyang Jiuhe	25	
Shaoguan Haid Biotechnology Co., Ltd.	Shaoguan Haid	25	
Shandong Daxin Group Co., Ltd.	Shandong Daxin	25	
Weifang Daxin Feed Co., Ltd.	Weifang Daxin	25	
Yantai Daxin Feed Co., Ltd.	Yantai Daxin	25	
Linyi Yihe Feed Co., Ltd.	Linyi Yihe	25	
Jiangsu Daxin Feed Co., Ltd.	Jiangsu Daxin	25	
Shandong Daxin Agriculture and Animal Husbandry Technology Co., Ltd.	Shandong Daxin	25	
Qingdao Zhizhu Xia Pig Raising Service Co., Ltd.	Qingdao Zhizhuxia	20	Note 18
Linyi Zhizhuxia Breeding Technology Service Co., Ltd.	Linyi Zhizhuxia	25	
Liaocheng Daxin Feed Co., Ltd.	Liaocheng Daxin	25	
Laiyang Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Laiyang Haihe	25	
Qingdao Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Qingdao Haihe	25	Note 26
Linyi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Linyi Haihe	25	
Yantai Zhizhuren Feed Co., Ltd.	Yantai Zhizhuren Feed	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Gaomi Haihe Agriculture and Animal Husbandry Technology Co., Ltd.	Gaomi Haihe	25	
Qingdao Huaxin Feed Co., Ltd.	Qingdao Huaxin	25	
Huaian Hailong Feed Co., Ltd.	Huai'an Hailong	25	
Hunan Jinhuilong Technology Co., Ltd.	Hunan Jinhuilong	25	
Yueyang Jinhuilong Biological Technology Co., Ltd.	Yueyang Jinhuilong	25	
Jiaozuo Jinhuilong Biological Technology Co., Ltd.	Jiaozuo Jinhuilong	25	
Shijiazhuang Huilong Feed Co., Ltd.	Shijiazhuang Huilong	25	
Handan Huilong Feed Co., Ltd.	Handan Huilong	20	Note 18
Huilong Feed Co., Ltd.	Huai'an Huilong	20	Note 18
Fuzhou Haid Feed Co., Ltd.	Fuzhou Haid	25	
Zhaoqing Gaoyao Haid Biological Technology Co., Ltd.	Gaoyao Haid	25	
Nanning Haid Biotechnology Co., Ltd.	Nanning Haid	25	
Ganzhou Hailong Feed Co., Ltd.	Ganzhou Hailong	25	
Guangzhou Haiyuan Microfinance Co., Ltd.	Guangzhou Haiyuan Micro-Credit	25	
Guangdong Haid Biotechnology Co., Ltd.	Guangdong Haid Biological Technology	20	Note 18
Jiangmen Rongchuan Feed Co., Ltd.	Jiangmen Rongchuan	25	
Chongqing Zhihai Feed Co., Ltd.	Chongqing Zhihai	25	
Meizhou Haid Biotechnology Co., Ltd.	Meizhou Haid	25	
Yicheng Haid Biological Technology Co., Ltd.	Yicheng Haid	25	
Heshan Ronghai Feed Co., Ltd.	Heshan Ronghai	25	
Hexian Haid Biotechnology Co., Ltd.	Hexian Haid	25	
Pingnanhai Da Feed Co., Ltd.	Pingnan Haid	25	
Guangzhou Shunkang Aquaculture Co., Ltd.	Guangzhou Shunkang	25	
Tianjin Rongchuan Feed Co., Ltd.	Tianjin Rongchuan	25	
Zhanjiang Rongda Feed Co., Ltd.	Zhanjiang Rongda	25	
Huainan Haid Biological Feed Co., Ltd.	Huainan Haid	25	
Maoming Haid Biological Technology Co., Ltd.	Maoming Haid	25	
Guangzhou Ronghai Breeding Technology Co., Ltd.	Guangzhou Ronghai	20	Note 18
Zhongshan City Seawater Production And Aquaculture Co., Ltd.	Zhongshan Ronghai	12.5	Note 3

Taxpayer	Abbreviation	Income tax rate (%)	Note
Guangzhou Rongda Aquatic Products Technology Co., Ltd.	Guangzhou Rongda	12.5	Note 3
Jiangmen Ronghai Aquaculture Technology Co., Ltd.	Jiangmen Ronghai	12.5	Note 3
Zhongshan Yugezi Food Co., Ltd.	Zhongshan Yugezi	25, exempt from income tax	Note 6
Guangxi Ronghai Fishery Co., Ltd.	Guangxi Ronghai	12.5	Note 3
Zhongshan Rongda Aquatic Seed Co., Ltd.	Zhongshan Rongda	12.5	Note 3
Sichuan Rongchuan Feed Co., Ltd.	Sichuan Rongchuan	25	
Yulin Haid Feed Co., Ltd.	Yulin Haid	25	
Sichuan Haile Agriculture and Animal Husbandry Co., Ltd.	Sichuan Haile	25	
Yichang Zhihai Agriculture and Animal Husbandry Co., Ltd.	Yichang Agriculture and Animal Husbandry	25	
Mianyang Zhonggui Feed Co., Ltd.	Mianyang Zhonggui	25	
Dali Haiwang Feed Co., Ltd.	Dali Haiwang	20	Note 18
Dali Haizhi Trade Co., Ltd.	Dali Haizhi	20	Note 18
Yunnan Zhonggui Feed Co., Ltd.	Yunnan Zhonggui	20	Note 18
Chongqing Haizhi Feed Co., Ltd.	Chongqing Haizhi	20	Note 18
Chongqing Hainong Veterinary Service Co., Ltd.	Chongqing Hainong	Exempt from income tax	Note 2
Guiyang Haid Zhihai Feed Co., Ltd.	Guiyang Zhihai	25	
Qujing Zhihai Feed Co., Ltd.	Qujing Zhihai	25	
Haile (Luliang) Biotechnology Co., Ltd.	Luliang Haile	20	Note 18
Guangzhou Xingnong Ecological Agriculture and Animal Husbandry Development Co., Ltd.	Guangzhou Xingnong	25	
Xinxing County Haifeng Agriculture and Animal Husbandry Co., Ltd.	Xinxing Haifeng	Exempt from income tax	Note 2
Sihui Haifeng Ecological Agriculture Co., Ltd.	Sihui Haifeng	Exempt from income tax	Note 2
Wengyuan Haifeng Ecological Agriculture Co., Ltd.	Wengyuan Haifeng	Exempt from income tax	Note 2
Yingde Haifeng Agriculture and Animal Husbandry Co., Ltd.	Yingde Haifeng Agri.	Exempt from income tax	Note 2
Qingyuan Haichuan Food Co., Ltd.	Qingyuan Haichuan	Exempt from income tax	Note 6
Ezhou Haifeng Ecological Agriculture Co., Ltd.	Ezhou Haifeng	Exempt from income tax	Note 2
Yingde Haifeng Ecological Agriculture Co., Ltd.	Yingde Haifeng	Exempt from	Note 2

Taxpayer	Abbreviation	Income tax rate (%)	Note
		income tax	
Qingyuan Ronghai Breeding Technology Co., Ltd.	Qingyuan Ronghai	12.5, exempt from income tax	Note 3, 6
Guangzhou Haiyin Financing Guarantee Co., Ltd.	Guangzhou Haiyin	25	
Qinzhou Hailong Feed Co., Ltd.	Qinzhou Hailong	25	
Hainan Haid Biotechnology Co., Ltd.	Hainan Haid	25	
Liuzhou Haid Feed Co., Ltd.	Liuzhou Haid	25	
Jiangsu Dachuan Biotechnology Co., Ltd.	Jiangsu Dachuan	25	
Zhaoqing Ronghai Aquaculture Technology Co., Ltd.	Zhaoqing Ronghai	12.5	Note 3
Gaoan Haid Biotechnology Co., Ltd.	Gaoan Haid	25	
Shanghai Gaohaid Biotechnology Co., Ltd.	Shanggao Haid	25	
Qingyuan Hailong Biological Technology Co., Ltd.	Qingyuan Hailong	25	
Guangdong Qingyuan Guanghong Feed Co., Ltd.	Qingyuan Guanghong	20	Note 18
Guangdong Haid International Trade Co., Ltd.	Guangdong Haid International Trading	25	
Guangzhou Nansha Haid Biotechnology Co., Ltd.	Nansha Haid	25	
Yancheng Haiwei Biological Technology Co., Ltd.	Yancheng Haiwe	25	
Hainan Haid Aquatic Seed Industry Development Co., Ltd.	Hainan Haid Seed	12.5	Note 3
Wuzhou Haid Biotechnology Co., Ltd.	Wuzhou Haid	25	
Dongguan Haiqi Feed Co., Ltd.	Dongguan Hailin	25	
Zhangzhou Haiheng Feed Co., Ltd.	Zhangzhou Haiheng	25	
Deyang Dachuan Agriculture and Animal Husbandry Technology Co., Ltd.	Deyang Dachuan	25	
Mianyang Hailong Feed Co., Ltd.	Mianyang Hailong	25	
Meishan Haid Biotechnology Co., Ltd.	Meishan Haid	25	
Guangzhou Nongzhidao Feed Co., Ltd.	Guangzhou Nongzhidao	25	
Yingkou Dachuan Feed Technology Co., Ltd.	Yingkou Dachuan	25	
Jiesou Haid Feed Co., Ltd.	Jieshou Haid	25	
Anlu Haid Feed Co., Ltd.	Anlu Haid	25	
Jingzhou Haihe Biological Technology Co., Ltd.	Jinzhou Haihe	25	
Guangzhou Chenzhao Investment Co., Ltd.	Guangzhou	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
	Chenzhao		
Hainan Zhuangmei Agriculture and Animal Husbandry Co., Ltd.	Hainan Zhuangmei	25	
Yancheng Runchuan Agricultural Science And Technology Co., Ltd.	Yancheng Runchuan	12.5	Note 3
Zigong Hailong Biological Technology Co., Ltd.	Zigong Hailong	25	
Jiangxi Jiabo Biological Engineering Co., Ltd.	Jiangxi Jiabo	25	
Jiangxi Gunan Herbal Science And Technology Collaborative Innovation Co., Ltd.	Jiangxi Gunanbencao	25	
Jiangxi Renxin Tang Biotechnology Co., Ltd.	Jiangxi Renxintang	25	
Guangxi Rongchuan Feed Co., Ltd.	Guangxi Rongchuan	20	Note 18
Dali Haid Biotechnology Co., Ltd.	Dali Haid	25	
Guangzhou Haid Technology Development Co., Ltd.	Guangzhou Haid Technology	25	
Heshan Haiwei Feed Co., Ltd.	Heshan Haiwei	25	
Ganzhou Lianduoli Feed Technology Co., Ltd.	Ganzhou Lianduoli	25	
Maoming Haiwei Feed Co., Ltd.	Maoming Haiwei	25	
Yangjiang Haihe Feed Co., Ltd.	Yangjiang Haihe	25	
Leizhou Hailong Biotechnology Co., Ltd.	Leizhou Hailong	25	
Sichuan Hailong Biotechnology Co., Ltd.	Sichuan Hailong	25	
Qinzhou Haiwei Feed Co., Ltd.	Qinzhou Haiwei	25	
Yancheng Rongchuan Biotechnology Co., Ltd.	Yancheng Rongchuan	25	
Nanning Dachuan Biotechnology Co., Ltd.	Nanning Dachuan	25	
Yongzhou Haid Biotechnology Co., Ltd.	Yongzhou Haid	25	
Baotou Haicheng Feed Co., Ltd.	Baotou Haicheng	25	
Jiangsu Haid Biotechnology Co., Ltd.	Jiangsu Haid	25	
Guiyang Haid Biotechnology Co., Ltd.	Guiyang Haid	25	
Wuwei Haimu Biotechnology Co., Ltd.	Wuwei Haimu	25	
Guilin Haid Biotechnology Co., Ltd.	Guilin Haid	25	
Inner Mongolia Haid Feed Co., Ltd.	Inner Mongolia Haid	25	
Guiyang Dachuan Biotechnology Co., Ltd.	Guiyang Dachuan	25	
Xingtai Haid Biotechnology Co., Ltd.	Xingtai Haid	25	
Foshan Lianduoli Feed Co., Ltd.	Foshan Lianduoli	20	Note 18
Guangdong Haifulai Biotechnology Co., Ltd.	Guangdong Haifulai	25	
Liupanshui Haid Biotechnology Co., Ltd.	Liupanshui Haid	25	
Guangdong Haiqi Investment Co., Ltd.	Guangdong Haiqi	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Heze Haiboyoumei Technical Service Co., Ltd.	Heze Haiboyoumei	25	
Hubei Haiqi Technical Service Co., Ltd.	Hubei Haiqi	25	
Kaifeng Haiqi Technical Service Co., Ltd.	Kaifeng Haiqi	25	
Sichuan Haiqi Biotechnology Co., Ltd.	Sichuan Haiqi	25	
Xishui Haiqi Technical Service Co., Ltd.	Xishui Haiqi	25	
Kunming Haiqi Technical Service Co., Ltd.	Kunming Haiqi	25	
Mianyang Haiqi Breeding Technology Service Co., Ltd.	Mianyang Haiqi	25	
Yaan Haiqi Breeding Technology Service Co., Ltd.	Ya'an Haiqi	25	
Nanchang Haiqi Veterinary Medicine Co., Ltd.	Nanchang Haiqi	25	
Hengyang Haiqi Technical Service Co., Ltd.	Hengyang Haiqi	25	
Jingzhou Haiqi Technical Service Co., Ltd.	Jingzhou Haiqi	25	
Jingshan Haiqi Technical Service Co., Ltd.	Jingshan Haiqi	20	Note 18
Huaihua Haiqi Technical Service Co., Ltd.	Huaihua Haiqi	20	Note 18
Jieshou Haiqi Technical Service Co., Ltd.	Jieshou Haiqi	20	Note 18
Guangzhou Haiki Technology Co., Ltd.	Guangzhou Hailin	20	Note 18
Meizhou Haiqi Technology Co., Ltd.	Meizhou Haiqi	20	Note 18
Zhangzhou Haiqi Veterinary Medicine Co., Ltd.	Zhangzhou Haiqi	25	
Maoming Haiqi Technology Co., Ltd.	Maoming Haiqi	20	Note 18
Yangjiang Haiqi Technology Co., Ltd.	Yangjiang Haiqi	20	Note 18
Qingyuan Haiqi Technology Co., Ltd.	Qingyuan Haiqi	25	
Gansu Muqi Agricultural Technology Co., Ltd.	Gansu Muqi	25	
Raoping Haide Biotechnology Co., Ltd.	Raoping Haide	20	Note 18
Yulin Haiqi Biotechnology Co., Ltd.	Yulin Haiqi	20	Note 18
Qinzhou Pubei Haiqi Biotechnology Co., Ltd.	Qinzhou Haiqi	20	Note 18
Xingtai Haiqi Breeding Technology Service Co., Ltd.	Xingtai Haiqi	20	Note 18
Nanning Haililai Biotechnology Co., Ltd.	Nanning Haililai	25	
Shaoyang Haid Feed Co., Ltd.	Shaoyang Haid	25	
Jiangmen Debao Group Co., Ltd.	Jiangmen Debao	25	
Guangzhou Denong Feed Co., Ltd.	Guangzhou Denong	25	
Foshan Dazhi Biotechnology Co., Ltd.	Foshan Dazhi	25	
Taishan Debao Feed Co., Ltd.	Taishan Debao	25	
Maoming Debao Agriculture and Animal Husbandry Co., Ltd.	Maoming Debao	25	
Guangzhou Debaonongshan Feed Co., Ltd.	Guangzhou Debaonongshan	25	

Taxpayer	Abbreviation	Income tax rate (%)	Note
Foshan Hanheng Luggage Manufacturing Co., Ltd.	Foshan Hanheng	25	
Shaoguan Dachuan Biotechnology Co., Ltd.	Shaoguan Dachuan	25	
Liaoning Haid Biotechnology Co., Ltd.	Liaoning Haid	25	
Huai'an Haichang Feed Co., Ltd.	Huai'an Haichang	25	
Guizhou Hailongwang Biotechnology Co., Ltd.	Guizhou Hailongwang	25	
Guangdong Huashite Testing Technology Co., Ltd.	Huashite Test	25	
Hebei Haimu Biotechnology Co., Ltd.	Hebei Haimu	25	
Dali Dachuan Biotechnology Co., Ltd.	Dali Dachuan	25	
Yunnan Hairui Biotechnology Co., Ltd.	Yunnan Hairui	25	
Henan Haidajiuzhou Biotechnology Co., Ltd.	Henan Haidajiuzhou	25	
Enshi Haida Biotechnology Co., Ltd.	Enshi Haida	25	
Ningguo Haid Biotechnology Co., Ltd.	Ningguo Haid	25	
Chaozhou Haid Biotechnology Co., Ltd.	Chaozhou Haid	25	
Tianjin Haixin Biotechnology Co., Ltd.	Tianjin Haixin	25	
Nanshan Haid Biotechnology (Jinhu) Co., Ltd.	Jinhu Haid	25	
Tongliao Haid Biotechnology Co., Ltd.	Tongliao Haid	25	
Huaihua Hailong Biotechnology Co., Ltd.	Huaihua Hailong	25	
Guangzhou Haihan Finance Technology Co., Ltd.	Guangzhou Haihan	25	
Guangdong Haizhihui Breeding Technology Service Co., Ltd.	Guangdong Haizhihui	25	
Jiangsu Haiwei Feed Co., Ltd.	Jiangsu Haiwei	25	
Guangdong Hairuike Biotechnology Co., Ltd.	Guangdong Hairuike	25	
Hubei Haida Seed Technology Co., Ltd.	Hubei Haid Seed	12.5	Note 3

Note 1: The Company and its subsidiaries Jiangmen Haid, Guangdong Haiinte, Qingyuan Haibei, Zhuhai Rongchuan, Zhuhai Hailong, Yunnan Haida, Heze Haiding, Hunan Innovation, Shijiazhuang Weike, Shenyang Haida were recognized as high-tech enterprises by their respective provincial departments of science and technology, departments of finance, offices of the State Administration of Taxation or local taxation bureaus with an effective period of three years. Their applicable corporate income tax rate for 2021 is 15%.

Note 2: In accordance with Corporate Income Tax Law of the People's Republic of China and the Regulation on the Implementation of the Corporate Income Tax Law of the People's Republic of China, the income of the Company's subsidiaries that is derived from livestock and poultry farming and veterinary service is exempt from corporate income tax.

Note 3: The Company's subsidiaries Enping Fengwo, Hunan Haid, Taizhou Haid, Guangdong Haixingnong, Zhanjiang Haixingnong, Zhanjiang Haijingzhou, Hainan Haixingnong (the subsidiary was recognized as a high-tech enterprise by the local provincial science and technology department, provincial finance

department, provincial state taxation bureau and provincial local taxation bureau), Jingtai Haijingzhou, Yongji Haijingzhou, Yuncheng Haishengyuan, Zhangzhou Haijingzhou, Changyi Haijingzhou, Nantong Haijingzhou, Shanwei Haijingzhou, Dongying Haijingzhou, Shanwei Hazenong, Zhuhai Ronghai, Changzhou Haid, Nanhai Bairong, Zhaoqing Bairong, Yangxin Bairong, Jingzhou Bairong, Shandong Bairong, Hainan Bairong, Zhaoqing Baishengyuan, Qingyuan Baishengyuan, Zhongshan Ronghai, Guangzhou Rongda, Jiangmen Ronghai, Guangxi Ronghai, Zhongshan Rongda, Qingyuan Ronghai, Zhaoqing Ronghai, Hainan Haid Seed, Yancheng Runchuan, Hubei Haid Seed in accordance with Article 27 of the Corporate Income Tax Law of the People's Republic of China and Article 86 of the Regulation on the Implementation of the Corporate Income Tax Law of the People's Republic of China, the company's income from marine and inland aquaculture is subject to enterprise income tax at a 50% reduction in the tax rate of 25%, while other income is subject to enterprise income tax at a 25% tax rate.

Note 4: Rongcheng Yandunjiao, the subsidiary of the Company, manufactures fish powder and shrimp powder. Income from these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 5: Fujian Haidun and Pucheng Haidun, the subsidiaries of the Company, manufacture chicken powder. Income from the sales of these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 6: Jiexiang Haiying, Linxi Haiying, Yiyuan Haiying, Zouping Haiying, Binzhou Haiying, Dezhou Haiying, Zhongshan Yugezi, Qingyuan Haichuan, and Qingyuan Hairong, the subsidiaries of the Company, engaged in slaughtered and cut poultry, and income derived from the sales of these primarily processed agricultural products is exempt from corporate income tax in accordance with Notice of the Ministry of Finance and State Administration of Taxation on Announcing the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Corporate Income Tax (for Trial Implementation) (Caishui [2008] No. 149). Other income is subject to corporate income tax at 25%.

Note 7: Gansu Haitai, a subsidiary of the Company, is entitled to enjoy the preferential corporate income tax policy at a reduced rate of 15% from 2021 to 2030 according to the Notice of the General Administration of Customs of the Ministry of Finance and the State Administration of Taxation on Tax Policy Issues Related to the Further Implementation of the Western Development Strategy (Caishui [2011] No. 58), the Announcement of the State Administration of Taxation on Enterprise Income Tax Issues Related to the Further Implementation of the Western Development Strategy (State Administration of Taxation Announcement 2012 No.12), and the Announcement on the Renewal of the Enterprise Income Tax Policy for the Western Development (Ministry of Finance Announcement 2020 No. 23).

Note 8: Rickworth, Panasia Trading, Sheng Long International, Hisenor International, Nano, Oceanic, Power Spring, and Link, subsidiaries of the Company, were registered in British Virgin Islands. These subsidiaries are exempted from corporate income tax according to the local tax law.

Note 9: Haida HK, Hong Kong Longreat and Dancl, subsidiaries of the Company, were registered in Hong Kong. They were subject to a profit tax rate of 16.50% according to Inland Revenue Ordinance in Hong Kong. And under the Hong Kong Inland Revenue Ordinance, the offshore income of Haida HK is exempt from profits tax upon declaration and is not subject to tax.

Note 10: Dong Nai Haid, Dong Nai Haid, Sheng Long Bio-Tech, Long Sheng, Hisenor Vietnam, Namduong Vietnam, Hai Duong, Hai Dai Company, Vinh Long Hai Dai, Vinh Long Sheng Long, Binh Dinh Hai Long, Vinh Long Hailianke, subsidiaries of the Company, are registered in Vietnam.

① Dong Nai Haid and Hai Duong are eligible for corporate income tax exemption for the first two year

from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in accordance with the preferential tax policy. Dong Nai Haid and Hai Duong Haid generated profits in 2019 for the first time, and enjoy 50% reduction in corporate income tax in 2021.

② Vinh Long Hai Dai is eligible for corporate income tax exemption for the first two years from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in accordance with the preferential tax policy. Vinh Long Hai Dai generated its profits in 2020 for the first time. It was exempt from corporate income tax in 2021.

③ Vinh Long Sheng Long is eligible for corporate income tax exemption for the first two years from the year in which the profit was generated for the first time by the company, then half for the subsequent four years in accordance with the preferential tax policy. Vinh Long Sheng Long did not generate profit in 2021 and exempt from corporate income tax.

④ In accordance with the preferential policies of the Vietnamese government on new investment and industries in difficult areas, Sheng Long Bio-Tech enjoyed a preferential corporate income tax rate at 10%, rental income for cold storage and sales of raw materials were subject to tax rate at 20%. Animal insurance is taxed at 17% with 50% reduction. Other income was subject to a tax rate at 20%.

⑤ In accordance with the preferential policies of the Vietnamese government on new investment in difficult areas, Long Sheng continued to enjoy a preferential tax rate (10% for feed output less than 27,000 ton while any excess is taxed at 20%).

⑥ Namduong Vietnam and Hisenor Vietnam were engaged in breeding of shrimp. They were exempted from corporate income tax in accordance with the Vietnamese tax law.

⑦ The corporate income tax rate for Hai Dai Company and Dong Nai Haid was 15% in accordance with the Vietnamese tax law.

⑧ Binh Dinh Hailong enjoys the preferential policy of exemption from corporate income tax for four years from the year of profitability, followed by a 50% reduction in corporate income tax for the next nine years, and exempt from corporate income tax in 2021.

⑨ Vinh Long Hailianke enjoys the preferential policy of exemption from corporate income tax for two years from the year of profitability, followed by a 50% reduction in corporate income tax for the next four years, and exempt from corporate income tax in 2021.

Note 11: Sheng Long Malaysia, Kembang Subur International, Sheng Long Aquatic Malaysia and Golden international, subsidiaries of the Company, were registered in Malaysia and subject to a corporate income tax rate of 24% in accordance with the Malaysian tax law.

Note 12: Lanking, Lanking Nemo, Lanking Rickworth, Lanking Nano, Kinghill Holdings, Kinghill Pte., Kinghill Resources and Kinghill Agri, subsidiaries of the Company, were registered in Singapore and subject to a corporate income tax rate of 17% in accordance with the Singaporean tax law.

Note 13: Lanking America, a subsidiary of the Company registered in the U.S., is subject to variable tax rates according to the U.S. federal taxation system. No federal corporate income tax was due since the company suffered a loss in 2021 while a minimum tax payment of USD800 of California was due in 2021 (corporate income tax in California is calculated by 8.84% of the taxable income).

Note 14: Sheng Long India, a subsidiary of the Company, registered in India and is subject to a corporate income tax rate of 25% in accordance with the Indian tax law.

Note 15: Zhangzhou Hairong, subsidiary of the Company, was exempted from corporate income tax in 2021. Its income from agriculture, forestry, animal husbandry and fishery was eligible for preferential tax policies on exemption or reduction of corporate income tax in accordance with Article 27.1 of the Corporate Income Tax Law of the People's Republic of China.

Note 16: Chengnan Hairong, subsidiary of the Company, was exempted from corporate income tax. Its income from agriculture, forestry, animal husbandry and fishery was eligible for preferential tax policies on exemption or reduction of corporate income tax in accordance with Article 27.1 of the Corporate Income Tax Law of the People's Republic of China. Other income are subject to a corporate income tax rate at 20% base on preferential tax incentives for small profit-making enterprise (refer to Note.18).

Note 17: Haid Ecuador and HAIDMARINO Food, subsidiaries of the Company, are registered companies in Ecuador. According to the local tax laws of Ecuador, enterprises enjoy a tax exemption period of 12 years from the issuance of the first invoice, and the tax rate after the tax exemption period is 25%. Haida Ecuador will enter into production and operation in 2021, and HAIDMARINO Food is in the preparatory period as of the end of 2021, and is exempt from corporate income tax.

Note 18: The Company's subsidiaries Guangzhou Haishengyuan, Guangzhou Mutai, Guangzhou Haiyiyuan, Weinan Haid, Liaocheng Haixin, Anyang Haiyue, Zoucheng Haiyue, Yinhai Haiyue, Guangzhou Haiyao, Guangzhou Hailong, Wuhan Aquaera, Guangzhou Cangyouliang, Chengnan Hairong, Guangzhou Haifengchang, Xinxiang Hairuida, Jining Fengcheng, Linyi Haiding Lusheng, Qinggang Fengcheng Bozun, Suihua Fengcheng Bozun, Chengwu Fengcheng, Xuchang Haihe, Guangzhou Meinong, Jiangsu Haihe, Lianyungang Haihe, Anshan Dachuan, Meishan Zhihai, Guangzhou Yuannong, Qingdao Zhizhuxia, Handan Huilong, Huaian Huilong, Guangdong Haid Bio, Guangzhou Ronghai, Dali Haiwang, Dali Haizhi, Yunnan Zhonggui, Chongqing Haizhi, Luliang Haile, Qingyuan Guanghong, Guangxi Rongchuan, Foshan Lianduoli, Jingshan Haiqi, Huaihua Haiqi, Jiesshou Haiqi, Guangzhou Haiqi, Meizhou Haiqi, Maoming Haiqi, Yangjiang Haiqi, Raoping Haiqi, Yulin Haiqi, Qinzhou Haiqi, Xingtai Haiqi, according to the Announcement of the State Administration of Taxation on the Issues Concerning the Implementation of the Inclusive Income Tax Relief Policy for Small and Small Profit Enterprises (State Administration of Taxation Announcement 2019 No. 2) and the Announcement of the General Administration of Taxation of the Ministry of Finance on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses (General Administration of Taxation of the Ministry of Finance Announcement 2021 No. 12) provides that from January 1, 2021 to December 31, 2022, the portion of the annual taxable income of small and micro enterprises not exceeding RMB1 million shall be reduced by 12.5% of the taxable income and subject to corporate income tax rate of 20%; the portion of the annual taxable income exceeding RMB1 million but not exceeding RMB3 million shall be reduced by 50% of the taxable income and subject to corporate income tax rate of 20%.

Note 19: Haida Indonesia, Haida Surabaya and Hisenor Indonesia were registered in Indonesia and subject to a corporate income tax rate of 22% in accordance with the Indonesian tax law.

Note 20: Haid International, a subsidiary of the Company registered in the British Virgin Islands, is exempted from corporate income tax according to the local tax law. Meanwhile, it is considered as a tax resident enterprise in Hong Kong since it is operates and locates in Hong Kong. The treasury center business for Haid International was subject to income tax rate at 8.25% with 50% reduction in 2021.

Note 21: Haid Egypt, a subsidiary of the Company registered in Egypt, is subject to a corporate income tax rate of 22.5% in accordance with the Egyptian tax law.

Note 22: Sanya FengMu, a subsidiary of the Company which was an encouraged industrial enterprises registered and substantially operated in Hainan Free Trade Port. The corporate income tax rate is reduced to 15% in accordance with Notice of the Ministry of Finance on Enterprise Income Tax Preferential Policies of Hainan Free Trade Port. (Caishui [2020] No. 31).

Note 23: Taiwan Shenglong, a subsidiary of the Company registered in Taiwan, is subject to a corporate income tax rate of 20% in accordance with the Taiwanese tax law.

Note 24: Guam Xingyuan, a subsidiary of the Company registered in Guam of the United States of America, is subject to a corporate income tax rate of 21% in accordance with the local tax laws of Guam of the United States of America.

Note 25: Haid Feed Bangladesh Limited, a subsidiary of the Company registered in Bangladesh, is subject

to multi-level tax rate according to the local tax laws of Bangladesh. As of the end of 2021, Bangladesh Haid is at a deficit and is not subject to income tax.

Note 26: Qingdao Runguiyuan Agricultural and Animal Husbandry Technology Co., Ltd., a subsidiary of the Company, is renamed as Qingdao Haihe Agricultural and Animal Husbandry Technology Co., Ltd.

Note 27: Heze Development Zone Haiding Trading Co., Ltd., a subsidiary of the Company, is renamed as Jinan Haiding Farming and Animal Husbandry Co., Ltd.

Note 28: VIETNAM HAIBEI BIOTECHNOLOGY CO., LTD., a subsidiary of the Company, is renamed as THANG LONG (VINH LONG) BIOTECH CO., LTD. in October 2021.

V Notes to Key Items in Consolidated Financial Statements

1. Cash at bank and on hand

Item	As at 12/31/2021	As at 12/31/2020
Cash on hand	939,250.50	575,655.36
Cash at bank	1,620,940,881.40	1,768,691,707.88
Other monetary funds	117,774,993.24	287,204,269.51
Total	1,739,655,125.14	2,056,471,632.75
Including: Total overseas deposits	514,891,017.18	358,120,473.45

Note:

(1) Interest receivable included in cash at bank is RMB 5,354,451.82.

(2) For cash with restriction, please refer to Note V “66. Assets with restricted ownership or use right”.

2. Held-for-trading financial assets

Item	As at 12/31/2021	As at 12/31/2020
Held-for-trading financial assets	2,507,784.13	336,719,309.28
Including: Derivative financial assets	2,507,784.13	86,719,309.28
Bank financial products	-	250,000,000.00
Total	2,507,784.13	336,719,309.28

Note:

(1) There were no held-for-trading financial assets as restrictively realizable as of the end of the reporting period.

(2) At the end of the reporting period, the derivative financial asset is the fair value of the futures business.

3. Notes receivable

Category	As at 12/31/2021	As at 12/31/2020
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	Book value	Provision for bad and doubtful debts	Carrying amounts	Book value	Provision for bad and doubtful debts	Carrying amounts
Bank acceptance bills	8,752,527.80	-	8,752,527.80	12,713,381.26	-	12,713,381.26
Usance letters of credit	1,149,867.31	-	1,149,867.31	5,120,370.58	-	5,120,370.58
Total	9,902,395.11	-	9,902,395.11	17,833,751.84	-	17,833,751.84

(1) The Group had no notes receivable in pledge as of the end of the reporting period.

(2) At the end of the reporting period, notes receivable endorsed or discounted by the Group but unexpired.

Category	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	25,115,161.14	-
Total	25,115,161.14	-

(3) As of the end of the reporting period, the Group had no notes that were reclassified into accounts receivable due to note drawers not performing their obligations.

(4) Category by provision for bad and doubtful debts approach

Category	As at 12/31/2021				
	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed impairment individually for	-	-	-	-	-
Assessed impairment collectively for	9,902,395.11	100.00	-	-	9,902,395.11
Including:					
Bank acceptance bills	8,752,527.80	88.39	-	-	8,752,527.80
Usance letters of credit	1,149,867.31	11.61	-	-	1,149,867.31
Total	9,902,395.11	100.00	-	-	9,902,395.11

(Continued)

Category	As at 12/31/2020				
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	Book value		Provision for bad and doubtful debts		Carrying amounts
	Amount	Percentage (%)	Amount	Expected credit loss percentage (%)	
Assessed for impairment individually	-	-	-	-	-
Assessed for impairment collectively	17,833,751.84	100.00	-	-	17,833,751.84
Including:					
Bank acceptance bills	12,713,381.26	71.29	-	-	12,713,381.26
Usance letters of credit	5,120,370.58	28.71	-	-	5,120,370.58
Total	17,833,751.84	100.00	-	-	17,833,751.84

(5) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
12/31/2020	-
Recognitions in current period	-
Recoveries or reversals in current period	-
Write off in current period	-
12/31/2021	-

4. Accounts receivable

(1) Accounts receivable by aging

Aging	As at 12/31/2021	As at 12/31/2020
Within 1 year	1,237,161,268.69	1,024,592,635.77
1 to 2 years	119,676,027.65	75,813,588.23
2 to 3 years	55,038,329.36	38,524,549.30
3 to 4 years	28,589,027.99	22,171,888.99
4 to 5 years	18,834,138.82	18,703,817.63
More than 5 years	26,737,605.18	29,143,230.13
Subtotal	1,486,036,397.69	1,208,949,710.05
Less: provision for bad and doubtful debts	192,707,568.31	141,647,768.59
Total	1,293,328,829.38	1,067,301,941.46

(2) Accounts receivable by the method of recognizing bad and doubtful debts

Category	As at 12/31/2021					As at 12/31/2020				
	Book value		Provision for bad and doubtful debts		Carrying Amount	Book value		Provision for bad and doubtful debts		Carrying Amount
	Amount	Percentage (%)	Amount	Expected credit loss (%)		Amount	Percentage (%)	Amount	Expected credit loss (%)	
Assessed for impairment individually	118,069,644.52	7.95	79,041,086.36	66.94	39,028,558.16	67,574,375.63	5.59	64,143,642.54	94.92	3,430,733.09
Assessed for impairment collectively	1,367,966,753.17	92.05	113,666,481.95	8.31	1,254,300,271.22	1,141,375,334.42	94.41	77,504,126.05	6.79	1,063,871,208.37
Including:										
Accounts receivable of feed and relevant customers	1,247,432,812.56	83.94	111,516,680.56	8.94	1,135,916,132.00	1,125,640,267.19	93.11	77,277,772.03	6.87	1,048,362,495.16
Accounts receivable of materials trade customers	120,533,940.61	8.11	2,149,801.39	1.78	118,384,139.22	15,735,067.23	1.30	226,354.02	1.44	15,508,713.21
Total	1,486,036,397.69	100.00	192,707,568.31	12.97	1,293,328,829.38	1,208,949,710.05	100.00	141,647,768.59	11.72	1,067,301,941.46

Provision for bad and doubtful debts which were recognized individually:

Name	As at 12/31/2021				As at 12/31/2020			
	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision	Book Value	Provision for bad and doubtful debts	Expected Credit loss (%)	Reason of provision
Customer A	21,996,293.01	6,814,709.61	30.98	Estimated to be unrecoverable	-	-	-	
Customer B	5,444,672.03	4,135,705.93	75.96	Estimated to be unrecoverable	-	-	-	
Customer C	4,801,489.19	4,801,489.19	100.00	Estimated to be unrecoverable	4,801,489.19	4,801,489.19	100.00	Estimated to be unrecoverable
Customer D	4,102,411.00	844,625.58	20.59	Estimated to be unrecoverable	-	-	-	
Customer E	3,774,185.00	750,709.55	19.89	Estimated to be unrecoverable	-	-	-	
Remaining individual customers	77,950,594.29	61,693,846.50	79.14	Estimated to be unrecoverable	62,772,886.44	59,342,153.35	94.53	Estimated to be unrecoverable
Total	118,069,644.52	79,041,086.36	66.94	/	67,574,375.63	64,143,642.54	94.92	/

Provision for bad and doubtful debts which were recognized collectively:

Recognized collectively item 1: Accounts receivable of feed and relevant customers

	As at 12/31/2021			As at 12/31/2020		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	1,097,779,516.78	26,810,526.99	2.44	1,006,830,072.51	15,876,459.07	1.58
1 to 2 years	75,286,449.07	29,161,655.51	38.73	62,274,555.42	17,621,261.78	28.30
2 to 3 years	38,672,596.05	23,518,362.52	60.81	30,645,927.33	19,434,289.81	63.42
3 to 4 years	16,873,346.39	13,639,011.11	80.83	10,434,919.49	9,195,683.61	88.12
4 to 5 years	8,750,297.66	8,321,604.05	95.10	3,273,129.09	3,032,977.23	92.66
More than 5 years	10,070,606.61	10,065,520.38	99.95	12,181,663.35	12,117,100.53	99.47
Total	1,247,432,812.56	111,516,680.56	8.94	1,125,640,267.19	77,277,772.03	6.87

Recognized collectively item 2: Accounts receivable of material trade customers

	As at 12/31/2021			As at 12/31/2020		
	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)	Accounts receivable	Provision for bad and Doubtful debts	Expected credit loss (%)
Within 1 year	120,533,940.61	2,149,801.39	1.78	15,735,067.23	226,354.02	1.44
Total	120,533,940.61	2,149,801.39	1.78	15,735,067.23	226,354.02	1.44

(3) Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

	Amount of provision for bad and doubtful debts
12/31/2020	141,647,768.59
Recognitions in current period	70,606,758.80
Merger in current period	12,201,819.36
Recoveries or reversals in current period	6,366,303.53
Write-off in current period	25,382,474.91
12/31/2021	192,707,568.31

Recoveries or reversals of important provision for bad and doubtful debts in current period are as follow:

Name of debtor	Reason for reversal	Recoveries approach	Original evidence for recognizing the provision for bad and doubtful debts	Recoveries or reversals amount
Customer F	Receive payment	Receive payment	High possibility of bad and doubtful debts	1,610,000.00
Customer G	Receive payment	Receive payment	High possibility of bad and doubtful debts	1,382,948.85
Total				2,992,948.85

(4) Accounts receivable actually written off in current period

Item	Write-off amount
Accounts receivable actually write-off	25,382,474.91

Important accounts receivable written off are as follow:

Name of debtor	Nature of accounts receivable	Write-off amount	Reason for write-off	Approval procedures	Arising from related party transactions(Y/N)
Customer H	Payment for goods	13,606,809.47	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Customer I	Payment for goods	1,775,434.00	Payment cannot be collected	Conclusive evidence for irrecoverability was obtained and internal approval was given	N
Total		15,382,243.47			

(5) The receivables by debtor with top five closing balance

The total accounts receivable from the top five debtors with the largest closing balance amounted to RMB 229,323,716.36, accounting for 15.43% of the total closing balance of accounts receivable, with the total corresponding closing balance of the provision for bad and doubtful debts being RMB 10,195,673.91.

(6) No accounts receivable was derecognized due to transfer of financial assets in current period.

(7) There were no such cases in current period where the Group had transferred an accounts receivable but continued to be involved in the assets or liabilities associated with that account receivable.

5. Prepayments

(1) Prepayments by aging

Aging	As at 12/31/2021		As at 12/31/2020	
	Amount	Percentage %	Amount	Percentage%
Within 1 year	2,528,002,885.53	99.10	1,868,697,396.34	99.89
1 and 2 years	22,462,096.77	0.88	1,918,859.44	0.10

Aging	As at 12/31/2021		As at 12/31/2020	
	Amount	Percentage %	Amount	Percentage%
2 and 3 years	239,292.35	0.01	126,498.30	0.01
3 years above	149,463.37	0.01	65,979.20	0.00
Total	2,550,853,738.02	100.00	1,870,808,733.28	100.00

Note: Prepayments over 1 year were mainly unsettled prepayment to suppliers.

(2) The prepayments by debtor with top five closing balance

The total amount of prepayments by debtor with top five closing balance was RMB 1,280,931,322.39, accounting for 50.22% of the closing balance of total prepayments.

6. Other receivables

Item	As at 12/31/2021	As at 12/31/2020
Interest receivable	-	2,807.70
Dividends receivable	900,009.00	-
Other receivable	779,125,761.40	732,312,378.66
Total	780,025,770.40	732,315,186.36

(1) Interest receivable

① Interests receivable by category

Item	As at 12/31/2021	As at 12/31/2020
Loan interests receivable	-	2,876.02
Subtotal:	-	2,876.02
Less: Provision for bad and doubtful debts	-	68.32
Total	-	2,807.70

② Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2020	68.32	-	-	68.32
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-68.32	-	-	-68.32
Reversal in current period	-	-	-	-
Sold off in current period	-	-	-	-
Write-off in current period	-	-	-	-
Other movement	-	-	-	-
Balance at 12/31/2021	-	-	-	-

(2) Dividends receivable

Investee	As at 12/31/2021	As at 12/31/2020
CITIC Agri Fund Management Co., Ltd.	900,009.00	-
Subtotal	900,009.00	-
Less: Provision for bad and doubtful debts	-	-
Total	900,009.00	-

(3) Other receivable

① Other receivable by aging

Aging	As at 12/31/2021	As at 12/31/2020
Within 1 year	764,082,359.64	717,969,964.39
1 to 2 years	17,043,588.01	10,582,425.49
2 to 3 years	6,108,241.45	12,423,410.50
3 to 4 years	9,504,148.75	3,519,843.01
4 to 5 years	2,006,684.48	3,519,908.56
5 years above	47,283,719.70	49,052,224.79
Subtotal	846,028,742.03	797,067,776.74
Less: Provision for bad and doubtful debts	66,902,980.63	64,755,398.08
Total	779,125,761.40	732,312,378.66

② Other receivable by nature

Aging	As at 12/31/2021	As at 12/31/2020
Petty cash	7,888,909.80	4,413,228.62
Social security advances	10,727,105.85	6,963,328.19

Aging	As at 12/31/2021	As at 12/31/2020
Security deposits	567,214,945.49	466,668,362.68
Accounts with external parties	101,515,045.66	84,314,774.71
Insurance compensation	33,936,663.62	3,292,598.32
Futures margin	98,699,697.60	227,873,691.04
Others	26,046,374.01	3,541,793.18
Total	846,028,742.03	797,067,776.74

③ Provision for bad and doubtful debts

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2020	6,714,669.91	-	58,040,728.17	64,755,398.08
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-1,063,197.25	-	1,063,197.25	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	6,860,104.58	-	640,851.94	7,500,956.52
Reversal in current period	-	-	5,403,429.33	5,403,429.33
Sold off in current period	-	-	-	-
Write off in current period	442,189.18	-	551,701.02	993,890.20
Other movement	-25,455.16	-	1,069,400.72	1,043,945.56
Balance at 12/31/2021	12,043,932.90	-	54,859,047.73	66,902,980.63

Provision for bad and doubtful debts as of 12/31/2020

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2019	7,661,772.59	-	56,003,086.67	63,664,859.26
In current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-506,941.97	-	506,941.97	-

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in current period	-424,351.65	-	5,498,276.90	5,073,925.25
Reversal in current period	-	-	529,940.52	529,940.52
Sold off in current period	-	-	-	-
Write off in current period	29,478.82	-	3,437,636.85	3,467,115.67
Other movement	13,669.76	-	-	13,669.76
Balance at 12/31/2020	6,714,669.91	-	58,040,728.17	64,755,398.08

④ Recognitions or recoveries or reversals of provision for bad and doubtful debts in current period

Category	As at 12/31/2020	Category				As at 12/31/2021
		Recognitions	Recoveries or reversals	Write off	Other changes	
Other receivables	64,755,398.08	7,500,956.52	5,403,429.33	993,890.20	1,043,945.56	66,902,980.63
Total	64,755,398.08	7,500,956.52	5,403,429.33	993,890.20	1,043,945.56	66,902,980.63

⑤ Other receivables actually write-off

Item	Write-off amount
Other receivables actually write-off	993,890.20

There were no important write-off of other receivables in the current period.

⑥ Other receivables with top five closing balance

Name of debtor	Payment nature	Book balance	Aging	Percentage of other receivables ending balance (%)	Provision for bad and doubtful debts
Customer A	Security deposit	125,564,263.44	Within 1 year	14.84	1,255,642.63
Customer B	Security deposit	73,537,800.00	Within 1 year	8.69	735,378.00
Customer C	Security deposit	51,521,400.00	Within 1 year	6.09	515,214.00

Name of debtor	Payment nature	Book balance	Aging	Percentage of other receivables ending balance (%)	Provision for bad and doubtful debts
Customer D	Accounts with external party	45,671,482.72	3 years above	5.40	41,174,735.26
Customer E	Security deposit	35,712,800.00	Within 1 year	4.22	357,128.00
Total	--	332,007,746.16	--	39.24	44,038,097.89

⑦ There were no other receivables associated with government subsidies as of the period-end.

⑧ No other receivables were derecognized due to transfer of financial assets in the current period.

⑨ There were no such cases in the current period where the Group had transferred the other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

7. Inventories

(1) Inventories by category

Item	As at 12/31/2021			As at 12/31/2020		
	Book value	Provision for impairment of inventories / Provision for impairment of contract performance costs	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw material	5,512,406,719.05	1,150,954.95	5,511,255,764.10	4,374,186,566.18	1,917,611.20	4,372,268,954.98
Work in progress	10,295,978.16	-	10,295,978.16	12,924,413.31	-	12,924,413.31
Finished goods	1,469,321,982.03	25,623,125.85	1,443,698,856.18	1,254,496,791.35	4,074,084.15	1,250,422,707.20
Consumable biological assets	1,951,078,003.66	2,240,170.95	1,948,837,832.71	1,619,822,930.75	3,633,816.70	1,616,189,114.05
Contract performance cost	8,815,235.63	-	8,815,235.63	3,545,350.39	-	3,545,350.39
Total	8,951,917,918.53	29,014,251.75	8,922,903,666.78	7,264,976,051.98	9,625,512.05	7,255,350,539.93

(2) Provision for impairment of inventories

Item	As at 01/01/2021	Additions during the year		Write-back during the year		As at 12/31/2021
		Provision	Others	Reversals or write-off	Others	
Raw material	1,917,611.20	1,135,820.37	-	1,902,476.62	-	1,150,954.95
Finished goods	4,074,084.15	27,063,994.35	-	5,514,952.65	-	25,623,125.85
Consumable biological assets	3,633,816.70	36,607,223.96	-	38,000,869.71	-	2,240,170.95
Total	9,625,512.05	64,807,038.68	-	45,418,298.98	-	29,014,251.75

Provision for impairment of inventories (continued)

Item	Evidence of net realizable value/remaining consideration and upcoming cost	Reasons for reversals or write-off of provision for impairment of inventories
Raw material	Net realizable value lower than cost	Goods have been sold
Finished goods	Net realizable value lower than cost	Goods have been sold
Consumable biological assets	Net realizable value lower than cost	Goods have been sold

(3) There were no capitalized borrowing costs among the closing balance of inventories

8. Non-current assets due within one year

Item	As at 12/31/2021	As at 12/31/2020
Long-term receivable due within one year	5,645,605.89	2,457,622.86
Debt investments due within one year	4,000,000.00	-
Total	9,645,605.89	2,457,622.86

9. Other current assets

Item	As at 12/31/2021	As at 12/31/2020
Rental expense	15,366,869.08	100,101,070.74
Insurance expense	9,876,673.98	4,523,272.43
Miscellaneous prepaid expense	25,884,369.75	17,205,335.40
Input VAT to be deducted and approved	106,043,610.05	88,656,028.78
Overpaid taxes and charges	30,475,138.95	22,531,258.74
Loans and advances to customers	529,171,710.31	428,423,628.90
Factoring receivables	70,965,276.44	53,196,566.67
Hedged items - procurement commitments and forex forwards	-	205,284,569.19

Item	As at 12/31/2021	As at 12/31/2020
Others	6,556,190.76	5,286,755.60
Total	794,339,839.32	925,208,486.45

(1) Loans and advances to customers due within one year

① Category by method of guarantee

Item	As at 12/31/2021	As at 12/31/2020
Secured loans	539,103,919.28	432,397,619.44
Loan on credit	1,699,500.00	996,200.00
Mortgage loan	-	600,000.00
Add: Interests receivable	1,054,313.57	1,072,160.95
Subtotal	541,857,732.85	435,065,980.39
Less: Provision for impairment	12,686,022.54	6,642,351.49
Total	529,171,710.31	428,423,628.90

② Category by overdue

Item	As at 12/31/2021	As at 12/31/2020
Not overdue	505,327,084.14	433,347,669.44
1-90 days overdue	12,959,054.32	646,150.00
91-180 days overdue	20,590,159.50	-
161-360 days overdue	1,286,554.23	-
360 days above overdue	640,567.09	-
Add: Interests receivable	1,054,313.57	1,072,160.95
Subtotal	541,857,732.85	435,065,980.39
Less: Provision for impairment	12,686,022.54	6,642,351.49
Total	529,171,710.31	428,423,628.90

(2) Factoring receivables by overdue

Item	As at 12/31/2021	As at 12/31/2020
Not overdue	51,140,537.56	54,000,000.00
181-360 days overdue	31,825,041.67	-
Add: Interests receivable	250,004.90	6,666.67
Subtotal	83,215,584.13	54,006,666.67
Less: Provision for impairment	12,250,307.69	810,100.00
Total	70,965,276.44	53,196,566.67

10. Debt investments

Item	As at 12/31/2021	As at 12/31/2020
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	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Entrust loans	18,500,000.00	-	18,500,000.00	22,500,000.00	-	22,500,000.00
Other	1,072.58	-	1,072.58	1,033.35	-	1,033.35
Subtotal	18,501,072.58	-	18,501,072.58	22,501,033.35	-	22,501,033.35
Less: debt investment due within one year	4,000,000.00	-	4,000,000.00	-	-	-
Total	14,501,072.58	-	14,501,072.58	22,501,033.35	-	22,501,033.35

11. Loans and advances to customers

(1) Loans and advances to customers by method of guarantee:

Item	As at 12/31/2021			As at 12/31/2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Secured loans	541,668,904.54	12,677,299.79	528,991,604.75	451,019,633.28	6,860,752.09	444,158,881.19
Unsecured loans	3,599,500.00	64,103.70	3,535,396.30	14,196,200.00	183,104.12	14,013,095.88
Mortgage loan	-	-	-	600,000.00	9,101.54	590,898.46
Add: Interests receivable	1,060,165.63	17,995.13	1,042,170.50	1,108,735.08	29,654.60	1,079,080.48
Subtotal	546,328,570.17	12,759,398.62	533,569,171.55	466,924,568.36	7,082,612.35	459,841,956.01
Less: Due within one year	541,857,732.85	12,686,022.54	529,171,710.31	435,065,980.39	6,642,351.49	428,423,628.90
Total	4,470,837.32	73,376.08	4,397,461.24	31,858,587.97	440,260.86	31,418,327.11

(2) Loans and advances to customers by overdue:

Item	As at 12/31/2021			As at 12/31/2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Not overdue	509,792,069.40	8,620,846.03	501,171,223.37	465,169,683.28	7,037,597.43	458,132,085.85
1-90 days	12,959,054.3	979,801.74	11,979,252.58	646,150.00	15,360.32	630,789.68

Item	As at 12/31/2021			As at 12/31/2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
overdue	2					
91-180 days overdue	20,590,159.50	2,378,163.43	18,211,996.07	-	-	-
181-360 days overdue	1,286,554.23	282,166.97	1,004,387.26	-	-	-
360 days above overdue	640,567.09	480,425.32	160,141.77	-	-	-
Add: Interests receivable	1,060,165.63	17,995.13	1,042,170.50	1,108,735.08	29,654.60	1,079,080.48
Subtotal	546,328,570.17	12,759,398.62	533,569,171.55	466,924,568.36	7,082,612.35	459,841,956.01
Less: Due within one year	541,857,732.85	12,686,022.54	529,171,710.31	435,065,980.39	6,642,351.49	428,423,628.90
Total	4,470,837.32	73,376.08	4,397,461.24	31,858,587.97	440,260.86	31,418,327.11

(3) Provision for impairment of loans

Provision for impairment of loans	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Balance at 12/31/2020	7,061,069.88	6,182.15	15,360.32	7,082,612.35
In the current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 1	-	-	-	-
Accrual in the current period	1,558,134.92	13,423.07	4,105,228.28	5,676,786.27
Reversal in the current period	-	-	-	-
Sold off in the current period	-	-	-	-
Write off in the current period	-	-	-	-

Provision for impairment of loans	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime Expected credit losses (not occurred credit impairment)	Lifetime Expected credit losses (occurred credit impairment)	
Due within one year and reclassify into other current assets or interests receivable	8,545,828.72	19,605.22	4,120,588.60	12,686,022.54
Balance at 12/31/2021	73,376.08	-	-	73,376.08

12. Long-term receivables

(1) Long-term receivables by nature

Item	As at 12/31/2021			As at 12/31/2020			Discounted rate scope
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Security deposits	82,420,256.53	-	82,420,256.53	98,343,124.34	-	98,343,124.34	
Amounts receivable by installments for subcontracting	10,681,500.47	-	10,681,500.47	1,806,000.00	-	1,806,000.00	3.43%~5.75%
Less: Unrealized financing income	523,559.76	-	523,559.76	228,999.69	-	228,999.69	
Subtotal	92,578,197.24	-	92,578,197.24	99,920,124.65	-	99,920,124.65	
Less: Long-term receivables due within one year	5,645,605.89	-	5,645,605.89	2,457,622.86	-	2,457,622.86	
Total	86,932,591.35	-	86,932,591.35	97,462,501.79	-	97,462,501.79	

Note: The closing long-term receivables primarily consisted of amounts receivable by installments for subcontracting, as well as security deposits for land rental and consumption of electricity.

(2) There were no long-term receivables overdue in the Group.

(3) There were no long-term receivables derecognized in the Group in the current period.

(4) There were no such cases in the current period where the Group had transferred a long-term receivable but continued to be involved in the assets or liabilities associated with that long-term receivable

13. Long-term equity investments

Investee	Balance as at 12/31/2020	Movements during the year								Balance as at 12/31/2021	Balance of provision for impairment as at 31/12/2021
		Increase in capital	Decrease in capital	Investment income recognized by equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision-for impairment	Other		
Associates											
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	7,844,137.36	-	-	-810,213.83	-	-	-	-	-	7,033,923.53	-
Guizhou Fuhai Chemicals Co., Ltd.	22,450,512.79	-	-	590,016.02	-	-	-	-	-	23,040,528.81	-
Bangbu Seed Technology Co., Ltd.	5,168,287.86	1,000,000.00	-	-370,890.58	-	-	-	-	-	5,797,397.28	-
Qingdao Nongken Beidahuang Trade Development Co., Ltd.	10,910,542.10	-	-	-	-	-	-	-5,455,271.05	-	5,455,271.05	5,455,271.05
Vietnam Haid Yingtaogu Co., Ltd.	13,092,399.57	18,583,494.00	-	464,464.41	-	-	-	-	-653,952.63	31,486,405.35	-
Wujiaqu Taikun Plant Protein Co., Ltd	-	48,165,254.34	-	-2,082,666.30	-	-	-	-	-	46,082,588.04	-

Investee	Balance as at 12/31/2020	Movements during the year							Balance as at 12/31/2021	Balance of provision for impairment as at 31/12/2021	
		Increase in capital	Decrease in capital	Investment income recognized by equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision-for impairment			Other
Alar Ruiliheng Biological Protein Co., Ltd.	-	58,488,827.33	-	1,200,162.30	-	-	-	-	-	59,688,989.63	-
Guangzhou Hengjuchang Venture Capital Partnership (Limited Partnership)	-	114,301,102.20	-	-250,196.99	-	-	-16,762.36	-	-	114,034,142.85	-
Sichuan Zhihui Fishing Machine Technology Co., Ltd.	-	4,000,000.00	-	-	-	-	-	-	-	4,000,000.00	-
Guangdong Zhongyu Duck Industry Co., Ltd.	-	6,000,000.00	-1,100,000.00	-442,734.21	-	-	-	-	-	4,457,265.79	-
Subtotal	59,465,879.68	250,538,677.87	-1,100,000.00	-1,702,059.18	-	-	-16,762.36	-5,455,271.05	-653,952.63	301,076,512.33	5,455,271.05
Total	59,465,879.68	250,538,677.87	-1,100,000.00	-1,702,059.18	-	-	-16,762.36	-5,455,271.05	-653,952.63	301,076,512.33	5,455,271.05

Note: All the investees above are all associated companies.

14. Other non-current financial assets

Category	As at 12/31/2021	As at 12/31/2020
Equity instrument investments	286,569,300.55	254,417,562.64
Total	286,569,300.55	254,417,562.64

15. Investment properties

Item	Buildings	Land use rights	Total
I. Total original book value			
1. As at 12/31/2020	31,499,058.57	3,420,490.58	34,919,549.15
2. Additions during the year	322,464.61	-	322,464.61
(1) Transfer from CIP	322,464.61	-	322,464.61
3. Decrease during the year	2,382,117.42	133,008.85	2,515,126.27
(1) Translation of foreign currency financial statements	-	133,008.85	133,008.85
(2) Other transfers out	2,382,117.42	-	2,382,117.42
4. As at 12/31/2021	29,439,405.76	3,287,481.73	32,726,887.49
II. Total accumulated depreciation or amortization			
1. As at 12/31/2020	5,493,062.91	-	5,493,062.91
2. Additions during the year	521,056.24	-	521,056.24
(1) Depreciation or amortization	521,056.24	-	521,056.24
3. Decrease during the year	228,244.99	-	228,244.99
(1) Other transfers out	228,244.99	-	228,244.99
4. As at 12/31/2021	5,785,874.16	-	5,785,874.16
III. Provision for impairment			
1. As at 12/31/2020	-	-	-
2. Additions during the year	-	-	-
3. Decrease during the year	-	-	-
4. As at 12/31/2021	-	-	-
IV. Carrying amount			
1. As at 12/31/2021	23,653,531.60	3,287,481.73	26,941,013.33
2. As at 12/31/2020	26,005,995.66	3,420,490.58	29,426,486.24

(1) There is no Investment properties that has not completed the ownership certificates in current period.

16. Fixed assets

Item	As at 12/31/2021	As at 12/31/2020
Fixed assets	11,271,962,992.07	7,703,420,944.97
Fixed assets pending for disposal	1,650.00	117,992.84
Total	11,271,964,642.07	7,703,538,937.81

(1) Fixed assets

① Details of fixed assets

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
I. Original book value:						
1. As at 12/31/2020	5,176,229,724.5 ₁	5,044,164,990.20	282,990,639.31	346,880,440.92	255,009,419.00	11,105,275,213.94
2. Additions during the year	2,393,381,243.4 ₉	1,996,896,283.02	107,825,946.17	130,493,963.57	154,112,438.55	4,782,709,874.80
(1) Purchases	205,423,433.13	117,857,684.46	84,455,957.03	82,235,862.71	73,073,973.91	563,046,911.24
(2) Additions due to business combinations	2,035,192,315.8 ₈	1,774,180,006.75	18,228,777.00	46,301,602.92	77,490,594.61	3,951,393,297.16
(3) Increase in corporation mergers	122,523,447.02	104,858,591.81	5,141,212.14	1,956,497.94	3,547,870.03	238,027,618.94
(4) Others	30,242,047.46	-	-	-	-	30,242,047.46
3. Decrease during the year	127,621,055.36	138,150,223.22	29,106,728.30	11,951,634.75	9,567,894.29	316,397,535.92
(1) Disposals or write-offs	33,592,795.13	32,371,603.55	27,275,214.49	9,970,650.38	6,698,696.89	109,908,960.44
(2) Implementation of the new lease standard transfers out	23,147,542.00	13,761,063.98	523,999.20	309,511.40	312,722.31	38,054,838.89
(3) Decrease due to business combinations	62,865,746.87	85,287,955.52	805,283.07	1,266,006.57	2,164,040.40	152,389,032.43
(4) Translation of foreign currency financial statements.	8,014,971.36	6,729,600.17	502,231.54	405,466.40	392,434.69	16,044,704.16
4. As at 12/31/2021	7,441,989,912.6 ₄	6,902,911,050.00	361,709,857.18	465,422,769.74	399,553,963.26	15,571,587,552.82
II. Accumulated depreciation:						
1. As at 12/31/2020	1,033,779,688.9 ₃	1,888,673,417.96	150,171,819.08	215,148,875.18	113,390,130.71	3,401,163,931.86
2. Additions during the year	255,557,604.65	577,208,332.89	45,454,020.50	67,619,819.30	51,437,658.21	997,277,435.55

Item	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
(1) Provision	227,826,775.54	517,193,109.87	43,672,465.64	65,984,679.86	49,242,957.53	903,919,988.44
(2) Increase in corporation mergers	27,730,829.11	60,015,223.02	1,781,554.86	1,635,139.44	2,194,700.68	93,357,447.11
3. Decrease during the year	22,449,760.35	37,601,550.78	24,903,369.57	9,967,988.61	4,584,474.46	99,507,143.77
(1) Disposals or write-offs	12,899,690.48	12,999,775.86	24,125,937.16	9,011,681.60	3,670,911.00	62,707,996.10
(2) Implementation of the new lease standard transfers out	1,238,954.69	1,320,795.56	80,566.93	112,853.33	57,317.66	2,810,488.17
(3) Decrease in consolidation scope	7,391,380.23	21,708,159.74	439,793.80	865,246.26	725,717.38	31,130,297.41
(4) Translation of foreign currency financial statements.	919,734.95	1,572,819.62	257,071.68	-21,792.58	130,528.42	2,858,362.09
4. As at 12/31/2021	1,266,887,533.23	2,428,280,200.07	170,722,470.01	272,800,705.87	160,243,314.46	4,298,934,223.64
III. Provision for impairment:						
1.As at 12/31/2020	690,337.11	-	-	-	-	690,337.11
2. Additions during the year	-	-	-	-	-	-
3. Decrease during the year	-	-	-	-	-	-
(1) Disposals or write-offs	-	-	-	-	-	-
4. As at 12/31/2021	690,337.11	-	-	-	-	690,337.11
IV. Carrying amount:						
1. As at 12/31/2021	6,174,412,042.30	4,474,630,849.93	190,987,387.17	192,622,063.87	239,310,648.80	11,271,962,992.07
2. As at 12/31/2020	4,141,759,698.47	3,155,491,572.24	132,818,820.23	131,731,565.74	141,619,288.29	7,703,420,944.97

② Temporarily idle fixed assets

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Note
House building and	83,000.00	59,137.50	-	23,862.50	
Machinery equipment	7,436,260.52	4,185,433.09	-	3,250,827.43	
Transportation equipment	82,178.20	67,471.22	-	14,706.98	
Electronic equipment	310,852.55	135,132.66	-	175,719.89	
Other	653,013.82	137,199.34	-	515,814.48	
Total	8,565,305.09	4,584,373.81	-	3,980,931.28	

③ There were no fixed assets leased out under operating leases in the current period.

④ Fixed assets without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
House and building	617,184,664.58	No ownership certificates for rented buildings on collective and state-owned land
House and building	1,094,231,971.99	In progress

(2) Fixed assets pending for disposal

Item	As at 12/31/2021	As at 12/31/2020	Reasons for disposals
Machinery equipment	-	117,198.52	They have already been scrapped
Electronic equipment	-	794.32	They have already been scrapped
Other	1,650.00	-	They have already been scrapped
Total	1,650.00	117,992.84	

17. Construction in progress

Item	As at 12/31/2021	As at 12/31/2020
Construction in progress	1,531,493,842.31	1,591,741,924.42
Construction materials	-	-
Total	1,531,493,842.31	1,591,741,924.42

(1) Construction in progress

① Details of construction in progress

Project	As at 12/31/2021			As at 12/31/2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Supporting construction for animal health projects	83,409,772.41	-	83,409,772.41	4,951,128.17	-	4,951,128.17
Supporting construction for feed projects	628,556,718.09	-	628,556,718.09	915,008,905.03	-	915,008,905.03
Supporting construction for farming projects	739,798,951.87	-	739,798,951.87	647,941,235.32	-	647,941,235.32
Supporting construction for other projects	79,728,399.94	-	79,728,399.94	23,840,655.90	-	23,840,655.90
Total	1,531,493,842.31	-	1,531,493,842.31	1,591,741,924.42	-	1,591,741,924.42

② Movements of major construction in progress

Project	As at 12/31/2020	Additions	Transfers to fixed assets	Transfers to intangible assets	Transfers to Investment real estate	Transfers to other long-term assets	Other decreases	As at 12/31/2021	Accumulated capitalized interest	Including: interest capitalized in 2021	Interest rate for capitalization in 2021 (%)	Capital source
Supporting construction for animal	1,582,020.00	226,765,245.32	148,934,763.28	-	-	-	-	79,412,502.04	-	-	-	self-raised

Project	As at 12/31/2020	Additions	Transfers to fixed assets	Transfers to intangible assets	Transfer s to Investme nt real estate	Transfers to other long-term assets	Other decreas es	As at 12/31/2021	Accumulat ed capitalized interest	Includi ng: interest capitali zed in 2021	Intere st rate for capita liz-ati on in 2021 (%)	Capital source
health projects												
Supporting constructio n for feed projects	898,000,832. 94	1,986,170,47 8.32	2,261,573,34 0.73	8,023,325. 11	-	15,920,423 .65	-	598,654,22 1.77	16,503,627 .81	-	-	PE. self-rai sed
Supporting constructio n for farming projects	635,688,508. 12	1,434,899,68 2.77	1,351,284,29 4.32	2,680,000. 00	-	3,633,608. 50	-	712,990,28 8.07	-	-	-	self-rai sed
Supporting constructio n for other projects	22,989,281.4 8	111,062,810. 41	30,851,095.4 9	27,524,388 .18	-	-	-	75,676,608 .22	-	-	-	self-rai sed
Total	1,558,260,64 2.54	3,758,898,21 6.82	3,792,643,49 3.82	38,227,713 .29	-	19,554,032 .15	-	1,466,733, 620.10	16,503,627 .81	-	-	-

Note: There was no provision for impairment of construction in progress in the current period.

18. Productive biological assets

(1) Measured by cost

Item	Animal husbandry	Aquaculture		Aviculture	Total
	boar	seed shrimp	Fingerling	breeding poultry	
I. Original book value					
1. As at 12/31/2020	313,864,207.14	14,152,967.42	7,355,516.68	-	335,372,691.24
2. Additions during the year	559,807,541.01	48,932,551.74	24,225,166.65	12,531,751.49	645,497,010.89
(1) Purchase	179,042,187.12	12,894,572.10	11,860,746.96	4,668,015.05	208,465,521.23
(2) Self-cultivated	380,765,353.89	36,037,979.64	12,364,419.69	4,533,390.30	433,701,143.52
(3) Additions due to business combinations	-	-	-	3,330,346.14	3,330,346.14
3. Decrease during the year	299,894,547.77	40,842,899.97	11,729,586.01	8,727,705.63	361,194,739.38
(1) Disposals	298,869,105.42	40,685,210.03	10,111,881.23	4,316,206.80	353,982,403.48
(2) Other decrease	1,025,442.35	157,689.94	1,617,704.78	4,411,498.83	7,212,335.90
4. As at 12/31/2021	573,777,200.38	22,242,619.19	19,851,097.32	3,804,045.86	619,674,962.75
II Accumulated depreciation					
1. As at 12/31/2020	45,437,194.57	2,860,879.68	872,405.02	-	49,170,479.27
2. Additions during the year	110,087,219.87	46,677,700.68	2,703,187.60	2,681,572.27	162,149,680.42
(1) Provision	110,087,219.87	46,677,700.68	2,703,187.60	2,681,572.27	162,149,680.42
3. Decrease during the year	54,880,271.91	40,430,018.91	2,388,086.29	2,433,535.47	100,131,912.58
(1) Disposal	54,872,434.89	40,424,342.07	2,234,485.57	2,283,544.51	99,814,807.04
(2) Other decrease	7,837.02	5,676.84	153,600.72	149,990.96	317,105.54
4. As at 12/31/2021	100,644,142.53	9,108,561.45	1,187,506.33	248,036.80	111,188,247.11
III Provision for impairment					
1. As at 12/31/2020	-	-	-	-	-
2. Additions during the year	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease during	-	-	-	-	-

the year					
(1) Disposals	-	-	-	-	-
4. As at 12/31/2021	-	-	-	-	-
IV Carrying amount					
As at 12/31/2021	473,133,057.85	13,134,057.74	18,663,590.99	3,556,009.06	508,486,715.64
As at 12/31/2020	268,427,012.57	11,292,087.74	6,483,111.66	-	286,202,211.97

(2) There were no productive biological assets measured at fair value in the current period.

19. Right of use assets

Item	Land use rights	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
I. Original book value							
As at 12/31/2020	-	-	-	-	-	-	-
Add: changes in accounting policies	1,030,948,594.05	475,354,432.73	224,160,719.98	7,895,083.66	1,146,707.80	18,166,280.35	1,757,671,818.57
1. As at 01/01/2021	1,030,948,594.05	475,354,432.73	224,160,719.98	7,895,083.66	1,146,707.80	18,166,280.35	1,757,671,818.57
2. Additions during the year	360,428,930.93	393,498,565.81	149,507,838.11	5,245,261.79	1,117,923.37	18,509,847.27	928,308,367.28
(1) Rent in	357,214,570.25	389,747,376.44	132,566,397.03	5,245,261.79	1,117,923.37	18,520,425.45	904,411,954.33
(2) Lease liability adjustment	687,887.20	-173,726.73	-43,766.89	-	-	-10,578.18	459,815.40
(3) Additions due to business combinations	2,526,473.48	81,047.87	1,239,403.98	-	-	-	3,846,925.33
(4) Contract modification	-	3,843,868.23	15,745,803.99	-	-	-	19,589,672.22
3. Decrease during the year	46,468,565.82	38,132,269.06	14,303,760.93	-	50,000.00	551,645.15	99,506,240.96
(1) lease termination	46,468,565.82	38,132,269.06	14,303,760.93	-	50,000.00	551,645.15	99,506,240.96
4. As at 12/31/2021	1,344,908,959.16	830,720,729.48	359,364,797.16	13,140,345.45	2,214,631.17	36,124,482.47	2,586,473,944.89
II Accumulated depreciation							
As at 12/31/2020	-	-	-	-	-	-	-
Add: changes in accounting policies	-	-	-	-	-	-	-
1. As at 01/01/2021	-	-	-	-	-	-	-
2. Additions during the year	98,506,986.13	111,000,861.25	48,153,672.07	2,354,007.46	555,468.86	5,929,089.77	266,500,085.54

Item	Land use rights	House and building	Machinery equipment	Transportation equipment	Electronic equipment	Others	Total
(1) Provision	98,506,986.13	111,000,861.25	48,153,672.07	2,354,007.46	555,468.86	5,929,089.77	266,500,085.54
(2) Other additions	-	-	-	-	-	-	-
3. Decrease during the year	3,134,125.63	5,860,206.90	2,323,165.68	-	3,017.24	52,537.63	11,373,053.08
(1) Lease termination	3,134,125.63	5,860,206.90	2,323,165.68	-	3,017.24	52,537.63	11,373,053.08
(2) Transfer or hold for sale	-	-	-	-	-	-	-
4. As at 12/31/2021	95,372,860.50	105,140,654.35	45,830,506.39	2,354,007.46	552,451.62	5,876,552.14	255,127,032.46
III Provision for impairment							
As at 12/31/2020	-	-	-	-	-	-	-
Add: changes in accounting policies	-	-	-	-	-	-	-
1. As at 01/01/2021	-	-	-	-	-	-	-
2. Additions during the year	-	-	-	-	-	-	-
3. Decrease during the year	-	-	-	-	-	-	-
4. As at 12/31/2021	-	-	-	-	-	-	-
IV Carrying amount							
As at 12/31/2021	1,249,536,098.66	725,580,075.13	313,534,290.77	10,786,337.99	1,662,179.55	30,247,930.33	2,331,346,912.43
As at 01/01/2021	1,030,948,594.05	475,354,432.73	224,160,719.98	7,895,083.66	1,146,707.80	18,166,280.35	1,757,671,818.57

20. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Patented technologies	Software use rights and trademark rights	Non-patented technologies	Other including marketing network	Sea use right	Total
I. Original book value							
1. As at 12/31/2020	1,082,230,803.82	32,912,891.53	261,892,539.44	190,357,773.63	64,071,447.75	-	1,631,465,456.17
2. Additions during the year	292,248,215.26	2,050,000.00	33,186,883.26	15,121,385.46	-	35,479,241.11	378,085,725.09
(1) Purchase	205,401,168.31	2,050,000.00	2,328,499.97	560,000.00	-	35,479,241.11	245,818,909.39
(2) Additions due to business combinations	86,847,046.95	-	44,000.00	-	-	-	86,891,046.95
(3) Transfers from Internal R&D	-	-	-	14,561,385.46	-	-	14,561,385.46
(4) Transfers from constructions in progress	-	-	30,814,383.29	-	-	-	30,814,383.29
3. Decrease during the year	55,572,415.71	4,109,150.00	1,166,293.43	55,000.00	-	-	60,902,859.14
(1) Disposals	27,859,930.04	109,150.00	362,855.00	55,000.00	-	-	28,386,935.04
(2) Decrease due to business combinations	24,073,230.96	4,000,000.00	785,719.67	-	-	-	28,858,950.63
(3) Translation of foreign currency financial statements	3,639,254.71	-	17,718.76	-	-	-	3,656,973.47
4. As at 12/31/2021	1,318,906,603.37	30,853,741.53	293,913,129.27	205,424,159.09	64,071,447.75	35,479,241.11	1,948,648,322.12
II. Accumulated depreciation							
1. As at 12/31/2020	120,094,764.88	12,067,668.32	99,813,350.75	110,815,047.25	21,145,418.50	-	363,936,249.70

Item	Land use rights	Patented technologies	Software use rights and trademark rights	Non-patented technologies	Other including marketing network	Sea use right	Total
2. Additions during the year	33,976,318.90	2,322,312.57	28,389,808.42	13,517,914.96	6,604,004.50	2,169,620.64	86,979,979.99
(1) Provision	25,919,125.20	2,322,312.57	28,348,008.42	13,517,914.96	6,604,004.50	2,169,620.64	78,880,986.29
(2) Additions due to business combinations	8,057,193.70	-	41,800.00	-	-	-	8,098,993.70
3. Decrease during the year	1,726,855.53	825,816.67	430,657.36	11,458.33	-	-	2,994,787.89
(1) Disposals	1,067,963.99	109,150.00	360,792.50	11,458.33	-	-	1,549,364.82
(2) Decrease due to business combinations	658,891.54	716,666.67	69,864.86	-	-	-	1,445,423.07
(3) Translation of foreign currency financial statements	-	-	-	-	-	-	-
4. As at 12/31/2021	152,344,228.25	13,564,164.22	127,772,501.81	124,321,503.88	27,749,423.00	2,169,620.64	447,921,441.80
III. Provision for impairment							
1. As at 12/31/2020	-	-	-	10,307,844.71	-	-	10,307,844.71
2. Additions during the year	-	-	-	-	-	-	-
3. Decrease during the year	-	-	-	-	-	-	-
4. As at 12/31/2021	-	-	-	10,307,844.71	-	-	10,307,844.71
IV. Carrying amount							
1. As at 12/31/2021	1,166,562,375.12	17,289,577.31	166,140,627.46	70,794,810.50	36,322,024.75	33,309,620.47	1,490,419,035.61
2. As at 12/31/2020	962,136,038.94	20,845,223.21	162,079,188.69	69,234,881.67	42,926,029.25	-	1,257,221,361.76

Note: The carrying amount of intangible assets arising from internal research and development is 11.05% of the total carrying amount of intangible assets at the

period end.

(2) Land use rights without ownership certificates

Item	Carrying amount	Reason why certificates of ownership are pending
Land use rights	47,970,940.30	In progress

21. Development costs

Project	As at 12/31/2020	Additions during the year		Decrease during the year		As at 12/31/2021
		Internal development	Others	Recognized as intangible assets	Recognized in profit or loss	
Development of animal healthcare products and healthy cultivation models	6,006,105.18	62,519,689.83	-	5,061,088.80	57,608,031.59	5,856,674.62
Development of domestic animal selected farming technology	7,464,156.57	2,036,140.09	-	9,500,296.66	-	-
Development of comprehensive platform	97,087.38	15,965,777.69	-	-	15,965,777.69	97,087.38
Total	13,567,349.13	80,521,607.61	-	14,561,385.46	73,573,809.28	5,953,762.00

22. Goodwill

(1) Book value of goodwill

Name of investee	As at 12/31/2020	Additions during the year	Decrease during the year		As at 12/31/2021
		Business combination	Disposals	Effect of translation of foreign currency statement	
Guangzhou Runchuan	50,000.00	-	-	-	50,000.00
Taizhou Haid	578,247.88	-	-	-	578,247.88
Guangzhou Haihe	76,663.70	-	-	-	76,663.70
Dongguan Haid	2,831,241.61	-	-	-	2,831,241.61
Sanshuifanling	4,841,934.68	-	-	-	4,841,934.68
Dalian Haid	32,178.11	-	-	-	32,178.11
Qingyuan Bairong	1,218,130.86	-	-	-	1,218,130.86
Zhanjiang Hiseno	4,100,845.79	-	-	-	4,100,845.79
Panasia Trading	40,995,879.10	-	-	937,422.06	40,058,457.04
Hisenor Vietnam	5,285,470.71	-	-	120,858.90	5,164,611.81

Name of investee	As at 12/31/2020	Additions during the year		Decrease during the year		As at 12/31/2021
		Business combination	Disposals	Effect of translation of foreign currency statement		
Kaifeng Haid	8,838,854.56	-	-	-	-	8,838,854.56
Guangzhou Heshengtang Pharmaceutical	127,116.22	-	-	-	-	127,116.22
Haid Livestock Veterinary Research Institute	5,809,578.76	-	-	-	-	5,809,578.76
Hunan Innovation	19,210,769.76	-	-	-	-	19,210,769.76
Sichuan Hailinger	76,410,471.64	-	-	-	-	76,410,471.64
Jiaxing Haid	8,312,415.28	-	-	-	-	8,312,415.28
Rongcheng Yandunjiao	33,087.10	-	-	-	-	33,087.10
Shandong Daxin	115,902,036.20	-	-	-	-	115,902,036.20
Hunan Jinhuilong	2,400,475.64	-	-	-	-	2,400,475.64
Feicheng Heruifeng	57,092,523.20	-	-	-	-	57,092,523.20
Weifang Xuheng	30,507,361.78	-	-	-	-	30,507,361.78
Jianong Lianyungang	587,209.55	-	-	-	-	587,209.55
Xinjiang Ruiliheng	1,411,040.63	-	1,411,040.63	-	-	-
Kembang Subur International	326,120.25	-	-	7,457.15	-	318,663.10
Gaotang Huayu	1,455,358.51	-	-	-	-	1,455,358.51
Zhongshan Yugezhi	9,620,427.34	-	-	-	-	9,620,427.34
Gaozhou Haiyuan	2,799,980.27	-	-	-	-	2,799,980.27
Yunnan Zhonggui	3,088,765.62	-	-	-	-	3,088,765.62
Taiwan Shenlong	2,667,561.42	-	-	60,997.12	-	2,606,564.30
Qingdao Runguiyuan	220,674.27	-	-	-	-	220,674.27
Wujiaqu Tai Kun	822,363.32	-	822,363.32	-	-	-
Guam Xingyuan	4,773,160.36	-	-	109,144.28	-	4,664,016.08
Hainan Zhuangmei	1,999,796.32	-	-	-	-	1,999,796.32
Jiangxi Jiabo	17,826,753.49	-	-	-	-	17,826,753.49
Jiangmen Debao	-	24,182,145.13	-	-	-	24,182,145.13
Ganzhou Lianduoli	-	4,228,394.10	-	-	-	4,228,394.10
Total	432,254,493.93	28,410,539.23	2,233,403.95	1,235,879.51	457,195,749.70	

Note: When acquiring the non-controlling interests of a subsidiary, the Company records goodwill at the

amount by which the paid combination cost exceeds the Company's share of the fair value of the acquiree's identifiable net assets obtained in the combination, and changes in the current period include the effect of translation of foreign currency statement after the investment of goodwill generated by the acquisition of overseas subsidiaries.

(2) Provision for impairment of goodwill

Name of investee or events from which goodwill arose	As at 12/31/2020	Additions during the year			Decreases during the year		As at 12/31/2021
		Provision	Disposal	Effect of translation of foreign currency statement			
Guangzhou Runchuan	50,000.00	-	-	-	-	-	50,000.00
Guangzhou Haihe	76,663.70	-	-	-	-	-	76,663.70
Hisenor Vietnam	5,285,470.71	-	-	120,858.90	-	-	5,164,611.81
Hunan Innovation	4,038,440.41	-	-	-	-	-	4,038,440.41
Sichuan Hailinger	76,410,471.64	-	-	-	-	-	76,410,471.64
Shandong Daxin	3,328,423.01	-	-	-	-	-	3,328,423.01
Kembang Subur International	326,120.25	-	-	7,457.15	-	-	318,663.10
Jianong Lianyungang	-	587,209.55	-	-	-	-	587,209.55
Taiwan Shenlong	-	2,606,564.30	-	-	-	-	2,606,564.30
Total	89,515,589.72	3,193,773.85	-	128,316.05	-	-	92,581,047.52

Note: The Group calculates the recoverable amounts by discounting the expected future cash flows, which was prepared by management based on the past performance and expectation for future market development. As of December 31, 2021, according to the impairment test results, the Group recognized provision for impairment of goodwill of RMB 92,581,047.52.

23. Long-term deferred expenses

Item	As at 12/31/2020	Adjustment	As at 01/01/2021	Additions during the year	Decreases during the year		As at 12/31/2021
					Amortization for the year	Other decreases	
Rental expense	187,445,025.89	-176,446,392.83	10,998,633.06	6,034,773.49	3,631,949.92	11,851,202.56	1,550,254.07
Expense on obtaining operation rights of contracted assets	67,312,929.47	-59,575,579.71	7,737,349.76	-	1,462,650.31	-	6,274,699.45
Improvement and decoration expense	69,022,742.01	-	69,022,742.01	76,141,827.45	29,173,384.44	61,811.83	115,929,373.19
Forest restoration expense	13,992,482.10	-13,992,482.10	-	-	-	-	-
Other	14,302,003.73	-1,992,324.73	12,309,679.00	5,430,736.26	6,181,794.89	319,174.49	11,239,445.88
Total	352,075,183.20	-252,006,779.37	100,068,403.83	87,607,337.20	40,449,779.56	12,232,188.88	134,993,772.59

24. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities not offsetting

Item	As at 12/31/2021		As at 12/31/2020	
	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities
Deferred tax assets::				
Loss of credit impairment	251,058,671.80	54,752,960.81	138,921,952.44	32,888,648.51
Provisions for impairment of assets	46,594,467.98	10,251,471.81	23,814,285.24	5,740,330.78
Organization cost	19,096,620.17	4,772,906.77	8,784,920.98	2,034,918.79
Depreciation	11,112,534.02	1,416,265.51	11,069,066.59	1,415,505.54
Amortization	406,481.20	101,620.30	731,666.16	182,916.54
Deductible losses	2,489,203,446.58	464,829,717.08	2,163,768,530.29	484,696,699.44
Accrued expense	14,523,892.17	2,408,720.18	13,407,319.34	3,351,829.84
Unrealized profits of intra-group transactions	148,587,810.16	32,800,086.64	219,517,725.56	44,186,349.12
Gain/Loss on movements in fair value	44,174,431.17	6,751,652.68	127,097,729.19	27,709,235.30
Deferred income	150,164,889.86	32,725,004.15	89,999,628.29	18,824,041.39
Payroll payable	199,724,019.15	37,084,081.17	169,131,166.48	37,621,819.87
Equity incentive	138,403,577.97	20,760,536.70	676,949,591.63	169,237,397.91
Deductible advertising expense carryforwards	16,401,777.38	4,090,066.99	17,587,415.81	4,396,853.94
Accrued sales discounts	118,590,568.76	17,155,501.44	149,839,403.75	14,799,670.00
Accrued tax deduction	300,000,489.33	45,000,073.40	-	-
Subtotal	3,948,043,677.70	734,900,665.63	3,810,620,401.75	847,086,216.97
Deferred tax liabilities:				
Gain/Loss on movements in fair value	2,507,784.13	234,353.81	228,897,739.19	44,682,800.80
Depreciation	493,269,779.11	103,786,749.84	379,382,641.29	80,403,963.51
Amortization	19,078,785.17	2,969,482.24	24,188,668.89	6,047,167.23
Increase in value upon valuation	255,887,769.01	60,271,484.21	188,769,598.56	43,269,769.48
Expected profits to be distributed by overseas subsidiaries	73,338,943.73	11,000,841.56	-	-
Subtotal	844,083,061.15	178,262,911.66	821,238,647.93	174,403,701.02

(2) Details of unrecognized deferred tax assets

Item	As at 12/31/2021	As at 12/31/2020
Deductible losses	172,056,579.14	144,584,036.17
Provision for impairment of assets	5,738,852.95	58,538,725.19
Employee compensation	6,881,780.62	8,353,687.89
Total	184,677,212.71	211,476,449.25

(3) Expiration of deductible tax losses for unrecognized deferred tax assets

Year	As at 12/31/2021	As at 12/31/2020	Note
2021	—	3,132,846.62	
2022	5,733,389.42	11,929,560.83	
2023	11,340,155.67	20,697,223.41	
2024	12,085,351.59	30,265,049.25	
2025	60,947,474.34	78,559,356.06	
2026	81,950,208.12	—	
Total	172,056,579.14	144,584,036.17	

25. Other non-current assets

Item	As at 12/31/2021			As at 12/31/2020		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayments for equipment and constructions	338,945,719.58	-	338,945,719.58	280,118,141.28	-	280,118,141.28
Prepayments for acquisition of other long-term assets	111,879,324.50	-	111,879,324.50	93,509,145.42	-	93,509,145.42
Total	450,825,044.08	-	450,825,044.08	373,627,286.70	-	373,627,286.70

26. Short-term loans

(1) Short-term loans by category

Item	As at 12/31/2021	As at 12/31/2020
Unsecured loans	3,401,836,775.53	4,676,901,111.98
Pledged loans	34,425,546.08	-
Guaranteed loan	271,073,822.74	49,034,130.71

Item	As at 12/31/2021	As at 12/31/2020
Mortgage loan / Guaranteed loan	75,000,000.00	10,013,342.47
Total	3,782,336,144.35	4,735,948,585.16

Note: Unsecured loans included guaranteed loans provided by inter-group members.

(2) There were no overdue short-term loans as of the end of current period.

27. Held-for-trading financial liabilities

Item	As at 12/31/2021	As at 12/31/2020
Held-for-trading financial liabilities	44,174,431.17	127,446,229.19
Including: Derivative financial liabilities	44,174,431.17	127,446,229.19
Total	44,174,431.17	127,446,229.19

28. Notes payable

Item	As at 12/31/2021	As at 12/31/2020
Commercial acceptance notes	246,849,830.66	-
Bank acceptance notes	160,241,147.92	-
Total	407,090,978.58	-

29. Accounts payable

Item	As at 12/31/2021	As at 12/31/2020
Accounts payable with aging within one year	3,960,076,033.40	1,990,164,665.15
Accounts payable with aging over one year	91,628,304.64	70,385,872.39
Total	4,051,704,338.04	2,060,550,537.54

Significant accounts payable with aging over one year

Item	Ending balance	Reason for unsettledness or carry-forward
Payables for construction and equipment	31,291,606.99	construction has not been settled
Payables for raw material	2,580,820.91	the quality dispute has not been settled
Total	33,872,427.90	—

30. Advances from customers

Item	As at 12/31/2021	As at 12/31/2020
Advances from customers with aging within one year	69,917.84	-

Item	As at 12/31/2021	As at 12/31/2020
Advances from customers with aging over one year	-	-
Total	69,917.84	-

31. Contract liability

Item	As at 12/31/2021	As at 12/31/2020
Advances from customers	1,908,259,980.27	1,889,338,880.88
Less: Contract liabilities included in other non-current liabilities	-	-
Total	1,908,259,980.27	1,889,338,880.88

32. Employee benefits payable

Item	As at 12/31/2020	Accrued during the year	Decreased during the year	As at 12/31/2021
Short-term employee benefits	925,544,150.17	4,368,418,853.20	4,082,386,807.88	1,211,576,195.49
Post-employment benefits - defined contribution plans	349,164.79	160,425,765.60	159,547,042.84	1,227,887.55
Termination benefits	-	10,904,962.58	10,897,962.58	7,000.00
Other benefits due within one year	-	-	-	-
Total	925,893,314.96	4,539,749,581.38	4,252,831,813.30	1,212,811,083.04

(1) Short-term employee benefits

Item	As at 12/31/2020	Accrued during the year	Decreased during the year	As at 12/31/2021
Salaries, bonus, allowances	719,767,655.99	3,805,011,635.01	3,578,177,369.01	946,601,921.99
Staff welfare	7,864,134.24	161,123,747.93	160,239,167.87	8,748,714.30
Social insurances	229,140.98	89,215,553.15	88,814,312.81	630,381.32
Including: 1. Medical insurance	199,938.32	77,239,921.52	76,915,427.80	524,432.04
2. Work-related injury insurance	5,350.80	4,968,863.20	4,924,785.24	49,428.76
3. Maternity insurance	8,966.68	4,313,140.17	4,312,648.13	9,458.72
4. Serious disease subsidies	14,885.18	2,693,628.26	2,661,451.64	47,061.80
Housing Fund	143,711.54	33,315,504.28	33,363,014.49	96,201.33
Labor union fees	638,883.53	7,094,243.41	6,624,252.66	1,108,874.28
Staff and workers' education fee	1,047,200.30	27,783,651.52	26,989,214.41	1,841,637.41

Item	As at 12/31/2020	Accrued during the year	Decreased during the year	As at 12/31/2021
Short-term profit - sharing plan	195,853,423.59	244,874,517.90	188,179,476.63	252,548,464.86
Total	925,544,150.17	4,368,418,853.20	4,082,386,807.88	1,211,576,195.49

(2) Defined contribution plans

Item	As at 12/31/2020	Accrued during the year	Decreased during the year	As at 12/31/2021
Post-employment benefits	349,164.79	160,425,765.60	159,547,042.84	1,227,887.55
Including: 1. Basic pension insurance	320,918.23	154,953,889.28	154,631,499.11	643,308.40
2. Unemployment insurance	28,246.56	5,117,982.34	4,915,543.73	230,685.17
3. Annuity	-	353,893.98	-	353,893.98
Total	349,164.79	160,425,765.60	159,547,042.84	1,227,887.55

33. Taxes payable

Item	As at 12/31/2021	As at 12/31/2020
VAT	7,779,320.30	6,280,230.51
City construction tax	559,994.75	337,770.52
Corporate income tax	209,159,774.37	172,770,882.92
Individual income tax	7,936,147.31	4,304,103.02
Property tax	4,902,932.07	2,709,861.99
Stamp tax	6,129,596.09	3,606,318.33
Educational surcharges	461,724.92	232,316.28
Land use tax	2,871,638.66	2,329,632.97
Environmental protection tax	288,620.72	346,869.32
Water resource tax	415,144.50	290,983.10
Tax withheld	318,352.50	423,390.20
Land value increment tax	-	2,300,739.71
Others	597,762.00	274,989.74
Total	241,421,008.19	196,208,088.61

34. Other payables

Item	As at 12/31/2021	As at 12/31/2020
Interests payable	-	-
Dividends payable	21,827,574.34	2,591,473.50
Other payables	406,084,916.42	453,963,606.42
Total	427,912,490.76	456,555,079.92

(1) Dividends payable

Item	As at 12/31/2021	As at 12/31/2020
Dividends payable to non-controlling interests	21,827,574.34	2,591,473.50
Total	21,827,574.34	2,591,473.50

(2) Other payables

Item	As at 12/31/2021	As at 12/31/2020
Security deposits	279,761,675.69	163,769,853.98
Petty cash	8,134,364.45	4,495,532.45
Rents	14,429,586.38	983,040.00
Payables for equity transfer	10,936,376.84	33,876,735.58
Payables to external parties	90,015,880.55	165,410,639.21
Restricted stock repurchase commitments	-	81,320,516.40
Other	2,807,032.51	4,107,288.80
Total	406,084,916.42	453,963,606.42

Significant other payables aging over 1 year:

Item	As at 31/12/2021	Reason for no repayment
Payables for equity transfer	8,156,376.84	payment conditions unmet
Security deposits	17,230,000.00	execution of contract unfinished
Intercourse funds of external company	4,423,720.27	the agreed payment time unmet
Total	29,810,097.11	—

35. Non-current liabilities due within one year

Item	As at 12/31/2021	As at 12/31/2020
Long-term payables due within one year	-	66,411,370.52
Long-term loan due within one year	286,549,804.00	75,994,320.47
Lease liability due within one year	277,374,040.74	-
Total	563,923,844.74	142,405,690.99

(1) Long-term payables due within one year

Item	As at 12/31/2021	As at 12/31/2020
Obligations under financial leases	-	1,439,506.75
Obligations under equity transfers	-	64,971,863.77
Total	-	66,411,370.52

(2) Long-term loan due within one year

Item	As at 12/31/2021	As at 12/31/2020
Unsecured loans	286,549,804.00	75,994,320.47
Total	286,549,804.00	75,994,320.47

(3) Lease liability due within one year

Item	12/31/2021	01/01/2021	12/31/2020
Lease liability	277,374,040.74	212,054,217.18	-
Total	277,374,040.74	212,054,217.18	-

36. Other current liabilities

Item	As at 12/31/2021	As at 12/31/2020
Utilities	58,272,401.30	42,990,068.27
Steam or other fuel or power charges	30,596,246.43	20,915,537.18
Transportation and warehousing charges	20,836,999.97	13,212,391.40
Office and meeting service charges	20,794,779.42	17,246,465.16
Travel charges	16,648,744.60	13,405,957.70
Rents	819,293.09	1,662,366.94
Vehicle charges	15,165,841.87	13,975,940.98
R&D charges	1,654,085.59	2,276,863.65
Business promotion charges	11,727,720.96	8,746,542.74
Maintenance charges	2,601,318.44	3,961,870.06
Entrusted cultivation charges	174,131,977.32	133,529,321.45
Output VAT to be transferred	19,110,662.27	23,331,128.25
Other	26,362,183.70	19,312,262.57
Total	398,722,254.96	314,566,716.35

37. Long-term loans

Item	As at 12/31/2021	As at 12/31/2020
Unsecured loans	4,697,657,687.25	1,237,399,020.47
Subtotal	4,697,657,687.25	1,237,399,020.47
Less: long-term loans due within one year	286,549,804.00	75,994,320.47
Total	4,411,107,883.25	1,161,404,700.00

Note: Unsecured loans included guaranteed loans provided by inter-group members

38. Lease liability

Item	As at 12/31/2021	As at 01/01/2021
Lease liability	2,353,217,376.05	1,788,255,070.64
Less: unrecognized financing costs	497,096,947.12	406,508,731.27

Subtotal	1,856,120,428.93	1,381,746,339.37
Less: lease liability due within one year	277,374,040.74	212,054,217.18
Total	1,578,746,388.19	1,169,692,122.19

Note: During 2021, the interest expense of lease liabilities is RMB 68,022,328.93, which is included in the financial expense - unrecognized financing costs.

39. Long-term payables

Item	As at 12/31/2021	As at 12/31/2020
Long-term payables	53,886,898.67	36,320,489.48
Special payables	-	-
Total	53,886,898.67	36,320,489.48

(1) Long-term payables

Item	As at 12/31/2021	As at 12/31/2020
Guarantee deposit	5,651,897.07	3,193,032.00
Obligations under equity transfers	5,000,000.00	65,592,900.00
Sea use right fee	39,280,000.14	85,230,343.66
Other payables	15,600,000.00	-
Less: Unrecognized financing costs	11,644,998.54	51,284,415.66
Subtotal	53,886,898.67	102,731,860.00
Less: long-term payables due within one year	-	66,411,370.52
Total	53,886,898.67	36,320,489.48

40. Long-term employee benefits payable

Item	As at 12/31/2021	As at 12/31/2020
Post-employment benefits-net liabilities of defined benefit plans	-	-
Dismissal benefits	-	-
Long-term profit sharing plans	420,901,373.76	340,744,368.88
Subtotal	420,901,373.76	340,744,368.88
Less: Long-term employee benefits payable due within one year	252,548,464.86	195,853,423.59
Total	168,352,908.90	144,890,945.29

41. Deferred income

Item	As at 12/31/2020	Additions during the year	Reductions during the year	As at 12/31/2021	Reason for deferral

Item	As at 12/31/2020	Additions during the year	Reductions during the year	As at 12/31/2021	Reason for deferral
Government grant	197,700,052.58	136,537,084.58	50,945,523.54	283,291,613.62	Receipt of government grant
Rent income	4,633,397.86	24,100,446.56	25,613,857.00	3,119,987.42	Conditions for revenue recognition unmet
Total	202,333,450.44	160,637,531.14	76,559,380.54	286,411,601.04	

Note: For the government grant which was recognized as deferred income, refer to Note V. 69. Government grant.

42. Share capital (Unit: share)

Item	As at 12/31/2020	Movements during the year (+, -)					As at 12/31/2021
		New issuance	Bonus issuance	Shares as dividend converted from public reserves	Other	Subtotal	
Total shares	1,661,210,751.00	-	-	-	-49,690.00	-49,690.00	1,661,161,061.00

Note: Changes in capital stock during this reporting period are the number of stock options in the equity incentive plan for repurchase of vested but unlocked restricted stock shares due to employee resignation or failure in personal performance assessment in 2021.

43. Capital reserve

Item	As at 12/31/2020	Additions during the year	Reductions during the year	As at 12/31/2021
Share premium (Note 1)	4,556,315,043.14	31,927,848.00	83,506,583.32	4,504,736,307.82
Other capital reserves (Note 2)	485,606,021.66	262,778,762.42	125,382,753.27	623,002,030.81
Total	5,041,921,064.80	294,706,610.42	208,889,336.59	5,127,738,338.63

Note 1: Reasons for the changes in share premium

- ① The increases in share premium in the current period primarily consisted of unlocking of restricted stock since other capital reserves is transferred to share premium, the share of the net assets of the subsidiary shall be enjoyed by the minority shareholders if the sale price is greater than the transfer point or the share of the net assets of the subsidiary shall be enjoyed by the minority shareholders if the purchase price is less than the transfer point, as well as the premium generated by the current conversion of a convertible corporate bond.
- ② The decreases in share premium in the current period were primarily incurred by the repurchase of restricted shares granted to employees but still in lockup due to the employees' resignation, and the portion by which the payments for acquisition of equity interests in subsidiaries from non-controlling interests exceeded the Company's shares of the subsidiaries' net assets on the transfer days.

Note 2: Reasons for the changes in other capital reserves

- ① The increases in other capital reserves in the current period primarily consisted of the share-based payments with equity instruments attributable to the parent company in the implementation of share option and restricted share incentives (refer to XI), and the deferred income tax assets on the amount by which the deductible amount in the exercise of share options under the equity incentive plan exceeded the recognized costs during the pending period being directly charged to other capital reserves.
- ② The decreases in other capital reserves in the current period were primarily incurred by the reclassification into share premium due to the exercise of incentive share options and the unlocking of restricted shares, and the adjustment of the amount of other capital reserves that can be deducted before tax due to the reduction of equity incentives in the current period and the amount of other capital reserves that exceed the recognized costs.

44. Treasury stock

Item	As at 12/31/2020	Additions during the year	Reductions during the year	As at 12/31/2021
Restricted stock repurchase commitments	81,320,516.40	-	81,320,516.40	-
Repurchase stock	84,029,816.25	708,291,335.91	-	792,321,152.16
Total	165,350,332.65	708,291,335.91	81,320,516.40	792,321,152.16

Note:

- ① The increase in the current period is the Company repurchase the Company's shares in the stock incentive plan or the amount paid by the employee stock ownership plan in the current year. The decrease in the current period was primarily incurred by equity distribution and the repurchase of restricted shares granted to employees but still in lockup due to the distribution of interest or employees' resignation or the termination of the labor contracts with the employees.

45. Other comprehensive income

Item	As at 12/31/2020 (1)	Movements during the year					As at 12/31/2021 (3)=(1)+(2)
		Before-tax amount	Less: previously recognized amount transferred to profit or loss	Less: income tax expense	Net-of-tax amount attributable to shareholders of the Company (2)	Net-of-tax amount attributable to non-controlling interests	
I.Items that will not be reclassified to profit or loss	-	-	-	-	-	-	-
II.Items that may be reclassified to profit or loss	-106,486,348.07	-37,081,918.64	-	-	-38,211,827.53	1,129,908.89	-144,698,175.60
Including: Translation differences arising from foreign currency financial statements	-106,486,348.07	-37,081,918.64	-	-	-38,211,827.53	1,129,908.89	-144,698,175.60
Total	-106,486,348.07	-37,081,918.64	-	-	-38,211,827.53	1,129,908.89	-144,698,175.60

Note: Net-of-tax amount of other comprehensive income during the year 2021 is RMB -37,081,918.64, in which net-of-tax amount of other comprehensive income attributable to shareholders of the Company is RMB -38,211,827.53, and net-of-tax amount of other comprehensive income attributable to non-controlling interests is RMB 1,129,908.89.

46. Surplus reserve

Item	As at 12/31/2020	Adjustment	As at 01/01/2021	Additions during the year	Reductions during the year	As at 12/31/2021
Statutory surplus reserve	638,662,900.40	-	638,662,900.40	107,333,505.66	-	745,996,406.06
Discretionary surplus reserve	-	-	-	-	-	-

Item	As at 12/31/2020	Adjustment	As at 01/01/2021	Additions during the year	Reductions during the year	As at 12/31/2021
Total	638,662,900.40	-	638,662,900.40	107,333,505.66	-	745,996,406.06

Note: Per the Company's Articles of Association, 10% of its net income in 2020, i.e. RMB 107,333,505.66, was appropriated to statutory surplus reserves.

47. General risk preparation

Item	As at 12/31/2020	Additions during the year	Reductions during the year	As at 12/31/2021
General risk allowance	7,814,011.67	1,191,016.88	-	9,005,028.55
Total	7,814,011.67	1,191,016.88	-	9,005,028.55

48. Retained earnings

Item	Amount in current period	Amount in previous period	Appropriation or distribution percentage
Retained earnings as at 12/31/2020 (before adjustment)	6,895,016,817.26	4,937,480,629.17	--
Total adjustments for opening retained earnings("+" for increase; "-" for decrease)	-	-	--
Retained earnings as at 01/01/2021 (after adjustment)	6,895,016,817.26	4,937,480,629.17	
Add: Net profits for the year attributable to shareholders of the Company	1,596,046,173.08	2,522,730,419.35	--
Less: Appropriation for statutory surplus reserve	107,333,505.66	4,255,096.69	10%
Appropriation for discretionary surplus reserve	-	-	
Appropriation for general risk preparation	1,191,016.88	7,814,011.67	
Dividends converted to general share capital	528,284,464.96	553,125,122.90	
Retained earnings as at 12/31/2021	7,854,254,002.84	6,895,016,817.26	

49. Operating income and operating cost

(1) Operating income and operating cost

Item	Amount in current period		Amount in previous period	
	Income	Cost	Income	Cost
Principal activities	85,783,274,635.54	78,615,757,919.32	60,248,134,396.34	53,261,861,655.15
Other operating activities	215,285,113.24	83,019,711.78	75,728,009.60	29,918,004.28
Total	85,998,559,748.78	78,698,777,631.10	60,323,862,405.94	53,291,779,659.43

(2) Operating income and operating cost by products

Main product category	Amount in current period		Amount in previous period	
	Income	Cost	Income	Cost
Feed sales	69,825,872,761.95	63,485,844,564.16	48,765,213,907.42	43,734,476,976.26

Main product category	Amount in current period		Amount in previous period	
	Income	Cost	Income	Cost
Animal protection products sales	892,463,422.53	438,660,889.58	664,662,163.91	328,469,521.22
Agricultural sales	8,629,261,147.71	8,560,127,195.18	6,368,085,797.46	4,941,457,315.68
Trade business	6,389,973,548.31	6,131,124,456.61	4,404,959,107.51	4,257,457,841.99
Other	260,988,868.28	83,020,525.57	120,941,429.64	29,918,004.28
Total	85,998,559,748.78	78,698,777,631.10	60,323,862,405.94	53,291,779,659.43

(3) Operating break down information

	Amount in current period			
	Feed, animal protection and raw material	Agricultural products	Other	Total
Operating income from principal activities	77,108,309,732.79	8,629,261,147.71	45,703,755.04	85,783,274,635.54
Including: Satisfied at a point in time	77,108,309,732.79	8,629,261,147.71	-	85,737,570,880.50
Satisfied over time	-	-	45,703,755.04	45,703,755.04
Operating income from other operating activities	-	-	215,285,113.24	215,285,113.24
Total	77,108,309,732.79	8,629,261,147.71	260,988,868.28	85,998,559,748.78

50. Taxes and surcharges

Item	Amount in current period	Amount in previous period
Urban maintenance and construction tax	5,282,074.85	4,075,835.54
Educational surcharge	2,595,516.58	1,930,702.47
Local educational surcharge	1,724,955.16	1,277,046.94
Stamp duty	44,738,760.42	25,068,969.92
Property tax	29,477,994.15	21,563,712.23
Land usage tax	14,919,767.48	12,166,594.45
Environmental protection tax	1,284,966.81	1,263,877.94
Embankment protection cost	1,449,449.44	461,636.12
Other	1,640,815.39	1,058,750.35
Total	103,114,300.28	68,867,125.96

Note: For the criteria of taxes and surcharges accrued and paid, please refer to Note IV. Taxation

51. Selling and distribution expenses

Item	Amount in current period	Amount in previous period
Employee compensation	1,310,979,391.37	1,010,588,509.02
Travel expense	229,784,464.34	175,899,395.76
Business promotion expense	124,335,981.79	114,351,620.05
Equity incentive expense	51,196,825.86	1,473,501.35
Other	91,952,600.95	40,531,730.23
Total	1,808,249,264.31	1,342,844,756.41

52. General and administrative expenses

Item	Amount in current period	Amount in previous period
Employee compensation	1,379,213,594.56	987,515,640.42
Travel expense	94,103,129.02	70,095,181.65
Office expense	408,397,999.32	353,712,524.41
Training and consulting service charges	125,518,517.05	74,345,439.88
Equity incentive expense	115,219,280.20	5,159,815.35
Other	106,069,318.44	68,143,857.79
Total	2,228,521,838.59	1,558,972,459.50

53. Research and development expenses

Item	Amount in current period	Amount in previous period
Employee compensation	320,072,288.09	272,940,113.91
Materials	171,286,455.75	103,370,380.46
Travel expense	27,087,999.81	19,817,323.91
Office expense	92,336,131.89	70,735,663.51
Training and consulting service charges	1,891,862.39	1,712,236.41
Expense on R&D entrusted to external parties	5,254,662.92	7,839,627.72
Equity incentive expense	33,182,243.90	1,297,602.27
Other	1,883,654.10	1,593,737.46
Total	652,995,298.85	479,306,685.65

54. Financial expenses

Item	Amount in current period	Amount in previous period
Total interest expenses	319,824,182.96	226,613,261.69
Less: Interest income	29,932,608.81	27,826,287.56
Add: Net exchange losses/gains	14,219,078.21	10,007,855.13
Add: Unrecognized financing costs	68,346,385.86	9,720,347.85
Add: Bank charges	30,431,615.10	17,724,082.85

Item	Amount in current period	Amount in previous period
Total	402,888,653.32	236,239,259.96

55. Other income

Item (Source of other income)	Amount in current period	Amount in previous period	Related to assets/ income
Government grant related to daily operating activities	87,450,747.06	99,595,317.97	Related to assets / income
Other items arising in the daily operating activities that should be charged directly to other income	3,420,851.26	2,317,269.08	—
Total	90,871,598.32	101,912,587.05	—

Note: For the details of government grant, refer to Note X. 69. Government grant.

56. Investment income

Item	Amount in current period	Amount in previous period
Income from long-term equity investments accounted for using the equity method	-1,557,102.23	-2,612,715.19
Investment income from disposal of long-term equity investments	1,477,701.25	-
Investment income from holding held-for-trading financial assets	5,544,191.97	36,350,510.06
Interest income from debt investments	575,906.52	19,042.58
Investment income from holding other non-current financial assets	2,385,359.37	1,291,116.49
Investment income from disposal of other non-current financial assets	-17,653.12	694,685.05
Investment income from holding held-for-trading financial assets	377,874,802.86	-33,667,472.50
financial assets measured at amortized cost cease to recognize earnings	-1,432,052.45	-
Total	384,851,154.17	2,075,166.49

57. Gains/ (losses) from changes in fair value

Source of the changes in fair value	Amount in current period	Amount in previous period
Held-for-trading financial assets	85,867,798.79	80,310,028.27
Including: Financial assets at fair value through profit or loss	-	-
Held-for-trading financial liabilities	-38,761,796.62	-88,245,250.58
Including: Financial liabilities at fair value through profit or loss	-	-
Hedging instrument-Changes in fair value of derivatives instruments with invalid hedging	9,924,958.83	-13,547,952.73

Source of the changes in fair value	Amount in current period	Amount in previous period
Other	-	-4,045,037.00
Total	47,106,002.17	-11,980,259.31

58. Credit impairment losses ("-" for losses)

Item	Amount in current period	Amount in previous period
Loss allowance on accounts receivable	-66,565,498.21	-42,374,842.39
Loss allowance on Loans and factoring	-17,811,451.41	205,560.28
Loss allowance on guarantee	-3,020,221.93	-1,245,676.01
Total	-87,397,171.55	-43,414,958.12

59. Impairment losses ("-" for losses)

Item	Amount in current period	Amount in previous period
Impairment losses on inventories	-63,513,807.87	-9,588,154.30
Impairment losses on long-term equity investments	-5,455,271.05	-
Impairment losses on goodwill	-3,225,507.07	-47,313,431.49
Total	-72,194,585.99	-56,901,585.79

60. Gains from assets disposal ("-" for losses)

Item	Amount in current period	Amount in previous period
Gains from disposals of non-current assets held-for-sale	-	113,554.14
Gains from disposals of fixed assets	799,049.44	6,714,581.54
Gains from disposals of intangible assets	3,338.04	2,334,750.00
Gains from disposals of right-of-use assets	-154,916.51	-
Gains from disposals of long-term deferred expense	-	85,385.70
Total	647,470.97	9,248,271.38

61. Non-operating income

Item	Amount in current period	Amount in previous period	Amount included in non-recurring gains or losses for the current year
Gain on disposal of non-current assets resulted from damage or obsolescence	6,708.92	60,155.04	6,708.92
Insurance compensation	830,745.42	8,160,094.05	830,745.42
Debt repayment income	8,985,292.75	3,776,372.56	8,985,292.75

Item	Amount in current period	Amount in previous period	Amount included in non-recurring gains or losses for the current year
Negative goodwill	40,510.51	1,749,131.53	40,510.51
Default income	21,262,458.25	6,682,969.31	21,262,458.25
Compensation of performance commitment	3,486,920.00	-	3,486,920.00
Other	7,761,324.66	3,891,392.76	7,761,324.66
Total	42,373,960.51	24,320,115.25	42,373,960.51

62. Non-operating expenses

Item	Amount in current period	Amount in previous period	Amount included in non-recurring gains or losses for the current year
Gain on disposal of non-current assets resulted from damage or obsolescence	18,905,283.93	18,643,555.48	18,905,283.93
Gain on disposal of non-current assets resulted from damage or	3,768,241.56	31,550,826.13	3,768,241.56
obsolescence	-	17,876,735.58	-
Loss in damage and scrap of inventory	5,324,096.11	5,451,411.93	5,324,096.11
Default income	5,381,602.38	7,836,551.65	5,381,602.38
Other	15,121,780.57	5,437,990.28	15,121,780.57
Total	48,501,004.55	86,797,071.05	48,501,004.55

63. Income tax expenses

(1) Details of income tax expenses

Item	Amount in current period	Amount in previous period
Current tax expense for the year based on tax law and regulations	657,577,732.98	493,152,622.73
Changes in deferred tax assets/liabilities	-6,898,143.93	-58,649,045.63
Total	650,679,589.05	434,503,577.10

(2) Reconciliation between income tax expenses and accounting profit:

Item	Amount in current period	Amount in previous period
Profits/losses before tax	2,461,770,186.38	3,284,314,724.93
Expected income tax expenses at applicable tax rate	369,265,527.96	821,078,681.23
Effect of different tax rates applied by subsidiaries	350,849,710.70	-335,646,101.31
Adjustment to income tax of previous years	-10,432,474.09	3,327,292.34
Effect of non-taxable income	-38,508,715.14	-63,860,700.11

Item	Amount in current period	Amount in previous period
Effect of non-deductible costs, expenses and losses	48,660,299.37	22,178,311.43
Effect on opening balance of deferred tax due to changes in tax rate	-33,136,217.54	-1,688,613.08
Effect of using the deductible temporary differences or deductible losses for which no deferred tax asset was recognized in previous	-15,763,536.73	-8,794,630.89
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognized this year	34,720,096.46	31,055,309.92
Effect of research and development expenses over-deduction	-54,975,101.94	-33,145,972.43
Income tax expenses	650,679,589.05	434,503,577.10

64. Cash flow statement

(1) Cash received from other operating activities

Item	Amount in current period	Amount in previous period
Operating receivables and payables	1,286,226,558.51	430,071,365.41
Fiscal subsidies	177,009,058.10	199,595,690.02
Interest income of deposit	29,932,608.81	23,913,724.13
Other	34,235,888.96	17,324,948.37
Total	1,527,404,114.38	670,905,727.93

(2) Cash paid for other operating activities

Item	Amount in current period	Amount in previous period
Operating receivables and payables	1,427,096,258.53	677,762,677.97
Other expense	1,045,966,113.35	847,822,279.83
Total	2,473,062,371.88	1,525,584,957.80

(3) Cash received from other investing activities

Item	Amount in current period	Amount in previous period
Collection of deposit of long-term assets	6,555,335.22	200,000.00
Total	6,555,335.22	200,000.00

(4) Cash paid for other investing activities

Item	Amount in current period	Amount in previous period
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Item	Amount in current period	Amount in previous period
Deposit of acquisitions of long-term assets	4,952,204.60	17,008,201.42
Disposal of subsidiaries	9,099,947.44	-
Total	14,052,152.04	17,008,201.42

(5) Cash received for other financing activities

Item	Amount in current period	Amount in previous period
Bills, loans, deposit of letter of credit	16,871,515.07	13,142,656.84
Receive loans from external correspondents	675,000.00	37,223,600.00
Other	20,000.00	1,112.78
Total	17,566,515.07	50,367,369.62

(6) Cash paid for other financing activities

Item	Amount in current period	Amount in previous period
Bills, loans, deposit of letter of credit	29,647,786.91	24,940,961.50
Restricted stock repurchase	362,257.20	3,022,110.16
Payment for financial leasing	402,422,119.97	6,771,396.53
Payment for acquisition of non-controlling interest in current and previous year	34,350,089.91	25,297,344.40
Expense of convertible loans	60,609.81	2,331,641.76
Payment for loans and interests of external correspondents	12,990,389.65	27,223,600.00
Securities repurchase funds	708,291,335.91	84,029,816.25
Other	-	53,130.54
Total	1,188,124,589.36	173,670,001.14

65. Supplementary information on cash flow statement

(1) Supplement to cash flow statement

Item	Amount in current period	Amount in previous period
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	1,811,090,597.33	2,849,811,147.83
Add: Provisions for impairment losses	72,194,585.99	56,901,585.79
Provisions for credit losses	87,397,171.55	43,414,958.12
Depreciation of fixed assets, depreciation of right of use assets, depreciation of investment properties, depletion of oil and gas assets, and depreciation of productive biological assets	1,069,383,235.69	771,140,631.95
Depreciation of right-of-use assets	266,500,085.54	-

Item	Amount in current period	Amount in previous period
Amortization of intangible assets	78,880,986.29	67,652,048.18
Amortization of long-term deferred expenses	40,449,779.56	58,705,552.75
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("- for gains)	-647,470.97	-9,248,271.38
Loss from scrapping of fixed assets ("- for gains)	18,898,575.01	14,940,135.41
Loss from scrapping of productive biological assets ("- for gains)	-	3,643,265.03
Losses from changes in fair value ("- for gains)	-47,106,002.17	11,980,259.31
Financial expenses ("- for income)	394,203,158.32	236,333,609.54
Losses arising from investment ("- for gains)	-384,851,154.17	-2,075,166.49
Decrease in deferred tax assets ("- for increase)	10,944,322.23	-119,089,827.20
Increase in deferred tax liabilities ("- for decrease)	-17,842,466.16	61,660,974.47
Decrease in gross inventories ("- for increase)	-1,894,537,802.68	-2,645,107,984.57
Decrease in operating receivables ("- for increase)	-190,089,581.17	-209,234,160.74
Increase in operating payables ("- for decrease)	1,464,682,912.01	-794,679,036.78
Expense of equity incentive	274,319,167.89	8,320,604.84
Other	84,078,150.60	80,188,905.97
Net cash flows from operating activities	3,137,948,250.69	485,259,232.03
2. Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Acquisition of fixed assets under finance leases	-	-
3. Change in cash and cash equivalents:		
Cash as at 12/31/2021	1,681,109,971.07	2,010,888,021.43
Less: cash as at 12/31/2020	2,010,888,021.43	1,824,265,608.78
Add: cash equivalents as at 12/31/2021	-	-
Less: cash equivalents as at 12/31/2020	-	-
Net increase/decrease in cash and cash equivalents	-329,778,050.36	186,622,412.65

(2) Net cash flows from acquisition of subsidiaries during the year

Item	Amount in current period
Cash or cash equivalents paid in the current period for business combinations incurred during the year	111,620,000.00
Including: Ganzhou Lianduoli	14,120,000.00
Jiangmen Debao	97,500,000.00
Less: Cash and cash equivalents held by the subsidiaries on acquisition dates	9,261,538.68
Including: Ganzhou Lianduoli	886,041.93
Raoping Haide	50,115.81

Item	Amount in current period
Jiangmen Debao	8,325,380.94
Add: Cash or cash equivalents paid in the current period for business combinations incurred in prior periods	43,420,123.16
Including: Jiangxi Jiabo	1,843,623.16
Hainan Zhuangmei	1,000,000.00
Shandong Daxin	40,576,500.00
Net cash flows for acquisition of subsidiaries	145,778,584.48

(3) Net cash flows from disposal of subsidiaries during the year

Item	Amount in current period
Cash or cash equivalents received in the current period from disposal of subsidiaries	3,000,000.00
Including: Foshan Chuanguamei Biological Technology Co., Ltd.	3,000,000.00
Guangdong Zhongyu Duck Industry Co., Ltd.	-
Less: Cash and cash equivalents held by the company on the date of loss of control	12,099,947.44
Including: Foshan Chuanguamei Biological Technology Co., Ltd.	1,616,823.34
Guangdong Zhongyu Duck Industry Co., Ltd.	838,836.85
Alar Ruiliheng Biological Protein Co., Ltd.	588,807.99
Wujiaqu Taikun Plant Protein Co., Ltd	9,055,479.26
Net cash flows from disposal of subsidiaries	-9,099,947.44

(4) Details of cash and cash equivalents

Item	Year ended 12/31/2021	Year ended 12/31/2020
1. Cash	1,681,109,971.07	2,010,888,021.43
Including: Cash on hand	939,250.50	575,655.36
Bank deposits available on demand	1,615,586,429.58	1,764,778,953.29
Other monetary funds available on demand	64,584,290.99	245,533,412.78
Cash at central bank available on demand	-	-
Amounts due from banks	-	-
Loans to banks	-	-
2. Cash equivalents	-	-
Including: Bond investments with a maturity of 3 months or less	-	-
3. Cash and cash equivalents as at 12/31/2021	1,681,109,971.07	2,010,888,021.43
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-

66. Assets with restricted ownership or use right

Item	As at 12/31/2021	Reason for restriction
Cash at bank and on hand	53,190,702.25	Deposits of land remediation, letter of credit, customs duty, loan
Fixed assets	10,889,549.01	Loan collateral
Intangible assets	29,923,906.62	Loan collateral
Total	94,004,157.88	

67. Monetary items in foreign currencies

(1) Monetary Items in foreign currencies

Item	Balance in foreign currency as at 12/31/2021	Exchange rate	Balance translated to RMB as at 12/31/2021
Cash at bank and on hand	—	—	558,224,096.51
Including: USD	19,666,278.25	6.375700	125,386,548.91
EGP	23,931,058.15	0.405837	9,712,109.96
MYR	7,057,589.86	1.526648	10,774,452.86
BDT	2,782,120.53	0.074300	206,711.56
TWD	7,779,284.00	0.230378	1,792,172.76
INR	329,260,195.51	0.085678	28,210,229.48
IDR	60,237,005,992.41	0.000447	26,908,819.06
VND	1,268,669,572,340.00	0.000280	355,233,051.92
Bills receivable	—	—	1,566,256.12
Including: EGP	1,026,000.00	0.405837	416,388.81
INR	13,420,860.00	0.085678	1,149,867.31
Accounts receivable	—	—	570,364,863.20
Including: USD	13,190,899.74	6.375700	84,101,219.49
EGP	13,574,405.65	0.405837	5,508,996.69
MYR	3,260,745.42	1.526648	4,978,009.28
INR	435,588,416.49	0.085678	37,320,178.28
IDR	143,586,260,776.73	0.000447	64,142,243.57
VND	1,336,815,517,650.55	0.000280	374,314,215.89
Prepayments	—	—	1,987,758.96
Including: USD	311,771.09	6.375700	1,987,758.96
Other receivables	—	—	4,376,600,007.00
Including: USD	649,060,148.27	6.375700	4,138,212,787.32
EGP	31,154,386.57	0.405837	12,643,604.23
MYR	69,393.89	1.526648	105,940.02
INR	11,485,565.61	0.085678	984,055.91
IDR	38,976,133,616.57	0.000447	17,411,252.60
VND	740,139,701,654.28	0.000280	207,242,366.92

Item	Balance in foreign currency as at 12/31/2021	Exchange rate	Balance translated to RMB as at 12/31/2021
Long-term receivables	—	—	4,723,417.23
Including: USD	27,286.65	6.375700	173,971.49
INR	21,861,124.00	0.085678	1,873,009.05
IDR	1,276,838,000.00	0.000447	570,383.64
VND	7,521,500,000.00	0.000280	2,106,053.05
Shor-term loans	—	—	162,920,092.78
Including: INR	541,803,254.75	0.085678	46,420,412.70
IDR	23,409,956,499.00	0.000447	10,457,596.18
VND	378,715,788,121.00	0.000280	106,042,083.90
Accounts payable	—	—	388,454,436.64
Including: USD	18,158,174.82	6.375700	115,771,075.20
MYR	153,330.12	1.526648	234,081.06
INR	359,142,591.81	0.085678	30,770,482.06
IDR	96,408,563,699.15	0.000447	43,067,223.44
VND	709,315,927,635.00	0.000280	198,611,574.88
Other payables	—	—	2,043,210,773.41
Including: USD	199,930,699.75	6.375700	1,274,698,162.38
EGP	60,097,375.41	0.405837	24,389,741.34
MYR	8,679,175.33	1.526648	13,250,042.48
BDT	300,970.00	0.074300	22,362.07
INR	11,151,288.15	0.085678	955,415.81
IDR	120,324,390,728.16	0.000447	53,750,799.94
VND	2,414,763,015,785.00	0.000280	676,144,249.39
Employee compensation payable	—	—	57,253,787.48
Including: USD	484,007.42	6.375700	3,085,886.11
EGP	564,765.00	0.405837	229,202.56
MYR	929,934.72	1.526648	1,419,682.64
BDT	223,168.00	0.074300	16,581.38
INR	37,589,156.33	0.085678	3,220,549.41
IDR	5,118,374,613.00	0.000447	2,286,458.54
VND	167,838,177,623.00	0.000280	46,995,426.84
Taxes payable	—	—	14,246,862.48
Including: USD	197,439.11	6.375700	1,258,812.53
EGP	576,970.09	0.405837	234,155.84
MYR	43,372.19	1.526648	66,214.06

Item	Balance in foreign currency as at 12/31/2021	Exchange rate	Balance translated to RMB as at 12/31/2021
TWD	597,247.00	0.230378	137,592.33
INR	2,257,260.54	0.085678	193,396.71
IDR	7,094,353,324.21	0.000447	3,169,159.33
VND	32,812,098,538.00	0.000280	9,187,531.68
Long-term loans	—	—	2,788,032,585.11
Including: USD	423,266,461.36	6.375700	2,698,619,977.69
INR	1,043,593,516.20	0.085678	89,412,607.42

(2) Overseas business entities

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
Kinghill Holdings	USD	Singapore	Major local currency
Kinghill Pte.	USD	Singapore	Major local currency
Haid Egypt	EGP	Egypt	Major local currency
Kinghill Resources	USD	Singapore	Major local currency
Vinh Long Shenglong	VND	Vietnam	Major local currency
Kinghill Agri	USD	Singapore	Major local currency
Haida Indonesia	IDR	Indonesia	Major local currency
Haida Surabaya	IDR	Indonesia	Major local currency
Hisenor Indonesia	IDR	Indonesia	Major local currency
Haid International	USD	Hong Kong	Major local currency
Haida HK	USD	Hong Kong	Major local currency
Rickworth	USD	Hong Kong	Major local currency
Hong Kong Longreat	USD	Hong Kong	Major local currency
Dong Nai Haid	VND	Vietnam	Major local currency
Dong Nai Haid Breeding	VND	Vietnam	Major local currency
Dancl	USD	Hong Kong	Major local currency
Panasia Trading	USD	Hong Kong	Major local currency
Sheng Long International	USD	Hong Kong	Major local currency
Sheng Long Bio-Tech	VND	Vietnam	Major local currency
Long Sheng International	VND	Vietnam	Major local currency
Hisenor International	USD	Hong Kong	Major local currency
Hisenor Viet Nam	VND	Vietnam	Major local currency
Kembang Subur International	MYR	Malaysia	Major local currency
Namduong Vietnam	VND	Vietnam	Major local currency
Sheng Long Malaysia	MYR	Malaysia	Major local currency
Ding sheng International	USD	Malaysia	Major local currency

Name of business entity	Recording currency	Principal place of business	Basis for determination of recording currency
Sheng Long Taiwan	TWD	Taiwan	Major local currency
Sheng Long Aquatic Malaysia	MYR	Malaysia	Major local currency
Nano	USD	Hong Kong	Major local currency
Oceanic	USD	Hong Kong	Major local currency
Power Spring	USD	Hong Kong	Major local currency
Link	USD	Hong Kong	Major local currency
Lanking	USD	Singapore	Major local currency
Lanking America	USD	U.S.	Major local currency
Lanking Nemo	USD	Singapore	Major local currency
Sheng Long India	INR	India	Major local currency
Lanking Rickworth	USD	Singapore	Major local currency
Lanking Nano	USD	Singapore	Major local currency
Hai Duong Haid	VND	Vietnam	Major local currency
Hai Dai Company Limited	VND	Vietnam	Major local currency
Vinh Long Hai Dai	VND	Vietnam	Major local currency
Haid Ecuador	USD	Ecuador	Major local currency
Haidmarino Cia.Ltda	USD	Ecuador	Major local currency
Vinh Long Hailianke	VND	Vietnam	Major local currency
Bangladesh Haid	BDT	Bengali	Major local currency
Binh Dinh Hailong	VND	Vietnam	Major local currency

68. Hedging

(1) Cross currency interest rate swap contract

The Group adopts cross-currency interest rate swap contracts to reduce the fair value change risk of its floating rate foreign currency bank borrowings, that is, to convert part of the floating rate foreign currency borrowings into fixed rate RMB borrowings. The cross currency interest rate swap contracts acquired by the Group in 2021, which have the same terms as the corresponding bank borrowings, are designated as hedging instruments.

The group adopts the main term comparison method to evaluate the effectiveness of hedging. The management of the Group considers the cross currency interest rate swap contract to be a highly effective hedging instrument and the main terms are as follows:

Nominal amount	Due date	Conversion rate
USD 2,000 million with fixed interest	02/24/2022	One-month USD LIBOR rose by 0.6%*116.72% in exchange for 3.1% fixed RMB borrowing
USD 7,500 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.21% fixed RMB borrowing
USD 8,000 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.20% fixed RMB borrowing

Nominal amount	Due date	Conversion rate
USD 7,500 million with fixed interest	07/24/2024	Three-month USD LIBOR rose by 2.5% in exchange for 5.18% fixed RMB borrowing
USD 11,000 million with fixed interest	07/29/2024	Three-month USD LIBOR rose by 1.2% in exchange for 1.735% fixed USD borrowing
USD 6,000 million with fixed interest	07/29/2024	Three-month USD LIBOR rose by 1.2% in exchange for 1.59% fixed USD borrowing

(2) Foreign currency forwards

As at December 31, 2021, the Group held the following foreign exchange forwards, which were designated as highly effective hedging instruments in 2021 to manage the foreign exchange exposure related to the expected foreign currency sales.

The Group evaluated the effectiveness of hedging by the comparison method of main terms. For the foreign currency forwards signed, whose terms were consistent with the terms of the expected transactions, and the group considered them highly effective. The main contents are as follow:

Nominal amount	Due date	Exchange rate
Buying of USD 3,000 million in RMB	01/13/2022	6.61120
Buying of USD 1,240 million in RMB	07/20/2022	6.601

The Group reduced the exchange rate fluctuation risk of foreign currency borrowings and import purchase settlement through foreign exchange forward (for details, refer to Note VIII. 1. (3) Market risk).

(3) Commodity futures hedging

The Group mainly engages in the production and processing of feed products, and the main raw materials used in production are subject to the risk of price fluctuations. The Group uses derivative financial instruments (mainly commodity future contracts) to hedge part of the inventory and the unrecognized definite commitments related to the purchase of inventory, so as to avoid the risk that the Group assumes that the fair value of the inventory and the unrecognized definite commitments will fluctuate with the fluctuation of the market price of inventory. The main hedging arrangement is as followed:

Hedged Item	Hedging Instrument	Hedging Method
Inventory purchased or definite purchase commitments	Commodity future contracts	Price fluctuation of inventory sold in commodity future contracts

69. Government grants

(1) Government grants recognized in deferred income, and subsequently measured using the gross presentation method

Item	As at 12/31/2020	Additions during the year	Recognition in profit and loss	Other changes	As at 12/31/2021	Presentation item recognized in profit and loss	Related to asset/income
Development Support	-	5,286,881.37	5,286,881.37	-	-	Other income	Related to income

Item	As at 12/31/2020	Additions during the year	Recognition in profit and loss	Other change s	As at 12/31/2021	Presentatio n item recognized in profit and loss	Related to asset/income
Fund							
Development Support Fund	9,615,120.60	41,872,849.00	15,211,670.45	-	36,276,299.15	Other income	Related to asset
Research grants	4,260,003.78	11,199,176.00	7,034,228.89	-	8,424,950.89	Other income	Related to income
Research grants	1,812,913.76	850,000.00	441,160.19	-	2,221,753.57	Other income	Related to asset
Grants for production activities	5,850,565.70	5,443,100.00	1,419,053.25	-	9,874,612.45	Other income	Related to income
Grants for production activities	169,752,952.06	41,616,944.51	15,395,037.11	-	195,974,859.46	Other income	Related to asset
Government incentive grants	-	1,200.00	1,200.00	-	-	Other income	Related to income
Government incentive grants	1,952,448.18	1,140,000.00	104,669.94	-	2,987,778.24	Other income	Related to asset
Others	-	601,006.43	255,942.02	-	345,064.41	Other income	Related to income
Others	489,298.50	28,525,927.27	1,828,930.32	-	27,186,295.45	Other income	Related to asset
Total	193,733,302.58	136,537,084.58	46,978,773.54	-	283,291,613.62		

(2) Government grants recognized in deferred income, and subsequently measured using the net amount method

Item	As at 12/31/2020	Additions during the year	Recognition in profit and loss	Other changes	As at 12/31/2021	Presentation item recognized in profit and loss	Related to asset/income
Financial discount	3,966,750.00	-	3,966,750.00	-	-	Financial expenses	Related to income
Total	3,966,750.00	-	3,966,750.00	-	-		

(3) Government grants recognized in profit and loss, and subsequently measured using the gross presentation method

Item	Recognized in profit and loss for the previous year	Recognized in profit and loss for the current year	Presentation item recognized in profit and loss	Related to asset/income

Item	Recognized in profit and loss for the previous year	Recognized in profit and loss for the current year	Presentation item recognized in profit and loss	Related to asset/income
Development Support Fund	19,046,264.65	7,789,720.37	Other income	Related to income
Development Support Fund	315,327.13	15,211,670.45	Other income	Related to asset
Research grants	10,918,392.24	9,568,722.89	Other income	Related to income
Research grants	510,417.36	441,160.19	Other income	Related to asset
Other grants	19,485,823.33	20,708,394.56	Other income	Related to income
Other grants	12,546.12	1,828,930.32	Other income	Related to asset
Grants for production activities	25,116,538.50	6,798,201.94	Other income	Related to income
Grants for production activities	12,261,007.80	15,487,437.11	Other income	Related to asset
Government incentive grants	11,874,640.36	9,511,839.29	Other income	Related to income
Government incentive grants	54,360.48	104,669.94	Other income	Related to asset
Total	99,595,317.97	87,450,747.06		

(4) Government grants used net amount method to write-down related costs

Item	Related cost write-down for the previous year	Related cost write-down for the current year	Presentation item recognized in related costs	Related to asset/income
Financial discount	24,032,740.56	5,820,709.08	Financial expenses	Related to income
Total	24,032,740.56	5,820,709.08		

VI. Change in Consolidation Scope

1. Business Combinations Involving Entities Not under Common Control

(1) Business Combinations Involving Entities Not under Common Control Incurred in the current period

Acquiree	Investment date	Investment cost	Investment %	Investment method	Acquisition date	Basis for determination of acquisition date	Acquiree's revenue from acquisition date to period-end	Acquiree's net profit from acquisition date to period-end
Ganzhou Lianduoli	2021-1-1	18,900,000.00	70	Acquisition	2021-1-1	When control over acquiree was obtained	93,848,432.83	-2,514,742.98
Raoping Haide	2021-3-9	-	51	Acquisition	2021-3-9	When control over acquiree was obtained	1,510,143.23	119,153.10
Jiangmen Debao	2021-5-1	97,500,000.00	80	Acquisition	2021-5-1	When control over acquiree was obtained	807,904,008.64	7,801,235.43

(2) Combination Costs and Goodwill

Item	Ganzhou Lianduoli	Raoping Haide	Jiangmen Debao
Combination costs			
Cash	13,120,000.00	-	97,500,000.00
Fair value of non-cash assets	-	-	-
Fair value of debt issued or undertaken	5,780,000.00	-	-
Fair value of equity securities issued	-	-	-
Fair value of contingent consideration	-	-	-
Fair value of previously-held equity investment at acquisition date	-	-	-

Item	Ganzhou Lianduoli	Raoping Haide	Jiangmen Debao
Total combination cost	18,900,000.00	-	97,500,000.00
Less: Share of fair value of identifiable net assets obtained	14,671,605.90	40,510.51	73,317,854.87
Goodwill/ combination cost less than the fair value of the identifiable net assets	4,228,394.10	-40,510.51	24,182,145.13

Note: The fair value of the combination costs was determined by audited or appraised value which approved by both the acquirer and the acquiree.

(3) Identifiable Assets and Liabilities of Acquirees at Acquisition Date

Fair value and carrying amount of identifiable assets and liabilities of acquirees at acquisition date are as follows:

Item	Ganzhou Lianduoli		Raoping Haide		Jiangmen Debao	
	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date	Fair value at acquisition date	Carrying amount at acquisition date
Assets:						
Current assets	5,387,356.16	5,387,356.16	819,174.05	819,174.05	102,364,540.48	102,364,540.48
Non-current assets	27,120,529.19	27,120,529.19	68,063.69	68,063.69	213,074,434.07	103,283,335.42
Liabilities:						
Current liabilities	11,180,948.35	11,180,948.35	807,805.36	807,805.36	151,796,423.34	151,796,423.34
Non-current liabilities	367,500.00	367,500.00	-	-	45,654,358.96	18,206,584.30
Net assets	20,959,437.00	20,959,437.00	79,432.38	79,432.38	117,988,192.25	35,644,868.26
Less: Non-controlling interests	6,287,831.10	6,287,831.10	38,921.87	38,921.87	44,670,337.38	21,033,345.04
Net assets acquired	14,671,605.90	14,671,605.90	40,510.51	40,510.51	73,317,854.87	14,611,523.22

Note: The fair value of identifiable assets and liabilities was determined by audited or appraised value which approved by both the acquirer and the acquiree.

2. Business Combinations Involving Entities under Common Control

No business combinations involving entities under common control occurred in current year.

3. Disposal of Subsidiaries

(1) Subsidiaries reduced due to single disposal until loss of control

Subsidiary	Share disposal price	Share disposal ratio %	Equity Disposal Method	Time of loss of control	The basis for determining the point of loss of control	The difference between the disposal price and the consolidated financial statement level corresponding to the disposal investment is enjoyed by the net asset share of the subsidiary	Goodwill related to this subsidiary in the consolidated financial statements
Foshan ChuangHuaMei Biotechnology Co., Ltd	3,000,000.00	100.00	Sales	July 2021	Right of control transferred	-677,562.78	-
Guangdong ZhongYu Duck Industrial Co., Ltd	1,100,000.00	11.00	Sales	August 2021	Right of control transferred	395,131.74	-

Continued:

Subsidiary	The proportion of the remaining equity on the date of loss of control	The book value of the remaining equity on the date of loss of control	The fair value of the remaining equity at the date of loss of control	Gain/loss arising from remeasurement at fair value	The determination method and main assumptions of the fair value of the remaining equity on the date of loss of control	The amount of other comprehensive income related to subsidiary's equity investment transferred to investment profit and loss
Foshan ChuangHuaMei Biotechnology Co., Ltd	-	-	-	-	-	-

Subsidiary	The proportion of the remaining equity on the date of loss of control	The book value of the remaining equity on the date of loss of control	The fair value of the remaining equity at the date of loss of control	Gain/loss arising from remeasurement at fair value	The determination method and main assumptions of the fair value of the remaining equity on the date of loss of control	The amount of other comprehensive income related to subsidiary's equity investment transferred to investment profit and loss
Guangdong ZhongYu Duck Industrial Co., Ltd	49%	3,139,867.71	4,900,000.00	1,760,132.29	-	-

4. Changes in the Scope of Consolidation Due to Other Reasons

(1) New Subsidiaries established in the Current Period

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Yueyang Fengtun	December 2021	RMB1,000,000.00	Yue Yang, HuNan	Yue Yang, HuNan
Guangdong Yiheng	June 2021	RMB 697,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Wugang Yitun	August 2021	RMB 10,000,000.00	ShaoYang, HuNan	ShaoYang, HuNan
Hunan Yitun Technology	September 2021	RMB 2,000,000.00	ChangSha, HuNan	ChangSha, HuNan
Wuwei Haid	March 2021	RMB 5,000,000.00	WuWei, GanSu	WuWei, GanSu
Baoji Haid	November 2021	RMB 5,000,000.00	BaoJi, ShanXi	BaoJi, ShanXi
Vinh Long Hailianke	April 2021	VND57,665,000,000.00	Vietnam	Vietnam
Bangladesh Haid	July 2021	BDT500,000,000.00	Bangladesh	Bangladesh
Dongying Hijingzhou	January 2021	RMB 10,000,000.00	DongYing, ShanDong	DongYing, ShanDong
Shanwei Haizenong	June 2021	RMB 10,000,000.00	ShanWei, GuangDong	ShanWei, GuangDong
Zhenyuan Haisheng	August 2021	RMB 30,000,000.00	QingYang, GanSu	QingYang, GanSu
Anan Logistics	June 2021	RMB 10,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Xiyu Haisheng	November 2021	RMB 5,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Jilin Rongcuan	October 2021	RMB 50,000,000.00	BaiCheng, JiLin	BaiCheng, JiLin
Zhuhai Ronghai	July 2021	RMB 1,000,000.00	ZhuHai, GuangDong	ZhuHai, GuangDong

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Binh Dinh Hailong	May 2021	VND69,900,000,000.00	Vietnam	Vietnam
Suixian Haiding Technical Service Co., Ltd	May 2021	RMB 100,000.00	ShangQiu, HeNan	ShangQiu, HeNan
Yuncheng Haiding Technical Service Co., Ltd	May 2021	RMB 100,000.00	HeZe, ShanDong	HeZe, ShanDong
Shanxian Haiding Technical Service Co., Ltd	May 2021	RMB 100,000.00	HeZe, ShanDong	HeZe, ShanDong
Heze Dingxin Technical Service Co., Ltd	May 2021	RMB 100,000.00	HeZe, ShanDong	HeZe, ShanDong
Jining Haiding Technical Service Co., Ltd	May 2021	RMB 100,000.00	JiNing, ShanDong	JiNing, ShanDong
Sishui Dingxin Technical Service Co., Ltd	July 2021	RMB 100,000.00	JiNing, ShanDong	JiNing, ShanDong
Feixian Hairuida Technical Service Co., Ltd	May 2021	RMB 100,000.00	Lin Yi, ShanDong	Lin Yi, ShanDong
Xinnan Dingxin Technical Service Co., Ltd	May 2021	RMB 100,000.00	Lin Yi, ShanDong	Lin Yi, ShanDong
Binzhou Haiding Technical Service Co., Ltd	May 2021	RMB 100,000.00	BinZhou, ShanDong	BinZhou, ShanDong
Junan Haiding Technical Service Co., Ltd	June 2021	RMB 100,000.00	Lin Yi, ShanDong	Lin Yi, ShanDong
Liaocheng Haiding Technical Service Co., Ltd	February 2021	RMB 100,000.00	LiaoCheng, ShanDong	LiaoCheng, ShanDong
Dongying Dinghao	May 2021	RMB 1,000,000.00	DongYing, ShanDong	DongYing, ShanDong
Xuzhou Hairuida	February 2021	RMB 3,000,000.00	XuZhou, JiangSu	XuZhou, JiangSu
Xuzhou Zhongyi Haiding	October 2021	RMB 5,000,000.00	XuZhou, JiangSu	XuZhou, JiangSu
Lanling Haiding	November 2021	RMB 20,000,000.00	Lin Yi, ShanDong	Lin Yi, ShanDong
Gaotang Haiding	December 2021	RMB 5,000,000.00	LiaoCheng, ShanDong	LiaoCheng, ShanDong
Jiangsu Fengcheng	December 2021	RMB 10,000,000.00	XuZhou, JiangSu	XuZhou, JiangSu
Gansu Fengying	December 2021	RMB 10,000,000.00	JinChang, GanSu	JinChang, GanSu
Henan Mugaole	July 2021	RMB 5,000,000.00	JiYuan, HeNan	JiYuan, HeNan
Henan Haihehouyi	December 2021	RMB 10,000,000.00	ZhuMaDian, HeNan	ZhuMaDian, HeNan
Qingyuan Baishengyuan	July 2021	RMB 5,000,000.00	QingYuan, GuangDong	QingYuan, GuangDong
Yibin Canyu Technical Service Co., Ltd	July 2021	RMB 100,000.00	YiBin, SiChuan	YiBin, SiChuan
Dezhou Haiying	June 2021	RMB 10,000,000.00	DeZhou,	DeZhou,

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
			ShanDong	ShanDong
Linyi Haihe	February 2021	RMB 10,000,000.00	Lin Yi, ShanDong	Lin Yi, ShanDong
Yantai Zhizhuren Feed	June 2021	RMB 5,000,000.00	YanTai, ShanDong	YanTai, ShanDong
Gaomi Haihe	September 2021	RMB 10,000,000.00	WeiFang, ShanDong	WeiFang, ShanDong
Zhongshan Rongda	February 2021	RMB 3,000,000.00	ZhongShan, GuangDong	ZhongShan, GuangDong
Dali Haizhi	August 2021	RMB 100,000.00	DaLi, YunNan	DaLi, YunNan
Chongqing Hainong Technical Service Co., Ltd	June 2021	RMB 100,000.00	Chongqing	Chongqing
Luliang Haile	November 2021	RMB 100,000.00	QuJing, YunNan	QuJing, YunNan
Maoming Haiwei	January 2021	RMB 10,000,000.00	MaoMing, GuangDong	MaoMing, GuangDong
Yangjiang Haihe	January 2021	RMB 5,000,000.00	YangJiang, GuangDong	YangJiang, GuangDong
Leizhou Hailong	January 2021	RMB 5,000,000.00	ZhanJiang, GuangDong	ZhanJiang, GuangDong
Sichuan Hailong	January 2021	RMB 5,000,000.00	MeiShan, SiChuan	MeiShan, SiChuan
Qinzhou Haiwei	January 2021	RMB 15,000,000.00	QinZhou, GuangXi	QinZhou, GuangXi
Yancheng Rongchuan	February 2021	RMB 10,000,000.00	YanCheng, JiangSu	YanCheng, JiangSu
Nanning Dachuan	March 2021	RMB 1,000,000.00	NanNing, GuangXi	NanNing, GuangXi
Yongzhou Haid	March 2021	RMB 5,000,000.00	YongZhou, HuNan	YongZhou, HuNan
Baotou Haichen	March 2021	RMB 10,000,000.00	BaoTou, Inner Mongolia	BaoTou, Inner Mongolia
Jiangsu Haid	March 2021	RMB 10,000,000.00	YanCheng, JiangSu	YanCheng, JiangSu
Guiyang Haid	March 2021	RMB 5,000,000.00	GuiYang, GuiZhou	GuiYang, GuiZhou
Wuwei Haimu	March 2021	RMB 10,000,000.00	WuWei, GanSu	WuWei, GanSu
Guilin Haid	March 2021	RMB 5,000,000.00	GuiLin, GuangXi	GuiLin, GuangXi
Inner Mongolia Haid	March 2021	RMB 10,000,000.00	Bayannur, Inner Mongolia	Bayannur, Inner Mongolia
Guiyang Dachuan	March 2021	RMB 5,000,000.00	GuiYang, GuiZhou	GuiYang, GuiZhou
Xingtai Haid	April 2021	RMB 10,000,000.00	XingTai, HeBei	XingTai, HeBei

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Foshan Lianduoli	April 2021	RMB 500,000.00	FoShan, GuangDong	FoShan, GuangDong
Guangdong Haifulai	April 2021	RMB 50,000,000.00	GuangZhou, Guangdong	GuangZhou, Guangdong
Liupanshui Haid	April 2021	RMB 5,000,000.00	LiuPanShui, GuiZhou	LiuPanShui, GuiZhou
Guangdong Haiqi	April 2021	RMB 10,000,000.00	GuangZhou, Guangdong	GuangZhou, Guangdong
Heze Haibo Youmei	July 2021	RMB 100,000.00	HeZe, ShanDong	HeZe, ShanDong
Hubei Haiqi	January 2021	RMB 10,000,000.00	Wuhan, HuBei	Wuhan, HuBei
Kaifeng Haiqi	April 2021	RMB 100,000.00	KaiFeng, HeNan	KaiFeng, HeNan
Sichuan Haiqi	April 2021	RMB 1,000,000.00	ChengDu, SiChuan	ChengDu, SiChuan
Xishui Haiqi	May 2021	RMB 100,000.00	HuangGang, HuBei	HuangGang, HuBei
Kunming Haiqi	June 2021	RMB 100,000.00	KunMing, YunNan	KunMing, YunNan
Mianyang Haiqi	July 2021	RMB 100,000.00	MianYang, SiChuan	MianYang, SiChuan
Ya'an Haiqi	July 2021	RMB 100,000.00	YaAn, SiChuan	YaAn, SiChuan
Nanchang Haiqi	September 2021	RMB 100,000.00	NanChang, JiangXi	NanChang, JiangXi
Hengyang Haiqi	September 2021	RMB 100,000.00	HengYang, HuNan	HengYang, HuNan
Jingzhou Haiqi	July 2021	RMB 100,000.00	JingZhou, HuBei	JingZhou, HuBei
Jingshan Haiqi	August 2021	RMB 100,000.00	JingMen, HuBei	JingMen, HuBei
Huaihua Haiqi	September 2021	RMB 100,000.00	HuaiHua, HuNan	HuaiHua, HuNan
Jieshou Haiqi	November 2021	RMB 100,000.00	FuYang, AnHui	FuYang, AnHui
Meizhou Haiqi	March 2021	RMB 100,000.00	MeiZhou, GuangDong	MeiZhou, GuangDong
Zhangzhou Haiqi	April 2021	RMB 1,000,000.00	ZhangZhou, FuJian	ZhangZhou, FuJian
Maoming Haiqi	April 2021	RMB 100,000.00	MaoMing, GuangDong	MaoMing, GuangDong
Yangjiang Haiqi	April 2021	RMB 100,000.00	YangJiang, GuangDong	YangJiang, GuangDong
Qingyuan Haiqi	April 2021	RMB 100,000.00	Qingyuan, GuangDong	Qingyuan, GuangDong
Gansu Muqi	January 2021	RMB 450,000.00	LanZhou, GanSu	LanZhou, GanSu

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Yulin Haiqi	September 2021	RMB 100,000.00	YuLin, GuangXi	YuLin, GuangXi
Qinzhou Haiqi	November 2021	RMB 100,000.00	QinZhou, GuangXi	QinZhou, GuangXi
Xingtai Haiqi	November 2021	RMB 100,000.00	XingTai, HeBei	XingTai, HeBei
Nanning Haililai	May 2021	RMB 10,000,000.00	NanNing, GuangXi	NanNing, GuangXi
Shaoyang Haid	May 2021	RMB 10,000,000.00	ShaoYang, HuNan	ShaoYang, HuNan
Shaoguan Dachuan	June 2021	RMB 5,000,000.00	ShaoGuan, GuangDong	ShaoGuan, GuangDong
Liaoning Haid	July 2021	RMB 5,000,000.00	ShenYang, LiaoNing	ShenYang, LiaoNing
Huaian Haichang	July 2021	RMB 50,000,000.00	HuaiAn, JiangSu	HuaiAn, JiangSu
Guizhou Hailongwang	July 2021	RMB 500,000.00	QianNan, GuiZhou	QianNan, GuiZhou
Huashite Test	August 2021	RMB 12,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Hebei Haimu	July 2021	RMB 10,000,000.00	ShiJiaZhuang, HeBei	ShiJiaZhuang, HeBei
Dali Dachuan	July 2021	RMB 10,000,000.00	DaLi, YunNan	DaLi, YunNan
Yunnan Hairui	August 2021	RMB 35,000,000.00	QuJing, YunNan	QuJing, YunNan
Henan Haid Jiuzhou	September 2021	RMB 10,000,000.00	ZhuMaDian, HeNan	ZhuMaDian, HeNan
Enshi Haid	September 2021	RMB 5,000,000.00	EnShi, HuBei	EnShi, HuBei
Ningguo Haid	September 2021	RMB 3,000,000.00	XuanCheng, AnHui	XuanCheng, AnHui
Chaozhou Haid	October 2021	RMB 10,000,000.00	ChaoZhou, GuangDong	ChaoZhou, GuangDong
Tianjin Haixin	October 2021	RMB 10,000,000.00	TianJin	TianJin
Jinhu Haid	November 2021	RMB 50,000,000.00	HuaiAn, JiangSu	HuaiAn, JiangSu
Tongliao Haid	November 2021	RMB 10,000,000.00	TongLiao, Inner Mongolia	TongLiao, Inner Mongolia
Huaihua Hailong	November 2021	RMB 5,000,000.00	HuaiHua, HuNan	HuaiHua, HuNan
Guangzhou Haihan	November 2021	RMB 2,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Guangdong Haizhihui	December 2021	RMB 5,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Jiangsu Haiwei	December 2021	RMB 10,000,000.00	HuaiAn, JiangSu	HuaiAn, JiangSu

Subsidiary (abbreviation)	Time of incorporation	Registered capital	Place of registration	Principal place of business
Guangdong Hairuike	December 2021	RMB 20,000,000.00	GuangZhou, GuangDong	GuangZhou, GuangDong
Hubei Haid Seed	December 2021	RMB 10,000,000.00	EZhou, HuBei	EZhou, HuBei

(2) Subsidiaries Deregistered in the current period

Company	Method of equity disposal	Timing of equity disposal	Net assets at disposal date	Net profit from 2021/1/1 to the date of disposal
Linyi Yitun Ecological Agriculture Co., Ltd.	Dissolved	2021/10/8	-	984,329.02
Shaoxing Haid Biotechnology Co., Ltd.	Dissolved	2021/4/16	-	-14,489.28
Dingtao Hairong Livestock Farming Service Specialized Cooperative	Dissolved	2021/8/19	-	282,443.83
Guigang Hairong Farming Service Specialized Cooperative	Dissolved	2021/8/19	-	-2,184.86
Dingtao HaiDing Feed Co., Ltd.	Dissolved	2021/7/26	-	435,115.08
Binzhou Dingxin Farming Service Co., Ltd.	Dissolved	2021/5/28	-	-16,996.08
Chengdu Haiqi Biological Technology Co., Ltd	Dissolved	2021/1/14	-	-
Heze Dingtao Hairong Farming Specialized Cooperative Association	Dissolved	2021/11/29	-	3,929.98
Qingdao Daxin Feed Co., Ltd.	Dissolved	2021/12/22	-	-8,236.06
Yingde Haifeng Agriculture and Animal Husbandry Co., Ltd.	Dissolved	2021/12/10	-	-
Deyang Dachuan Biotechnology Co., Ltd.	Dissolved	2021/2/25	-	-26,456.91

(3) Loss of control due to changes in corporate governance structure

Subsidiary	The proportion of the equity before the date of loss of control	The proportion of the remaining equity on the date of loss of control	The basis for determining the point of loss of control	Time of loss of control	The book value of the remaining equity on the date of loss of control(RMB ten thousand)	Note
Alaer Ruili Heng Sheng Protein Co., Ltd	50%	50%	Loss of control due to negotiated change of board seats	October 2021	7,793.32	

Subsidiary	The proportion of the equity before the date of loss of control	The proportion of the remaining equity on the date of loss of control	The basis for determining the point of loss of control	Time of loss of control	The book value of the remaining equity on the date of loss of control(RMB ten thousand)	Note
Wujiaqu Taikun Plant Protein Co., Ltd	50%	50%	Loss of control due to negotiated change of board seats	October 2021	2,872.08	

VII. Interests in Other Entities

(I) Interests in Subsidiaries

1. Structure of the Group

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Guangzhou Runchuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Business combination involving entities under common control
Guangzhou Yitun	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment and Trading		100	Establishment
Enping Fengwo	Enping, Guangdong	Enping, Guangdong	Production and Sales		92	Establishment
Yangxi Fengwo	Yangxi, Guangdong	Yangxi, Guangdong	Production and Sales		98	Establishment
Yangdong Fengwo	Yangdong, Guangdong	Yangdong, Guangdong	Production and Sales		88	Establishment
Enping Yitun	Enping, Guangdong	Enping, Guangdong	Production and Sales		100	Establishment
Gaozhou Sanhe	Gaozhou, Guangdong	Gaozhou, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Yingde Yitun	Yingde, Guangdong	Yingde, Guangdong	Production and Sales		90	Establishment
Hunan Yitun	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		93	Establishment
Hengyang Jisheng	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Business combination involving entities not under common control

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yueyang Yitun	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		92	Establishment
Yueyang Fengtun	Yueyang, Hunan	Yueyang, Hunan	Transportation Service		92	Establishment
Qintang Yitun	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Pingnan Yitun	Pingnan, Guangxi	Pingnan, Guangxi	Production and Sales		100	Establishment
Pingguo Yitun	Pingguo, Guangxi	Pingguo, Guangxi	Production and Sales		100	Establishment
Guiping Yitun	Guiping, Guangxi	Guiping, Guangxi	Production and Sales		100	Establishment
Hengyang Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Hengshan Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Gangbei Yitun	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Establishment
Duyun Yitun	Duyun, Guizhou	Duyun, Guizhou	Production and Sales		100	Establishment
Rongjiang Yitun	Rongjiang, Guizhou	Rongjiang, Guizhou	Production and Sales		100	Establishment
Binyang Yitun	Binyang, Guangxi	Binyang, Guangxi	Production and Sales		100	Establishment
Yicheng Yitun	Yicheng, Hubei	Yicheng, Hubei	Production and Sales		100	Establishment
Zixing Yitun	Chenzhou, Hunan	Chenzhou, Hunan	Production and Sales		100	Establishment
Changning Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Guigang Donghuang	Guigang, Guangxi	Guigang, Guangxi	Production and Sales		100	Business combination involving entities not under common control
Zhenjiang Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Shandong Yitun	Yantai, Shandong	Yantai, Shandong	Investment		60	Establishment
Laizhou Zhizhuren	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qinzhou Yitun	Qinzhou,	Qinzhou,	Production		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
	Guangxi	Guangxi	and Sales			
Feicheng Heruifeng	Tai'an, Shandong	Tai'an, Shandong	Production and Sales		80	Business combination involving entities not under common control
Weifang Xuheng	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control
Gaotang Huayu	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Jianong Lianyungang	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		82	Business combination involving entities not under common control
Guizhou Aikexin	Qiannan, Guizhou	Qiannan, Guizhou	Production and Sales		100	Establishment
Binyang Heji Yitun	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment
Qinzhou Qinnan Yitun	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales		100	Establishment
Huayuan Yitun	Xiangxi, Hunan	Xiangxi, Hunan	Production and Sales		100	Establishment
Baojing Yitun	Baojing, Hunan	Baojing, Hunan	Production and Sales		100	Establishment
Yingde Yitun	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Hengnan Yitun	Hengyang, Hunan	Hengyang, Hunan	Production and Sales		100	Establishment
Lianzhou Yitun	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Longan Yitun	Nanning, Guangxi	Nanning, Guangxi	Production and Sales		100	Establishment
Youxian Yitun	Zhuzhou, Hunan	Zhuzhou, Hunan	Production and Sales		100	Establishment
Wengyuan Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Fufeng Yitun	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Linyou Yitun	Baoji, Shanxi	Baoji, Shanxi	Production		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
			and Sales			
Laibin Yitun	Laibin, Guangxi	Laibin, Guangxi	Production and Sales		100	Establishment
Yantai Yitun	Yantai, Shandong	Yantai, Shandong	Production and Sales		80	Establishment
Yantai Zhizhuren	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Guiyang Yitun	Chenzhou, Huinan	Chenzhou, Huinan	Production and Sales		100	Establishment
Guangdong Yiheng	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment		51	Establishment
Gaozhou Haiyuan	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Ruyuan Yitun	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Luoding Yitun	Yunfu, Guangdong	Yunfu, Guangdong	Production and Sales		100	Establishment
Wugang Yitun	Shaoyang, Hunan	Shaoyang, Hunan	Production and Sales		100	Establishment
Hunan Yitun Tech.	Changsha, Hunan	Changsha, Hunan	Production and Sales		100	Establishment
Guangzhou Haiwei	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities under common control
Guangzhou Rongchuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Business combination involving entities under common control
Foshan Haihang	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	88		Business combination involving entities not under common control
Maiming Haihang	Maiming, Guangdong	Maiming, Guangdong	Production and Sales		100	Establishment
Guangzhou Dachuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
						under common control
Hubei Haid	Wuhan, Hubei	Wuhan, Hubei	Production and Sales	100		Business combination involving entities under common control
Guangdong Hinter	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	97		Establishment
Guangzhou Haishengyuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Mutai	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		100	Establishment
Guangzhou Haiyiyuan	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Shanxi Haid	Yangling, Shanxi	Yangling, Shanxi	Production and Sales	67		Establishment
Yangling Haid	Yangling, Shaanxi	Yangling, Shaanxi	Production and Sales		100	Establishment
Gansu Haid	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Weinan Haid	Weinan, Shaanxi	Weinan, Shaanxi	Production and Sales		100	Establishment
Wuwei Haid	Wuwei, Gansu	Wuwei, Gansu	Production and Sales		100	Establishment
Baoji Haid	Baoji, Shanxi	Baoji, Shanxi	Production and Sales		100	Establishment
Hunan Haid	Changde, Hunan	Changde, Hunan	Production and Sales	100		Establishment
Guangzhou Haihe	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales	100		Establishment
Liaocheng Haixin	Liaocheng, Shandong	Liaocheng, Shandong	Management consulting		100	Establishment
Anyang Haiyue	Tangyin, Henan	Tangyin, Henan	Management consulting		100	Establishment
Zoucheng Haiyue	Zoucheng, Shandong	Zoucheng, Shandong	Management consulting		100	Establishment
Yinan Haiyue	Yinan, Shandong	Yinan, Shandong	Management consulting		100	Establishment
Lanzhou Haid	Lanzhou, Gansu	Lanzhou, Gansu	Production and Sales		100	Establishment
Yichang Zhihai	Yichang, Hubei	Yichang, Hubei	Sales		100	Establishment
Foshan Haipu	Foshan, Guangdong	Foshan, Guangdong	Sales	88		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Qingyuan Haibei	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Zhanjiang Haid	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales	100		Establishment
Jiangmen Haid	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chengdu Haid	Xinjin, Sichuan	Xinjin, Sichuan	Production and Sales	100		Establishment
Taizhou Haid	Xinghua, Jiangsu	Xinghua, Jiangsu	Production and Sales	100		Establishment
Jingzhou Haid	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales	100		Establishment
Ezhou Haid	Ezhou, Hubei Province	Ezhou, Hubei	Production and Sales		100	Establishment
Dongguan Haid	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Fujian Haid	Changtai, Fujian	Changtai, Fujian	Production and Sales	100		Establishment
Zhejiang Haid	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Production and Sales	100		Establishment
Guangxi Haid	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Kinghill Holdings	Singapore	Singapore	Investment	100		Establishment
Kinghill Pte.	Singapore	Singapore	Investment		100	Establishment
Haid Egypt Co.,Ltd	Egypt	Egypt	Production and Sales		100	Establishment
Kinghill Resources	Singapore	Singapore	Investment		100	Establishment
Vinh Long Hailianke	Vietnam	Vietnam	Production and Sales		100	Establishment
Kinghill Agri	Singapore	Singapore	Investment		100	Establishment
Haida Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Haida Surabaya	Indonesia	Indonesia	Trading		100	Establishment
PT Hisenor Technology Indonesia	Indonesia	Indonesia	Production and Sales		100	Establishment
Bangladesh Haid	Bangladesh	Bangladesh	Production and Sales		100	Establishment
Jiangxi Haid	Nanchang,	Nanchang,	Production	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
	Jiangxi	Jiangxi	and Sales			
Guangzhou Haid	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Business combination involving entities not under common control
Guangdong Hisenor	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		70	Establishment
Zhanjiang Hisenor	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhanjiang Haijingzhou	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales		100	Establishment
Hainan Hisenor	Wenchang, Hainan	Wenchang, Hainan	Production and Sales		100	Establishment
Jingtai Haijingzhou	Baiying, Gansu	Baiying, Gansu	Production and Sales		55	Establishment
Yongji Haijingzhou	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Yuncheng Haishengyuan	Yuncheng, Shanxi	Yuncheng, Shanxi	Production and Sales		100	Establishment
Zhangzhou Haijingzhou	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales		100	Establishment
Changyi Haijingzhou	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Establishment
Nantong Haijingzhou	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales		70	Establishment
Shanwei Haijingzhou	Shanwei, Guangdong	Shanwei, Guangdong	Production and Sales		100	Establishment
Guangzhou Haijingzhou	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		70	Establishment
Dongying Haijingzhou	Dongying, Shandong	Dongying, Shandong	Production and Sales		100	Establishment
Shanwei Haizenong	Shanwei, Guangdong	Shanwei, Guangdong	Production and Sales		100	Establishment
Rongcheng Rongchuan	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Rongcheng Yandunjiao	Weihai, Shandong	Weihai, Shandong	Production and Sales		51	Business combination involving entities not under common control
Fujian Haid Sun	Nanping, Fujian	Nanping, Fujian	Production		50	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
			and Sales			
Zhenyuan Haisheng	Qingyang, Gansu	Qingyang, Gansu	Production and Sales		100	Establishment
Pucheng Haidsun	Pucheng, Fujian	Pucheng, Fujian	Production and Sales		50	Establishment
Xiyu Haihua	Urumqi, Xinjiang	Urumqi, Xinjiang	Trading		51	Establishment
Jinzhou Zhengyuan	Jinzhou, Liaoning	Jinzhou, Liaoning	Trading		100	Establishment
Yingkou Fengmu	Yingkou, Liaoning	Yingkou, Liaoning	Trading		100	Establishment
Guangzhou Haiyou	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Ningbo Fengmu	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading		100	Establishment
Sanya Fengmu	Sanya, Hainan	Sanya, Hainan	Trading		100	Establishment
An'an Logistics	Guangzhou, Guangdong	Guangzhou, Guangdong	Transportation Service		100	Establishment
Xiyu Haisheng	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service		51	Establishment
Jilin, Rongchuan	Baicheng, Jilin	Baicheng, Jilin	Trading		100	Establishment
Maoming Hailong	Maoming, Guangdong	Maoming, Guangdong	Production and Sales	100		Establishment
Nanchang Haid	Nanchang, Jiangxi	Nanchang, Jiangxi	Production and Sales	100		Establishment
Zhuhai Rongchuan	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Jieyang Haid	Jieyang, Guangdong	Jieyang, Guangdong	Production and Sales		100	Establishment
Zhuhai Ronghai	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales		100	Establishment
Sanshuifanling	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Dalian Haid	Dalian, Liaoning	Dalian, Liaoning	Trading	100		Business combination involving entities not under common control
Haid International	Hong Kong	British Virgin Islands	Trading	100		Establishment
Haida HK	Hong Kong	Hong Kong	Trading		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Rickworth	Hong Kong	British Virgin Islands	Investment		100	Establishment
Hong Kong Longreat	Hong Kong	Hong Kong	Trading		100	Establishment
Dong Nai Haid	Dong Nai, Vietnam	Vietnam	Production and Sales		100	Establishment
Dong Nai Haid Breeding	Vietnam	Vietnam	Production and Sales		100	Establishment
Dancl	Hong Kong	Hong Kong	Trading		100	Establishment
Panasia Trading	Hong Kong	British Virgin Islands	Investment		80	Business combination involving entities not under common control
Sheng Long International	Hong Kong	British Virgin Islands	Investment		100	Business combination involving entities not under common control
Sheng Long Bio-Tech	Long An, Vietnam	Long An, Vietnam	Production and Sales		100	Business combination involving entities not under common control
Long Sheng International	Khanh Hoa, Vietnam	Khanh Hoa, Vietnam	Production and Sales		100	Business combination involving entities not under common control
Hisenor International	Hong Kong	British Virgin Islands	Investment		100	Establishment
Hisenor Vietnam	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Kembang Subur International	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Namduong Vietnam	Vietnam	Vietnam	Production and Sales		100	Business combination involving entities not under common control
Sheng Long	Malaysia	Malaysia	Production		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Malaysia			and Sales			
Ding Sheng International	Malaysia	Malaysia	Investment		100	Business combination involving entities not under common control
Taiwan Sheng Long	Taiwan, China	Taiwan, China	Sales		100	Business combination involving entities not under common control
Sheng Long Aquatic Malaysia	Malaysia	Malaysia	Production and Sales		100	Establishment
Nano	Hong Kong	British Virgin Islands	Investment		100	Establishment
Oceanic	Hong Kong	British Virgin Islands	Investment		100	Establishment
Power Spring	Hong Kong	British Virgin Islands	Investment		100	Establishment
Link	Hong Kong	British Virgin Islands	Investment		100	Establishment
Vinh Long Shenglong	Vietnam	Vietnam	Production and Sales		100	Establishment
Changzhou Haid	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	100		Establishment
Tianjin Haid	Tianjin	Tianjin, China	Production and Sales	97		Establishment
A&T Xinhui	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	80		Business combination involving entities not under common control
Tianmen Haid	Tianmen, Hubei	Tianmen, Hubei	Production and Sales	100		Establishment
Zhuhai Hailong	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and Sales	100		Establishment
Yangjiang Haid	Yangjiang, Guangdong	Yangjiang, Guangdong	Production and Sales	100		Establishment
Guigang Haid	Guigang, Guangxi	Guigang, Guangxi	Production and Sales	100		Establishment
Yiyang Haid	Yiyang, Hunan	Yiyang, Hunan	Production and Sales	99		Establishment
Nantong Haid	Nantong, Jiangsu	Nantong, Jiangsu	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yunnan Haid	Kunming, Yunnan	Kunming, Yunnan	Production and Sales	100		Establishment
Guangzhou Hailong	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Zhaoqing Haid	Gaoyao, Guangdong	Gaoyao, Guangdong	Production and Sales	100		Establishment
Wuhan Aquaera	Ezhou, Hubei	Ezhou, Hubei	Production and Sales	100		Establishment
Shenzhen Longreat	Shenzhen, Guangdong	Shenzhen, Guangdong	Trading	70		Establishment
Lanking	Singapore	Singapore	Trading	100		Establishment
Lanking America	U.S.	U.S.	Trading		100	Establishment
Lanking Nemo	Singapore	Singapore	Investment		80	Establishment
Sheng Long India	India	India	Production and Sales		100	Establishment
Lanking Rickworth	Singapore	Singapore	Investment		100	Establishment
Haidmarino Cia.Ltda	Ecuador	Ecuador	Production and Sales		100	Establishment
Lanking Nano	Singapore	Singapore	Investment		100	Establishment
Hai Duong Haid	Hai Duong, Vietnam	Vietnam	Production and Sales		100	Establishment
Hai Dai Company Limited	Vietnam	Vietnam	Production and Sales		100	Establishment
Vinh Long Hai Dai	Vietnam	Vietnam	Production and Sales		100	Establishment
Binh Dinh Hailong	Vietnam	Vietnam	Production and Sales		100	Establishment
Guam Xingyuan	U.S.	U.S.	Production and Sales		70	Business combination involving entities not under common control
Dongting Haid	Dongting, Hunan	Dongting, Hunan	Production and Sales	100		Establishment
Zhangzhou Haid	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	85		Establishment
Anhui Haid	Chizhou, Anhui	Chizhou, Anhui	Production and Sales	100		Establishment
Xiangtan Haid	Xiangtan, Hunan	Xiangtan, Hunan	Production and Sales	100		Establishment
Changsheng	Guangzhou,	Guangzhou,	Transportation	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Logistics	Guangdong	Guangdong	Service			
Guangzhou Cangyouliang	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		100	Establishment
Guangzhou Zhongcangsheng	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading		66	Establishment
Guangzhou Danong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Chengnan Hairong	Jingzhou, Hubei	Jingzhou, Hubei	Management consulting		90	Establishment
Zhangzhou Hairong	Zhangzhou, Fujian	Zhangzhou, Fujian	Management consulting		90	Establishment
Guangzhou Haifengchang	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Shandong Haiding	Heze, Shandong	Heze, Shandong	Sales	55		Establishment
Suixian Haiding	Shangqiu, Henan	Shangqiu, Henan	Production and Sales		50	Establishment
Suixian Haiding Technical Service Co., Ltd	Shangqiu, Henan	Shangqiu, Henan	Sales		100	Establishment
Yuncheng Haiding	Heze, Shandong	Heze, Shandong	Production and Sales		50	Establishment
Yuncheng Haiding Technical Service Co., Ltd	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Jinan Haiding	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Liaocheng Haiding	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		92	Establishment
Shanxian Haiding	Shanxian, Shandong	Shanxian, Shandong	Production and Sales		92	Establishment
Jinan Haiding Technical Service Co., Ltd	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Xinxiang Haiding	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment
Xinxiang Hairuida	Xinxiang, Henan	Xinxiang, Henan	Production and Sales		100	Establishment
Heze Haiding	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Heze Haiding Technical Service Co., Ltd	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Jining Haiding	Zoucheng,	Zoucheng,	Production		90	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
	Shandong	Shandong	and Sales			
Jining Haiding Technical Service Co., Ltd	Jining, Shandong	Jining, Shandong	Sales		100	Establishment
Sishui Dingxin Technical Service Co., Ltd	Jining, Shandong	Jining, Shandong	Sales		100	Establishment
Feixian Hairuida	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Feixian Hairuida Technical Service Co., Ltd	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Yinan Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Yinan Haiding Technical Service Co., Ltd	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Jinan Fengcheng	Dong'e, Shandong	Dong'e, Shandong	Trading		100	Establishment
Tengzhou Fengcheng	Zaozhuang, Shandong	Zaozhuang, Shandong	Production and Sales		100	Establishment
Binzhou Haiding	Binzhou, Shandong	Binzhou, Shandong	Production and Sales		100	Establishment
Binzhou Haiding Technical Service Co., Ltd	Binzhou, Shandong	Binzhou, Shandong	Sales		100	Establishment
Jining Fengcheng	Jining, Shandong	Jining, Shandong	Production and Sales		100	Establishment
Dong'e Dingxin	Dong'e, Shandong	Dong'e, Shandong	Production and Sales		51	Establishment
Heze Haiding Breeding	Heze, Shandong	Heze, Shandong	Production and Sales		100	Establishment
Linyi Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Linyi Hedong Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		75	Establishment
Junan Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		90	Establishment
Junan Haiding Technical Service Co., Ltd	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Sihong Haiding	Sihong, Jiangsu	Sihong, Jiangsu	Production and Sales		100	Establishment
Linyi Dingxin	Linyi,	Linyi,	Production		90	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
	Shandong	Shandong	and Sales			
Linyi Haiding Technical Service Co., Ltd	Linyi, Shandong	Linyi, Shandong	Research and Trading		100	Establishment
Liaocheng Haiding Technical Service Co., Ltd	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Henan haiding	Kaifeng, Henan	Kaifeng, Henan	Production and Sales		100	Establishment
Qingzhou Haiding	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Haiding Lusheng	Linyi, Shandong	Linyi, Shandong	Production and Sales		55	Establishment
Qinggang Fengcheng Bozun	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment
Suihua Fengcheng Bozun	Suihua, Heilongjiang	Suihua, Heilongjiang	Production and Sales		51	Establishment
Chengwu Fengcheng	Heze, Shandong	Heze, Shandong	Trading		100	Establishment
Binhai Haiding	Weifang, Shandong	Weifang, Shandong	Production and Sales		80	Establishment
Linyi Dinghao	Linyi, Shandong	Linyi, Shandong	Production and Sales		60	Establishment
Dongying Dinghao	Dongying, Shandong	Dongying, Shandong	Production and Sales		100	Establishment
Xuzhou Hairuida	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Xuzhou Zhongyi Haiding	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Lanling Haiding	Linyi, Shandong	Linyi, Shandong	Production and Sales		65	Establishment
Gaotang Haiding	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Jiangsu Fengcheng	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Trading		100	Establishment
Gansu Fengying	Jinchang, Gansu	Jinchang, Gansu	Transportation Service		100	Establishment
Xishui Haid	Huanggang, Hubei	Huanggang, Hubei	Production and Sales	100		Establishment
Yancheng Haid	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Honghu Haid	Honghu, Hubei	Honghu, Hubei	Production and Sales	100		Establishment
Kaifeng Haid	Kaifeng, Henan	Kaifeng, Henan	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Biotechnology	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Heshengtang Pharmaceutical	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Business combination involving entities not under common control
Haid Livestock Veterinary Research Institute	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Business combination involving entities not under common control
Henai Haihe	Luoyang, Henan	Luoyang, Henan	Production and Sales	67		Establishment
Xuchang Haihe	Yuzhou, Henan	Yuzhou, Henan	Production and Sales		100	Establishment
Anyang Haihe	Tangyin, Henan	Tangyin, Henan	Production and Sales		100	Establishment
Jiyuan Haihe	Jiyuan, Henan	Jiyuan, Henan	Production and Sales		80	Establishment
Henan Mugaole	Jiyuan, Henan	Jiyuan, Henan	Production and Sales		100	Establishment
Henan Haihehouyi	Zhumadian, Henan	Zhumadian, Henan	Production and Sales		80	Establishment
Suqian Haid	Siyang, Jiangsu	Siyang, Jiangsu	Production and Sales	100		Establishment
Huaihua Haid	Huaihua, Hunan	Huaihua, Hunan	Production and Sales	100		Establishment
Guangzhou Meinong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Haid Ecuador	Ecuador	Ecuador	Production and Sales		100	Establishment
Guangdong Hairuite	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales	100		Establishment
Guangzhou Haijian	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Nanhai Bairong	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Zhaoqing Bairong	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Yangxin Bairong	Yangxin, Hubei	Yangxin, Hubei	Production and Sales		100	Establishment
Jingzhou Bairong	Jingzhou, Hubei	Jingzhou, Hubei	Production and Sales		100	Establishment
Shandong Bairong	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Hainan Bairong	Dingan, Hainan	Dingan, Hainan	Production and Sales		100	Establishment
Zhaoqing Baishengyuan	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Qingyuan Baishengyuan	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Hunan Innovation	Hengyang, Hunan	Hengyang, Hunan	Production and Sales	100		Business combination involving entities not under common control
Guangzhou Haishengke	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Sichuan Hailinger	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales		100	Business combination involving entities not under common control
Sanming Haid	Sanming, Fujian	Sanming, Fujian	Production and Sales	100		Establishment
Qingyuan Haid	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Qingyuan Hainong	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Xuancheng Haid	Xuancheng, Anhui	Xuancheng, Anhui	Production and Sales	100		Establishment
Shunde Haid	Shunde, Guangdong	Shunde, Guangdong	Sales	100		Establishment
Jiaxing Haid	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Production and Sales	80		Business combination involving entities not under common control

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shijiazhuang Weike	Jinzhou, Hebei	Jinzhou, Hebei	Production and Sales	70		Business combination involving entities not under common control
Chongqing Haid	Chongqing, China	Chongqing, China	Production and Sales	100		Establishment
Shenyang Haid	Shenyang, Liaoning	Shenyang, Liaoning	Production and Sales	85		Establishment
Jiangsu Haihe	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Sales	67		Establishment
Xuzhou Haihe	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		70	Establishment
Lianyungang Haihe	Lianyungang, Jiangsu	Lianyungang, Jiangsu	Production and Sales		100	Establishment
Xuzhou Haid	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Production and Sales		100	Establishment
Anshan Dachuan	Anshan, Liaoning	Anshan, Liaoning	Sales	100		Establishment
Guangzhou Haiyuan Factoring	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial factoring	100		Establishment
Haid Pet	Weihai, Shandong	Weihai, Shandong	Sales	100		Establishment
Weihai Pet	Rongcheng, Shandong	Rongcheng, Shandong	Production and Sales		100	Establishment
Wuhan Zeyi	Wuhan, Hubei	Wuhan, Hubei	Investment		100	Establishment
Yibin Zhihai	Yibin, Sichuan	Yibin, Sichuan	Production and Sales	100		Establishment
Meishan Zhihai	Meishan, Sichuan	Meishan, Sichuan	Sales		83	Establishment
Yibin Yucan Technical Service Co., Ltd	Yibin, Sichuan	Yibin, Sichuan	Sales		100	Establishment
Ganzhou Haid	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Foshan Haid	Foshan, Guangdong	Foshan, Guangdong	Production and Sales	60		Establishment
Guangzhou Zecan	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangzhou Punong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Shandong Fengying	Qufu, Shandong	Qufu, Shandong	Investment		66	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jiaxiang Haiying	Jining, Shandong	Jining, Shandong	Slaughtering service		90	Establishment
Linxi Haiying	Xingtai, Hebei	Xingtai, Hebei	Slaughtering service		90	Establishment
Yiyuan Haiying	Zibo, Shandong	Zibo, Shandong	Slaughtering service		62	Establishment
Zouping Haiying	Zouping, Shandong	Zouping, Shandong	Slaughtering service		75	Establishment
Binzhou Haiying	Binzhou, Shandong	Binzhou, Shandong	Slaughtering service		70	Establishment
Dezhou Haiying	Dezhou, Shandong	Dezhou, Shandong	Slaughtering service		55	Establishment
Guangzhou Yuannong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Guangdong Haid Poverty Alleviation	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service	100		Establishment
Liyang Jiuhe	Liyang, Jiangsu	Liyang, Jiangsu	Production and Sales	80		Business combination involving entities not under common control
Shaoguan Haid	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales	100		Establishment
Shandong Daxin	Qingdao, Shandong	Qingdao, Shandong	Investment and trading	60		Business combination involving entities not under common control
Weifang Daxin	Qingzhou, Shandong	Qingzhou, Shandong	Production and Sales		100	Business combination involving entities not under common control
Yantai Daxin	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Business combination involving entities not under common control
Linyi Yihe	Tancheng, Shandong	Tancheng, Shandong	Production and Sales		100	Business combination involving entities not under common control
Jiangsu Daxin	Huaiyin, Jiangsu	Huaiyin, Jiangsu	Production and Sales		100	Business combination involving entities

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
						not under common control
Shandong Daxin Agriculture and Animal Husbandry	Weifang, Shandong	Weifang, Shandong	Production and Sales		100	Business combination involving entities not under common control
Qingdao Zhizhuxia	Qingdao, Shandong	Qingdao, Shandong	Sales		100	Business combination involving entities not under common control
Linyi Zhizhuxia	Linyi, Shandong	Linyi, Shandong	Sales		100	Establishment
Liaocheng Daxin	Liaocheng, Shandong	Liaocheng, Shandong	Production and Sales		100	Establishment
Laiyang Haihe	Yantai, Shandong	Yantai, Shandong	Production and Sales		85	Establishment
Qingdao Haihe	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Linyi Haihe	Linyi, Shandong	Linyi, Shandong	Production and Sales		100	Establishment
Yantai Zhizhuren Feed	Yantai, Shandong	Yantai, Shandong	Production and Sales		100	Establishment
Gaomi Haihe	Weifang, Shandong	Weifang, Shandong	Production and Sales		60	Establishment
Qingdao Huaxin	Qingdao, Shandong	Qingdao, Shandong	Production and Sales		100	Business combination involving entities not under common control
Huai'an Hailong	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Establishment
Hunan Jinhuilong	Yueyang, Hunan	Yueyang, Hunan	Investment	51		Business combination involving entities not under common control
Yueyang Jinhuilong	Yueyang, Hunan	Yueyang, Hunan	Production and Sales		100	Business combination involving entities not under common control
Jiaozuo	Jiaozuo, Henan	Jiaozuo, Henan	Production		100	Business

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Jinhuilong			and Sales			combination involving entities not under common control
Shijiazhuang Huilong	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production and Sales		65	Business combination involving entities not under common control
Handan Huilong	Handan, Hebei	Handan, Hebei	Production and Sales		65	Business combination involving entities not under common control
Huai'an Huilong	Huai'an, Jiangsu	Huai'an, Jiangsu	Sales		100	Establishment
Fuzhou Haid	Fuzhou, Fujian	Fuzhou, Fujian	Production and Sales	100		Establishment
Gaoyao Haid	Gaoyao, Zhaoqing, Guangdong	Gaoyao, Zhaoqing, Guangdong	Production and Sales	100		Establishment
Nanning Haid	Nanning, Guangxi	Nanning, Guangxi	Production and Sales	100		Establishment
Ganzhou Hailong	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	100		Establishment
Guangzhou Haiyuan Micro-Credit	Guangzhou, Guangdong	Guangzhou, Guangdong	Micro-credit service	100		Establishment
Guangdong Haid Biological Technology	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Trading	100		Establishment
Jiangmen Rongchuan	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Chongqing Zhihai	Chongqing, China	Chongqing, China	Sales	100		Establishment
Meizhou Haid	Meizhou, Guangdong	Meizhou, Guangdong	Production and Sales	70		Establishment
Yicheng Haid	Xiangyang, Hubei	Xiangyang, Hubei	Production and Sales	100		Establishment
Heshan Ronghai	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Hexian Haid	Ma'anshan, Anhui	Ma'anshan, Anhui	Research and Trading	100		Establishment
Pingnan Haid	Pingnan, Guangxi	Pingnan, Guangxi	Sales	100		Establishment
Guangzhou	Guangzhou,	Guangzhou,	Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Shunkang	Guangdong	Guangdong				
Tianjin Rongchuan	Tianjin	Tianjin	Production and Sales	70		Establishment
Zhanjiang Rongda	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Sales	100		Establishment
Huainan Haid	Huainan, Anhui	Huainan, Anhui	Production and Sales	100		Establishment
Maoming Haid	Maoming, Guangdong	Maoming, Guangdong	Sales	75		Establishment
Guangzhou Ronghai	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Zhongshan Ronghai	Zhongshan, Guangdong	Zhongshan, Guangdong	Production and Sales		80	Establishment
Guangzhou Rongda	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		70	Establishment
Jiangmen Ronghai	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales		100	Establishment
Zhongshan Yugezi	Zhongshan, Guangdong	Zhongshan, Guangdong	Slaughtering service		60	Business combination involving entities not under common control
Guangxi Ronghai	Fangchenggang, Guangxi, China	Fangchenggang, Guangxi, China	Production and Sales		70	Establishment
Zhongshan Rongda	Zhongshan, Guangdong	Zhongshan, Guangdong	Production and Sales		51	Establishment
Sichuan Rongchuan	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Yulin Haid	Yulin, Guangxi	Yulin, Guangxi	Production and Sales	100		Establishment
Sichuan Haile	Chengdu, Sichuan	Chengdu, Sichuan	Production and Sales	55		Establishment
Yichang Agriculture and Animal Husbandry	Yichang, Hubei	Yichang, Hubei	Production and Sales		72	Establishment
Mianyang Zhonggui	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales		72	Establishment
Dali Haiwang	Dali, Yunan	Dali, Yunan	Production and Sales		70	Establishment
Dali Haizhi	Dali, Yunan	Dali, Yunan	Sales		100	Establishment
Yunnan Zhonggui	Kunming, Yunnan	Kunming, Yunnan	Production and Sales		80	Business combination involving entities not under common

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
						control
Chongqing Haizhi	Chongqing, China	Chongqing, China	Production and Sales		90	Establishment
Chongqing Hainong Technical Service Co., Ltd	Chongqing, China	Chongqing, China	Sales		100	Establishment
Guiyang Zhihai	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales		70	Establishment
Qujing Zhihai	Qujing, Yunnan	Qujing, Yunnan	Production and Sales		100	Establishment
Luliang Haile	Qujing, Yunnan	Qujing, Yunnan	Sales		100	Establishment
Guangzhou Xingnong	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Xinxing Haifeng	Yunfu, Guangdong	Yunfu, Guangdong	Production and Sales		100	Establishment
Sihui Haifeng	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Production and Sales		100	Establishment
Wengyuan Haifeng	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales		100	Establishment
Qingyuan Haichuan	Qingyuan, Guangdong	Qingyuan, Guangdong	Slaughtering Service		100	Establishment
Ezhou Haifeng	Ezhou, Hubei	Ezhou, Hubei	Production and Sales		80	Establishment
Yingde Haifeng	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales		100	Establishment
Qingyuan Ronghai	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	97		Business combination involving entities not under common control
Guangzhou Haiyin	Guangzhou, Guangdong	Guangzhou, Guangdong	Financing guarantee	100		Establishment
Qinzhou Hailong	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment
Hainan Haid	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment
Liuzhou Haid	Liuzhou, Guangxi	Liuzhou, Guangxi	Production and Sales	100		Establishment
Jiangsu Dachuan	Huai'an Jiangsu	Huai'an Jiangsu	Production and Sales	100		Business combination involving entities not under common control
Zhaoqing	Zhaoqing,	Zhaoqing,	Production	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Ronghai	Guangdong	Guangdong	and Sales			
Gaoan Haid	Yichun, Jiangxi	Yichun, Jiangxi	Production and Sales	100		Establishment
Shanggao Haid	Shanggao, Jiangxi	Shanggao, Jiangxi	Production and Sales	100		Establishment
Qingyuan Hailong	Qingyuan, Guangdong	Qingyuan, Guangdong	Production and Sales	100		Establishment
Qingyuan Guanghong	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales		60	Establishment
Guangdong Haid International Trading	Guangzhou, Guangdong	Guangzhou, Guangdong	Trading	100		Establishment
Nansha Haid	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Yancheng Haiwe	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Hainan Haid Seed	Wenchang, Hainan	Wenchang, Hainan	Production and Sales	100		Establishment
Wuzhou Haid	Wuzhou, Guangxi, China	Wuzhou, Guangxi, China	Production and Sales	100		Establishment
Dongguan Hailin	Dongguan, Guangdong	Dongguan, Guangdong	Production and Sales	100		Establishment
Zhangzhou Haiheng	Zhangzhou, Fujian	Zhangzhou, Fujian	Production and Sales	100		Establishment
Deyang Dachuan	Deyang, Sichuan	Deyang, Sichuan	Production and Sales	100		Establishment
Mianyang Hailong	Mianyang, Sichuan	Mianyang, Sichuan	Production and Sales	70		Establishment
Meishan Haid	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Guangzhou Nongzhidao	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	60		Establishment
Yingkou Dachuan	Yingkou, Liaoning	Yingkou, Liaoning	Production and Sales	100		Establishment
Jieshou Haid	Fuyang, Anhui	Fuyang, Anhui	Production and Sales	100		Establishment
Anlu Haid	Xiaogan, Hubei	Xiaogan, Hubei	Production and Sales	100		Establishment
Jinzhou Haihe	Jinzhou, Hubei	Jinzhou, Hubei	Production and Sales	100		Establishment
Guangzhou Chenzhao	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Hainan	Danzhou,	Danzhou,	Production	100		Business

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Zhuangmei	Hainan	Hainan	and Sales			combination involving entities not under common control
Yancheng Runchuan	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Zigong Hailong	Zigong, Sichuan	Zigong, Sichuan	Production and Sales	100		Establishment
Jiangxi Jiabo	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales	60		Business combination involving entities not under common control
Jiangxi Gunanbencao	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Jiangxi Renxintang	Jiujiang, Jiangxi	Jiujiang, Jiangxi	Production and Sales		100	Business combination involving entities not under common control
Guangxi Rongchuan	Nanning, Guangxi, China	Nanning, Guangxi	Production and Sales	100		Establishment
Dali Haid	Dali, Yunan	Dali, Yunan	Production and Sales	100		Establishment
Guangzhou Haid Technology	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales	100		Establishment
Heshan Haiwei	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	100		Establishment
Ganzhou Lianduoli	Ganzhou, Jiangxi	Ganzhou, Jiangxi	Production and Sales	70		Business combination involving entities not under common control
Maoming Haiwei	Maoming, Guangdong	Maoming, Guangdong	Production and Sales	70		Establishment
Yangjiang Haihe	Yangjiang, Guangdong	Yangjiang, Guangdong	Production and Sales	100		Establishment
Leizhou Hailong	Zhanjiang, Guangdong	Zhanjiang, Guangdong	Production and Sales	100		Establishment
Sichuan Hailong	Meishan, Sichuan	Meishan, Sichuan	Production and Sales	100		Establishment
Qinzhou Haiwei	Qinzhou, Guangxi	Qinzhou, Guangxi	Production and Sales	100		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Yancheng Rongchuan	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Naning Dachuan	Nanning, Guangxi, China	Nanning, Guangxi	Production and Sales	100		Establishment
Yongzhou Haid	Yongzhou, Hunan	Yongzhou, Hunan	Production and Sales	100		Establishment
Baotou Haicheng	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Production and Sales	51		Establishment
Jiangsu Haid	Yancheng, Jiangsu	Yancheng, Jiangsu	Production and Sales	100		Establishment
Guiyang Haid	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales	100		Establishment
Wuwei Haimu	Wuwei, Gansu	Wuwei, Gansu	Production and Sales	100		Establishment
Guilin Haid	Guilin, Guangxi	Guilin, Guangxi	Production and Sales	100		Establishment
Inner Mongolia Haid	Bayannur, Inner Mongolia	Bayannur, Inner Mongolia	Production and Sales	100		Establishment
Guiyang Dachuan	Guiyang, Guizhou	Guiyang, Guizhou	Production and Sales	100		Establishment
Xingtai Haid	Xingtai, Hebei	Xingtai, Hebei	Production and Sales	100		Establishment
Foshan Lianduoli	Foshan, Guangdong	Foshan, Guangdong	Sales	100		Establishment
Guangdong Haifulai	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Liupanshui Haid	Liupanshui, Guizhou	Liupanshui, Guizhou	Production and Sales	100		Establishment
Guangdong Haiqi	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment	100		Establishment
Heze Haiboyoumei	Heze, Shandong	Heze, Shandong	Sales		100	Establishment
Hubei Haiqi	Wuhan, Hubei	Wuhan, Hubei	Sales		100	Establishment
Kaifeng Haiqi	Kaifeng, Henan	Kaifeng, Henan	Sales		100	Establishment
Sichuan Haiqi	Chengdu, Sichuan	Chengdu, Sichuan	Sales		100	Establishment
Xishui Haiqi	Huanggang, Hubei	Huanggang, Hubei	Sales		100	Establishment
Kunming Haiqi	Kunming, Yunnan	Kunming, Yunnan	Sales		100	Establishment
Mianyang Haiqi	Mianyang, Sichuan	Mianyang, Sichuan	Sales		100	Establishment
Ya'an Haiqi	Ya'an Sichuan	Ya'an Sichuan	Sales		100	Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Nanchang Haiqi	Nanchang, Jiangxi	Nanchang, Jiangxi	Sales		100	Establishment
Hengyang Haiqi	Hengyang, Hunan	Hengyang, Hunan	Sales		100	Establishment
Jingzhou Haiqi	Jinzhou, Hubei	Jinzhou, Hubei	Sales		100	Establishment
Jingshan Haiqi	Jingmen, Hubei	Jingmen, Hubei	Sales		100	Establishment
Huaihua Haiqi	Huaihua, Hunan	Huaihua, Hunan	Sales		100	Establishment
Jieshou Haiqi	Fuyang, Anhui	Fuyang, Anhui	Sales		100	Establishment
Guangzhou Hailin	Guangzhou, Guangdong	Guangzhou, Guangdong	Sales		100	Establishment
Meizhou Haiqi	Meizhou, Guangdong	Meizhou, Guangdong	Sales		100	Establishment
Zhangzhou Haiqi	Zhangzhou, Fujian	Zhangzhou, Fujian	Sales		100	Establishment
Maoming Haiqi	Maoming, Guangdong	Maoming, Guangdong	Sales		100	Establishment
Yangjiang Haiqi	Yangjiang, Guangdong	Yangjiang, Guangdong	Sales		100	Establishment
Qingyuan Haiqi	Qingyuan, Guangdong	Qingyuan, Guangdong	Sales		100	Establishment
Gansu Muqi	Lanzhou, Gansu	Lanzhou, Gansu	Sales		22	Establishment
Raoping Haide	Chaozhou, Guangdong	Chaozhou, Guangdong	Sales		51	Business combination involving entities not under common control
Yulin Haiqi	Yulin, Guangxi	Yulin, Guangxi	Sales		100	Establishment
Qinzhou Haiqi	Qinzhou, Guangxi	Qinzhou, Guangxi	Sales		100	Establishment
Xingtai Haiqi	Xingtai, Hebei	Xingtai, Hebei	Sales		100	Establishment
Nanning Haililai	Nanning, Guangxi, China	Nanning, Guangxi	Production and Sales	70		Establishment
Shaoyang Haid	Shaoyang, Hunan	Shaoyang, Hunan	Production and Sales	100		Establishment
Jiangmen Debao	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales	80		Business combination involving entities not under common control
Guangzhou Denong	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		59	Business combination involving entities not under common control

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
Foshan Dazhi	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Taishan Debao	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Maoming Debao	Maoming, Guangdong	Maoming, Guangdong	Production and Sales		51	Business combination involving entities not under common control
Guangzhou Debaonongshan	Guangzhou, Guangdong	Guangzhou, Guangdong	Production and Sales		59	Business combination involving entities not under common control
Foshan Hanheng	Foshan, Guangdong	Foshan, Guangdong	Production and Sales		100	Business combination involving entities not under common control
Shaoguan Dachuan	Shaoguan, Guangdong	Shaoguan, Guangdong	Production and Sales	100		Establishment
Liaoning Haid	Shenyang, Liaoning	Shenyang, Liaoning	Production and Sales	100		Establishment
Huai'an Haichang	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	75		Establishment
Guizhou Hailongwang	Qiannan, Guizhou	Qiannan, Guizhou	Sales	100		Establishment
Huashite Test	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Hebei Haimu	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Production and Sales	100		Establishment
Dali Dachuan	Dali, Yunan	Dali, Yunan	Production and Sales	100		Establishment
Yunnan Hairui	Qujing, Yunnan	Qujing, Yunnan	Production and Sales	64		Establishment
Henan Haidajiuzhou	Zhumadian, Henan	Zhumadian, Henan	Production and Sales	75		Establishment
Enshi Haida	Enshi, Hubei	Enshi, Hubei	Production and Sales	100		Establishment
Ningguo Haid	Xuancheng,	Xuancheng,	Production	65		Establishment

Subsidiary (abbreviation)	Principal place of business	Place of registration	Business nature	Shareholding %		Acquisition method
				Direct	Indirect	
	Anhui	Anhui	and Sales			
Chaozhou Haid	Chaozhou, Guangdong	Chaozhou, Guangdong	Sales	100		Establishment
Tianjin Haixin	Tianjin	Tianjin	Production and Sales	100		Establishment
Jinhu Haid	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	70		Establishment
Tongliao Haid	Tongliao, Inner Mongolia	Tongliao, Inner Mongolia	Production and Sales	100		Establishment
Huaihua Hailong	Huaihua, Hunan	Huaihua, Hunan	Production and Sales	100		Establishment
Guangzhou Haihan	Guangzhou, Guangdong	Guangzhou, Guangdong	Commercial service	100		Establishment
Guangdong Haizhihui	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Jiangsu Haiwei	Huai'an, Jiangsu	Huai'an, Jiangsu	Production and Sales	100		Establishment
Guangdong Hairuike	Guangzhou, Guangdong	Guangzhou, Guangdong	Research and Sales	100		Establishment
Hubei Haid Seed	Ezhou, Hubei	Ezhou, Hubei	Research and Sales	100		Establishment

2. Significant Non-Wholly-Owned Subsidiaries

Subsidiary (abbreviation)	Non-controlling interests (%)	Profit/Loss of Current Period attributable to non-controlling interests	Dividends declared for non-controlling interests for Current Period	Closing balance of non-controlling interests
Panasia Trading	20%	28,386,346.52	22,234,268.73	129,444,088.56
Shandong Haiding	45%	88,136,375.63	22,393,484.93	189,215,171.82

3. Key Financial Information of Significant Non-Wholly-Owned Subsidiaries

(RMB ten thousand)

Subsidiary (abbreviation)	2021.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Panasia Trading	104,158.36	48,266.93	152,425.29	87,499.82	203.42	87,703.24
Shandong Haiding	150,145.61	61,753.37	211,898.98	154,944.67	18,055.41	173,000.08

Continued (1):

(RMB ten thousand)

Subsidiary (abbreviation)	2020.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Panasia Trading	89,559.59	38,429.30	127,988.89	71,960.13	-	71,960.13
Shandong Haiding	105,633.24	31,565.33	137,198.57	114,788.14	792.56	115,580.70

Continued (2):

(RMB ten thousand)

Subsidiary (abbreviation)	Year ended 31/12/2021				Year ended 31/12/2020			
	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities	Operating Income	Net profit	Total comprehensive income	Net cash flows from operating activities
Panasia Trading	283,809.45	14,193.17	14,193.17	18,122.66	269,318.37	20,306.72	20,306.72	15,027.49
Shandong Haiding	1,059,557.19	19,585.86	19,585.86	28,281.12	743,506.08	11,475.08	11,475.08	17,310.94

4. Transactions caused the change in Share of Owner's Equity of Subsidiaries but control the Subsidiaries

(1) Changes in Share of Owner's Equity of Subsidiaries

Subsidiary (abbreviation)	Timing of equity Changed	Shareholding percentage before changes (%)		Shareholding percentage after changes (%)	
		Direct	Indirect	Direct	Indirect
Yangdong Fengwo	2021-9-27	-	90	-	88
Enping Yitun	2021-9-30	-	98	-	100
Hunan Yitun	2021-12-15	-	86	-	93
HAIDMARINO Food	2021-10-1	-	51	-	100
Zhangzhou Haid	2021-7-26	60	-	85	-
Linyi Dinghao	2021-5-28	-	52	-	60
Hunan Innovation	2021-4-12	65	-	100	-
Sichuan Hailinger	2021-6-3	-	67	-	100
Meizhou Haid	2021-9-1	100	-	70	-
Linyi Haiding Lusheng	2021-12-22	51	-	100	-

(2) Impact of Transactions on Non-Controlling Interests and Owner's equity Attributable to the parent company

Item	Yangdong Fengwo	Enping Yitun	Hunan Yitun	HAIDMARINO Food	Zhangzhou Haid
Acquisition cost / consideration of disposal					
--Cash	20,000.00	20,000.00	140,000.00	100,000.00	5,000,000.00
--Fair value of non-cash assets	-	-	-	-	-
Total acquisition cost / consideration of disposal	20,000.00	20,000.00	140,000.00	100,000.00	5,000,000.00
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	-37,230.39	-1,229,797.11	481,967.69	75,768.72	3,654,155.32
Difference	57,230.39	1,249,797.11	-341,967.69	24,231.28	1,345,844.68
Including: Adjustment to capital reserve	57,230.39	1,249,797.11	-341,967.69	24,231.28	1,345,844.68

Continued:

Item	Linyi Dinghao	Hunan Innovation	Sichuan Hailinger	Meizhou Haid	Linyi Haiding Lusheng
Acquisition cost / consideration of disposal					
--Cash	-	3,173,490.00	26,853,138.00	-	2,625,471.51
--Fair value of non-cash assets	-	-	-	-	-

Item	Linyi Dinghao	Hunan Innovation	Sichuan Hailinger	Meizhou Haid	Linyi Haiding Lusheng
Total acquisition cost / consideration of disposal	-	3,173,490.00	26,853,138.00	-	2,625,471.51
Less: Share of subsidiary's net assets at the percentage of shareholding acquired or disposed	-6,857.90	-30,368,801.20	-17,938,704.40	-232,657.28	2,613,227.22
Difference	6,857.90	33,542,291.20	44,791,842.40	232,657.28	12,244.29
Including: Adjustment to capital reserve	6,857.90	33,542,291.20	44,791,842.40	232,657.28	12,244.29

(II) Interests in Associates

1. Summary of Financial Information of Insignificant Associates

Item	2021.12.31/ Year ended 31/12/2021	2020.12.31/ Year ended 31/12/2020
Associates:		
Total carrying amount of investments	301,076,512.33	59,465,879.68
Totals calculated as shareholding percentage		
--Net profit	-1,702,059.18	-2,923,984.35
--Other comprehensive income	-	-
--Total comprehensive income	-1,702,059.18	-2,923,984.35

VIII. Risks Management of Financial Instruments

The main financial instruments of the Group include cash at bank and on hand, notes receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, entrusted loan issued and advances to customer, held-for-trading financial assets, debt investments, other non-current financial assets, long-term receivables, accounts payable, other receivables, short-term loans, held-for-trading liabilities, non-current liabilities due within one year, long-term loans, and long-term payables. Details of various financial instruments have been disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Group to reduce these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are controlled within a limited range.

1. Objectives and Policies of Risk Management

The Group's goal in risk management is to achieve a proper balance between risk and return, and strive to reduce the adverse impact of any financial instrument risk on the company's operations. Based on this risk management objective, the Group has established relevant risk management policies to identify and analyze the company's risks, appropriately set corresponding acceptable risk levels and established the internal control procedures to monitor the Group's risk level. In addition, the Group will regularly review these risk management policies and related internal control system to adapt to changes in market conditions or the company's operating activities, and the Group's internal audit department will regularly or randomly check whether the implementation of the internal control system complies with relevant risk management policies.

The Group's purpose in risk management is to achieve an appropriate balance between risk and return, minimize the negative impact of risk on the Group's operating performance. Based on the purpose of risk management, the basic strategy of the Group's risk management is to identify and analyze various kind of risks faced by the Group, set up an appropriate risk tolerance bottom line and design the internal control

process to monitor the risk level. The Group reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Group's internal audit department also reviews regularly or randomly whether the performance of internal control system is complied with the risk management policy.

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

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks and cover many aspects such as management of market risk, credit risk and liquidity risk. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. The internal audit department of the Group conducts regular verifications on risk management controls and procedures, and reports results to the audit committee of the Group.

The Group diversifies the risks of financial instruments through appropriate diversified investments and business portfolios, and reduces the risk of concentration in a single industry, specific region, or specific counterparty by formulating appropriate risk management policies.

1. Credit Risk

Credit risk refers to the risk that the counterparty fails to fulfill its contractual obligations, resulting in financial losses to the Group.

The Group manages credit risk on the basis of portfolio. Credit risk mainly arises from bank deposits, notes receivable, accounts receivable, other receivables, etc.

The Group's bank deposits are mainly deposited in financial institutions with reputation and high credit ratings. The Group expects that the credit risk of bank deposits is low.

With regard to notes receivable, accounts receivable, other receivables, loans and advances to customers, the Group establishes relevant policies to control credit risk exposure. The Group assesses the credit qualification of customers based on their financial status, credit records and other factors, such as current market conditions, and sets corresponding credit periods. The Group monitors the credit records of customers on a regular basis. For customers with poor credit records, the Group will issue reminders in writing, shorten the credit period or cancel the credit period, so as to ensure that the overall credit risk of the Group is within the controllable range.

The debtors of the Group are spread in different industry and geographic region. The Group continuously performs credit assessment on the debtors and purchase credit guarantee insurance when necessary.

The Group's maximum tolerated credit risk exposure is the book value of every financial asset on the balance sheet. The Group also faces credit risk for providing financial guarantee. Please refer to Note XII. 2.

Accounts receivable due from the top five customers of the Group account for 15.43% of total accounts receivable (2020:11.69%); other receivables due from the top five customers of the Group account for 39.24% of total other receivables (2020: 75.86%).

2. Liquidity Risk

Liquidity risk is the risk that the Group is short of funds to deliver cash or other financial assets or meet other settlement obligations.

Each subsidiary of the Group is responsible for cash flow forecast. The treasury department of the Group

monitors the long-term and short-term capital requirements at the group level based on the cash flow forecasts of each subsidiary.

The Group coordinates the surplus funds within the group through the funding pool plan setup in the large financial institutions, and ensure that each member has sufficient cash reserves to meet the payment obligations due for settlement. In addition, the Group entered into financing credit agreements with main business banks to meet short-term and long-term funding requirements.

The Group raises working capital through funds generated from operating business, bank and other borrowings. As of December 31, 2021, the Group's unused bank loan amount was RMB 16,501 million (December 31, 2020: RMB 14,425.54 million).

3. Market Risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other price risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can arise from confirmed interest-bearing financial instruments and unrecognized financial instruments.

The Group's interest rate risk mainly arises from long-term and short term interest-bearing bank loans. Financial liabilities with floating interest rates causes interest rate risks in cash flow to the Group and Financial liabilities with fixed interest rates causes interest rate risks in fair value to the Group. The Group determines the proportion of fixed and floating interest rate contracts according to current market situation and maintain the appropriate mixture of the instruments with fixed and floating interest rate by regular review and monitoring.

For financial instrument held at balance sheet date with interest rate risk in fair value, the effect of net profit and shareholders' equity in the above sensitivity analysis is assumed that interest rate changes at balance sheet date and the above financial instrument is remeasured at the new interest rate. For non-derivative financial instrument held at balance sheet date with floating interest rate and interest rate risk of cash flow, the effect of net profit and shareholders' equity in the above sensitivity analysis is based on the calculation of estimated annual interest expenses or income by the changes in above interest rate. The analysis in last year is based on the same assumption and method.

Foreign Exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of fair value or future cash flow of financial instrument due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instrument measured at foreign currency instead of reporting currency.

The Group's principal business is operated in China and settled in RMB. However, there's still foreign exchange rate risk of the recognized financial instruments recorded in foreign currency. The raw materials purchased and imported by the Group have achieved a certain scale, and there is an increase in the transactions amount of overseas subsidiaries of the Group overseas uses with other currencies other than RMB as their functional currency. Therefore, fluctuations in RMB exchange rate have exerted certain impact on the Group's business operations.

As of December 31, 2021, the Group's major monetary items in foreign currencies are financial assets and financial liabilities denominated in US dollar, Vietnamese dong, rupee, and ringgit (refer to Note V. 67 (1) Monetary items in foreign currencies for more details). Since other currencies are not use infrequently and the amount is relatively small, changes in their exchange rates has no significant impact on the business activities of the Group.

The Group closely monitors the scale of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize its foreign exchange risks. Therefore, the Group enters into forward foreign exchange contracts or currency swap contracts to avoid foreign exchange risks when appropriate.

Other price risk

Other price risk is the fluctuation risk due to the changes of market prices besides foreign exchange risk and interest rate risk due to whether individual financial instrument or its issuer or all similar financial instruments traded in the market. It may be affected by the changes of the price of goods or equity instrument.

The Company upholds the basic principle of serving spot goods -- the spot procurement program, and regards risk control as the core principle. Meanwhile, it will adopt one or more than one arbitrage tool for hedging to avoid the commodity price risk and credit risk etc., and changes in the fair value or cash flow of the arbitrage tool are expected to offset all or part of the changes in the fair value or cash flow of the hedged item, in which way, the impact of price fluctuations in raw materials and commodities on production and operations can thus be mitigated.

IX. Disclosures of Fair Value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs: inputs that are unobservable for assets or liabilities. (unobservable input)

1. Items and Amount Measured at Fair Value

As at December 31, 2021, assets and liabilities measured at fair value based on the three levels above are shown as follows:

Item	Level 1	Level 2	Level 3	Total
I. Recurring fair value measurement				
1. Held-for-trading financial assets	163,950.00	-	2,343,834.13	2,507,784.13
Financial assets measured at fair value through profit or loss	163,950.00	-	2,343,834.13	2,507,784.13
(1) Debt instruments	-	-	-	-
(2) Equity instruments	-	-	-	-
(3) Derivative financial assets	163,950.00	-	2,343,834.13	2,507,784.13
Financial assets designated as fair value through profit or loss	-	-	-	-
(1) Debt instruments	-	-	-	-
(2) Equity instruments	-	-	-	-
2. Other debt investment	-	-	-	-
3. Investments in other equity instruments	-	-	-	-
4. Other non-current financial asset	-	-	286,569,300.55	286,569,300.55

Item	Level 1	Level 2	Level 3	Total
5. Investment real estate	-	-	-	-
Leased land use rights	-	-	-	-
Buildings for rent	-	-	-	-
Land use rights that are held and prepared to be transferred upon appreciation	-	-	-	-
6. Biological assets	-	-	-	-
Consumable biological assets	-	-	-	-
Productive biological assets	-	-	-	-
Total assets measured at fair value on a recurring basis	163,950.00		288,913,134.68	289,077,084.68
7. Held-for-trading financial liabilities	5,250,670.00	-	38,923,761.17	44,174,431.17
(1) Derivative financial liabilities	5,250,670.00	-	38,923,761.17	44,174,431.17
8. Financial liabilities that are designated as measured at fair value and whose changes are recorded into current profit and loss	-	-	-	-
Total liabilities measured at fair value on a recurring basis	5,250,670.00	-	38,923,761.17	44,174,431.17
II. Non-recurring fair value measurements				
1. Hold assets for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value on a non-recurring basis	-	-	-	-

The Group recognizes transfers between different levels at the end of the current reporting period during which such transfers are made. During 2021, there were no transfers between different levels of the Group's assets and liabilities.

The occurring of an event of transfers between different levels is determined as when transfers between levels. The Group's financial assets and financial liabilities measured at fair value do not transfer between the first level and second level, or into or out of the third level during the current period.

X Related Parties and Related-Party Transactions

1. Parent company

Name	Place of registration	Business nature	Registered capital (RMB ten thousand)	Shareholding ratio in the Company (%)	Percentage of voting rights in the Company (%)

Name	Place of registration	Business nature	Registered capital (RMB ten thousand)	Shareholding ratio in the Company (%)	Percentage of voting rights in the Company (%)
Guangzhou Haihao Investment Co., Ltd. (hereinafter referred to as "Guangzhou Haihao")	Guangzhou, Guangdong	Investment, trading, import and export of commodities and technologies	3,000.00	54.04	54.04

Guangzhou Haihao is the ultimate controlling party of the Company and established on September 27, 2006. Mr. Hua Xue holds a 39.75% of equity in Guangzhou Haihao, is the ultimate controller of the Company..

In the reporting period, change of the registered capital of the parent company is as follows:

(RMB ten thousand)

As at 31/12/2020	Addition	Reduction	As at 31/12/2021
3,000.00	-	-	3,000.00

2. Information on the subsidiaries of the Company

For information on the subsidiaries of the Company, refer to Note VII.1.

3. Information on joint ventures and associates of the Company

Joint ventures and associates that have related party transactions with the Group during this year or previous year are as follows:

Name of joint ventures or associates	Relationship with the Group
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Associates, the Group holds 49% of equity
Guizhou Fuhai Chemicals Co, Ltd.	Associates, the Group holds 45% of equity
Vietnam Haid Yingtaogu Co., Ltd.	Associates, the Group holds 40% of equity
Bangpu Seed Technology Co., Ltd.	Associates, the Group holds 16% of equity
Wujiaqu Taikun Plant Protein Co., Ltd.	Became Associates from October 2021, the Group holds 50% of equity
Alaer Ruili Heng Sheng Protein Co., Ltd.	Became Associates from October 2021, the Group holds 50% of equity
Guangdong Zhongyu Duck Industry Co.Ltd.	Became Associates from September 2021, the Group holds 49% of equity

4. Information on other related parties

Name	Relationship with the Group
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Subsidiary of Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.
Guangzhou Haihao Technology Industry Operation Co., Ltd.	Subsidiary of holding shareholder Guangzhou Haihao Investment Co., Ltd.

Name	Relationship with the Group
Guangdong Haihaowan Development Co., Ltd.	Subsidiary of holding shareholder Guangzhou Haihao Investment Co., Ltd.
Ping'anfa Agriculture Co., Ltd.	Wholly owned subsidiary of Vietnam Haid Yingtaogu Co., Ltd.
Mingzhong Chen	Vice General Manager

5. Transactions with related parties

(1) Purchases/sales

① Purchase of goods/receiving of services

Related party	Nature of transaction	Year ended 31/12/2021	Year ended 31/12/2020
Guizhou Fuhai Chemicals Co., Ltd.	Raw material	207,721,123.58	110,787,343.5
Alaer Ruili Heng Sheng Protein Co., Ltd.	Raw material	12,218,731.52	-
Wujiaqu Taikun Plant Protein Co., Ltd.	Raw material	25,519,785.45	-
Ping'anfa Agriculture Co., Ltd.	Agricultural products	1,091,064.32	-
Bangpu Seed Technology Co., Ltd	Agricultural products	1,714,800.00	1,600,000.00

② Sales of goods/rendering of services

Related party	Nature of transaction	Year ended 31/12/2021	Year ended 31/12/2020
Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	98,937,016.41	69,594,406.02
Guizhou Fuhai Chemicals Co, Ltd.	Services	77,102.49	-
Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	Feed and animal healthcare products	12,443,660.70	11,067,386.71
Guangdong Zhongyu Duck Industry Co.Ltd.	Feed and animal healthcare products	3,189,036.31	-
Guangdong Haihaowan Development Co., Ltd.	Agricultural products and services	180,077.18	-
Ping'anfa Agriculture Co., Ltd.	Feed and animal healthcare products	40,868,084.76	-
Guangzhou Haihao Investment Co., Ltd.	Agricultural products	1,888.33	-
Guangzhou Haihao Technology Industry Operation Co., Ltd.	Services	11,040.73	-

2) Trust/contracting arrangement

No such transaction during the reporting period.

(3) Lease

① As the lessor

Lessee	Type of assets leased	Lease income recognized in 2021	Lease income recognized in 2020
Guangdong Haid Group Co., Limited	Office	51,428.57	51,428.52

Note: The price in the above lease with the related party was determined based on market prices upon mutual approval.

② As the lessee

Lessor	Type of assets leased	Lease expense recognized in 2021	Lease expense recognized in 2020
Mingzhong Chen	Office	272,180.00	-

(4) Guarantee

No such transaction during the reporting period.

(5) Funding from related party

No such transaction during the reporting period.

(6) Transfer of assets and debt restructuring

No such transaction during the reporting period.

(7) Remuneration of key management personnel

Information about remuneration is as follows:

(RMB ten thousand)

Item	Year ended 31/12/2021		Year ended 31/12/2020	
Remuneration of key management personnel	4,669.52		2,781.32	

(8) Other related party transactions

No such transaction during the reporting period.

6. Receivables from and payables to related parties

(1) Receivables from related parties

Item	Related party	2021.12.31		2020.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	48,720.00	862.34	27,312.00	557.16
Accounts receivable	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development	13,800.00	244.26	17,640.00	359.86

Item	Related party	2021.12.31		2020.12.31	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
	Co., Ltd.				
Accounts receivable	Guangdong Zhongyu Duck Industry Co.Ltd.	6,015,742.98	131,183.36	-	-
Accounts receivable	Guangdong Haihaowan Development Co., Ltd.	8,207.36	150.00	-	-
Prepayment	Bangpu Seed Technology Co., Ltd	2,000,000.00	-	660,000.00	-
Prepayment	Alaer Ruili Heng Sheng Protein Co., Ltd	98,556.00	-	-	-
Prepayment	Wujiaqu Taikun Plant Protein Co., Ltd	454,475.15	-	-	-
Prepayment	Guizhou Fuhai Chemicals Co, Ltd.	-	-	150,000.00	-
Other receivables	Mingzhong Chen	999,810.00	9,998.10	-	-
Other receivables	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	12,547.53	271.03	517.91	15.38
Other non-current assets	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	84,565.00	-	-	-
Other receivables	Guizhou Fuhai Chemicals Co, Ltd.	100,000.00	1,000.00	-	-
Other receivables	Guangdong Zhongyu Duck Industry Co.Ltd.	5,977,747.20	2,077,900.68	-	-

(2) Payables to related parties

Item	Related party	2021.12.31	2020.12.31
Notes payable	Alaer Ruili Heng Sheng Protein Co., Ltd	8,000,000.00	-
Notes payable	Wujiaqu Taikun Plant Protein Co., Ltd	6,000,000.00	-
Accounts payable	Guizhou Fuhai Chemicals Co, Ltd.	-	10,794,908.23
Contract Liabilities	Foshan Haihang Xingfa Agriculture and Animal Husbandry Development Co., Ltd.	135,592.12	2,608.53
Contract Liabilities	Luoding Xingfa Xingji Agriculture and Animal Husbandry Development Co., Ltd.	8,232.30	484,628.00
Other payables	Guizhou Fuhai Chemicals Co, Ltd.	-	150,000.00

XI. Share-based Payments

1. Information on share-based payments

Total equity instruments granted by the Company during the year	49,033,782.00
Total equity instruments exercised during the year	12,139,400.00
Total equity instruments forfeited in the current Period	1,663,990.00
Exercise price of outstanding share options at the end of the year and residual life of the share options contracts	The grant price of the 2021 Stock Incentive Plan, net of dividends, is RMB 59.36 per share, with remaining terms of 17.33, 29.33, 41.33, 53.33, and 65.33 months, respectively.
The price of other outstanding equity instruments at the end of the year and residual life of relevant contracts	The grant price of the 2021 fourth phase of Employee Stock Ownership Plan is RMB0.00 per share with a remaining term of 24 months.

2. Information on equity-settled share-based payments

Method to determine the fair value of equity instruments at grant dates	Using Black-Scholes option pricing model to calculate fair value of the Company's share options
Basis of the number of equity expected to vest	When the required performance conditions are met for the corresponding periods of the equity instrument incentive plans
Reasons for significant differences of estimation between 31/12/2021 and 31/12/2020	N/A
Accumulated amount in capital reserve for equity-settled	451,983,878.60
Total expenses recognized for equity-settled share-based	274,319,167.89

3. Information on cash-settled share-based payments

No such event during the reporting period.

4. Information on modification and termination of share-based payments

No such event during the reporting period.

XII. Commitments and Contingencies

1. Significant Commitments

As at December 31, 2021, there is no significant commitment to be disclosed.

2. Contingencies

(1) Contingent liabilities arising from pending litigation arbitration and related financial impacts.

Hunan Innovation Biotechnology Limited, a subsidiary of the Group, was sued by others in relation to a dispute over a loan contract in the amount of RMB22,582,575.35. On 28 January 2022, the People's Court of Zhengxiang District, Hengyang City, Hunan Province has issued the Civil Judgment Paper ((2021) Xiang0408 MinChu No. 3317), which ruled that the Subsidiary Hunan Innovation Biotechnology Limited, is not required to bear joint and several liabilities.

(2) Contingent liabilities arising from guarantee provided to other entities and related financial impacts.

As at December 31, 2021, the Group provided guarantees for the following loans:

Company Name	Guarantee	Amount (RMB ten thousand)	Period	Note
1.Subsidiaries				
Wholly-owned subsidiaries and holding subsidiaries within the scope of consolidation	Bank loan financing and payable for raw material purchased	486,759.41	1-10 years	
2. Other companies				
Farmers and distributors of holding subsidiaries	Guarantees for financings to purchase the Group's products	3,680.65	1-3 years	
Total		490,440.06		

XIII. Post balance sheet events

1. Significant post balance sheet events

As at April 10, 2022, there is no such event to be disclosed.

2. Profit appropriations after balance sheet date

Profit distributions or dividends proposed	According to the profit distribution plan approved by the Board of Directors on April 10, 2022, it is planned to issue a cash dividend of RMB 1.50 (including tax) for every 10 shares base on the total share capital on the share registration date when the distribution plan is implemented. The distribution plan will be implemented after approval is granted in the general meeting of shareholders
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3. Significant sales returns

As at April 10, 2022, there is no such event to be disclosed.

4. Other events after the balance sheet date

As at April 10, 2022, there is no such event to be disclosed.

XIV. Other Significant Events

1. Correction of Accounting Errors in Prior Periods

There was no significant correction of accounting errors in prior periods during the reporting period.

2. Significant Debt Restructuring

There was no significant debt restructuring during the reporting period.

3. Significant Asset Swap

There was no significant asset swap during the reporting period.

4. Transfer and Sales of significant assets

There was no such event during the reporting period.

5. Others

There was no other significant events to be disclosed during the reporting period.

XV. Notes to the Company's financial statements

1. Other Receivables

Item	2021.12.31	2020.12.31
Interest receivables	-	-
Dividend receivables	900,009.00	-
Other receivables	13,206,320,840.29	10,705,830,242.22
Total	13,207,220,849.29	10,705,830,242.22

(1) Interest Receivables

There was no such item to be disclosed during the reporting period.

(2) Dividends Receivable

Item	2021.12.31	2020.12.31
CITIC agricultural industry fund management Co., Ltd.	900,009.00	-
Sub-total	900,009.00	-
Less: Provision for bad and doubtful debts	-	-
Total	900,009.00	-

(3) Other receivables

① Other receivables by aging

Aging	2021.12.31	2020.12.31
Within 1 year	13,204,957,947.01	10,705,987,050.65
1 to 2 years	2,109,996.22	323,826.40
2 to 3 years	-	1,086,000.00
3 to 4 years	300,000.00	1,066,300.00
4 to 5 years	20,292.00	10,700.00
Over 5 years	1,750.00	10,000.00
Sub-total	13,207,389,985.23	10,708,483,877.05
Less: Provision for bad and doubtful debts	1,069,144.94	2,653,634.83
Total	13,206,320,840.29	10,705,830,242.22

②Other receivables disclosed by nature

Item	2021.12.31	2020.12.31
Petty cash	3,979,579.03	1,896,906.45
Guarantee deposit	70,214,309.25	415,293,261.71
Receivable due from related parties with the scope of consolidation	13,116,299,469.32	10,273,592,868.03
Futures margin	-	11,282,040.00
Others	16,896,627.63	6,418,800.86
Total	13,207,389,985.23	10,708,483,877.05

③Provision for bad and doubtful debts

	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
Provision for bad and doubtful debts				
Balance at 31/12/2020	2,653,634.83	-	-	2,653,634.83
In the current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 3	-	-	-	-
Accrual in the current period	-1,584,489.89	-	-	-1,584,489.89
Reversal in the current period	-	-	-	-
Recovery in the current period	-	-	-	-

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
Write-off in the current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2021	1,069,144.94	-	-	1,069,144.94

Provision for bad and doubtful debts as of 31/12/2020:

Provision for bad and doubtful debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit impairment has not yet occur)	Lifetime expected credit losses (credit impairment has occurred)	
Balance at 31/12/2019	1,581,356.39	-	-	1,581,356.39
In the current period				
-Transfer into stage 2	-	-	-	-
-Transfer into stage 3	-	-	-	-
-Reversal back to stage 2	-	-	-	-
-Reversal back to stage 3	-	-	-	-
Accrual in the current period	1,072,278.44	-	-	1,072,278.44
Reversal in the current period	-	-	-	-
Recovery in the current period	-	-	-	-
Write-off in the current period	-	-	-	-
Other movement	-	-	-	-
Balance at 31/12/2020	2,653,634.83	-	-	2,653,634.83

④ Recoveries or reversals of provision for bad and doubtful debts in the current period

Category	2020.12.31	Movement				As at 2021.12.31
		Accrual	Recoveries or reversals	Written-off	Others	
Other receivables	2,653,634.83	-1,584,489.89	-	-	-	1,069,144.94
Total	2,653,634.83	-1,584,489.89	-	-	-	1,069,144.94

There was no recoveries or reversals of provision for bad and doubtful debts in the current period.

⑤ There were no written-off in other receivables during current period.

⑥ Other receivables with top five debtors

Debtor	Payment nature	Book balance	Aging	Proportion in total other receivables (%)		Provision for bad and doubtful debts
First place	Receivable due from related parties with the scope of consolidation	942,858,307.17	Within one year	7.14		-
Second place	Receivable due from related parties with the scope of consolidation	934,822,897.39	Within one year	7.08		-
Third place	Receivable due from related parties with the scope of consolidation	643,275,916.58	Within one year	4.87		-
Fourth place	Consolidated related party payments	459,584,335.30	Within one year	3.48		-
Fifth place	Receivable due from related parties with the scope of consolidation	375,329,972.93	Within one year	2.84		-
Total	--	3,355,871,429.37	--	25.41		-

⑦ There were no other receivables associated with government subsidies as at December 31, 2021.

⑧ No other receivables were derecognized due to transfer of financial assets during the current period.

⑨ There were no such cases during current period where the Group had transferred an other receivables but continued to be involved in the assets or liabilities associated with that other receivables.

2. Long-Term Equity Investments

Item	2021.12.31			2020.12.31		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investment in Subsidiary	6,302,346,221.96	-	6,302,346,221.96	4,424,816,139.28	-	4,424,816,139.28
Investment in Associate	28,837,926.09	-	28,837,926.09	27,618,800.65	-	27,618,800.65
Total	6,331,184,148.05	-	6,331,184,148.05	4,452,434,939.93	-	4,452,434,939.93

(1) Investment in Subsidiary

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Haid Egypt Co.,Ltd	860.36	625,279.32	-	626,139.68	-	-
An'an Logistics	-	89,815.96	-	89,815.96	-	-
Anhui Haid	11,314,432.65	956,689.48	-	12,271,122.13	-	-
Anlu Haid	-	19,998.26	-	19,998.26	-	-
Anyang Haihe	45,486.93	168,177.55	-	213,664.48	-	-
Anyang Haiyue	-	42,655.47	-	42,655.47	-	-
Anshan Dachuan	613,130.03	-	-	613,130.03	-	-
Baotou Haicheng	-	5,100,000.00	-	5,100,000.00	-	-
Binyang Heji Yitun	2,403.43	86,258.84	-	88,662.27	-	-
Binyang Yitun	73,735.89	579,932.04	-	653,667.93	-	-
Binhai Haiding	-	8,413.14	-	8,413.14	-	-
Binzhou Haiding	-	203,798.37	-	203,798.37	-	-
Binzhou Haiying	-	59,717.66	-	59,717.66	-	-
Changyi Haijingzhou	-	230,339.58	-	230,339.58	-	-
Changzhou Haid	25,145,903.02	3,274,695.52	-	28,420,598.54	-	-
Chengdu Haid	16,767,798.65	2,115,846.06	-	18,883,644.71	-	-
Chengnan Hairong	76,811.52	-	-	76,811.52	-	-
Dali Dachuan	-	109,930.03	-	109,930.03	-	-
Dali Haiwang	13,893.56	121,950.12	-	135,843.68	-	-
Dalian Haid	50,386,845.66	78,675.66	-	50,465,521.32	-	-
Shanxian Haiding	205,151.79	524,610.97	-	729,762.76	-	-
Deyang Dachuan	-	397,084.74	-	397,084.74	-	-
Dingtao Haiding	176,883.49	-	-	176,883.49	-	-
Dingtao	274,203.58	-	-	274,203.58	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Hairong						
Dongguan Haid	21,392,798.74	1,843,581.75	-	23,236,380.49	-	-
Dongguan Hailin	277.17	339,059.37	-	339,336.54	-	-
Dongying Haijingzhou	-	30,632.65	-	30,632.65	-	-
Dongting Haid	5,593,427.17	1,151,594.54	-	6,745,021.71	-	-
Duyun Yitun	95,421.39	467,387.95	-	562,809.34	-	-
Haid Ecuador	94,089.40	668,487.22	-	762,576.62	-	-
Ezhou Haid	3,402,518.86	1,678,188.64	-	5,080,707.50	-	-
Ezhou Haifeng	-	108,534.49	-	108,534.49	-	-
Enping Fengwo	331,429.52	318,101.50	-	649,531.02	-	-
Enping Yitun	207,748.91	197,829.50	-	405,578.41	-	-
Feicheng Heruifeng	-	401,041.04	-	401,041.04	-	-
Feixian Hairuida	357,399.93	209,714.47	-	567,114.40	-	-
Fufeng Yitun	-	297,634.01	-	297,634.01	-	-
Foshan Haid	3,844,079.81	683,226.64	-	4,527,306.45	-	-
Foshan Haihang	23,193,980.71	1,454,085.93	-	24,648,066.64	-	-
Foshan Haipu	7,397,221.29	275,201.22	-	7,672,422.51	-	-
Foshan Lianduoli	-	94,087.19	-	94,087.19	-	-
Fujian Haid	101,835,323.16	1,555,723.16	-	103,391,046.32	-	-
Fuzhou Haid	17,549.23	602,173.88	-	619,723.11	-	-
Gansu Haid	11,739.43	132,231.97	-	143,971.40	-	-
Ganzhou Haid	5,917,929.75	574,089.80	-	6,492,019.55	-	-
Ganzhou Hailong	5,106,776.50	206,443.87	-	5,313,220.37	-	-
Ganzhou Lianduoli	-	19,060,985.16	-	19,060,985.16	-	-
Gangbei Yitun	185,351.50	510,163.20	-	695,514.70	-	-
Gaoan Haid	-	1,194,572.35	-	1,194,572.35	-	-
Gaotang Huayu	-	72,514.33	-	72,514.33	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Gaoyao Haid	13,795.98	1,235,641.96	-	1,249,437.94	-	-
Gaozhou Haiyuan	-	51,224.93	-	51,224.93	-	-
Gaozhou Sanhe	187,806.62	266,534.93	-	454,341.55	-	-
Guangdong Haid International Trading	30,000,000.00	70,000,000.00	-	100,000,000.00	-	-
Guangdong Hairuite	10,102,108.67	196,709.41	-	10,298,818.08	-	-
Guangdong Hisenor	2,186,337.06	4,059,074.24	-	6,245,411.30	-	-
Guangdong Hinte	84,569,463.34	3,370,409.57	-	87,939,872.91	-	-
Guangxi Haid	109,776,732.29	953,206.16	-	110,729,938.45	-	-
Guangxi Rongchuan	-	183,418.54	-	183,418.54	-	-
Guangxi Ronghai	943.97	85,942.18	-	86,886.15	-	-
Guangzhou Chenzhao	30,000,000.00	-	-	30,000,000.00	-	-
Guangzhou Dachuan	14,825,483.17	3,401,730.75	-	18,227,213.92	-	-
Guangzhou Danong	500,000.00	-	-	500,000.00	-	-
Guangzhou Denong	-	5,684.55	-	5,684.55	-	-
Guangzhou Haid	13,922,127.71	87,894.38	-	14,010,022.09	-	-
Guangzhou Haid Technology	-	654,207.76	-	654,207.76	-	-
Guangzhou Haifengchang	500,000.00	-	-	500,000.00	-	-
Guangzhou Haihe	550,000.00	-	-	550,000.00	-	-
Guangzhou Haijian	1,000,000.00	-	-	1,000,000.00	-	-
Guangzhou Hailong	5,121,479.05	-	-	5,121,479.05	-	-
Guangzhou	10,004,120.99	528,435.81	10,000,000.00	532,556.80	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Hailin						
Guangzhou Haishengyuan	11,642.38	-	-	11,642.38	-	-
Guangzhou Haishengke	1,000,000.00	-	-	1,000,000.00	-	-
Guangzhou Haiwei	16,008,141.38	1,272,220.70	-	17,280,362.08	-	-
Guangzhou Haiyiyuan	18,714.67	-	-	18,714.67	-	-
Guangzhou Haiyin	250,000,000.00	914,722.96	-	250,914,722.96	-	-
Guangzhou Haiyuan Factoring	50,112,231.26	30,806.73	-	50,143,037.99	-	-
Guangzhou Haiyuan Micro-Credit	500,194,886.29	1,634,101.44	-	501,828,987.73	-	-
Guangzhou Heshengtang Biotechnology	3,330,000.00	-	-	3,330,000.00	-	-
Guangzhou Heshengtang Pharmaceutical	19,685,364.09	1,930,305.81	-	21,615,669.90	-	-
Guangzhou Meinong	184,857,515.00	62,585,292.00	-	247,442,807.00	-	-
Guangzhou Mutai	570,890.30	-	-	570,890.30	-	-
Guangzhou Nongzhidao	6,000,000.00	64,392.50	-	6,064,392.50	-	-
Guangzhou Rongchuan	15,109,352.88	-	-	15,109,352.88	-	-
Guangzhou Rongda	4,962.89	397,333.74	-	402,296.63	-	-
Guangzhou Runchuan	9,812,949.78	1,210,000,000.00	-	1,219,812,949.78	-	-
Guangzhou Shunkang	45,452.68	2,178.40	-	47,631.08	-	-
Guangzhou Xingnong	8,724.57	559,355.64	-	568,080.21	-	-
Guangzhou Yitun	2,290,467.43	4,787,623.46	-	7,078,090.89	-	-
Guangzhou	-	11,244,450.00	-	11,244,450.00	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Yuannong						
Guigang Donghuang	29,755.01	90,050.45	-	119,805.46	-	-
Guigang Haid	6,229,047.08	1,334,585.33	-	7,563,632.41	-	-
Guigang Hairong	80,966.98	-	-	80,966.98	-	-
Guiyang Zhihai	57,821.82	362,011.75	-	419,833.57	-	-
Guizhou Aikexin	1,566.60	287,842.07	-	289,408.67	-	-
Guiping Yitun	-	14,218.50	-	14,218.50	-	-
Haid Pet	10,110,114.37	477,476.04	-	10,587,590.41	-	-
Haid Livestock Veterinary Research Institute	51,694,678.12	1,473,502.57	-	53,168,180.69	-	-
Haid International	244,601,947.95	45,499.17	-	244,647,447.12	-	-
Hainan Bairong	9,298.86	344,894.83	-	354,193.69	-	-
Hainan Haid Seed	-	236,500.90	-	236,500.90	-	-
Hainan Hisenor	1,172,305.43	1,179,081.35	-	2,351,386.78	-	-
Hainan Zhuangmei	10,500,000.00	650,732.94	-	11,150,732.94	-	-
Hai Duong Haid	376,194.57	1,162,130.03	-	1,538,324.60	-	-
Hai Dai Company Limited	23,187.68	8,413.14	-	31,600.82	-	-
Handan Huilong	-	124,160.61	-	124,160.61	-	-
Hexian Haid	9,696.00	473,221.27	-	482,917.27	-	-
Henan Haidajiuzhou	-	7,518,190.56	-	7,518,190.56	-	-
Henan haiding	3,221.56	114,825.05	-	118,046.61	-	-
Henai Haihe	6,736,768.35	94,804.15	-	6,831,572.50	-	-
Henan Mugaole	-	34,604.72	-	34,604.72	-	-
Heze Haiding	690,611.49	213,277.38	-	903,888.87	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Heshan Haiwei	-	31,280.68	-	31,280.68	-	-
Heshan Ronghai	77,400.64	590,041.19	-	667,441.83	-	-
Hengnan Yitun	-	83,183.51	-	83,183.51	-	-
Hengshan Yitun	327,622.30	711,039.69	-	1,038,661.99	-	-
Hengyang Jisheng	99,981.43	15,166.39	-	115,147.82	-	-
Hengyang Yitun	14,442.12	-	-	14,442.12	-	-
Honghu Haid	2,359,363.16	805,668.35	-	3,165,031.51	-	-
Hubei Haid	28,774,989.43	3,755,054.80	-	32,530,044.23	-	-
Hubei Haiqi	-	259,851.61	-	259,851.61	-	-
Hunan Innovation	1,582,380.93	4,540,843.14	-	6,123,224.07	-	-
Hunan Haid	19,044,455.93	1,514,253.21	-	20,558,709.14	-	-
Hunan Jinhuilong	51,000,000.00	306,645.49	-	51,306,645.49	-	-
Hunan Yitun	483,000.62	705,644.51	-	1,188,645.13	-	-
Huaihua Haid	5,465,124.27	1,087,228.61	-	6,552,352.88	-	-
Huai'an Hailong	5,085,273.39	1,029,837.35	-	6,115,110.74	-	-
Huai'an Huilong	-	28,436.98	-	28,436.98	-	-
Huainan Haid	-	306,718.79	-	306,718.79	-	-
Kinghill Holdings	151,996,352.00	22,908,384.80	-	174,904,736.80	-	-
Jinan Haiding	-	41,233.63	-	41,233.63	-	-
Jining Haiding	112,985.10	248,956.54	-	361,941.64	-	-
Jiyuan Haihe	14,858.39	147,861.65	-	162,720.04	-	-
Jiaxiang Haiying	-	66,781.43	-	66,781.43	-	-
Jiaxing Haid	14,560,778.34	514,628.16	-	15,075,406.50	-	-
Jiangmen Debao	-	97,621,690.68	-	97,621,690.68	-	-
Jiangmen Haid	83,309,365.55	1,503,822.02	-	84,813,187.57	-	-
Jiangmen Rongchuan	-	21,174.97	-	21,174.97	-	-
Jiangmen	12,995.05	147,866.33	-	160,861.38	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Ronghai						
Jiangsu Dachuan	24,574,189.12	174,887.44	-	24,749,076.56	-	-
Jiangsu Daxin	2,615.01	156,204.93	-	158,819.94	-	-
Jiangsu Haihe	6,885,753.05	111,089.86	-	6,996,842.91	-	-
Jiangxi Haid	74,505,776.29	1,436,524.22	-	75,942,300.51	-	-
Jiangxi Jiabo	34,800,000.00	693,388.43	-	35,493,388.43	-	-
Jiaozuo Jinhuilong	5,028.07	-	-	5,028.07	-	-
Jieyang Haid	1,210,350.14	2,329,057.06	-	3,539,407.20	-	-
Jieshou Haid	1,001,391.19	441,434.51	-	1,442,825.70	-	-
Jingzhou Bairong	22,712.38	185,733.65	-	208,446.03	-	-
Jingzhou Haid	101,778,132.62	2,928,783.57	-	104,706,916.19	-	-
Jinzhou Haihe	2,959.41	419,470.52	-	422,429.93	-	-
Jingtai Haijingzhou	-	180,100.87	-	180,100.87	-	-
Junan Haiding	-	149,488.86	-	149,488.86	-	-
Kaifeng Haid	13,307,982.90	1,778,234.00	-	15,086,216.90	-	-
Laiyang Haihe	-	75,831.95	-	75,831.95	-	-
Laizhou Zhizhuren	-	83,122.40	-	83,122.40	-	-
Lanking	417,417,932.14	55,502,636.00	-	472,920,568.14	-	-
Lanling Haiding	-	13,856.11	-	13,856.11	-	-
Lanzhou Haid	25,785.02	-	-	25,785.02	-	-
Liyang Jiuhe	64,596,022.93	1,003,351.51	-	65,599,374.44	-	-
Lianyungang Haihe	188,115.75	273,453.65	-	461,569.40	-	-
Liaocheng Daxin	-	161,142.88	-	161,142.88	-	-
Liaocheng Haiding	163,454.85	289,109.31	-	452,564.16	-	-
Linxi Haiying	-	98,107.59	-	98,107.59	-	-
Linyi Dinghao	-	47,394.98	-	47,394.98	-	-
Linyi Dingxin	-	109,008.45	-	109,008.45	-	-
Linyi Haiding	-	211,429.88	-	211,429.88	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Linyi Haiding Lusheng	-	37,915.99	-	37,915.99	-	-
Linyi Haihe	-	26,369.23	-	26,369.23	-	-
Linyi Hedong Haiding	29,716.91	160,307.18	-	190,024.09	-	-
Linyi Yihe	-	391,532.21	-	391,532.21	-	-
Linyi Zhizhuxia	-	29,559.67	-	29,559.67	-	-
Linyou Yitun	-	8,526.83	-	8,526.83	-	-
Long Sheng International	-	115,643.73	-	115,643.73	-	-
Longan Yitun	-	56,873.97	-	56,873.97	-	-
Luoding Yitun	-	208,731.85	-	208,731.85	-	-
Maoming Haid	-	472,185.36	-	472,185.36	-	-
Maiming Haihang	-	218,490.82	-	218,490.82	-	-
Maoming Hailong	94,024,790.65	873,540.16	-	94,898,330.81	-	-
Maoming Haiwei	-	7,570,533.82	-	7,570,533.82	-	-
Meizhou Haid	-	63,175,878.71	-	63,175,878.71	-	-
Lanking America	728.93	92,993.52	-	93,722.45	-	-
Mianyang Hailong	6,611.84	471,369.78	-	477,981.62	-	-
Mianyang Zhonggui	-	42,655.48	-	42,655.48	-	-
Nanchang Haid	5,242,246.87	968,039.32	-	6,210,286.19	-	-
Nanhai Bairong	1,215,805.61	1,012,312.73	-	2,228,118.34	-	-
Naning Dachuan	-	18,213.32	-	18,213.32	-	-
Nanning Haid	256,861.51	1,326,118.83	-	1,582,980.34	-	-
Nanning Haililai	-	7,202,261.30	-	7,202,261.30	-	-
Nansha Haid	6,178.01	5,405,802.38	-	5,411,980.39	-	-
Nantong Haid	101,356,751.64	3,417,865.79	-	104,774,617.43	-	-
Nantong Haijingzhou	-	84,135.69	-	84,135.69	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Inner Mongolia Haid	-	10,134,601.71	-	10,134,601.71	-	-
Ningguo Haid	-	1,950,000.00	-	1,950,000.00	-	-
Binh Dinh Hailong	-	150,782.79	-	150,782.79	-	-
Pingguo Yitun	91,610.18	77,253.81	-	168,863.99	-	-
Pingnan Haid	5,604.11	-	-	5,604.11	-	-
Pingnan Yitun	205,071.02	636,109.73	-	841,180.75	-	-
Yingde Yitun	2,423.22	57,204.35	-	59,627.57	-	-
Qinzhou Hailong	-	100,003.40	-	100,003.40	-	-
Qinzhou Haiwei	-	15,640.34	-	15,640.34	-	-
Qinzhou Yitun	7,286.86	84,640.89	-	91,927.75	-	-
Qingdao Haihe	-	13,038.94	-	13,038.94	-	-
Qingdao Huaxin	-	88,580.99	-	88,580.99	-	-
Qingdao Zhizhuxia	-	15,177.77	-	15,177.77	-	-
Qingzhou Haiding	-	203,784.19	-	203,784.19	-	-
Qingyuan Haibei	4,177,242.14	4,332,143.07	-	8,509,385.21	-	-
Qingyuan Haid	10,506,119.01	1,906,660.20	-	12,412,779.21	-	-
Qingyuan Hailong	5,050,139.79	1,224,897.29	-	6,275,037.08	-	-
Qingyuan Hainong	26,586.13	167,778.23	-	194,364.36	-	-
Qingyuan Ronghai	847,764.21	573,472.26	-	1,421,236.47	-	-
Qujing Zhihai	2,025,016.25	105,646.73	2,000,000.00	130,662.98	-	-
Rongcheng Rongchuan	36,565.26	148,962.57	-	185,527.83	-	-
Rongcheng Yandunjiao	-	7,583.19	-	7,583.19	-	-
Rongjiang Yitun	15,795.43	37,915.98	-	53,711.41	-	-
Sanming Haid	5,409,940.10	577,826.74	-	5,987,766.84	-	-
Sanshuifanling	15,848,662.47	600,445.87	-	16,449,108.34	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Sanya Fengmu	-	14,218.50	-	14,218.50	-	-
Shandong Bairong	20,028.08	453,335.67	-	473,363.75	-	-
Shandong Daxin	286,453,552.52	413,056.10	-	286,866,608.62	-	-
Shandong Daxin Agriculture and Animal Husbandry	-	7,034.64	-	7,034.64	-	-
Shandong Fengying	-	193,845.43	-	193,845.43	-	-
Shandong Haiding	5,668,078.56	2,373,614.19	-	8,041,692.75	-	-
Shanxi Haid	13,465,799.50	278,964.32	-	13,744,763.82	-	-
Shanwei Haijingzhou	-	416,708.06	-	416,708.06	-	-
Shanggao Haid	6,542.47	308,902.66	-	315,445.13	-	-
Shaoguan Haid	5,064,481.26	573,430.34	-	5,637,911.60	-	-
Shaoyang Haid	-	64,377.58	-	64,377.58	-	-
Shenzhen Longreat	1,409,821.33	68,248.75	-	1,478,070.08	-	-
Shenyang Haid	2,830,068.08	280,537.37	-	3,110,605.45	-	-
Sheng Long International	262,308.02	-	-	262,308.02	-	-
Sheng Long Bio-Tech	663,909.89	1,336,228.83	-	2,000,138.72	-	-
Shijiazhuang Huilong	1,631.89	42,655.48	-	44,287.37	-	-
Shijiazhuang Weike	49,422,784.98	1,036,592.77	-	50,459,377.75	-	-
Shunde Haid	5,242,340.51	452,759.25	-	5,695,099.76	-	-
Sichuan Haile	16,502,976.53	-	-	16,502,976.53	-	-
Sichuan Hailinger	556,209.93	819,666.71	-	1,375,876.64	-	-
Sichuan Hailong	-	90,998.35	-	90,998.35	-	-
Sichuan Rongchuan	-	555,626.79	-	555,626.79	-	-
Sihui Haifeng	47,771.89	203,077.88	-	250,849.77	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Sihong Haiding	-	83,415.15	-	83,415.15	-	-
Haida Surabaya	-	131,284.06	-	131,284.06	-	-
Suqian Haid	20,613,921.14	1,085,089.01	-	21,699,010.15	-	-
Suixian Haiding	148,757.00	71,092.47	-	219,849.47	-	-
Taishan Debao	-	16,114.29	-	16,114.29	-	-
Taizhou Haid	20,465,458.64	2,418,319.01	-	22,883,777.65	-	-
Qintang Yitun	12,282.92	-	-	12,282.92	-	-
Tengzhou Fengcheng	57,244.56	137,574.63	-	194,819.19	-	-
Tianjin Haid	149,375,342.06	1,712,589.33	-	151,087,931.39	-	-
Tianjin Haixin	-	27,371.13	-	27,371.13	-	-
Tianjin Rongchuan	140,010,034.01	23,893,082.17	-	163,903,116.18	-	-
Tianmen Haid	6,740,259.46	2,057,482.34	-	8,797,741.80	-	-
Dong Nai Haid	478,216.35	528,146.18	-	1,006,362.53	-	-
Dong Nai Haid Breeding	-	107,112.62	-	107,112.62	-	-
Weihai Pet	49,605.61	113,703.87	-	163,309.48	-	-
Weifang Daxin	-	99,529.44	-	99,529.44	-	-
Weifang Xuheng	-	91,685.47	-	91,685.47	-	-
Weinan Haid	24,389.75	32,228.59	-	56,618.34	-	-
Wuzhou Haid	2,421.95	322,151.93	-	324,573.88	-	-
Wuhan Aquaera	5,361,160.83	147,053.58	-	5,508,214.41	-	-
Wuhan Zeyi	10,000,000.00	-	10,000,000.00	-	-	-
Wuwei Haimu	-	10,142,184.91	-	10,142,184.91	-	-
Xiyu Haihua	-	68,248.75	-	68,248.75	-	-
Xishui Haid	3,708,042.53	983,867.23	-	4,691,909.76	-	-
Xiangtan Haid	10,446,659.69	892,719.74	-	11,339,379.43	-	-
A&T Xinhui	25,204,694.63	570,286.67	-	25,774,981.30	-	-
Xinxiang Haiding	-	85,310.96	-	85,310.96	-	-
Xinxiang Hairuida	9,577.08	37,915.98	-	47,493.06	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Xinxing Haifeng	-	218,490.84	-	218,490.84	-	-
Xuzhou Haid	97,895.29	147,390.59	-	245,285.88	-	-
Xuzhou Haihe	81,262.58	99,995.60	-	181,258.18	-	-
Xuchang Haihe	20,975.04	18,957.99	-	39,933.03	-	-
Xuancheng Haid	5,365,630.65	200,006.77	-	5,565,637.42	-	-
Yantai Daxin	-	172,043.75	-	172,043.75	-	-
Yantai Yitun	-	313,098.13	-	313,098.13	-	-
Yantai Zhizhuren	-	94,764.36	-	94,764.36	-	-
Yancheng Haid	30,488,005.78	808,553.35	-	31,296,559.13	-	-
Yancheng Runchuan	-	93,795.17	-	93,795.17	-	-
Yangdong Fengwo	162,161.17	125,782.30	-	287,943.47	-	-
Yangjiang Haid	5,751,670.86	2,020,066.47	-	7,771,737.33	-	-
Yangxi Fengwo	495,794.02	642,898.07	-	1,138,692.09	-	-
Yangxin Bairong	458,049.37	192,560.88	-	650,610.25	-	-
Yangling Haid	76,964.52	47,011.27	-	123,975.79	-	-
Yinan Haiding	208,468.97	218,038.20	-	426,507.17	-	-
Yiyuan Haiying	-	114,695.84	-	114,695.84	-	-
Yibin Zhihai	143,219.24	222,889.83	-	366,109.07	-	-
Yichang Agriculture and Animal Husbandry	-	39,855.84	-	39,855.84	-	-
Yichang Zhihai	12,915.96	319,916.04	-	332,832.00	-	-
Yicheng Haid	3,949.31	220,386.62	-	224,335.93	-	-
Yicheng Yitun	40,662.05	396,221.94	-	436,883.99	-	-
Yiyang Haid	51,010,153.61	1,271,261.91	-	52,281,415.52	-	-
Sheng Long India	213,751.96	405,543.02	-	619,294.98	-	-
Haida	290,646.53	1,419,785.35	-	1,710,431.88	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Indonesia						
PT Hisenor Technology Indonesia	8,873.58	250,245.43	-	259,119.01	-	-
Yingde Yitun	41,561.85	188,130.96	-	229,692.81	-	-
Yingkou Dachuan	5,326.19	424,769.64	-	430,095.83	-	-
Yongji Haijingzhou	-	73,462.21	-	73,462.21	-	-
Vinh Long Hai Dai	29,125.99	746,410.48	-	775,536.47	-	-
Vinh Long Shenglong	8,383.38	-	-	8,383.38	-	-
Yulin Haid	3,668.78	246,132.07	-	249,800.85	-	-
Yueyang Yitun	200,717.20	253,339.21	-	454,056.41	-	-
Hisenor Vietnam	46,600.14	66,826.92	-	113,427.06	-	-
Yunnan Haid	6,761,998.70	1,612,072.62	-	8,374,071.32	-	-
Yunnan Hairui	-	22,407,887.31	-	22,407,887.31	-	-
Yunnan Zhonggui	-	152,611.82	-	152,611.82	-	-
Yuncheng Haiding	105,248.09	213,804.65	-	319,052.74	-	-
Zhanjiang Haid	17,829,450.06	5,124,119.49	-	22,953,569.55	-	-
Zhanjiang Haijingzhou	-	135,549.62	-	135,549.62	-	-
Zhanjiang Hisenor	692,751.69	528,473.56	-	1,221,225.25	-	-
Zhanjiang Rongda	31,173.59	608,056.13	-	639,229.72	-	-
Zhangzhou Haid	12,820,856.60	5,556,428.76	-	18,377,285.36	-	-
Zhangzhou Haiheng	1,332.28	388,007.76	-	389,340.04	-	-
Zhangzhou Haijingzhou	95,702.19	285,695.14	-	381,397.33	-	-
Zhangzhou Hairong	62,874.29	-	-	62,874.29	-	-
Changsheng Logistics	10,322,176.70	131,213.84	-	10,453,390.54	-	-

Investee (abbreviation)	2020.12.31	Increase in the current period	Decrease in the current period	2021.12.31	Allowance for impairment during the current Period	Closing balance of provision for impairment
Zhaoqing Baishengyuan	-	95,736.65	-	95,736.65	-	-
Zhaoqing Bairong	34,849.14	21,672.36	-	56,521.50	-	-
Zhaoqing Haid	5,813,799.48	66,969.09	-	5,880,768.57	-	-
Zhejiang Haid	99,365,168.06	1,353,225.16	-	100,718,393.22	-	-
Zhenjiang Yitun	14,474.75	835,900.26	-	850,375.01	-	-
Zhongshan Ronghai	28,736.77	938,724.95	-	967,461.72	-	-
Zhongshan Yugezi	-	175,835.33	-	175,835.33	-	-
Chongqing Haid	5,340,513.12	881,629.10	-	6,222,142.22	-	-
Chongqing Haizhi	-	80,571.46	-	80,571.46	-	-
Chongqing Zihai	370,000.00	121,331.11	-	491,331.11	-	-
Zhuhai Hailong	13,189,668.90	4,675,648.96	-	17,865,317.86	-	-
Zhuhai Rongchuan	36,403,022.31	4,765,585.21	-	41,168,607.52	-	-
Zhuhai Ronghai	-	23,693.23	-	23,693.23	-	-
Zixing Yitun	2,967.87	148,977.96	-	151,945.83	-	-
Zigong Hailong	-	10,093,842.74	-	10,093,842.74	-	-
Zouping Haiying	-	85,830.37	-	85,830.37	-	-
Total	4,424,816,139.28	1,899,530,082.68	22,000,000.00	6,302,346,221.96	-	-

(2) Investment in Associate and joint ventures

Investee	2020.12.31	Movements during the year								2021.12.31	Closing Balance of Provision for Impairment
		Increase in the current period	Decrease in the current period	Investment gains or losses Recognized under the Equity Method	Adjustment in Other Comprehensive income	Changes in Other Equity	Cash Dividends or Profits declared	Provision for Impairment	Others		
① Associates											
Guizhou Fuhai Chemicals Co., Ltd.	22,450,512.79	-	-	590,016.02	-	-	-	-	-	23,040,528.81	-
Bangpu Seed Technology Co., Ltd	5,168,287.86	1,000,000.00	-	-370,890.58	-	-	-	-	-	5,797,397.28	-
Total	27,618,800.65	1,000,000.00	-	219,125.44	-	-	-	-	-	28,837,926.09	-

3. Operating income and operating cost

Item	Year ended 31/12/2021		Year ended 31/12/2020	
	Income	Cost	Income	Cost
Principal activities	2,008,141,732.42	861,746,732.27	1,229,790,123.97	582,057,564.77
Other operating activities	15,905,500.43	4,735,140.88	29,263,473.69	23,587,686.35
Total	2,024,047,232.85	866,481,873.15	1,259,053,597.66	605,645,251.12

4. Investment income

Item	Year ended 31/12/2021	Year ended 31/12/2020
Income from long-term equity investments by using the cost method	797,913,420.45	40,826,780.35
Income from long-term equity investments by using the equity method	219,125.44	1,265,025.86
Investment income from disposal of long-term equity investments	11,886,867.35	-
Investment income from other non-current financial assets	2,385,359.37	1,291,116.49
Investment income from held-for-trading financial assets	786,559.83	-
Investment income from disposal of held-for-trading financial assets	20,365,417.78	23,040,285.69
Investment income from disposal of non-current financial assets	-	694,685.05
Total	833,556,750.22	67,117,893.44

XVI Supplementary Information

1. Details of non-recurring gain or loss during the current period

Item	Year ended 31/12/2021	Note
Gain or loss on disposal of non-current assets	-21,381,178.37	
Government grants charged to current profit or loss (excluding government grant given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	91,417,497.06	
Investment costs for acquisition of subsidiaries, associates and joint venture less than gains from the fair value of identifiable net assets of the investees	40,510.51	
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, other non-current financial assets, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial	-	

Item	Year ended 31/12/2021	Note
liabilities, other non-current financial assets.		
Reversal of provision for bad and doubtful debt where accounts receivable are individually tested for impairment	11,769,732.86	
Profits or losses from external entrusted loans	-	
Other non-operating incomes and expenses, except for the above	12,478,800.92	
Other gain or loss satisfied the definition of non-recurring gain or loss	3,713,581.31	
Total non-recurring gain or loss	98,038,944.29	
Less: impact of Income tax	15,798,527.34	
Net amount of non-recurring gain or loss	82,240,416.95	
Less: impact of non-controlling interests (net of tax)	5,606,981.86	
Non-recurring gain or loss attributable to the ordinary shareholders	76,633,435.09	

2. Return on Equity (ROE) and Earnings per Share (EPS)

Net profit of Reporting Period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	11.46	0.96	0.96
Net profit attributable to ordinary shareholders of the Company after deducting the non-recurring gain or loss	10.91	0.91	0.91

Guangdong Haid Group Co., Limited

April 10, 2022