

Shandong Zhonglu Oceanic Fisheries Co., Ltd.

Financial Report for half year 2022

Financial Report

I. Audit report

Whether the semi annual report is audited

☐ Yes ☒ No

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

II. Financial Statement

Statement in Financial Notes are carried Unit: RMB/CNY

1. Consolidated Balance Sheet

Prepared by: Shandong Zhonglu Oceanic Fisheries Co., Ltd.

June 30, 2022

Unit: RMB/CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	212,936,131.11	210,573,782.49
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	40,281,396.90	37,806,586.91
Receivable financing		
Accounts paid in advance	41,563,462.07	18,683,750.61
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	1,749,343.28	3,596,759.88
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	308,254,758.90	277,095,357.75
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	4,272,136.20	20,633,592.23
Total current assets	609,057,228.46	568,389,829.87
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		

Long-term equity investment	2,382,345.00	
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	29,445,894.41	30,108,932.75
Fixed assets	527,708,946.38	476,894,877.56
Construction in progress	166,987,910.20	165,273,027.75
Productive biological asset		
Oil and gas asset		
Right-of-use assets	1,081,222.79	2,354,943.86
Intangible assets	63,469,063.71	12,110,397.72
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	173,351.68	220,738.00
Deferred income tax asset	1,601,290.53	1,644,945.96
Other non-current asset	52,180,917.76	143,137,267.24
Total non-current asset	845,030,942.46	831,745,130.84
Total assets	1,454,088,170.92	1,400,134,960.71
Current liabilities:		
Short-term loans	4,006,041.65	10,013,291.67
Loan from central bank		
Capital borrowed		
Trading financial liability	96,000.00	
Derivative financial liability		
Note payable		
Account payable	43,389,594.61	50,121,395.04
Accounts received in advance		
Contractual liability	8,623,486.26	13,220,675.60
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	25,576,335.27	45,410,711.06
Taxes payable	2,380,258.52	4,258,871.51
Other account payable	13,471,312.56	9,774,065.87
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	1,797,180.34	4,909,314.65
Other current liabilities	61,937.73	14,100.55
Total current liabilities	99,402,146.94	137,722,425.95
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	146,033,600.00	149,393,532.37
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		

Long-term wages payable	1,018,222.58	1,026,222.58
Accrual liability		
Deferred income	14,126,983.85	13,691,209.07
Deferred income tax liabilities	2,702,398.91	2,777,589.45
Other non-current liabilities		
Total non-current liabilities	163,881,205.34	166,888,553.47
Total liabilities	263,283,352.28	304,610,979.42
Owner's equity:		
Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	295,620,272.02	284,054,997.75
Less: Inventory shares		
Other comprehensive income	-10,621,931.27	-18,256,201.98
Reasonable reserve	416,108.75	232,783.00
Surplus public reserve	21,908,064.19	21,908,064.19
Provision of general risk		
Retained profit	370,505,786.16	379,524,911.94
Total owner's equity attributable to parent company	943,899,619.85	933,535,874.90
Minority interests	246,905,198.79	161,988,106.39
Total owner's equity	1,190,804,818.64	1,095,523,981.29
Total liabilities and owner's equity	1,454,088,170.92	1,400,134,960.71

Legal Representative: Lu Lianxing

Person in Charge of Accounting: Fu Chuanhai

Person in Charge of Accounting Department: Lei Lixin

2. Balance Sheet of Parent Company

Unit: RMB/CNY

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	71,082,770.63	49,943,353.89
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	3,832,118.66	8,731,060.84
Receivable financing		
Accounts paid in advance	9,138,261.53	3,565,433.92
Other account receivable	120,001,584.85	119,015,186.36
Including: Interest receivable		
Dividend receivable	70,637,061.83	85,085,303.70
Inventories	64,587,834.92	47,379,848.34
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	641,736.63	8,240,901.15
Total current assets	269,284,307.22	236,875,784.50

Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	4,395,477.99	3,858,748.19
Long-term equity investments	232,189,455.23	232,189,455.23
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	29,445,894.41	30,108,932.75
Fixed assets	44,788,382.97	47,561,985.28
Construction in progress	165,772,605.94	118,472,605.94
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets	316,967.02	1,003,689.06
Intangible assets	338,250.19	488,798.76
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets	49,563,019.59	89,675,267.24
Total non-current assets	526,810,053.34	523,359,482.45
Total assets	796,094,360.56	760,235,266.95
Current liabilities:		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	12,463,177.76	12,713,180.90
Accounts received in advance		
Contractual liability	2,789,110.92	1,930,695.41
Wage payable	9,365,057.96	13,477,985.59
Taxes payable	163,333.88	426,832.47
Other accounts payable	99,524,148.83	43,495,400.72
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	1,023,695.92	3,840,573.17
Other current liabilities		
Total current liabilities	125,328,525.27	75,884,668.26
Non-current liabilities:		
Long-term loans	146,033,600.00	149,393,532.37
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	674,730.26	682,730.26
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	146,708,330.26	150,076,262.63
Total liabilities	272,036,855.53	225,960,930.89
Owners' equity:		

Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	279,115,900.17	279,115,900.17
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	19,184,672.34	19,184,672.34
Retained profit	-40,314,387.48	-30,097,556.45
Total owner's equity	524,057,505.03	534,274,336.06
Total liabilities and owner's equity	796,094,360.56	760,235,266.95

3. Consolidated Profit Statement

Unit: RMB/CNY

Item	Semi-annual of 2022	Semi-annual of 2021
I. Total operating income	370,548,994.76	356,353,923.85
Including: Operating income	370,548,994.76	356,353,923.85
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	392,178,058.04	372,043,521.19
Including: Operating cost	365,817,738.76	338,791,986.63
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,574,981.39	1,108,386.08
Sales expense	1,445,349.37	1,469,652.94
Administrative expense	25,639,725.37	26,604,847.70
R&D expense	332,543.96	
Financial expense	-2,632,280.81	4,068,647.84
Including: Interest expenses	1,350,577.27	908,617.14
Interest income	202,305.23	358,030.77
Add: Other income	688,100.25	835,918.84
Investment income (Loss is listed with "-")	1,076,034.24	49,972.60
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")	-96,000.00	

Loss of credit impairment (Loss is listed with “-”)	360,747.35	-188,375.87
Losses of devaluation of asset (Loss is listed with “-”)		-241,910.58
Income from assets disposal (Loss is listed with “-”)	5,105,581.41	-41,980.15
III. Operating profit (Loss is listed with “-”)	-14,494,600.03	-15,275,972.50
Add: Non-operating income	37,000.10	34,284.70
Less: Non-operating expense	1,337.00	7,221.58
IV. Total profit (Loss is listed with “-”)	-14,458,936.93	-15,248,909.38
Less: Income tax expense	358,112.38	399,605.91
V. Net profit (Net loss is listed with “-”)	-14,817,049.31	-15,648,515.29
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-14,817,049.31	-15,648,515.29
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-9,019,125.78	-8,959,371.06
2.Minority shareholders’ gains and losses	-5,797,923.53	-6,689,144.23
VI. Net after-tax of other comprehensive income	9,914,560.92	-3,120,290.45
Net after-tax of other comprehensive income attributable to owners of parent company	7,634,270.71	-2,466,775.62
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	7,634,270.71	-2,466,775.62
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	7,634,270.71	-2,466,775.62
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	2,280,290.21	-653,514.83
VII. Total comprehensive income	-4,902,488.39	-18,768,805.74
Total comprehensive income	-1,384,855.07	-11,426,146.68

attributable to owners of parent Company		
Total comprehensive income attributable to minority shareholders	-3,517,633.32	-7,342,659.06
VIII. Earnings per share:		
(i) Basic earnings per share	-0.03	-0.03
(ii) Diluted earnings per share	-0.03	-0.03

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Lu Lianxing

Person in Charge of Accounting: Fu Chuanhai

Person in Charge of Accounting Department: Lei Lixin

4. Profit Statement of Parent Company

Unit: RMB/CNY

Item	Semi-annual of 2022	Semi-annual of 2021
I. Operating income	43,901,252.32	35,533,846.86
Less: Operating cost	43,006,535.77	31,789,528.69
Taxes and surcharge	630,255.58	305,349.92
Sales expenses	89,075.70	133,261.11
Administration expenses	14,332,990.11	13,922,396.19
R&D expenses	26,409.47	
Financial expenses	-2,310,031.96	293,432.07
Including: Interest expenses	1,182,579.77	9,200.53
Interest income	104,634.80	59,885.45
Add: Other income	17,154.36	36,064.46
Investment income (Loss is listed with "-")	1,076,034.24	49,972.60
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")		
Loss of credit impairment (Loss is listed with "-")	542,539.78	-108,023.83
Losses of devaluation of asset (Loss is listed with "-")		
Income on disposal of assets (Loss is listed with "-")		
II. Operating profit (Loss is listed with "-")	-10,238,253.97	-10,932,107.89
Add: Non-operating income	22,759.94	13,479.82
Less: Non-operating expense	1,337.00	
III. Total Profit (Loss is listed with "-")	-10,216,831.03	-10,918,628.07
Less: Income tax		
IV. Net profit (Net loss is listed with "-")	-10,216,831.03	-10,918,628.07
(i) continuous operating net profit	-10,216,831.03	-10,918,628.07

(net loss listed with “-”)		
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	-10,216,831.03	-10,918,628.07
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB/CNY

Item	Semi-annual of 2022	Semi-annual of 2021
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	359,507,267.53	338,552,894.58
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		

Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	18,349,028.22	15,024,792.81
Other cash received concerning operating activities	11,729,762.30	5,331,315.56
Subtotal of cash inflow arising from operating activities	389,586,058.05	358,909,002.95
Cash paid for purchasing commodities and receiving labor service	352,360,139.26	310,180,699.31
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	79,035,276.88	68,101,993.18
Taxes paid	8,668,847.08	6,066,756.95
Other cash paid concerning operating activities	18,239,881.04	25,470,154.01
Subtotal of cash outflow arising from operating activities	458,304,144.26	409,819,603.45
Net cash flows arising from operating activities	-68,718,086.21	-50,910,600.50
II. Cash flows arising from investing activities:		
Cash received from recovering investment	260,000,000.00	5,000,000.00
Cash received from investment income	1,076,034.24	49,972.60
Net cash received from disposal of fixed, intangible and other long-term assets	7,554,887.43	13,240.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	268,630,921.67	5,063,212.60
Cash paid for purchasing fixed, intangible and other long-term assets	15,815,569.94	10,253,125.39
Cash paid for investment	262,382,345.00	
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	278,197,914.94	10,253,125.39
Net cash flows arising from investing activities	-9,566,993.27	-5,189,912.79
III. Cash flows arising from financing activities:		
Cash received from absorbing	100,000,000.00	

investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	100,000,000.00	
Cash received from loans		24,834,164.92
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	100,000,000.00	24,834,164.92
Cash paid for settling debts	16,100,000.00	33,670,136.15
Cash paid for dividend and profit distributing or interest paying	3,490,984.61	1,004,775.53
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	652,967.28	
Subtotal of cash outflow from financing activities	20,243,951.89	34,674,911.68
Net cash flows arising from financing activities	79,756,048.11	-9,840,746.76
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	1,815,856.49	-2,938,712.59
V. Net increase of cash and cash equivalents	3,286,825.12	-68,879,972.64
Add: Balance of cash and cash equivalents at the period -begin	209,649,305.99	255,735,611.93
VI. Balance of cash and cash equivalents at the period -end	212,936,131.11	186,855,639.29

6. Cash Flow Statement of Parent Company

Unit: RMB/CNY

Item	Semi-annual of 2022	Semi-annual of 2021
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	20,028,339.91	17,698,634.68
Write-back of tax received	31,858.29	1,073.19
Other cash received concerning operating activities	8,001,569.03	12,443,413.94
Subtotal of cash inflow arising from operating activities	28,061,767.23	30,143,121.81
Cash paid for purchasing commodities and receiving labor service	29,919,326.23	16,826,989.61
Cash paid to/for staff and workers	19,240,930.75	19,957,927.95
Taxes paid	722,945.09	519,464.48
Other cash paid concerning operating activities	4,432,049.90	15,275,625.75
Subtotal of cash outflow arising from operating activities	54,315,251.97	52,580,007.79
Net cash flows arising from operating activities	-26,253,484.74	-22,436,885.98
II. Cash flows arising from investing activities:		
Cash received from recovering investment	260,000,000.00	5,000,000.00
Cash received from investment income	15,524,276.11	25,559,172.60

Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	2,051,160.00	
Subtotal of cash inflow from investing activities	277,575,436.11	30,559,172.60
Cash paid for purchasing fixed, intangible and other long-term assets	3,838,108.94	175,032.86
Cash paid for investment	260,000,000.00	
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		3,168,000.00
Subtotal of cash outflow from investing activities	263,838,108.94	3,343,032.86
Net cash flows arising from investing activities	13,737,327.17	27,216,139.74
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans		24,834,164.92
Other cash received concerning financing activities	47,002,998.02	
Subtotal of cash inflow from financing activities	47,002,998.02	24,834,164.92
Cash paid for settling debts	10,100,000.00	24,834,164.92
Cash paid for dividend and profit distributing or interest paying	3,321,092.94	
Other cash paid concerning financing activities		14,575,643.25
Subtotal of cash outflow from financing activities	13,421,092.94	39,409,808.17
Net cash flows arising from financing activities	33,581,905.08	-14,575,643.25
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	73,669.23	160,196.16
V. Net increase of cash and cash equivalents	21,139,416.74	-9,636,193.33
Add: Balance of cash and cash equivalents at the period -begin	49,943,353.89	32,186,883.39
VI. Balance of cash and cash equivalents at the period -end	71,082,770.63	22,550,690.06

7. Statement of Changes in Owners' Equity (Consolidated)

Current Amount

Unit: RMB/CNY

Item	Semi-annual of 2022													
	Owners' equity attributable to the parent Company													Minority interests
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal	
		Preferred stock	Perpetual capital securities	Other										Total owners' equity

I. The ending balance of the previous year	266,071,320.00			284,054,997.75		-18,256,201.98	232,783.00	21,908,064.19		379,524,911.94		933,535,874.90	161,988,106.39	1,095,523,981.29
Add: Changes of accounting policy														
Error correction of the last period														
Enterprise combine under the same control														
Other														
II. The beginning balance of the current year	266,071,320.00			284,054,997.75		-18,256,201.98	232,783.00	21,908,064.19		379,524,911.94		933,535,874.90	161,988,106.39	1,095,523,981.29
III. Increase/Decrease in the period (Decrease is listed with "-")				11,565,274.27		7,634,270.71	183,325.75			-9,019,125.78		10,363,744.95	84,917,092.40	95,280,837.35
(i) Total comprehensive income						7,634,270.71				-9,019,125.78		-1,384,855.07	84,917,092.40	83,532,237.33
(ii) Owners' devoted and decreased capital				11,565,274.27								11,565,274.27		11,565,274.27
1. Common shares invested by shareholders														
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other				11,565,274.27								11,565,274.27		11,565,274.27
(iii) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)														
4. Other														
(iv) Carrying forward internal owners' equity														
1. Capital reserves														

converted to capital (share capital)															
2. Surplus reserves converted to capital (share capital)															
3. Remedying loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve							183,325.75					183,325.75		183,325.75	
1. Withdrawal in the report period							494,302.97					494,302.97		494,302.97	
2. Usage in the report period							310,977.22					310,977.22		310,977.22	
(vi) Others															
VI. Balance at the end of the period	266,071,320.00				295,620,272.02		-10,621,931.27	416,108.75	21,908,064.19		370,505,786.16		943,899,619.85	246,905,198.79	1,190,804,818.64

Amount of the previous period

Unit: RMB/CNY

Item	Semi-annual of 2021														
	Owners' equity attributable to the parent Company												Minority interest s	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluss reserve	Provision of general risk	Retained profit	Other			Subtotal
Preferred stock		Perpetual capital securities	Other												
I. The ending balance of the previous year	266,071,320.00				284,054,997.75		-12,783,539.13		21,908,064.19		343,997,929.71		903,248,772.52	162,274,990.49	1,065,523,763.01
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															

II. The beginning balance of the current year	266,071,320.00				284,054,997.75	-12,783,539.13		21,908,064.19		343,997,929.71		903,248,772.52	162,274,990.49	1,065,523,763.01
III. Increase/Decrease in the period (Decrease is listed with "-")						-2,466,775.62	181,144.49			-8,959,371.06		-11,245,002.19	-7,342,659.06	-18,587,661.25
(i) Total comprehensive income						-2,466,775.62				-8,959,371.06		-11,426,146.68	-7,342,659.06	-18,768,805.74
(ii) Owners' devoted and decreased capital														
1.Common shares invested by shareholders														
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other														
(iii) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)														
4. Other														
(iv) Carrying forward internal owners' equity														
1. Capital reserves conversed to capital (share capital)														
2. Surplus reserves conversed to capital (share capital)														
3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the defined														

benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve							181,144.49					181,144.49		181,144.49	
1. Withdrawal in the report period							541,941.58					541,941.58		541,941.58	
2. Usage in the report period							360,797.09					360,797.09		360,797.09	
(vi) Others															
VI. Balance at the end of the period	266,071,320.00				284,054,997.75		15,250,314.75	181,144.49	21,908,064.19		335,038,558.65		892,003,770.33	154,932,331.43	1,046,936,101.76

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

Current Amount

Unit: RMB/CNY

Item	Semi-annual of 2022											
	Share capital	Other equity instrument			Capital reserve	Less: Inventor y shares	Other compreh ensive income	Reasona ble reserve	Surplus reserve	Retaine d profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital securiti es	Other								
I. The ending balance of the previous year	266,071,320.00				279,115,900.17				19,184,672.34	-30,097,556.45		534,274,336.06
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	266,071,320.00				279,115,900.17				19,184,672.34	-30,097,556.45		534,274,336.06
III. Increase/ Decrease in the period (Decrease is listed with “-”)										-10,216,831.03		-10,216,831.03
(i) Total comprehensive income										-10,216,831.03		-10,216,831.03
(ii) Owners’ devoted and decreased capital												
1.Common shares invested by shareholders												

2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
VI. Balance at the end of the period	266,071,320.00				279,115,900.17				19,184,672.34	-40,314,387.48		524,057,505.03

Amount of the previous period

Unit: RMB/CNY

Item	Semi-annual of 2021											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferr ed stock	Perpet ual capital	Other								

			securit ies									
I. The ending balance of the previous year	266,07 1,320. 00				279,115, 900.17				19,184, 672.34	- 37,455,87 4.25		526,916,01 8.26
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	266,07 1,320. 00				279,115, 900.17				19,184, 672.34	- 37,455,87 4.25		526,916,01 8.26
III. Increase/ Decrease in the period (Decrease is listed with "-")										- 10,918,62 8.07		- 10,918,628. 07
(i) Total comprehensive income										- 10,918,62 8.07		- 10,918,628. 07
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(iii) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(iv) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share												

capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(v) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(vi) Others												
VI. Balance at the end of the period	266,071,320.00				279,115,900.17				19,184,672.34	-48,374,502.32		515,997,390.19

III. Company profile

1. Registered capital, enterprise registration place, organization form and headquarters address

Shandong Zhonglu Oceanic Fisheries Co., Ltd. (hereinafter referred to as “Company” or “the Company”) with its HQ address: 25/F, No.1 Building Conson Financial Center, No.31 Xianxialing Road, Laoshan District, Qingdao, Shandong Province, was incorporated as a joint stock limited company in the People’s Republic of China on 30 July 1999 according to the documentation of Lu Ti Gai Zi [1999] No.85 issued by Shandong Development and Reform Commission, and the holding company of the Company is Shandong Fisheries Enterprise Group General Corporation, the main sponsor. On 26 June 2000, being approved by the documentation of Zheng Jian Fa Xing Zi [2000] No.82 issued by the China Securities Regulatory Commission, the Company’s B-share, stock ID “Zhonglu B”, stock code “200992” are listing for trading on Shenzhen Stock Exchange dated 24 July 2000.

Basic organization structure of the Company: Shareholder General Meeting, BOD, Supervisory Committee, Office of the GM (Office of the Party Committee), Departments of HR(Organization Dept.), Financial Management Dept. (Capital Operation Dept.), Enterprise Development Dept., Auditing Dept., Oceanic Management Dept., Office of the Discipline Inspection Commission, Party-Masses Relationship Dept. and Risk Control Dept. (Legal Affairs Dept.).

2. Business nature and main business activities of Enterprise

Corporate industry: ocean-going fisheries

Corporate major products: tuna and its products

Operating scope: general management projects: sales and processing of aquatic products; merchandise import and

export business within approved scope; ice machine manufacture and sale; refrigeration equipment manufacturing, installation, maintenance; refrigeration; load and unload services; housing lease.

Pre-license operation: offshore fishing and pelagic fishing.

3. Parent Company and ultimate parent company of the Group

Shandong State-owned Assets Investment Holdings Co., Ltd.

4. Reporter approves the financial report for disclosed and date for report

The financial report has been approved for report by the Board dated 25 August 2022.

As of June 30, 2022, consolidation scope of the Company including 5 secondary enterprises, 4 three-tier enterprises and one operation entity with controlling rights obtained through operating lease.

5 secondary enterprises:Shandong Zhonglu Fishery Shipping Co., Ltd., Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd., HABITAT INTERNATIONAL CORPORATION, Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd and Zhonglu Oceanic (Qingdao) Industrial Investment Development Co., Ltd.; 4 three-tier enterprises:LAIF FISHERIES COMPANY LIMITED, Shandong Zhonglu Ocean Refrigerated Co., Ltd, AFRICA STAR FISHERIES LIMITED and ZHONG GHA FOODS COMPANY LIMITED; one operation entity with controlling rights obtained through operating lease: YAW ADDO FISHERIES COMPANY LIMITED. Consolidate scope of the financial report and its changes found more in Note “VIII. Change of Consolidate Scope” and “IX. Equity in Other entity”

IV. Preparation basis of Financial Statements

1. Preparation basis

The Company prepares financial statements on a going concern basis and maintains the accounts on an accrual basis. Generally, the Company measures accounting elements by historical costs and measuring with replacement cost, net realizable value, present value and fair value to ensure that the amounts of the accounting elements identified can be obtained and measured reliably.

2. Going concern

The Company have the ability to continue as a going concern within 12 months at least since end of the reporting period, there are no major events that impact the ability to continue as a going concern

V. Important accounting policy and estimation

Notes on specific accounting policies and accounting estimation:

According to actual production and operation characteristics and regulation of relevant accounting standards for enterprises, the Company and its subsidiaries, formulated a variety of specific accounting policies and estimations in aspect of the transaction and events such as provision for bad debts of the receivable, valuation method of inventory, depreciation of the fixed assets, amortization of intangible assets, revenue recognition etc.

1.Statement of compliance with the Accounting Standards for Business Enterprises (ASBE)

Financial statement and notes of the Company, have been prepared in accordance with the Accounting Standards for Business Enterprises issued by Ministry of Finance, the Application Guidance, Interpretation of ASBE, the Rules Governing the Preparation of Information Disclosure by Companies that Publicly Issuing Securities No.15-Genral Provisions on Financial Report [Revised 2014] issued by CSRC and relevant supplementary provisions, and presents a true and complete information of the Company in aspect of financial status, operation results, shareholders' equity and cash flows.

2. Accounting period

The Company's accounting year is Gregorian calendar year, from 1st January to 31st December of every year.

3. Business cycle

The Company's business cycle is one year (12 months) as a normal cycle, and the business cycle is the determining criterion for the liquidity of assets and liabilities of the Company.

4. Bookkeeping standard currency

The Renminbi (RMB) is taken as the book-keeping standard currency

5. Accounting methods for consolidation of enterprises under the same control or otherwise

(1) In a business combination under the same control, if the company, as the acquirer, acquires control over other participating enterprises, and pays cash, transfers non-cash assets or assumes debts as the consideration transferred, the share of the book value of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be deemed as the initial investment cost of long-term equity investment on the combining date, and the difference between the initial investment cost of long-term equity investment and the book value of cash paid, non-cash assets transferred and debts assumed shall adjust the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the issuance of equity securities is taken as the consideration transferred, the share of the book value of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be deemed as the initial investment cost of long-term equity investment on the combining date, and the total face value of the issued shares shall be

deemed as the share capital, the difference between the initial investment cost of long-term equity investment and the total face value of the issued shares shall adjust the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted. In a business combination, expenses incurred for the services of intermediaries such as auditing, legal services and valuation consultation as well as other related management fees shall be included in the current profit and loss when they occur. The bonds issued for a business combination, or the handling fees and commissions paid for assuming other debts shall be included in the initial measurement amount of the issued bonds and other debts. The handling fees, commissions and other expenses from issuing equity securities in a business combination shall be deducted from the premium income of equity securities, and if the premium income is insufficient to offset, the retained earnings shall be offset.

(2) Where the external combination of the company is a business combination not under the same control, the initial investment cost of long-term equity investment shall be determined according to the following conditions:

- ① For a business combination realized by an exchange transaction, the initial investment cost of long-term equity investment is the fair value of the assets paid, the liabilities incurred or assumed, and the equity securities issued by the purchaser to obtain the control right over the acquiree on the acquisition date;
- ② For a business combination realized step by step through multiple exchange transactions, the initial investment cost of long-term equity investment is the sum of each single transaction cost;
- ③ In a business combination, expenses incurred for the services of intermediaries such as auditing, legal services and valuation consultation as well as other related management fees shall be included in the current profit and loss when they occur; transaction costs of equity securities or debt securities issued as consideration transferred shall be included in the initial recognition amount of the equity securities or the debt securities;
- ④ Where the future events that may affect the combined cost are stipulated in the contract or agreement of combination, if it is estimated that the future event is likely to occur on the acquisition date and the amount of the impact on the combined cost can be reliably measured, it shall be included in the initial investment of long-term equity investment

(3) Where the company's external combination is a business combination not under the same control, the amount that the initial investment cost of the long-term equity investment is greater than the fair value share of the acquiree's identifiable net assets obtained in the combination shall be recognized as goodwill.

The amount that the initial investment cost of the long-term equity investment is smaller than the fair value share of the identifiable net assets of the acquiree obtained in the combination shall be handled according to the following methods:

- ① Review the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of the combined cost;
- ② After the review, if the combined cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the combination, the difference shall be included in the current profit and loss.

6. Preparation methods for consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control means that the investor has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to affect the amount of its return.

The parent company shall include all its subsidiaries into the scope of consolidated financial statements. A subsidiary refers to the subject controlled by the company (including the divisible part of the enterprise or the invested unit, and the structured subject controlled by the enterprise, etc.).

If the parent company is an investment subject, the parent company should only incorporate subsidiaries (if any) that provide relevant services for its investment activities into the scope of consolidation and prepare consolidated financial statements; other subsidiaries should not be consolidated, and the parent company's investment in other subsidiaries shall be measured at fair value and its changes shall be included in the current profit and loss. When the parent company meets the following conditions at the same time, the parent company is an investment subject:

(1)

(2) the parent company obtains funds from one or more investors for the purpose of providing investment management services to investors;

(3)

(2) the sole purpose of the parent company's business is to provide returns to investors through capital appreciation, investment income, or both;

(3) the parent company measures and evaluates the performance of nearly all investments at fair value.

In preparing the consolidated statements, the company and the consolidated subsidiaries adopt unified accounting policies and periods. The consolidated financial statements are based on the financial statements of the company and its subsidiaries, and are prepared by the company after offsetting the impact of the internal transactions between the company and its subsidiaries and among the subsidiaries on the consolidated financial statements. For a subsidiary added due to the business combination under the same control during the reporting period, the company shall adjust the opening balance of the consolidated balance sheet when preparing the consolidated balance sheet. For a subsidiary added due to the a business combination not under the same control, the opening balance of the consolidated balance sheet shall not be adjusted when preparing the consolidated balance sheet. For a subsidiary added due to the business combination under the same control during the reporting period, the company shall incorporate the income, expenses, profit and cash flow of the subsidiary from the beginning of the consolidation period to the end of the reporting period into the consolidated income statement and cash flow statement. For a subsidiary added due to the business combination not under the same control, the income, expenses, profit and cash flow from the acquisition date of the subsidiary to the end of the reporting period shall be incorporated in the consolidated income statement and cash flow statement. If the company disposed of a subsidiary during the reporting period, it shall incorporate the subsidiary's income, expenses, profits and cash flows from the beginning of the year to the disposal date into the consolidated income statement and cash flow statement.

When the parent company acquires the equity of a subsidiary owned by the minority shareholders of the subsidiary, in the consolidated financial statements, the difference between the newly acquired long-term equity investment due to the acquisition of minority interest and the net assets shares entitled to the subsidiary's continuous calculation from the date of acquisition or the date of consolidation based on the newly added shareholding ratio shall adjust the capital reserve (capital premium or share premium), and if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

The parent company partially disposes of the long-term equity investment in the subsidiary without losing control, in the consolidated financial statements, the difference between the disposal cost and the net assets shares entitled to the subsidiary's continuous calculation from the date of acquisition or the date of consolidation corresponding to the disposal of long-term equity investment shall adjust the capital reserve (capital premium or share premium), and if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

Where an enterprise loses control over the investee due to disposal of part of the equity investment, when preparing the consolidated financial statements, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The sum of the consideration obtained from the disposal of the equity and the fair value of the remaining equity, minus the net assets shares entitled to the original subsidiary's continuous calculation from the date of acquisition or the date of consolidation based on the original shareholding ratio, and the difference shall be included in the investment income in the current period of loss of control, and shall write down the goodwill at the same time. Other comprehensive income related to the original subsidiary's equity investment shall be converted into investment income for the current period when the control is lost, except for other comprehensive income arising from changes in net liabilities or net assets of defined benefit plans remeasured by the investee.

7. Classification of joint arrangements and accounting treatment of joint ventures

Joint arrangements are classified as joint operations and joint ventures.

A joint operation refers to a joint arrangement in which the joint venture party enjoys the relevant assets of the arrangement and assumes the relevant liabilities of the arrangement. The company recognizes the following items related to its share of interests in the joint operation, and conducts accounting treatment in accordance with the relevant provisions of the accounting standards for business enterprises:

- (1) Recognize the assets held individually, and the assets held jointly by their shares;
- (2) Recognize the liabilities borne individually, and the liabilities borne jointly by their shares;
- (3) Recognize the income from the sale of their shares of the output of the joint operation;
- (4) Recognize the income of the joint operation from the sale of output by their shares;
- (5) Recognize the expenses incurred individually, and the expenses incurred by the joint operation by their shares.

A joint venture refers to a joint arrangement in which the joint venture party only has rights to the net assets of the arrangement. The company conducts accounting treatment for the investments in the joint venture in accordance with the equity method.

8. Determination criteria of cash and cash equivalent

Cash is defined as cash on hand and deposits readily available for disbursement. Cash equivalent are investments held by the Company with short maturities and high liquidity, easily convertible to known amounts of cash, and with minimal risk of changes in value.

9. Foreign currency exchange and the conversion of foreign currency statements

(1) On initial recognition, the foreign currency transactions are recorded in local currency using an exchange rate approximating the spot rate on the date of transaction.

(2) On the balance sheet date, foreign currency monetary items and foreign currency non-monetary items are dealt with according to the following methods:

① Foreign currency monetary items are converted at the spot exchange rate of the balance sheet. The exchange difference arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or on the previous balance sheet date is included in the current profit and loss.

② Foreign currency non-monetary items measured at historical cost are still converted at the spot exchange rate on the date of the transaction, without changing the amount in the local reporting currency; foreign currency non-monetary items measured at fair value are converted at the spot exchange rate on the date when the fair value is determined, the difference between the amount in converted local reporting currency and the amount in original functional currency is treated as a change in fair value (including exchange rate changes), and is included in the current profit and loss or other comprehensive income according to the nature of non-monetary items.

Monetary items refer to the monetary funds held by the company and the assets to be collected or the liabilities to be paid in fixed or determinable amounts.

Non-monetary items refer to items other than monetary items.

(3) Translation method of foreign currency financial statements of overseas operating entities:

① Assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date, and except the "undistributed item, other items of the owner's equity items are translated at the spot exchange rate at the time of occurrence;

② The income and expense items in the income statement are translated at the approximate exchange rate of the spot exchange rate on the transaction date;

③ The translation difference of the foreign currency financial statements resulting from the above (3) ① and ② translations shall be listed separately under the owner's equity item in the balance sheet.

(4) The company shall convert the financial statements of overseas operations in a hyperinflation according to the following methods:

The balance sheet items are restated using the general price index, and the income statement items are restated using the changes in the general price index, and then converted at the spot exchange rate on the most recent balance sheet date.

When the overseas operation is no longer in a hyperinflation, the restatement shall be stopped, and the restated financial statements shall be converted according to the price level on the date of cessation.

(5) When the company disposes of an overseas operation, it shall transfer the conversion difference in the foreign currency financial statement, which is listed under the owner's equity item in the balance sheet and related to the overseas operation, into the current profit and loss from the owner's equity item; Where the overseas operation is partially disposed of, the translation difference of the foreign currency financial statements of the disposed part shall be calculated according to the proportion of disposal, and transferred into the current profit and loss of disposal.

10. Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. When a company becomes a party to a financial instrument contract, the related financial assets or financial liabilities are recognized.

(1) Financial assets

① Classification and initial measurement

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, the company divides financial assets into:

Financial assets measured at amortized cost;

Financial assets at fair value through other comprehensive income;

Financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets at fair value through profit or loss, relevant transaction costs are directly included in current profit and loss; for other types of financial assets, relevant transaction costs are included in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of products or provision of labor services that do not include or consider

significant financing components, the amount of consideration that the company is expected to be entitled to receive is taken as the initial recognition amount

1) Debt instruments

The debt instruments held by the company refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three methods:

(1) Measured at amortized cost:

The company's business model for managing such financial assets is to collect contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements, that is, the cash flows generated on a specific date are only payments of principal and interest based on the amount of outstanding principal amount. For such financial assets, the company recognizes interest income according to the effective interest method. Such financial assets mainly include monetary funds, notes receivable and accounts receivable, contract assets, other receivables, debt investments, lease receivables and long-term receivables. The company lists debt investments and long-term receivables due within one year (including one year) from the balance sheet date as non-current assets due within one year. Debt investments with a maturity within one year (including one year) at the time of acquisition are listed as other current assets.

(2) Financial assets at fair value through other comprehensive income;

The company's business model for managing such financial assets is to collect contractual cash flows and sell them, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. Such financial assets are measured at fair value through other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated by the effective interest method are included in current profit and loss. Such financial assets are listed as other debt investments, and the other debt investments due within one year (including one year) from the balance sheet date are listed as non-current assets due within one year; Other debt investments including one year) are listed as other current assets. Other debt investments with a maturity within one year (including one year) at the time of acquisition are listed as other current assets.

(3) Financial assets at fair value through profit or loss.

For debt instruments held by the company, which are neither classified to be measured at amortized cost and nor classified to be measured at fair value and with changes included in other comprehensive income, are measured at fair value and whose changes are included in current profits and losses, and are listed as trading financial assets. At initial recognition, in order to eliminate or significantly reduce accounting mismatch, the company designates some financial assets as financial assets measured at fair value and whose changes are included in current profit and loss. Those that are due more than one year from the balance sheet date and are expected to be held for more than one year are listed as other non-current financial assets.

2) Equity instruments

The company measures the equity instrument investments which have no control, joint control over it nor significant influence on it at fair value and the changes are included in the current profit and loss, and list as trading financial assets; the equity instrument investments expected to be held for more than one year from the balance sheet date are listed as other non-current financial assets.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, and lists them as other equity instrument investments. The relevant dividend income of such financial assets is included in the current profit and loss. Once made, the designation cannot be revoked. Where the contingent consideration recognized by the Company in a business combination not under the same control constitutes a financial asset, the financial asset is classified as a financial asset measured at fair value and whose changes are included in the current profit and loss.

For non-trading equity instrument investments, the company may irrevocably designate it as financial assets at fair value through other comprehensive income at initial recognition. The designation is made on an individual investment basis, and the relevant investment meets the definition of an equity instrument from the issuer's perspective.

② Impairment

For financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, lease receivables, contract assets and financial guarantee contracts, etc., the company recognizes loss provision based on expected credit losses. The company considers reasonable and evidence-based information about past events, current conditions, and forecasts of future economic conditions, and takes the risk of default as the weight to calculate the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received, and recognizes expected credit losses.

On each balance sheet date, the company separately measures the expected credit losses of financial instruments in different stages. Where the credit risk of a financial instrument has not increased significantly since the initial recognition, the financial instrument is in the first stage, and the company measures the loss provision based on the expected credit loss in the next 12 months; where the credit risk of a financial instrument has increased significantly since the initial recognition but no credit impairment has occurred yet, the financial instrument is in the second stage, and the company measures the loss provision based on the expected credit loss of the entire duration of the instrument; where a financial instrument has suffered credit impairment since the initial recognition, it is in the third stage, and the company measures the loss provision based on the expected credit loss of the entire duration of the instrument.

For a financial instrument with low credit risk on the balance sheet date, the company assumes that its credit risk has not increased significantly since the initial recognition, and measures the loss provision based on the expected credit loss in the next 12 months.

For financial instruments in the first and second stages and with relatively low credit risk, the company calculates interest income based on its book balance before deduction of provisions for impairment and the actual interest rate. For a financial instrument in the third stage, interest income is calculated based on the amortized cost after deducting the accrued provision for impairment from its book balance and the effective interest rate.

For notes receivable and accounts receivable, lease receivables and contract assets, regardless of whether there is a significant financing component, the company can measure the loss provision based on the expected credit loss of the entire duration.

1) Judgment criteria for a significant increase in credit risk

On each balance sheet date, the company evaluates whether the credit risk of relevant financial instruments has increased significantly since initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the company considers reasonable and evidence-based information that can be obtained without unnecessary additional cost or effort, including qualitative and quantitative analysis based on the company's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a financial instruments portfolio with similar credit risk characteristics, the company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the date of initial recognition to determine the change in the risk of default during the expected duration of financial instruments.

The company believes that a significant increase in the credit risk of a financial instrument has occurred when one or more of the following quantitative or qualitative criteria are triggered:

(1) The quantitative criteria are mainly that the probability of default of the remaining duration on the reporting date increases by more than a certain proportion compared with the initial recognition.

(2) The qualitative criteria are mainly the significant adverse changes in the debtor's business or financial situation, the list of early warning customers, etc.

(3) The upper limit indicator is that the debtor's contractual payment (including principal and interest) is generally overdue for more than 90 days, and the longest is not more than 180 days.

2) Definition of credit-impaired assets

In order to determine whether there is credit impairment, the company adopts definition standards that are consistent with the internal credit risk management objectives for relevant financial instruments, and considers

quantitative and qualitative indicators. When assessing whether the debtor has suffered credit impairment, the company mainly considers the following factors:

- (1) Significant financial difficulty of the issuer or debtor
- (2) Breach of contract of the debtor, such as default or overdue payment of interest or principal;
- (3) Concessions that the creditor would not have made under any other circumstances out of economic or contractual considerations related to the debtor's financial hardship;
- (4) The debtor is likely to go bankrupt or carry out other financial restructuring;
- (5) The financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial asset;
- (6) Purchase or originate a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

Credit-impaired financial assets may be caused by the combined action of multiple events, not necessarily by a individually identifiable event.

3) Parameters of expected credit loss measurement

Based on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the company measures the impairment provision for different assets with the expected credit loss of 12 months or the entire duration. Key parameters for expected credit loss measurement include probability of default, loss given default and exposure at default. The company considers quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantee methods, types of collateral and pledges, repayment methods, etc.) to establish models for probability of default, loss given default and exposure at default. Relevant definitions are as follows:

(1) Probability of default refers to the possibility that the debtor will not be able to perform its repayment obligations in the next 12 months or throughout the remaining duration. The company's probability of default is adjusted based on the historical credit loss model results, and forward-looking information is added to reflect the debtor's probability of default in the current macroeconomic environment;

(2) Loss given default refers to the company's expectation on the loss degree of exposure at default. Loss given default varies depending on the type of counterparty, method and priority of recourse, and the difference in collateral. Loss given default is the percentage of loss of the exposure at default, which is calculated on the basis of the next 12 months or the entire duration;

(3) Exposure at default refers to the amount that the company should be paid when a default occurs in the next 12 months or the entire remaining duration.

4) Forward-looking information

Both the assessment of a significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. Through historical data analysis, the company identifies key economic indicators that affect the credit risk and expected credit loss of various business types.

When a single financial asset cannot assess the expected credit loss information at a reasonable cost, the company divides the receivables into several portfolios according to the credit risk characteristics, and calculates the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Item	Basis for determining portfolio	Measurement of expected credit losses
Bank acceptance receivable	Note acceptor	Calculate the expected credit losses by referring to historical credit loss experience, combining current conditions and forecasts of the future economic conditions, through default exposures and expected credit loss rates over the entire duration
Commercial acceptance receivable	Note acceptor	Age analysis
Account receivable—Related party portfolio	Enterprises in consolidate scope	Bad debt provision measured by referring to historical credit loss experience and in relation to current conditions and expectations of future economic conditions
Account receivable—External client portfolio	Enterprises out of the consolidate scope and the third party clients	Accrual based on the comparison table of aging of the account and expected credit loss rate of the entire duration
Leasing receivable—External client portfolio		
Contract assets—External client portfolio	Enterprises out of the consolidate scope and the third party clients	Accrual based on the comparison table of aging of the account and expected credit loss rate of the entire duration
Other receivable—Related party portfolio	Enterprises in consolidate scope	Bad debt provision measured by referring to historical credit loss experience and in relation to current conditions and expectations of future economic conditions
Other receivable—External client portfolio	Enterprises out of the consolidate scope and the third party clients	Provision for losses is measured in line with the general approach, namely “three-stage” model
Long-term receivable —External client portfolio	Enterprises out of the consolidate scope and the third party clients	Provision for losses is measured in line with the general approach, namely “three-stage” model

Comparison table of aging of the account and expected credit loss rate (Portfolio of account receivable and leasing receivable)

Account age	Expected credit loss rate (%)
Within 6 months	5.00
6 months to one year	10.00
1-2 years	30.00

2-3 years	50.00
over 3 years	100.00

For other receivables divided into portfolios, the company refers to historical credit loss experience, combines with current conditions and forecasts of future economic conditions, and calculate the expected credit loss from exposure at default and expected credit loss rate within the next 12 months or the entire duration.

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the company and its subsidiaries re-measure the expected credit losses on each balance sheet date, and the resulting increase in loss provision or amount transferred back shall be regarded as impairment losses or gains and included in the current profit and loss. For a financial asset measured at amortized cost, the loss provision offsets the book value of the financial asset listed in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the company and its subsidiaries recognize its loss provision in other comprehensive income without offsetting the book value of the financial asset.

③ Derecognition

A financial asset that meets one of the following conditions shall be derecognized:

- 1) The contractual right to receive the cash flow of the financial asset is terminated;
- 2) The financial asset has been transferred, and the company has transferred almost all the risks and rewards of ownership of the financial asset to the transferee;
- 3) The financial asset has been transferred, the company neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, but has given up the control over the financial asset.

When other equity instrument investments are derecognized, the difference between their book value and the sum of the consideration received and the cumulative amount of changes in fair value originally included in other comprehensive income is included in the retained earnings; when the other financial assets are derecognized, the difference between their book value and the sum of the consideration received and the accumulated amount of changes in fair value originally included in other comprehensive income is included in the current profit and loss.

④ Write-off

Where the company and its subsidiaries no longer reasonably expect that the contractual cash flow of the financial asset can be recovered in whole or in part, the book balance of the financial asset will be written down directly. This write-down constitutes derecognition of the underlying financial asset. This usually occurs when the company and its subsidiaries determine that the debtor has no assets or sources of income to generate sufficient cash flow to repay the amount that will be written down. However, the written-down financial asset may still be affected by enforcement activities in accordance with the company and its subsidiaries' procedures for recovering amounts due.

Where the written-down financial asset is recovered later, it shall be included in the current profit and loss as the reversal of impairment loss.

(2) Financial liabilities

Financial liabilities are classified into financial liabilities measured at amortized cost and financial liabilities at fair value through profit or loss at initial recognition.

Except for the following items, the company classifies financial liabilities as financial liabilities measured at amortized cost:

- ① Financial liabilities measured at fair value through profit or loss for the current period, including financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as measured at fair value through profit or loss for the current period.
- ② Financial liabilities of which the transfer of financial assets does not meet the conditions for derecognition or continuing to be involved in the transferred financial assets.
- ③ Financial guarantee contracts that do not fall under the conditions of item ① or ② of the present article, and loan commitments that do not fall under the conditions of item ① of the present article and make loans at a lower-than-market interest rate. In a business combination not under the same control, if the contingent consideration recognized by the company as the acquirer forms a financial liability, the financial liability shall be measured at fair value and its changes shall be included in the current profit and loss for accounting treatment.

At the time of initial recognition, in order to provide more relevant accounting information, the company can designate a financial liability as the financial liability measured at fair value through profit or loss for the current period, and the designation meets one of the following conditions:

- 1) Accounting mismatches can be eliminated or significantly reduced.
- 2) According to the enterprise risk management or investment strategy stated in official written document, manage and evaluate the financial liabilities portfolio or financial assets and financial liabilities portfolio on the basis of fair value, and report to key management personnel on this basis within the company. Once made, the designation cannot be revoked.

The company's financial liabilities are mainly financial liabilities measured at amortized cost, including notes payable and accounts payable, other payables, loans and bonds payable. Such financial liabilities are initially measured at their fair value after deducting transaction costs, and are subsequently measured using the effective interest method. Those with a term of less than one year (including one year) are listed as current liabilities; those with a term of more than one year but due within one year (including one year) from the balance sheet date are listed as non-current liabilities due within one year; the rest are listed as non-current liabilities.

When all or part of the current obligations of a financial liability have been discharged, the company derecognizes the financial liability or the part of which the obligation has been discharged. The difference between the book value of the derecognized part and the consideration paid is included in the current profit and loss.

Where the current obligation of a financial liability (or a part of it) has been discharged, the company shall derecognizes the financial liability (or financial liability of this part).

(3) Determination of fair value of financial instruments

Where there is an active market for a financial instrument, the quoted price in the active market are used to establish its fair values. Where there is no active market for a financial instrument, valuation techniques are used to establish its fair value. When valuing, the company adopts valuation techniques that are applicable under the current conditions and that there are sufficient available data and other information to support, and selects input values that are consistent with the characteristics of the asset or liability considered by market participants in the transaction of the relevant asset or liability, and use relevant observable input values preferentially whenever possible. Unobservable input values are used when the relevant observable input values are unavailable or impractical to obtain.

(4) Subsequent measurement

After the initial recognition, the company conducts subsequent measurement for different types of financial assets at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

After the initial recognition, the company conducts subsequent measurement for different types of financial liabilities at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

The amortized cost of a financial asset or financial liability is determined by the initial recognition amount of the financial asset or financial liability after the following adjustments:

- ① Deduct the repaid principal.
- ② Add or subtract the accumulated amortization amount formed by amortizing the difference between the initially recognized amount and the amount on the maturity date using the effective interest method.
- ③ Deduct the accumulated loss provision (applicable only to financial assets).

The company recognizes interest income by the effective interest method. Interest income is calculated by multiplying the book balance of financial assets by the actual interest rate, except in the following cases:

- 1) For the acquired or originated credit-impaired financial assets, the company shall calculate its interest income based on the amortized cost of the financial assets and the credit-adjusted effective interest rate since the initial recognition.
- 2) For the acquired or originated financial assets that have not incurred credit impairment but become credit impaired in the subsequent period, the company shall calculate and determine the interest income based on the

amortized cost and effective interest rate of the financial assets in the subsequent period. Where the company calculates and determines the interest income by using the effective interest method on the amortized cost of financial assets in accordance with the above policies, if the financial instrument is no longer credit-impaired due to an improvement in its credit risk in the subsequent period, and the improvement can be objectively linked to an event that occurred after the application of the above policy (such as an upgrade of the debtor's credit rating), the company shall calculate and determine the interest income by multiplying the actual interest rate by the book balance of the financial asset.

11. Note receivable

Method of determining the expected credit loss and accounting treatment found in Note 10. Financial Instrument

12. Account receivable

Method of determining the expected credit loss and accounting treatment found in Note 10. Financial Instrument

13. Receivable financing

Method of determining the expected credit loss and accounting treatment found in Note 10. Financial Instrument

14. Other account receivable

Method of determining the expected credit loss and accounting treatment

Method of determining the expected credit loss and accounting treatment found in Note 10. Financial Instrument

15. Inventory

(1) Classification of inventory

The inventory include raw materials, work-in-process, semi-finished products, finished goods, merchandise in stock, working capital materials, low value consumables and contract performance costs, etc.

The “contract performance costs” found in “17. Contract cost”.

(2) Valuation of issued inventories

Inventory is valued on a weighted average basis upon issuance

(3) The basis for determining the net realizable value of inventories and the method for accruing inventory write-down

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. Where the cost of inventory is higher than its net realizable value, provision for inventory write down shall be made and included in the current profit and loss. Net realizable value refers to the amount after subtracting the estimated costs to be

incurred upon completion, estimated selling expenses and related taxes from the estimated selling price of inventories in daily activities.

The basis for determining the net realizable value of various inventories is as follows:

- ① In the normal production and operation, the net realizable value of inventory directly used for sale, such as finished products, commodities and materials for sale, etc. , is determined by the amount after deducting the estimated selling expenses and relevant taxes from the estimated selling price of the inventory.
- ② In the normal production and operation, the net realizable value of material inventory to be processed shall be determined by the amount after deducting the estimated cost to be incurred upon completion, estimated sales expenses and relevant taxes and fees from the estimated selling price of the finished products.
- ③ On the balance sheet date, where a part of the inventory has contract price agreement and other parts of the same inventory have no contract price, its net realizable value shall be determined separately, and compared with its corresponding cost, and the provision for inventory write down and the the amount transferred back shall be determined separately.

Inventory write-down are accrued based on a single inventory item (or inventory category), where the inventory is related to product series produced and sold in the same area, has the same or similar end use or purpose, and is difficult to measure separately from other items, it shall be combined to make provisions for inventory write-down.

(4) Inventory stocking system

The Company adopts perpetual inventory system for stocking.

(5) Amortization of low value consumables and packing materials

The Company adopts fifty amortization method for low value consumables and packing materials.

Note: description of the inventory categories, valuation method of issued inventory, the basis for determining the net realizable value of different categories of inventories, the inventory system for inventory and the amortization method for low-value consumable items and packaging.

(1) Classification of inventory

The inventory include raw materials, work-in-process, semi-finished products, finished goods, merchandise in stock, working capital materials, low value consumables and contract performance costs, etc.

The “contract performance costs” found in “17. Contract cost”.

(2) Valuation of issued inventories

Inventory is valued on a weighted average basis upon issuance

(3) The basis for determining the net realizable value of inventories and the method for accruing inventory write-down

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. Where the cost of inventory is higher than its net realizable value, provision for inventory write down shall be made and included in the current profit and loss. Net realizable value refers to the amount after subtracting the estimated costs to be

incurred upon completion, estimated selling expenses and related taxes from the estimated selling price of inventories in daily activities.

The basis for determining the net realizable value of various inventories is as follows:

①In the normal production and operation, the net realizable value of inventory directly used for sale, such as finished products, commodities and materials for sale, etc. , is determined by the amount after deducting the estimated selling expenses and relevant taxes from the estimated selling price of the inventory.

②In the normal production and operation, the net realizable value of material inventory to be processed shall be determined by the amount after deducting the estimated cost to be incurred upon completion, estimated sales expenses and relevant taxes and fees from the estimated selling price of the finished products.

③ On the balance sheet date, where a part of the inventory has contract price agreement and other parts of the same inventory have no contract price, its net realizable value shall be determined separately, and compared with its corresponding cost, and the provision for inventory write down and the the amount transferred back shall be determined separately.

Inventory write-down are accrued based on a single inventory item (or inventory category), where the inventory is related to product series produced and sold in the same area, has the same or similar end use or purpose, and is difficult to measure separately from other items, it shall be combined to make provisions for inventory write-down.

(4)Inventory stocking system

The Company adopts perpetual inventory system for stocking.

(5)Amortization of low value consumables and packing materials

The Company adopts fifty amortization method for low value consumables and packing materials.

16. Contract assets

(1) Methods and criteria for recognition of contract assets

A contract asset is a right to receive consideration for the commodity that has been transferred to a customer, and that right depends on factors other than the passage of time. Contract assets and contract liabilities under the same contract shall be presented on a net basis, and contract assets and contract liabilities under different contracts shall not be offset.

(2) Determination method and accounting treatment method of expected credit loss of contract assets

The provision for impairment of contract assets shall be made with reference to the expected credit loss method of financial instruments. For contract assets that do not contain significant financing components, the Company

adopts the simplified method to measure the loss provision. For contract assets that contain significant financing components, the company measures the loss provision in accordance with the general method.

In the event of an impairment loss on a contract asset, the “asset impairment loss” shall be debited according to the amount to be written down, and the provision for impairment of contract asset shall be credited; the reverse entry shall be made when the accrued allowance for asset devaluation is transferred back.

17. Contract cost

(1) Method of determining the amount of assets that related to contract costs

Assets related to contract costs including the contract performance costs and contract acquisition costs.

The contract performance costs refers to the costs incurred for performance of the contract. As assets is recognized as a contract performance cost if it does not fall within the scope of other ASBE specifications other than Accounting Standards for Business Enterprise No.14- Revenue (Revised 2017) and the following conditions are also met:

- ① the costs is directly related to a current or anticipated contract, including directly labors, directly materials, manufacturing costs (or similar costs), costs explicitly borne by the customer, and other costs incurred solely as a results of the contract;
- ② the cost increases the future resources available to the enterprise to meet its performance obligations;
- ③ the cost is expected to be recovered.

The contract acquisition cost, where the incremental cost for acquiring the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost. Incremental costs are costs that would not have occurred without a contract. Where the amortization period of the asset does not exceed one year, it can be included in the current profit and loss when it occurs.

Other expenses incurred to acquire the contract, except for the incremental costs that are expected to be recovered, shall be included in the current profit and loss when they incur, unless these expenses are clearly borne by the customer.

(2) Amortization of assets related to contract costs

Assets related to contract costs are amortized on the same basis as the commodity revenue recognition related to the assets, and are included in the current profit and loss.

(3) Impairment of assets related to contract costs

When determining the impairment of assets related to contract costs, first determine the impairment loss for other assets related to the contract and recognized in accordance with other relevant accounting standards for business enterprises; if its book value is higher than the difference between the following item ① and item ②, the excess shall be accrued as an impairment provision and recognized as an asset impairment loss:

① The remaining consideration that is expected to be acquired from the transfer of goods related to the asset.

② And the estimated cost to be incurred for the transfer of the relevant goods.

If there is a change in the factors of impairment in the previous period, making the difference between the above item ① and item ② higher than the book value of the asset, the original allowance for asset devaluation shall be reversed and included in the current profit and loss. However, the book value of the asset after the reversal shall not exceed the book value of the asset on the date of reversal under the assumption that no provision for impairment is made.

18. Assets held-for-sale

(1) Recognition criteria for non-current assets held for sale and disposal groups

If the company recovers its book value mainly through sale (including non-monetary assets exchange with commercial substance, the same below) rather than continuous use of a non-current asset or disposal group, it will be classified as held for sale. The specific standards are to meet the following conditions at the same time:

① According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current conditions.

② The sale is very likely to occur, that is, the enterprise has made a resolution on a sale plan and obtained a firm purchase commitment, and the sale is expected to be completed within one year.

Among them, the disposal group refers to a group of assets that are disposed of as a whole in a transaction through sale or other means, and the liabilities directly related to these assets transferred in the transaction. Where the asset group or portfolio of asset groups to which the disposal group belongs has apportioned the goodwill obtained in the business combination in accordance with the Accounting Standards for Business Enterprises No. 8—Asset Impairment, the disposal group shall include the goodwill apportioned to the disposal group.

(2) Accounting treatment method

When the initial measurement or the remeasurement on the balance sheet date is divided into non-current assets held for sale and disposal groups, if the book value is higher than the net amount after deducting the selling expenses from the fair value, the book value shall be written down to the net amount after deducting the selling expenses from the fair value, the written-down amount shall be recognized as the asset impairment loss and included in the current profit and loss, and at the same time, the provision for impairment of the assets held for sale shall be made. For a disposal group, the recognized asset impairment loss is first deducted from the book value of the goodwill in the disposal group, and then proportionally deducted from the book value of each non-current asset within the disposal group applicable to the measurement provisions of "Accounting Standards for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations"

(hereinafter referred to as "Hold-for-sale Standards"). If the net amount of the disposal group held for sale on the subsequent balance sheet date increases after deducting the selling expenses from the fair value, the previously written down amount shall be recovered, and shall be reversed within the amount of assets impairment loss recognized for non-current assets subject to the measurement provisions of the held-for-sale standard after being classified as held-for-sale category, and the reversed amount shall be included in the current profit and loss, and proportionally increase its book value according to the proportion of the book value of each non-current asset in the disposal group that is measured by the held-for-sale standard except goodwill. The book value of goodwill that has been written off, and the non-current assets that are subject to the measurement requirements of the held-for-sale standard shall not be reversed before they are classified as held-for-sale category.

Non-current assets held for sale or non-current assets in disposal groups shall not be depreciated or amortized, and the interest and other expenses of the liabilities in the disposal group held for sale continue to be recognized.

When the non-current assets or disposal groups no longer meet the classification conditions of the held-for-sale category, they shall no longer be classified as held-for-sale categories or the non-current assets shall be removed from the held-for-sale disposal groups, and shall be measured by the lower of the following :

①The book value before being classified as held-for-sale category, the amount adjusted according to the depreciation, amortization or impairment that should have been recognized under the assumption that it was not classified as held-for-sale category;

②Amount recoverable.

19. Debt investment

Method of determining the expected credit loss and accounting treatment found in Note 10.Financial Instrument

20.Other debt investment

Method of determining the expected credit loss and accounting treatment found in Note 10.Financial Instrument

21.Long-term receivable

Method of determining the expected credit loss and accounting treatment found in Note 10.Financial Instrument

22. Long-term equity investment

Long-term equity investment refers to the equity investment in which the company controls over and has significant influence on the investee, as well as the investment in its joint ventures.

(1) Determination of investment cost

Except for the long-term equity investment formed by external combination, the initial investment cost of long-term equity investment acquired by other means shall be determined in accordance with the following provisions:

- ① For long-term equity investment acquired by cash payment, the initial investment cost shall be the acquisition price actually paid. The initial investment cost includes expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investment;
- ② For long-term equity investment acquired by issuing equity securities, the fair value of the equity securities issued shall be taken as the initial investment cost;
- ③ For long-term equity investment acquired through non-monetary asset exchange, the initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No. 7 - Non-monetary Asset Exchange;
- ④ For long-term equity investment acquired through debt restructuring, the initial investment cost shall be determined in accordance with the Accounting Standards for Business Enterprises No. 12 - Debt Restructuring.

(2) Method for subsequent measurement and profit and loss recognition

- ① The following long-term equity investments are accounted for using the cost method:

Long-term equity investment in which the company can exercise control over the investee.

Long-term equity investments accounted for using the cost method are priced at the initial investment cost. Additional or recovered investment should adjust the cost of long-term equity investment. Cash dividends or profits announced to be distributed by the investee are recognized as investment income for the current period.

- ② Long-term equity investments with joint control (referring to joint ventures) or significant influence over the investee shall be accounted for using the equity method.

When the long-term equity investment is accounted for using the equity method, if the investment cost of the long-term equity investment is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, the investment cost of the long-term equity investment shall not be adjusted; if the investment cost of the long-term equity investment is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the book value of the long-term equity investment shall be adjusted, and the difference shall be included in the current profit and loss of the investment.

In equity method accounting, when long-term equity investment is acquired, the profit and loss from investment and other comprehensive income shall be recognized according to the share of net profit and loss and other comprehensive income realized by the investee to be enjoyed or shared, and the book value of long-term equity investment shall be adjusted. The investing enterprise shall calculate the portion that should be distributed according to the profits or cash dividends declared and distributed by the investee, and correspondingly reduce the book value of the long-term equity investment. The investor shall adjust the book value of the long-term equity investment and include it in the owner's equity for other changes in the owner's equity other than the net profit and loss, other comprehensive income and profit distribution of the investee.

To confirm the net loss of the investee, the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment in the investee shall be written down to zero, unless the company is obliged to bear additional losses to the investee. If the investee realizes a net profit in the future, the investing enterprise shall resume the recognition of the profit-sharing amount after its profit-sharing amount makes up for the unrecognized loss-sharing amount.

For other changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted and included in the owner's equity.

Long-term equity investments are accounted for using the equity method, when recognizing the profit and loss from investment, first adjust the fair value, accounting policy and accounting period of various identifiable assets of the investee when the net profit of the investee is acquired, and then recognize the profit and loss from investment for the current period according to the share of the net profit and loss of the investee to be enjoyed or shared.

For the unrealized profit and loss from internal transactions with associates and joint ventures, the part attributable to the company shall be calculated according to the shareholding ratio, and the profit and loss from investment shall be recognized on the basis of offset.

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

Joint control refers to the common control of an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be decided by the unanimous consent of the participants sharing the control rights. When judging whether there is joint control, first determine whether all participants or participants portfolios collectively control the arrangement, if all participants or a portfolio of participants must act in concert to decide the relevant activities of an arrangement, it is considered that all participants or a portfolio of participants collectively control the arrangement, next, judge whether the decision-making of the relevant activities of the arrangement must be unanimously agreed by the participants who collectively control the arrangement. If there are two or more participants portfolios collectively controlling an arrangement, it does not constitute a joint control. When judging whether there is a joint control, the protective rights enjoyed are not considered.

Significant influence refers to the powers to participate in the decision-making of an enterprise's financial and operating policies, but not to control or jointly control the formulation of these policies with other parties. When determining whether it can exert significant influence on the investee, consider the influence of the investor's direct or indirect holding of the voting shares of the investee and the current executable potential voting rights held by the investor and other parties after the assumed conversion into the equity of the investee, including the

influence of convertible warrants, share options and convertible corporate bonds issued by the investee in the current period

23. Investment real estate

Measurement for investment real estate

Cost method

Depreciation or amortization method

Refer to real estate held for rent or capital appreciation, or both, including leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings. Investment real estate should be initially measured at cost, and cost model should be used for subsequent measurement of investment real estate or fair value model on the balance sheet date.

(1) Measured by cost method

Depreciation or amortization is provided on a straight-line basis over the following service life and estimated net residual value ratio:

Name	Service life	Estimated net residual value ratio (%)	Annual depreciation or amortization rate (%)
Houses and buildings	20-40	0-10	2.25-5.00

(2) Measured by fair value

No depreciation or amortization is made for investment real estate, and its book value is adjusted based on the fair value of the investment real estate on the balance sheet date, and the difference between the fair value and the original book value is included in the current profit and loss.

24. Fixed assets

(1) Recognition

Fixed assets are tangible assets that are held for production of goods, provision of labor service, rental or operation management and have a useful life of more than one fiscal year. Fixed assets are recognized while the following conditions are simultaneously met:

- ① The economic interest related to the fixed assets probably flow into the Company;
- ② Cost of the fixed assets can be measured reliably.

(2) Depreciation

Category	Depreciation method	Depreciation life	Salvage rate	Annual depreciation rate
House and building	Straight-line depreciation	20-40 years	0%-10%	2.25%-5.00%
Vessel and netting gear	Straight-line depreciation	5-30 years	3%-5%	3.17%-19.40%
Machine equipment	Straight-line depreciation	8-20 years	0%-10%	4.50%-12.50%
Transportation equipment	Straight-line depreciation	5 years	0%-10%	18.00%-20.00%
Furniture and office equipment	Straight-line depreciation	5 years	0%-10%	18.00%-20.00%

(3) Determination basis, valuation and depreciation method of fixed assets under financing lease

Determination basis of fixed assets under financing lease

A lease is usually classified as a financial leasing if one or more of the following conditions exist:

- ① At the expiration of the lease term, the ownership of the leased asset is transferred to the lessee.
- ② The lessee has the option to purchase the leased asset, and the purchase price entered into is sufficiently low compared with the expected fair value of the leased asset at the time the option is exercised, so it can be reasonably determined that the lessee will exercise the option on the lease commencement date.
- ③ Although the ownership of the asset is not transferred, the lease term accounts for most of the useful life of the leased asset.
- ④ On the lease commencement date, the present value of the lease receipts is almost equal to the fair value of the leased assets.
- ⑤ The leased assets are of a special nature, if no major renovations are made, only the lessee can use them.

A lease may also be classified as a financial leasing if there is one or more of the following indications:

- ① If the lessee cancels the lease, the lessee shall bear the loss caused by the cancellation of the lease to the lessor.
- ② Gains or losses arising from fluctuations in the fair value of the residual value of assets are attributed to the lessee.
- ③ The lessee has the ability to continue the lease to the next period at a rent far below the market level.

Valuation and depreciation method of fixed assets under financing lease:

The leased assets are mainly office buildings and cold storage.

① Initial measurement

On the commencement date of the lease term, the right to use the leased asset during the lease term is recognized as a right-of-use asset, and the present value of the unpaid lease payments is recognized as a lease liability (except for short-term leases and leases of low-value assets). When calculating the present value of lease payments, the interest rate implicit in the lease is used as the discount rate; if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate.

② Subsequent measurement

With reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets, provision for depreciation is made for right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be acquired at the expiration of the lease term, provision for depreciation will be made within the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be acquired at the expiration of the lease term, provision for depreciation will be made within the shorter of the lease term and the remaining useful life of the leased asset.

For lease liabilities, the interest expenses in each period of the lease term shall be calculated at a fixed periodic interest rate, and shall be included in the current profit and loss or included in the related asset cost. Variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss or the related asset cost when they are actually incurred.

③After the commencement date of the lease term, when there are changes in the actual fixed payment, changes in the estimated payable amount of the guaranteed residual value, changes in the index or ratio used to determine the lease payment, and changes in the evaluation results or the actual exercise of purchase option, renewal option or termination option, the Group re-measures the lease liability based on the present value of the changed lease payment, and adjusts the book value of the right-of-use asset accordingly. Where the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be included in the current profit and loss.

25. Construction in progress

Construction in progress of the Company divided as self-run construction and out-bag construction. The Construction in progress of the Company carried forward as fixed assets while the construction is ready for the intended use. Criteria of the expected condition for use should apply one of the follow conditions: The substance construction (installation included) of the fixed assets has completed all or basically; As the projects have been in test production or operation, and the results show that the assets can operate properly and produce the qualified products stably, or the test operation result shows the assets can operate or open properly. The expenditure of the

fixed assets on the construction, is a little or little. The fixed assets of the project constructed have been up to the requirements of the design or contract, or basically up to.

26. Borrowing costs

(1) As for the Company's actual Borrowing costs directly attributable to the assets construction or production, it is capitalized and reckoned into the relevant assets cost. The assets eligible for capitalization are assets as fixed assets, investment real estate and inventories that require a significant period of time (usually one year or more) for their acquisition or production activities to reach their scheduled availability and saleable status. Other borrowing costs shall be recognized as expenses according to the amount incurred and included in the current profit and loss. Borrowing costs include borrowing interest, amortization of discount or premium, auxiliary expenses, and foreign exchange difference arising from foreign currency borrowings.

(2) Borrowing costs shall be capitalized if they meet the following conditions at the same time:

- ① The asset expenditure has occurred, and the asset expenditure includes the cash paid for acquisition and construction or production of assets eligible for capitalization, and expenses incurred in the form of transferring non-cash assets or assuming interest-bearing debt.
- ② The borrowing costs have already occurred;
- ③ Acquisition and construction or production activities necessary to make the asset ready for its intended use or sale have started.

The capitalization of borrowing costs shall cease when acquisition and construction or production of assets eligible for capitalization are ready for intended use or sale.

Where the assets eligible for capitalization are abnormally interrupted in the process of acquisition, construction or production, and the interruption lasts for more than 3 months, the capitalization of borrowing costs shall be suspended. The borrowing costs incurred during the interruption period shall be recognized as expenses and included in the current profit and loss until the acquisition, construction or production of the asset resumes. If the interruption is a necessary procedure for the acquired, constructed or produced assets eligible for capitalization to be ready for their intended use or sale, the capitalization of borrowing costs will continue.

(3) During the capitalization period, the capitalized amount of interest (including the amortization of discount or premium) in each accounting period shall be determined in accordance with the following provisions:

- ① If a special loan is borrowed for the acquisition, construction or production of assets eligible for capitalization, the interest expenses actually incurred in the current period of the special loan shall be determined by the amount after deducting the interest income obtained by depositing the unused loan funds in the bank or the income from investment obtained from temporary investment.

② If general borrowings are occupied for the acquisition, construction or production of assets eligible for capitalization, the amount of interest to be capitalized on general borrowings shall be calculated and determined by multiplying the weighted average of asset expenditures for which cumulative asset expenditures exceed specific borrowings and the capitalization rate of the occupied general borrowings. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

If there is a discount or premium on the borrowings, the amount of the discount or premium amortized in each accounting period shall be determined according to the effective interest method, and the interest amount of each period shall be adjusted.

During the capitalization period, the capitalized amount of interest in each accounting period shall not exceed the amount of interest actually incurred on the relevant borrowings in the current period.

(4) Auxiliary expenses incurred in special borrowings, which are incurred before the acquired, constructed or produced assets eligible for capitalization reach the intended use or sale state, shall be capitalized according to the amount incurred and included in the cost of the assets eligible for capitalization, if they are incurred after the acquired, constructed or produced assets eligible for capitalization reach the intended use or sale state, they shall be recognized as expenses according to the amount incurred and included in the current profit and loss. Auxiliary expenses incurred in general borrowings are recognized as expenses according to the amount incurred when they are incurred, and are included in the current profit and loss.

27. Right-of-use assets

Category of the right-of-use assets including houses and buildings.

(1) Recognition condition

The right-of-use asset refers to the right of the company as the lessee to use the leased asset during the lease term. The company recognizes the right-of-use asset for the lease on the commencement date of the lease term. The right-of-use asset is recognized when it is probable that economic benefits will flow in and the cost can be measured reliably.

(2) Initial measurement of right-of-use assets

Right-of-use assets are initially measured at cost, which includes:

- ① The initial measurement amount of the lease liability.
- ② For the lease payment paid on or before the start date of the lease period, if there is a lease incentive, deduct the relevant amount of the lease incentive already enjoyed.
- ③ Initial direct expenses incurred by the lessee.

④ The lessee's estimated costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the condition agreed upon in the lease terms.

(3) Subsequent measurement of right-of-use assets

① Use cost model for subsequent measurement of right-of-use assets

② Provision for depreciation of right-of-use asset is made. If it can be reasonably determined that the ownership of the leased asset will be acquired at the expiration of the lease term, the company shall accrue depreciation over the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the company shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset. The specific depreciation methods for each type of right-of-use asset are as follows.

(4) Depreciation methods for various right-of-use assets

Various fixed assets adopt the straight-line method for accrual of depreciation according to the following service life, estimated net residual value rate and depreciation rate:

Category	Depreciation method	Service life	Estimated net salvage value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	1.5-3 years	0	33.33-66.67

(5) Change of lease

When the lease liability is re-measured at the present value of the changed lease payment and the book value of the right-of-use asset is adjusted accordingly, if the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be included in the current profit and loss.

(6) Methods for impairment test and provision for impairment of right-of-use assets

On the balance sheet date, if there is evidence that the right-of-use asset is impaired, the corresponding impairment provision shall be made according to the difference between the book value and the recoverable amount.

28. Intangible assets

(1) Valuation methods, service life and impairment testing

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by an enterprise. Intangible assets are initially measured at cost. When acquiring intangible assets, analyze and judge their useful life.

Factors that the company usually considers when determining the useful life of intangible assets:

-
- ① The usual life cycle of the product produced using the asset, and available information on the useful life of similar assets;
 - ② The current situation of technology, process and other aspects and the estimation of future development trend;
 - ③ The market demand for products produced or services provided by the asset;
 - ④ Actions expected to be taken by current or potential competitors;
 - ⑤ The expected maintenance expenses for maintaining the ability of the asset to bring economic benefits, and the company's expected ability to pay the relevant expenses;
 - ⑥ Relevant legal provisions or similar restrictions on the control period of the asset, such as license period, lease term, etc.;
 - ⑦ Relationship with the service life of other assets held by the enterprise, etc.

If it is impossible to foresee the period in which an intangible asset brings economic benefits to the company, it shall be regarded as an intangible asset with an indefinite useful life.

For an intangible asset with limited useful life, systematically and reasonably (or straight-line method) amortize in the useful life. At the end of each year, the company reviews the useful life and amortization method of intangible assets with limited useful life. If the useful life and amortization method of intangible assets are different from previous estimates, the amortization period and amortization method will be changed.

For intangible assets with limited useful life, when calculating the amortization amount using the straight-line method, the useful lives and estimated net residual value ratios of various intangible assets are as follows:

Name	Service life	Estimated net salvage value rate (%)
Land use rights	42-50 years	0
Software	5-10 years	0

(2) Accounting policy of the internal R&D expenditure

① Expenditures for internal research and development projects, including research phase expenditure and development phase expenditure, of which:

- 1) Research means original and planned investigations to acquire and understand new scientific or technological knowledge.
- 2) Development refers to the application of research results or other knowledge to a plan or design before commercial production or use, so as to produce new or substantially improved materials, devices, products, etc. .

② Expenditures on internal research and development projects in the research stage are included in the current profit and loss when incurred; expenditures in the development stage are recognized as intangible assets when meet the following conditions at the same time:

- 1) Completing the intangible asset so that it can be used or sold and has technical feasibility;
- 2) With the intention to complete the intangible asset and use or sell it;

-
- 3)The method of intangible asset generating economic benefits, including the ability to prove that the product produced by the intangible asset exists in the market or the intangible asset itself exists in the market, if the intangible asset will be used internally, its usefulness can be proved;
 - 4)Sufficient technical, financial resources and other resource support are available to complete the development of the intangible asset and have the ability to use or sell the intangible asset;
 - 5)The expenditures vested in the development stage of this intangible asset can be reliably measured.

29. Long-term assets impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited useful lives, investment real estate measured at cost, and long-term equity investments in subsidiaries, joint ventures, and associates, the company determine whether there is any sign of impairment on the balance sheet date. Where there are signs of impairment, estimate the recoverable amount and conduct an impairment test. For intangible assets with indefinite goodwill and useful lives and intangible assets that have not yet reached a usable state are subject to an annual impairment test regardless of whether there is any sign of impairment.

Where the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, provision for impairment shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of net amount of asset's the fair value less disposal costs and the present value of the asset's expected future cash flows. The fair value of the asset is determined based on the price of the sales agreement in the fair transaction; where there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buying offer for the asset; where there is neither sales agreement nor active market, the fair value of the asset is estimated based on the best information available. Disposal costs include legal fees, related taxes, and removal fees related to the assets disposal, as well as direct expenses incurred in bringing the assets to marketable condition. The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate discount rate. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest asset portfolio that can independently generate cash inflows.

As far as the impairment test of goodwill is concerned, the book value of the goodwill formed by a business combination shall be apportioned to the relevant asset group in a reasonable manner from the date of acquisition; where it is difficult to apportion it to the relevant asset group, it shall be apportioned to the related asset group portfolio. The relevant asset group or asset group portfolio is an asset group or asset group portfolio that can benefit from the synergistic effect of the business combination, and is not larger than the reporting segment determined by the Company.

When conducting an impairment test on the relevant asset group or asset group portfolio that contains goodwill, if there is any sign of impairment of the asset group or asset group portfolio related to goodwill, first make impairment test on the asset group or asset group portfolio without goodwill, calculate the recoverable amount, and recognize the corresponding impairment loss. Then carry out an impairment test on the asset group or asset group portfolio with goodwill, and compare its book value with the recoverable amount. Where the recoverable amount is lower than the book value, the amount of impairment loss shall first deduct the book value of goodwill apportioned to the asset group or asset group portfolio, and then proportionally deduct the book value of other assets according to the proportion of the book value of other assets other than goodwill in the asset group or asset group portfolio, but the book value of each asset after offsetting shall not be lower than the higher of the net amount (if determinable) of the asset's fair value less disposal costs and the present value of the asset's expected future cash flow (if determinable), and at the same time not less than zero.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

30. Long-term deferred expenditure

Long-term deferred expenditure is an expenses that has been incurred but should be borne by the Company in current and future period and is apportioned over a period of one year or more (exclusive). the long-term deferred expenditure is amortized evenly over the benefit period, if the long-term deferred expenditure does not benefit subsequent accounting periods, the entire unamortized value amortized should be transferred to current gain/losses.

Amortized on a straight-line basis over the following years:

Name	Amortization period
Decoration costs	2-10 years

31. Contract liability

Contract liability reflects the obligation to transfer goods to a customer for consideration received or receivable from the customer. Before transferring the goods to the customer, where the customer has already paid the contract consideration or has acquired the right to unconditionally receive the contract consideration, the contract liability shall be recognized according to the amount received or receivable at the earlier point of time of the actual payment amount and the amount due and payable. Contract assets and contract liabilities under the same contract are listed as net amount, and contract assets and contract liabilities under different contracts are not offset.

32. Employees benefits

(1) Accounting for short-term remuneration

Short-term remuneration refers to the employee remuneration that the company needs to pay in full within 12 months after the end of the annual reporting period in which the employees provide relevant services.

Short-term remuneration includes employee wages, bonuses, allowances and subsidies, employee welfare, medical insurance, work-related injury insurance and maternity insurance and other social insurance premiums, housing provident fund, labor union funds and employee education funds, short-term paid absences, short-term profit sharing plans, non-monetary benefits, and other short-term compensation.

Short-term remuneration is during the accounting period in which employees provide services to the company, the actual short-term remuneration is recognized as a liability and included in the current profit and loss or related asset costs.

(2) Accounting for post-employment benefits

Post-employment benefits refer to various forms of remuneration and benefits provided by the company in order to obtain the services provided by the employees after the employees retire or terminate the labor relationship with the company, except for short-term remuneration and dismissal benefits.

Post-employment benefit plans shall be classified as defined contribution plans and defined benefit plans. Among them, a defined contribution plan refers to a post-employment benefit plan in which the company no longer undertakes further payment obligations after paying a fixed fee to an independent fund; a defined benefit plan refers to a post-employment benefit plan other than the defined contribution plan.

The defined contribution plan includes basic pension insurance, unemployment insurance, etc. During the accounting period in which the employee provides services, the amount to be paid calculated according to the defined contribution plan is recognized as a liability and included in the current profit and loss or related asset costs.

At the end of the reporting period, the employee remuneration costs arising from the defined benefit plan are recognized as the following components:

- ① Service costs, including current service costs, past service costs and settlement gains or losses.
- ② The net interest of net liabilities or net assets of the defined benefit plan, including the interest income of the plan assets, the interest expenses of the obligations of the defined benefit plan, and the interest affected by the asset limit.
- ③ Changes arising from re-measurement of net liabilities or net assets of other long-term employee benefits.

Unless other accounting standards require or allow the cost of employee benefits to be included in the cost of assets, the above items ① and ② shall be included in the current profit and loss; item ③ shall be included in other comprehensive income, and it is not allowed to be transferred back to profit or loss in subsequent accounting periods, but the amounts recognized in other comprehensive income may be transferred within equity.

Under a defined benefit plan, past service costs are recognized as current expenses on the earlier of the following dates:

-
- 1) When revising the defined benefit plan.
 - 2) When the enterprise confirms relevant restructuring expenses or dismissal benefits.

When a defined benefit plan is settled, a settlement gain or loss is recognized.

(3) Accounting for termination benefits

The termination benefits are compensation given by the Company to an employee to terminate the employment relationship before the expiration of the employment contract, or to encourage the employee to voluntarily accept redundancy.

The Company recognizes a liability and expenses in the current profit or loss for termination benefits at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits; and when the Company recognizes costs for restructuring involving the payment of termination costs.

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

Other long-term employee benefits refer to all employee remuneration except short-term remuneration, post-employment benefits, and dismissal benefits, including long-term paid absences, long-term disability benefits, and long-term profit-sharing plans.

Other long-term employee benefits provided by the enterprise to employees that meet the conditions of the defined contribution plans shall be dealt with in accordance with the relevant provisions of the above defined contribution plans.

Except for the situations that meet the conditions of the defined contribution plans, the net liabilities or net assets of other long-term employee benefits shall be recognized and measured in accordance with the relevant provisions of the defined benefit plans. At the end of the reporting period, the enterprise shall recognize the cost of employee remuneration arising from other long-term employee benefits as the following components:

- ① Service costs.
- ② Net interest on net liabilities or net assets of other long-term employee benefits.
- ③ Changes arising from re-measurement of net liabilities or net assets of other long-term employee benefits.

In order to simplify the relevant accounting treatment, the total net amount of the above items is included in the current profit and loss or the related asset costs.

33. Leasing liability

On the commencement date of the lease term, except for short-term leases and leases of low-value assets, the present value of unpaid lease payments is recognized as a lease liability. When calculating the present value of

lease payments, the interest rate implicit in the lease is used as the discount rate; where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate. The interest expenses of the lease liability in each period of the lease term are calculated at a fixed periodic interest rate and included in the current profit and loss, except for those included in the asset costs. Variable lease payments that are not included in the measurement of lease liabilities are included in the current profit and loss when they are actually incurred, unless otherwise stipulated to be included in the related asset costs.

After the commencement date of the lease term, when there are changes in the actual fixed payment amount, changes in the estimated payable amount of the guaranteed residual value, changes in the index or ratio used to determine the lease payments, as well as changes in the assessment results of a purchase option, a lease renewal option or a termination option or changes in the actual exercise situation, the lease liability is remeasured at the present value of the changed lease payments.

34. Accrual liability

the contingent obligation is recognized as an accrual liability if both of the following conditions are met:

- (1) the obligation is a present obligation of the enterprise;
- (2) performance of the obligation is likely to result in an outflow of economic benefits from the enterprise;
- (3) amount of the obligation can be measured reliably.

The accrual liability should be initially measured at the best estimate of the expenditure required to settle the related present obligations.

35.Share-based payment

(1) Types of share-based payment

Share-based payment is classified as equity-settled share-based payment and cash-settled share-based payment.

Equity-settled share-based payment refers to a transaction in which an enterprise uses shares or other equity instruments as consideration to acquire services. The equity instruments referred here are the enterprise's own equity instruments.

Cash-settled share-based payment refers to a transaction in which an enterprise undertakes the obligation to deliver cash or other assets calculated and determined on the basis of shares or other equity instruments in order to acquire services.

(2) Methods of determining the fair value of equity instruments.

Where there is an active market for equity instruments, it shall be determined according to the quotation in the active market.

Where there is no active market for equity instruments, use valuation techniques for determination, including reference to prices used in recent market transactions among parties who are familiar with the situation and willing to trade, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method and option pricing model.

(3) Basis for confirming the best estimate of the exercisable equity instruments.

On each balance sheet date, according to the latest follow-up information such as the change in the number of exercisable people and the completion of performance indicators, the number of stock options that are expected to be exercisable is revised, and the expenses to be apportioned in each period are confirmed on this basis. For an option cost spanning multiple accounting periods, it can generally be apportioned according to the proportion of the waiting period length of the option to the entire waiting period length in a certain accounting period.

(4) Accounting treatment related to implementation, modification and termination of share-based payment plan

① The equity-settled share-based payment that is exercisable immediately after the grant in exchange for employee services shall be included in the relevant costs or expenses according to the fair value of the equity instrument on the grant date, and the capital reserve shall be increased accordingly.

Equity-settled share-based payment that can be exercised in exchange for employee services after the completion of the service during the waiting period or satisfying the specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the number of exercisable equity instruments, the services obtained in the current period are included in the relevant costs or expenses and capital reserves according to the fair value of the equity instruments on the grant date,.

On the balance sheet date, where the subsequent information indicates that the number of exercisable equity instruments is different from the previous estimate, adjustments shall be made and adjusted to the actual number of exercisable equity instruments on the exercise date.

For equity-settled share-based payment, no adjustment will be made to the confirmed cost and total owner's equity after the vesting date. On the exercise date, the share capital and share premium will be confirmed according to the exercise situation, and the capital reserves (other capital reserves) confirmed during the waiting period will be carried forward.

For the granted equity instruments such as options in an active market, the fair value shall be determined according to the quotation in the active market. For granted equity instruments such as options not in an active market, the option pricing model should be used to determine their fair value, and the option pricing model selected should at least consider the following factors:

- 1) the exercise price of the option;
- 2) the validity period of the option;

-
- 3) the current price of the underlying shares;
 - 4) the expected volatility of the stock price;
 - 5) estimated dividends on the shares;
 - 6) the risk-free interest rate during the validity period of the option.

② The cash-settled share-based payment that can be exercised immediately after the grant shall be included in the relevant cost or expenses at the fair value of the liabilities assumed by the enterprise on the grant date, and the liabilities shall be increased accordingly.

For the cash-settled share-based payment that can only be exercised after completing the service during the waiting period or meeting the specified performance conditions, on each balance sheet date during the waiting period, based on the best estimate of the exercise situation, the services acquired in the current period are included in the cost or expenses and the corresponding liability according to the fair value of the liabilities assumed by the enterprise.

On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is re-measured, and the changes are included in the current profit and loss.

36. Revenue

Accounting policies for recognition and measurement of revenue

(1) Principles of revenue recognition

When the contract with the customer meets the following conditions at the same time, the revenue is recognized when the customer obtains the control of the relevant commodity:

- ① The parties to the contract have approved the contract and promised to perform their respective obligations;
- ② The contract has specified the rights and obligations of the parties to the contract in relation to the transferred commodity or the provision of labor services;
- ③ The contract has clear payment terms related to the transferred commodity;
- ④ The contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of future cash flows of the Group;
- ⑤ The consideration entitled to the transfer of commodity to the customer is likely to be recovered.

Evaluate the contract on the contract start date, identify each individual performance obligation contained in the contract, and allocate the transaction price to each individual performance obligation according to the relative proportion of the stand-alone selling price of the commodities promised by each individual performance obligation. In determining the transaction price, the influence of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to customers are considered. Then determine whether each individual performance obligation is performed within a certain period

of time or at a certain point in time, and recognize revenue separately when each individual performance obligation is performed.

If one of the following conditions is met, the performance obligation is fulfilled within a certain period of time; otherwise, the performance obligation is fulfilled at a certain point in time:

- 1) The customer obtains and consumes the economic benefits brought by the performance when the enterprise fulfills the contract;
- 2) The customer can control the commodities under construction in the process of contract performance;
- 3) The commodities produced by the enterprise during the contract performance have irreplaceable uses, and the enterprise has the right to receive payment for the performance part that has been completed so far during the entire contract period.

For performance obligations performed within a certain period of time, revenue is recognized according to the progress of performance within that period. The progress of contract performance is determined by the input method or output method according to the nature of the transferred commodities. When the progress of contract performance cannot be reasonably determined, and the costs incurred are expected to be compensated, revenue shall be recognized according to the amount of cost incurred until the progress of contract performance can be reasonably determined.

If one of the above conditions is not met, revenue will be recognized at the transaction price allocated to the single performance obligation when the customer acquired control over the relevant commodity. The following signs should be considered when judging whether a customer has acquired control of a commodity:

- (1) The enterprise has the current right to receive payment for the commodity, that is, the customer has the current payment obligation for the commodity;
- (2) The enterprise has transferred the legal ownership of the commodity to the customer, that is, the customer already owns the legal ownership of the commodity;
- (3) The enterprise has transferred the commodity in kind to the customer, that is, the customer has physically possessed the commodity;
- (4) The enterprise has transferred the main risks and rewards of the ownership of the commodity to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the commodity;
- (5) The customer has accepted the commodity;
- (6) Other signs that the customer has acquired control over the commodity.

(2) Recognition of the revenue in the Company

① Revenue recognized by the Company at a point in time when the Company has control of the related assets:

For the Company's purse seine fish sold at overseas bases, generally, the revenue is recognized upon delivery of fishing goods to customers and obtaining the right to receive payment; in the case of export sales by the local country, the income is recognized when the shipping order and bill of lading are obtained.

Most of the Company's longline fishing goods are shipped back to domestic sales, and based on the sales contract and value statements signed by both parties, the change in the right of goods is recognize on the date of the value statement, and recognized the sales revenue.

Domestic sales of the Company's aquatic products processing: Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd. issues a delivery confirmation according to the fax or mail order from domestic customers, and the Company ships the goods according to the delivery order issued by the sale department and signed by the warehouse management department, recognized the sales revenue after the customer signs for it.

Foreign sales of the Company's aquatic products processing: After the international trade department obtains the purchase orders of foreign customers, it issues an export delivery confirmation form and arranges the storage and transportation department to stock up. The Company recognized the sales revenue based on shipping documents and export documents such as packing slips and customs declarations.

②Revenue recognized by the Company in the performance period:

The Company's refrigerating fee income: After the warehousing department obtains the customer's orders, it shall issue the warehouse-in receipt to the customer to confirm the specific name, specifications, number of pieces, weight and warehouse-in date of the goods, both the warehouse supervisor and the customer sign to confirm, and the revenue is recognized monthly based on the actual storage days of the goods.

37. Government subsidy

The government subsidy is the monetary and non-monetary asset acquired by the Company from the government without compensation. They classified as asset-related government subsidy and income/revenue-related government subsidy.

(1) Judgment basis and accounting treatment method of government subsidy related to assets

government subsidy related to assets refer to government subsidy acquired by enterprises and used for acquisition and construction or to form long-term assets in other ways.

Government subsidy related to assets are recognized as deferred income by the Company, and are included in the profit and loss in stages according to a reasonable and systematic method within the useful life of the relevant assets. government subsidy measured at the nominal amount are directly included in the current profit and loss.

Where relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the undistributed balance of relevant deferred income shall be transferred to the current profit and loss of asset disposal.

Government subsidy related to the company's daily activities are included in other income by the Company according to the economic business. government subsidy unrelated to the company's daily activities shall be included in non-operating revenue.

(2) Judgment basis and accounting treatment method of government subsidy related to income

government subsidy related to income refer to government subsidy other than government subsidy related to assets.

With regard to government subsidy for comprehensive projects, the Company needs to decompose them into asset-related parts and income-related parts for separate accounting treatment; if it is difficult to distinguish, they shall be classified as income-related government subsidy as a whole.

Government subsidy related to income, which are used to compensate the relevant expenses or losses of the enterprise in the future period, are recognized as deferred income when acquired, and are included in the current profit and loss during the period in which the relevant cost or loss is recognized; those used to compensate the related expenses or losses incurred by the enterprise shall be directly included in the current profit and loss.

government subsidy related to the company's daily activities shall be included in other income according to the economic business. Government subsidies unrelated to the company's daily activities shall be included in non-operating revenue.

If the Company obtains policy preferential loan interest discount, it shall distinguish two situations in which the finance allocates the discounted interest funds to the lending bank and the finance allocates the discounted interest funds directly to the enterprise:

Where the finance allocates the discounted interest funds to the lending bank, and the lending bank provides loans to the enterprise at the policy-based preferential interest rate, the Company shall take the actual amount of the loan received as the entry value of the loan, and calculate the relevant borrowing costs based on the loan principal and the policy-based preferential interest rate.

Where the finance allocates the discounted interest funds to the enterprise, the Company shall offset the relevant borrowing costs with the corresponding discounted interest.

(3) Time-point for confirming the government subsidy

Where the government grant is a monetary asset, the Company will recognize it when it is actually received and meets the conditions attached to the government subsidy; Where the government grant is a non-monetary asset, the Company will recognize it when obtaining the control right of the non-monetary asset. Among them, non-monetary asset is measured at fair value; if the fair value cannot be acquired reliably, it is measured at the nominal amount.

When the confirmed government grant needs to be returned, if there is a balance of relevant deferred income, the book balance of the relevant deferred income shall be offset, and the excess shall be included in the current profit and loss; if there is no relevant deferred income, it shall be directly included in the current profit and loss.

38. Deferred income tax asset and deferred income tax liability

Income tax is accounted for using the balance sheet liability method. On the balance sheet date, analyze and compare the book value of assets and liabilities and their tax bases. Where there is a difference between the two, recognize deferred income tax assets, deferred income tax liabilities and corresponding deferred income tax expenses (or gains). On the basis of calculating and determining the current income tax (that is, the income tax payable in the current period) and the deferred income tax expenses (or gains), the sum of the two is recognized as the income tax expenses (or gains) in the income statement, but does not include a transaction directly included in the ownership interest or the income tax effect of an event.

At the balance sheet date, review the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred tax assets, the book value of deferred tax assets should be written down.

39. Leasing

(1) Accounting of operating leases

Not applicable

(2) Accounting of finance lease

A lease is a contract that transfers or acquires the right to control the use of one or more identified assets for a specified period in exchange for or payment of consideration. At the commencement date of a contract, assess whether the contract is or contains a lease.

1) The company as the lessee

The leased assets are mainly office buildings and cold storage.

① Initial measurement

At the commencement date of the lease term, the right to use the leased asset during the lease term is recognized as a right-of-use asset, and the present value of the unpaid lease payments is recognized as a lease liability (except for short-term leases and leases of low-value assets). When calculating the present value of lease payments, the

interest rate implicit in the lease is used as the discount rate; if the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee is used as the discount rate.

② Subsequent measurement

With reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets to conduct depreciation on the right-of-use assets (see Note IV. 27 Right-of-use assets), where it can be reasonably determined that the ownership of the leased assets will be obtained at the expiration of the lease term, depreciation shall be accrued within the remaining useful life of the leased asset. Where it cannot be reasonably determined that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining useful life of the leased asset. For lease liabilities, the interest expenses in each period of the lease term is calculated at a fixed periodic interest rate, and is included in the current profit and loss or included in the related asset cost. Variable lease payments not included in the measurement of lease liabilities are included in the current profit and loss or the related asset cost when they are actually incurred.

③ After the commencement date of the lease term, when there are changes in the actual fixed payment, changes in the estimated payable amount of the guaranteed residual value, changes in the index or ratio used to determine the lease payment, and changes in the evaluation results or the actual exercise of purchase option, renewal option or termination option, the Group re-measures the lease liability based on the present value of the changed lease payment, and adjusts the book value of the right-of-use asset accordingly. Where the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount shall be included in the current profit and loss.

④ Short-term leases and low-value asset leases

For short-term leases (leases with a lease term of not more than 12 months on the lease commencement date) and low-value asset leases, a simplified approach is adopted, no right-of-use assets and lease liabilities are recognized, and lease payments are included in the relevant asset cost or in the current profit and loss by the straight-line method or other systematic and reasonable methods during each period of the lease term.

2) The company as the lessor

At the commencement date, leases are classified into financial leases and operating leases based on the transaction. A financial lease is a lease that substantially transfers all the risks and rewards associated with ownership of the leased asset. Operating leases refer to leases other than financial leases.

① Operating lease

The Company adopts the straight-line method to recognize lease receipts from operating leases as rental income for each period of the lease term. Variable lease payments related to operating leases that are not included in lease receipts are included in the current profit or loss when they are actually incurred.

② Financial lease

At the commencement date of the lease term, the financial lease receivables are recognized and the financial leasing assets are derecognized. The financial lease receivables are initially measured as the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term, discounted at the interest rate implicit in the lease), and the interest income is calculated and recognized at a fixed periodic interest rate calculation during the lease term. The variable lease payments not included in the measurement of net lease investment are included in the current profit and loss when they are actually incurred.

③ The Company's income to which the lease standards apply

The Company's income from ship leasing: Shandong Zhonglu Aquatic Shipping Co., Ltd. and HABITAT INTERNATIONAL CORPORATION adopt time charter for the leasing of transport ships. The company leases the ships equipped with operating personnel to others for a certain period of time, and waits for the lessee to dispatch during the lease term, the lease fee is charged to the lessee on a daily basis regardless of whether the ship is operating or not, and the company is responsible for the fixed costs (such as personnel wages, maintenance costs, etc.). Periodic settlement is made with the customer during the lease term, and the income is recognized according to the number of lease days determined together with the customer.

The Company's housing and other rental income: after signing a lease contract with the customer, the company will collect the rental fee from the lessee based on the leased area and the contract unit price, and the fixed costs (such as staff wages, maintenance costs, etc.) are all borne by the company. Periodic settlement is made with the customer during the lease term, and the income is recognized according to the customer's lease period.

40. Changes of other important accounting policy and estimation

(1) Changes in important accounting policies

√Applicable □Not applicable

Contents and reasons of changes in accounting policies	Approval procedures	Note
On December 30, 2021, the Ministry of Finance issued the Interpretation No. 15 of the Accounting Standards for Business Enterprises (Cai Kuai [2021] No. 35), which regulates the accounting treatment for the external sales of products or by-products produced by enterprises before the fixed assets are ready for their intended use or during the research and development process, the presentation of centralized management of funds, and	Released by announcement	Found more in relevant Notice released on Juchao Website (http://www.cninfo.com.cn)

the judgment on loss-making contracts. The company made changes to the corresponding accounting policies in accordance with the above-mentioned notice of the Ministry of Finance.		
--	--	--

In the Interpretation No. 15 of the Accounting Standards for Business Enterprises Interpretation No. 15, the contents of the "accounting treatment for the external sales of products or by-products produced by enterprises before the fixed assets are ready for their intended use or during the research and development process" and "judgment on loss-making contracts" have come into force on January 1, 2022; the contents of "presentation of centralized management of funds" have come into force on the date of promulgation. The company has made changes to the corresponding accounting policies in accordance with the regulations mentioned above.

The changes in accounting policies are corresponding changes made by the company according to the latest interpretation of accounting standards amended by the Ministry of Finance, which does not involve retrospective adjustments to the previous years of the company, and will not have any significant impact on the company's financial conditions and operating results, such as owner's equity, net profit, etc..

(2)Change of important accounting estimates

☐Applicable ☒Not applicable

VI. Taxes

1. Major tax and tax rate

Taxes	Taxation basis	Tax rate
VAT	Output tax minor the deductible input tax	13%, 9%, 6%, 5%, tax-free
Urban maintenance and construction tax	Turnover taxes payable	7%
Corporate income ax	Taxable amount	Exemption, 25%, 8%

Explain the different taxation entity of the enterprise income tax

Taxation entity	Income tax rate
Shandong Zhonglu Oceanic Fisheries Company Limited	Imposing no tax on distant fishing, and 25% for the houses leasing
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	Exemption
AFRICA STAR FISHERIES LIMITED	Based on regulation of Ghana: 8% for export parts, 25% for domestic sales
HABITAT INTERNATIONAL CORPORATION	Exemption

LAIF FISHERIES CO.LTD	25%
ZHONG GHA FOODS COMPANY LIMITED	25%
Shandong Zhonglu Fishery Shipping Co., Ltd.	25%
Shandong Zhonglu Ocean Refrigerated Co., Ltd	Imposing no tax on aquatic product processing, and 25% for refrigeration service
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Imposing no tax on aquatic product processing, and 25% for refrigeration service
Zhonglu Oceanic (Qingdao) Industrial Investment Development Co., Ltd	25%

2. Preferential tax

(1) VAT tax preference:

According to the relevant provisions of the Circular About the Provisional Management Method of Not Levying the Tax on the Aquatic Products Directly Caught by Ocean Fishery Enterprises (SS No. [2000] 260), China's ocean fishery enterprises stipulate on the high seas or in accordance with the relevant agreements that the aquatic products caught in foreign sea areas and sent back for domestic sales should be regarded as the domestic products and should not be levied the import duties and import VAT. If the corresponding domestic sales business is the primary agricultural products sales, exempt from the VAT according to the provisions of VAT rules. The Company's sales revenue from ocean-going fishing operations is exempt from VAT.

According to the stipulations of the Notice on Comprehensively Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax" (No. 36 of 2016), the direct or indirect international freight forwarding services provided by taxpayers are exempt from value-added tax. The relevant sales income obtained by Shandong Zhonglu Fishery Shipping Co., Ltd., a subsidiary of the Company, is exempt from value-added tax.

(2) Income tax preference:

In accordance with relevant regulation of the Law of the People's Republic of China on Enterprise Income Tax, Implementation Regulations of the Corporate Income Tax Law of the People's Republic of China, Ministry of Finance, State Taxation Administration on Notice on the Release of Scope of Enterprise Income Tax Preferential Policies to Enjoy the Primary Processing of Agricultural Products (Trial)(Cai Shui [2008]No.149, Ministry of Finance, State Taxation Administration on Supplementary Notice on Scope of Enterprise Income Tax Incentive for Primary Processing of Agricultural Products (Cai Shui [2011]No.26) and State Taxation Administration on Notice on Issues Concerning the Implementation of Enterprise Income Tax Preferences for Agricultural, Forestry, Husbandry and Fishery Projects (Announcement No.48 [2011] of the State Taxation Administration), as for the processing charge acquired from primary processing of agricultural products or the entrusted primary processing business can be treated as a duty-free items. The income obtained from offshore fishing business and primary

processing of agricultural products are exempt from enterprise income tax. The income obtained except from offshore fishing business and primary processing of agricultural products are tax at a rate of 25% for enterprise income tax.

VII. Notes to main items in consolidated financial statement

1. Monetary fund

Unit: RMB/CNY

Item	Closing balance	Opening balance
Cash on hand	2,499,175.46	1,975,275.82
Bank deposit	210,436,955.65	207,674,030.17
Other monetary fund		924,476.50
Total	212,936,131.11	210,573,782.49
Including: Total amount save aboard	15,093,239.91	56,468,228.09
The total amount of money that has restrictions on use due to mortgage, pledge or freezing		924,476.50

2. Account receivable

(1) Category

Unit: RMB/CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	48,765,166.84		8,483,769.94		40,281,396.90	46,647,616.30	100.00%	8,841,029.39	18.95%	37,806,586.91
Including:										
Total	48,765,166.84		8,483,769.94		40,281,396.90	46,647,616.30	100.00%	8,841,029.39	18.95%	37,806,586.91

Accrual of bad debt provision on portfolio: 8,483,769.94

Unit: RMB/CNY

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Provision for bad debts by combination	48,765,166.84	8,483,769.94	17.40%
Total	48,765,166.84	8,483,769.94	

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

☐Applicable ☒Not applicable

By account age

Unit: RMB/CNY

Account age	Closing balance
Within one year (one year included)	41,716,632.63

1-2 years	920,010.37
2-3 years	6,993.87
Over three years	6,121,529.97
3-4 years	524,742.53
Over five years	5,596,787.44
Total	48,765,166.84

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Charge-off	Other	
Provision for bad debts by combination	8,841,029.39	401,377.91	759,905.99		-1,268.63	8,483,769.94
Total	8,841,029.39	401,377.91	759,905.99		-1,268.63	8,483,769.94

(3) Top five account receivables collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance	Bad debt preparation ending balance
WEC CO.,LTD	8,139,905.08	16.69%	406,995.25
NOTOS CO.,LTD	5,788,702.20	11.87%	289,435.11
PANDA CO.,LTD	3,600,962.12	7.38%	3,600,962.12
Shenzhen SZY Trading Co., Ltd.	3,371,310.04	6.91%	168,565.50
FCF CO.,LTD	2,294,638.15	4.71%	114,731.91
Total	23,195,517.59	47.56%	

3. Accounts paid in advance

(1) By account age

Unit: RMB/CNY

Account age	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	41,451,953.67	99.73%	18,422,346.91	98.62%
1-2 years	35,000.00	0.08%	31,878.50	0.17%
2-3 years	76,508.40	0.18%	229,525.20	1.21%
Total	41,563,462.07		18,683,750.61	

(2) Top 5 account paid in advance collected by objects at ending balance

Name	Closing balance	Ratio in total account paid in advance at period-end
Dongyi Sea Transportation Personal Company	8,558,615.78	20.59%
Qingdao Jiyang Trading Co., Ltd.	4,536,309.07	10.91%
Somali fishing fees	4,443,603.99	10.69%

ECONOMIC AND ORGANISED CRIME OFFICE	3,150,242.54	7.58%
Rongcheng Ocean Fishery Co., Ltd.	3,118,961.03	7.50%
Total	23,807,732.41	57.28%

4. Other account receivable

Unit: RMB/CNY

Item	Closing balance	Opening balance
Other account receivable	1,749,343.28	3,596,759.88
Total	1,749,343.28	3,596,759.88

(1) Other account receivable

1) By nature

Unit: RMB/CNY

Nature	Closing book balance	Opening book balance
Margin	312,971.33	974,758.29
Intercourse funds and other	6,273,372.70	7,416,277.35
Total	6,586,344.03	8,391,035.64

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2022	407,478.95		4,386,796.81	4,794,275.76
Balance of Jan. 1, 2022 in the period				
Current accrual	66,084.99			66,084.99
Current reversal	21,871.90			21,871.90
Other change	1,488.10			1,488.10
Balance on Jun. 30, 2022	450,203.94		4,386,796.81	4,837,000.75

Change of book balance of loss provision with amount has major changes in the period

☐Applicable ☒Not applicable

By account age

Unit: RMB/CNY

Account age	Closing balance
Within one year (one year included)	1,574,778.10
Within 6 months	99,083.67
6 months to 1 year	1,475,694.43
1-2 years	405,363.61
2-3 years	61,394.73
Over three years	4,544,807.59
3-4 years	7,729.71
4-5 years	213,128.09
Over 5 years	4,323,949.79
Total	6,586,344.03

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Written off	Other	
Provision for bad debts based on age	4,794,275.76	66,084.99	21,871.90		1,488.10	4,837,000.75
Total	4,794,275.76	66,084.99	21,871.90		1,488.10	4,837,000.75

4) Top 5 other account receivable collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Nature	Closing balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Shandong Tianzong Culture Media Co., Ltd.	Margin	299,000.00	1-2 years	4.54%	89,700.00
Japan Daihatsu Co., Ltd.	Intercourse funds	288,896.39	Over 5 years	4.39%	288,896.39
China Merchants Bank Co., Ltd. Qingdao Branch	Margin	245,100.00	2-3 years	3.72%	122,550.00
DIVING-SEAGULL	Intercourse funds	207,072.50	Over 5 years	3.14%	207,072.50
Wende Ship Repair Company	Intercourse funds	200,000.00	Over 5 years	3.04%	200,000.00
Total		1,240,068.89		18.83%	908,218.89

5. Inventories

Whether implemented the new revenue standards

No

(1) Category

Unit: RMB/CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Book balance	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	97,887,231.87	1,085,812.08	96,801,419.79	82,776,760.71	1,219,147.19	81,557,613.52
Inventory	212,273,002.55	2,663,381.28	209,609,621.27	195,084,739.68	5,310,785.27	189,773,954.41
Revolving materials	1,141,908.36		1,141,908.36	714,207.27		714,207.27

Contract performance cost				668,796.62		668,796.62
Goods in transit				4,714,393.22	969,516.29	3,744,876.93
Low value consumables	701,809.48		701,809.48	635,909.00		635,909.00
Total	312,003,952.26	3,749,193.36	308,254,758.90	284,594,806.50	7,499,448.75	277,095,357.75

(2) Provision for inventory depreciation or contract performance cost impairment provision

Unit: RMB/CNY

Item	Opening balance	Current increased		Current decreased		Closing balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	1,219,147.19			133,335.11		1,085,812.08
Inventory	5,310,785.27			2,647,403.99		2,663,381.28
Goods in transit	969,516.29			969,516.29		
Total	7,499,448.75			3,750,255.39		3,749,193.36

6. Other current assets

Unit: RMB/CNY

Item	Closing balance	Opening balance
Input VAT ready for deduction	4,057,052.02	20,462,827.93
Income tax prepaid	103,543.07	104,950.69
Prepay other taxes	111,541.11	65,813.61
Total	4,272,136.20	20,633,592.23

7. Long-term equity investment

Unit: RMB/CNY

The invested entity	Opening balance (book value)	Current changes (+, -)								Ending balance (book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture											
II. Associated enterprise											
Jinan Qinyu Food Technology Co., Ltd.									2,382,345.00	2,382,345.00	
Subtotal									2,382,345.00	2,382,345.00	
Total									2,382,345.00	2,382,345.00	

									45.00	45.00	
--	--	--	--	--	--	--	--	--	-------	-------	--

8. Investment real estate

(1) Measured at cost

√Applicable □Not applicable

Unit: RMB/CNY

Item	House and building	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	51,308,578.35			51,308,578.35
2. Current increased				
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	51,308,578.35			51,308,578.35
II. Accumulated depreciation and accumulated amortization				
1. Opening balance	20,313,133.54			20,313,133.54
2. Current increased	663,038.34			663,038.34
(1) Accrual or amortization	663,038.34			663,038.34
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	20,976,171.88			20,976,171.88
III. Impairment provision				
1. Opening balance	886,512.06			886,512.06
2. Current increased				
(1) Accrual				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4. Closing balance	886,512.06			886,512.06
IV. Book value				
1. Ending book value	29,445,894.41			29,445,894.41
2. Opening book value	30,108,932.75			30,108,932.75

(2) Measure on fair value

☐Applicable ☒Not applicable

(3) Investment real estate without property certificate completed

Unit: RMB/CNY

Item	Book value	Reasons
Zhonglu Oceanic Building, No.43 Heping Road, Jinan City	29,361,375.76	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Enterprise Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZZDi-1299), Shandong Aquatic Products Enterprise Group Co., Ltd. compensates for the debts of Shandong Zhonglu Oceanic Fisheries Co., Ltd. with its office building located at No. 43, Heping Road, Lixia District, Jinan City and the office supplies, the originally determined book value of the office building is 54,223,132.40 yuan, the book value is 31,807,244.79 yuan (the self-use part is included in the fixed assets, and the rental part is included in the investment real estate), the property site was originally allocated and the property title certificate is on hold.

9. Fixed assets

Unit: RMB/CNY

Item	Closing balance	Opening balance
Fixed assets	527,708,946.38	476,894,877.56
Total	527,708,946.38	476,894,877.56

(1) Fixed assets

Unit: RMB/CNY

Item	House and building	Vessel and netting gear	Machine equipment	Transportation equipment	Furniture and office equipment	Total
I. Original book value :						
1. Opening balance	123,131,088.57	635,972,457.95	62,092,102.73	9,211,315.93	11,082,537.05	841,489,502.23
2. Current increased	48,714.75	84,402,311.70	539,384.23	195,850.75	165,782.88	85,352,044.31
(1) Purchasing		8,984.92	532,334.40		138,212.30	679,531.62
(2) Construction in progress transfer-in		58,727,101.87				58,727,101.87
(3) Increased by combination						
(4) Fluctuations in exchange	48,714.75	25,666,224.91	7,049.83	195,850.75	27,570.58	25,945,410.82
3. Current decreased		32,691,026.26			9,159.50	32,700,185.76
(1) Disposal or scrapping		32,691,026.26			9,159.50	32,700,185.76
4. Closing balance	123,179,803.32	687,683,743.39	62,631,486.96	9,407,166.68	11,239,160.43	894,141,360.78

II. Accumulative depreciation						
1. Opening balance	37,829,371.76	282,378,158.59	29,198,385.63	6,143,680.84	8,887,454.35	364,437,051.17
2. Current increased	1,328,251.04	28,144,826.38	1,870,914.71	850,604.87	708,827.18	32,903,424.18
(1) Accrual	1,320,730.86	20,412,486.39	1,867,657.88	697,540.06	685,997.85	24,984,413.04
(2) Fluctuations in exchange	7,520.18	7,732,339.99	3,256.83	153,064.81	22,829.33	7,919,011.14
3. Current decreased		31,056,474.95			9,159.50	31,065,634.45
(1) Disposal or scrapping		31,056,474.95				31,056,474.95
4. Closing balance	39,157,622.80	279,466,510.02	31,069,300.34	6,994,285.71	9,587,122.03	366,274,840.90
III. Impairment provision						
1. Opening balance		157,573.50				157,573.50
2. Current increased						
(1) Accrual						
3. Current decreased						
(1) Disposal or scrapping						
4. Closing balance		157,573.50				157,573.50
IV. Book value						
1. Ending book value	84,022,180.52	408,059,659.87	31,562,186.62	2,412,880.97	1,652,038.40	527,708,946.38
2. Opening book value	85,301,716.81	353,436,725.86	32,893,717.10	3,067,635.09	2,195,082.70	476,894,877.56

(2) Fixed assets without property certificate obtained

Unit: RMB/CNY

Item	Book value	Causes
Zhonglu Oceanic Building, No.43 Heping Road, Jinan City	1,716,925.97	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Enterprise Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZZDi-1299), Shandong Aquatic Products Enterprise Group Co., Ltd. compensates for the debts of Shandong Zhonglu Oceanic Fisheries Co., Ltd. with its office building located at No. 43, Heping Road, Lixia District, Jinan City and the office supplies, the originally determined book value of the office building is 54,223,132.40 yuan, the book value is 31,807,244.79 yuan (the self-use part is included in the fixed assets, and the rental part is included in the investment real estate), the property site was originally allocated and the property title certificate is on hold.

10. Construction in progress

Unit: RMB/CNY

Item	Ending balance	Opening balance
------	----------------	-----------------

Construction in progress	166,987,910.20	165,273,027.75
Total	166,987,910.20	165,273,027.75

(1) Construction in progress

Unit: RMB/CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Atlantic Seine Item	4,077,658.55	4,077,658.55		4,077,658.55	4,077,658.55	
Luqing Fishing 161 squid fishing boat				7,112,575.38		7,112,575.38
Luqing Fishing 162 squid fishing boat				7,346,386.83		7,346,386.83
Tailong 7 seine boats	49,525,000.00		49,525,000.00	25,875,000.00		25,875,000.00
Tailong 9 seine boats	49,525,000.00		49,525,000.00	25,875,000.00		25,875,000.00
Xinmaorong transport vessels				32,341,459.60		32,341,459.60
Business premises	66,722,605.94		66,722,605.94	66,722,605.94		66,722,605.94
Zhonglu Marine Innovation Industrial Park	1,215,304.26		1,215,304.26			
Total	171,065,568.75	4,077,658.55	166,987,910.20	169,350,686.30	4,077,658.55	165,273,027.75

(2) Changes of major Construction in progress

Unit: RMB/CNY

Item Name	Budget	Opening balance	Current increased	Transfer to fixed assets	Other decreasing	Closing balance	Proportion of project investment in budget	Work progress	Accumulative amount of interest capitalization	Including: interest capitalization in Period	Capitalizing rate	Capital resources
Tailong 7 seine boats	207,000,000.00	25,875,000.00	24,755,089.10	1,105,089.10		49,525,000.00	28.30%	28.30%	950,000.00	950,000.00	100.00%	Financial Institution Loans
Tailong 9 seine boats	207,000,000.00	25,875,000.00	24,755,089.10	1,105,089.10		49,525,000.00	28.30%	28.30%	950,000.00	950,000.00	100.00%	Financial Institution Loans
Business premises	79,000,000.00	66,722,605.94				66,722,605.94	84.46%	84.46%				Financial Institution

												Loans
Total	493, 0 00, 00 0. 00	118, 4 72, 60 5. 94	49, 51 0, 178 . 20	2, 210 , 178. 20		165, 7 72, 60 5. 94			1,900, 000.00	1,900, 000.00		

11. Right-of-use assets

Unit: RMB/CNY

Item	House and building	Total
I. Original book value		
1. Opening balance	5,498,108.96	5,498,108.96
2. Current increased	57,482.40	57,482.40
3. Current decreased	1,848,775.14	1,848,775.14
4. Closing balance	3,706,816.22	3,706,816.22
II. Accumulative depreciation		
1. Opening balance	3,143,165.10	3,143,165.10
2. Current increased	1,331,203.47	1,331,203.47
(1) Accrual	1,302,948.62	1,331,203.47
(2) Exchange impact	28,254.85	
3. Current decreased	1,848,775.14	1,848,775.14
(1) Accrual	1,848,775.14	1,848,775.14
4. Closing balance	2,625,593.43	2,625,593.43
III. Impairment provision		
1. Opening balance		
2. Current increased		
(1) Accrual		
3. Current decreased		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Ending book value	1,081,222.79	1,081,222.79
2. Opening book value	2,354,943.86	2,354,943.86

12. Intangible assets

(1) Intangible assets

Unit: RMB/CNY

Item	Land use rights	Patent right	Non-patented technology	Computer software	Total
I. Original book value					
1. Opening balance	17,154,729.00			2,331,484.03	19,486,213.03
2. Current increased	52,255,113.26				52,255,113.26
(1) Purchasing	52,255,113.26				52,255,113.26
(2) Internal R&D					

(3) Increased by combination					
3.Current decreased					
(1) Disposal					
4.Closing balance	69,409,842.26			2,331,484.03	71,741,326.29
II. Accumulated amortization					
1.Opening balance	5,991,515.08			1,384,300.23	7,375,815.31
2.Current increased	714,486.24			181,961.03	896,447.27
(1) Accrual	714,486.24			181,961.03	896,447.27
3.Current decreased					
(1) Disposal					
4.Closing balance	6,706,001.32			1,566,261.26	8,272,262.58
III. Impairment provision					
1.Opening balance					
2.Current increased					
(1) Accrual					
3.Current decreased					
(1) Disposal					
4.Closing balance					
IV. Book value					
1.Ending book value	62,703,840.94			765,222.77	63,469,063.71
2.Opening book value	11,163,213.92			947,183.80	12,110,397.72

13. Long-term prepaid expenses

Unit: RMB/CNY

Item	Opening balance	Current increased	Amortized in Period	Other decreased	Closing balance
Renovation costs	220, 738. 00	4, 288, 012. 48	4, 335, 398. 80	0. 00	173, 351. 68
Total	220, 738. 00	4, 288, 012. 48	4, 335, 398. 80	0. 00	173, 351. 68

14. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred income tax assets without offset

Unit: RMB/CNY

Item	Closing balance		Opening balance	
	Deductible temporary	Deferred income tax	Deductible temporary	Deferred income tax

	differences	asset	differences	asset
Asset impairment provision	891,919.22	222,979.80	891,919.22	222,979.80
Deferred income	5,513,242.90	1,378,310.73	5,687,864.64	1,421,966.16
Total	6,405,162.12	1,601,290.53	6,579,783.86	1,644,945.96

(2) Deferred income tax liability without offset

Unit: RMB/CNY

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Fixed assets accelerated depreciation	10,809,595.68	2,702,398.91	11,110,357.81	2,777,589.45
Total	10,809,595.68	2,702,398.91	11,110,357.81	2,777,589.45

(3) Amount of deferred income tax asset and deferred income tax liability after trade-off

Unit: RMB/CNY

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		1,601,290.53		1,644,945.96
Deferred income tax liabilities		2,702,398.91		2,777,589.45

(4) Deferred income tax asset without recognized

Unit: RMB/CNY

Item	Closing balance	Opening balance
Deductible temporary differences - bad debt provision	13,320,770.69	12,743,385.93
Deductible Temporary Difference - Inventory Impairment Reserve	3,749,193.36	7,499,448.75
Deductible Temporary Differences - Deductible Losses		16,328,215.40
Deductible temporary differences-Construction in progress provision for impairment	4,077,658.55	4,077,658.55
Total	21,147,622.60	40,648,708.63

15. Other non-current asset

Unit: RMB/CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Account for lands paid in advance	2,000,000.00		2,000,000.00	52,050,000.00		52,050,000.00
Advance payment for construction in progress and equipment	50,180,917.76		50,180,917.76	91,087,267.24		91,087,267.24
Total	52,180,917.76		52,180,917.76	143,137,267.24		143,137,267.24

16. Short-term loans

(1) Category

Unit: RMB/CNY

Item	Closing balance	Opening balance
Mortgage loan	4,006,041.65	10,013,291.67
Total	4,006,041.65	10,013,291.67

17. Trading financial liabilities

Unit: RMB/CNY

Item	Closing balance	Opening balance
Trading financial liabilities	96,000.00	
Including:		
Including:		
Total	96,000.00	

18. Accounts payable

(1) Accounts payable

Unit: RMB/CNY

Item	Closing balance	Opening balance
Within one year (one year included)	38,858,179.48	45,582,797.03
Over one year	4,531,415.13	4,538,598.01
Total	43,389,594.61	50,121,395.04

19. Contract liability

Unit: RMB/CNY

Item	Closing balance	Opening balance
Advance payment	8,623,486.26	13,220,675.60
Total	8,623,486.26	13,220,675.60

20. Wage payable

(1) Wage payable

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
I. Short-term compensation	42,756,190.82	74,016,618.41	91,399,294.98	25,373,514.25
II. Post-employment welfare- defined contribution plans	2,616,616.32	5,595,949.87	8,001,227.21	211,338.98
III. Dismissal welfare	30,578.89		46,421.88	-15,842.99
IV. Other welfare due within one year	7,325.03			7,325.03
Total	45,410,711.06	79,612,568.28	99,446,944.07	25,576,335.27

(2) Short-term compensation

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Wages, bonuses, allowances and subsidies	41,313,575.06	66,738,935.81	84,039,252.77	24,013,258.10
2. Welfare for workers and staff		1,718,704.81	1,718,704.81	
3. Social insurance		2,665,949.39	2,665,949.39	
Including: Medical insurance		2,432,187.05	2,432,187.05	
Work injury insurance		225,897.42	225,897.42	
Medical insurance premiums (health care)		7,864.92	7,864.92	
4. Housing accumulation fund		2,591,079.06	2,591,079.06	
5. Labor union expenditure and personnel education expense	1,442,615.76	301,949.34	384,308.95	1,360,256.15
Total	42,756,190.82	74,016,618.41	91,399,294.98	25,373,514.25

(3) Defined contribution plans

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Basic endowment insurance		5,022,748.14	5,022,748.14	
2. Unemployment insurance		217,568.89	217,568.89	
3. Enterprise annuity	2,616,616.32	176,615.30	2,581,892.64	211,338.98
Social security and subsidies for retired employees		179,017.54	179,017.54	
Total	2,616,616.32	5,595,949.87	8,001,227.21	211,338.98

21. Taxes payable

Unit: RMB/CNY

Item	Closing balance	Opening balance
VAT	309,876.35	201,859.84
Corporate income tax	409,736.83	2,149,052.53
Individual income tax	83,061.21	329,417.86
Urban maintenance and construction tax	11,551.71	8,435.55
House property tax	193,153.61	242,944.78
Land use tax	277,121.04	121,326.11
Educational additional	5,117.37	3,797.96
Other tax	1,090,640.40	1,202,036.88
Total	2,380,258.52	4,258,871.51

22. Other accounts payable

Unit: RMB/CNY

Item	Closing balance	Opening balance
Other accounts payable	13,471,312.56	9,774,065.87
Total	13,471,312.56	9,774,065.87

(1) Other accounts payable

1) By nature

Unit: RMB/CNY

Item	Closing balance	Opening balance
Cash deposit	629,280.39	2,591,521.16
Employee cost	1,800,612.01	1,922,570.29
Other	11,041,420.16	5,259,974.42
Total	13,471,312.56	9,774,065.87

23. Non-current liabilities due within one year

Unit: RMB/CNY

Item	Closing balance	Opening balance
Long-term loans due within one year	700,000.00	3,200,000.00
Lease liabilities due within one year	1,097,180.34	1,709,314.65
Total	1,797,180.34	4,909,314.65

24. Other current liabilities

Unit: RMB/CNY

Item	Ending balance	Opening balance
Sales tax on advance receipts	61,937.73	14,100.55
Total	61,937.73	14,100.55

25. Long-term loans

(1) Category

Unit: RMB/CNY

Item	Closing balance	Opening balance
Mortgage loan	146,033,600.00	141,780,997.66
Loan in credit		7,612,534.71
Total	146,033,600.00	149,393,532.37

26. Long-term wages payable

(1) Long-term wages payable

Unit: RMB/CNY

Item	Closing balance	Opening balance
I. Post-employment welfare- net liability of defined contribution plans	138,461.29	138,461.29
II. Dismissed welfare	245,879.19	245,879.19
III. Other long-term benefits	633,882.10	641,882.10
Total	1,018,222.58	1,026,222.58

27. Deferred income

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance	Causes
Government subsidy	13,691,209.07	1,048,150.00	612,375.22	14,126,983.85	Government Grants Related to Assets
Total	13,691,209.07	1,048,150.00	612,375.22	14,126,983.85	

Item with government subsidy concerned:

Unit: RMB/CNY

Liability	Opening balance	Subsidy increase during this period	Amount reckoned into non-operation revenue in the Period	Amount reckoned into non-operation revenue in the period	Cost reduction in the period	Other changes	Closing balance	Assets-related/ Income-related
Construction special fund	7,929,748.40	1,048,150.00		504,748.20			8,473,150.20	Assets-related
Financial ship-building subsidy funds	5,761,460.67			107,627.02			5,653,833.65	Assets-related

28. Share capital

Unit: RMB/CNY

	Opening balance	Changes in the Period (+,-)					Closing balance
		Issuing new shares	Bonus shares	Shares transfer from public reserves	Other	Subtotal	
Total shares	266,071,320.00						266,071,320.00

29. Capital reserve

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
Capital premium (equity premium)	189,093,492.79	11,565,274.27		200,658,767.06
Other capital reserve	94,961,504.96			94,961,504.96
Total	284,054,997.75	11,565,274.27		295,620,272.02

Other notes, including the current increase or decrease changes, changes in the reasons for the statement: In January 2022, the company increased capital by 100 million yuan to its subsidiary, Shandong Province Zhonglu Yuanyang (Yantai) Food Co., Ltd., the company's direct shareholding ratio fell from 74.23% to 53.79%, while its indirect shareholding ratio fell from 25.77% to 18.67%. The minority shareholder, Zhongtai Prudential Asset Management Co., Ltd., held 27.54%. This applies to the provisions of article forty-nine of the accounting standards for enterprises 33-consolidated financial statements (2014 revision), the Capital Reserve shall be adjusted by the difference between the net assets enjoyed before the change in the share ratio and the net assets enjoyed after the change in the share ratio.

30. Other comprehensive income

Unit: RMB/CNY

Item	Opening balance	Current Period						Closing balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less : income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
II. Other comprehensive income items which will be reclassified subsequently to profit or loss	- 18,256,201.98	9,914,560.92				7,634,270.71	2,280,290.21	- 10,621,931.27
Differences of conversion of foreign currency financial statements	- 18,256,201.98	9,914,560.92				7,634,270.71	2,280,290.21	- 10,621,931.27
Total other comprehensive income	- 18,256,201.98	9,914,560.92				7,634,270.71	2,280,290.21	- 10,621,931.27

31. Reasonable reserve

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
Safety production fee	232,783.00	494,302.97	310,977.22	416,108.75
Total	232,783.00	494,302.97	310,977.22	416,108.75

32. Surplus reserve

Unit: RMB/CNY

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
Statutory surplus reserves	21,908,064.19			21,908,064.19
Total	21,908,064.19			21,908,064.19

33. Retained profit

Unit: RMB/CNY

Item	Current period	Last period
Retained profits at the end of last period before adjustment	379,524,911.94	343,997,929.71
Retained profits at the beginning of the period after adjustment	379,524,911.94	343,997,929.71
Add: net profit attributable to owners of parent company	-9,019,125.78	35,526,982.23
Retained profit at period-end	370,505,786.16	379,524,911.94

34. Operating income and cost

Unit: RMB/CNY

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	365,737,998.47	364,824,763.13	352,484,940.52	337,994,874.52
Other operating	4,810,996.29	992,975.63	3,868,983.33	797,112.11
Total	370,548,994.76	365,817,738.76	356,353,923.85	338,791,986.63

Information relating to performance obligations:

The company handled the payment, transfer of goods and other business activities related to the performance obligations in accordance with the contract, and the performance obligations related to the current operating income have been completed.

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

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

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

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

Other explanation

Revenue from contracts

(1) Operating revenue by time of recognition

Item	Product sales revenue	OEM income	Cold storage fee income	Other business income
Recognized at a point in time	307,353,954.94	3,492,728.20	-	2,452,797.78
Recognized within a certain time period	-	-	6,077,831.30	-
Total	307,353,954.94	3,492,728.20	6,077,831.30	2,452,797.78

(2) Revenue from application leasing standards

Item	Boat rental	House rental and other
Main business income	48,813,484.03	-
Other business income	-	2,358,198.51
Total	48,813,484.03	2,358,198.51

35. Tax and surcharges

Unit: RMB/CNY

Item	Current Period	Last Period
Urban maintenance and construction tax	23,456.65	69,894.87
Educational surtax	10,017.56	29,954.77
House property tax	911,202.45	602,517.82
Land use tax	505,100.21	300,483.73
Vehicle and vessel tax	1,636.68	25,607.68

Stamp tax	116,889.48	60,258.99
Local education surcharge	6,678.36	19,969.85
Local water conservancy construction fund		-301.63
Total	1,574,981.39	1,108,386.08

36. Sales expenses

Unit: RMB/CNY

Item	Current Period	Last Period
Employee's salary	953,992.32	844,104.45
Business promotion fee	238,660.36	261,033.13
Travel expenses	7,817.80	57,769.04
Depreciation	56,918.60	62,116.87
Other	187,960.29	244,629.45
Total	1,445,349.37	1,469,652.94

37. Administrative expenses

Unit: RMB/CNY

Item	Current Period	Last Period
Payroll payable	15,642,222.75	17,768,595.10
Accumulated depreciation and amortization	944,275.86	903,685.35
Travelling charge	830,012.14	453,304.98
Business entertainment	222,761.89	302,739.27
Vehicles charge	445,322.50	378,499.79
Intermediary service fee	164,535.87	205,838.15
Office allowance	219,585.23	169,196.61
Property water and electricity	759,509.61	525,692.59
Depreciation of right-of-use assets	928,672.60	
Other	5,482,826.92	5,897,295.86
Total	25,639,725.37	26,604,847.70

38. R&D expenses

Unit: RMB/CNY

Item	Current Period	Last Period
Employee's salary	293,851.00	
Material	9,626.24	
Other	29,066.72	
Total	332,543.96	

39. Financial expenses

Unit: RMB/CNY

Item	Current Period	Last Period
Interest costs	1,350,577.27	908,617.14
Less: interest income	179,373.83	358,030.77
Exchange loss	-4,218,361.31	3,058,828.97
Handing expense	366,973.75	408,469.21
Interest expense on lease liability	8,128.89	

Other expense	39,774.42	50,763.29
Total	-2,632,280.81	4,068,647.84

Other note: Exchange gains in the current period due to exchange rate fluctuations are larger than the exchange losses in the previous period.

40. Other income

Unit: RMB/CNY

Sources	Current Period	Last Period
Shipbuilding financial discount	107,627.02	99,688.00
Financial subsidies for special construction funds of the Blue Economic Zone	349,243.44	369,133.74
Special funds for cold chain logistics	141,211.80	157,297.65
Tax rebate on individual	22,928.75	18,799.45
Job stabilization subsidy	590.93	
Ammonia refrigeration media retrofit support subsidy	14,292.96	
Other	52,205.35	191,000.00
Total	688,100.25	835,918.84

41. Investment income

Unit: RMB/CNY

Item	Current Period	Last Period
Investment income of trading financial assets during the holding period	1,076,034.24	49,972.60
Total	1,076,034.24	49,972.60

42. Income of fair value changes

Unit: RMB/CNY

Sources	Current Period	Last Period
Trading financial liabilities	-96,000.00	
Total	-96,000.00	

43. Credit impairment loss

Unit: RMB/CNY

Item	Current Period	Last Period
Credit impairment losses on accounts receivable	369,577.28	-304,060.94
Credit impairment losses on other receivables	-8,829.93	115,685.07
Total	360,747.35	-188,375.87

44. Assets impairment loss

Unit: RMB/CNY

Item	Current Period	Last Period
------	----------------	-------------

II. Loss of inventory depreciation and loss of contract performance cost impairment		-241,910.58
Total		-241,910.58

45. Income from assets disposal

Unit: RMB/CNY

Sources	Current Period	Last Period
Gains/losses of fixed assets disposal	5,105,581.41	-41,980.15

46. Non-operating income

Unit: RMB/CNY

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Indemnity income	17,073.10	34,284.70	17,073.10
Other	19,927.00		19,927.00
Total	37,000.10	34,284.70	

47. Non-operating expenses

Unit: RMB/CNY

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Loss from scrapped fixed assets		438.61	
Late payment fee		108.69	
Other	1,337.00	6,674.28	1,337.00
Total	1,337.00	7,221.58	

48. Income tax expenses

(1) Statement of income tax expense

Unit: RMB/CNY

Item	Current Period	Last Period
Current income tax expense	314,456.95	399,605.91
Deferred income tax expenses	43,655.43	
Total	358,112.38	399,605.91

(2) Adjustment on accounting profit and income tax expenses

Unit: RMB/CNY

Item	Current Period
Total profit	-14,458,936.93
Income tax based on statutory/applicable rate	
Impact on different tax rate applicable for subsidiary	314,456.95
Effect of unrecognised deductible temporary differences and deductible losses in current period	43,655.43
Income tax expense	358,112.38

49. Other comprehensive income

See Note X (VII) 30.

50. Items of cash flow statement

(1) Other cash received in relation to operation activities

Unit: RMB/CNY

Item	Current Period	Last Period
Financial expenses-interest income	209,168.93	171,947.83
Government subsidy and other non-operating income	1,082,566.91	190,980.31
Cash deposit for L/C		76,370.28
Intercourse funds and other	10,438,026.46	4,892,017.14
Total	11,729,762.30	5,331,315.56

(2) Other cash paid in relation to operation activities

Unit: RMB/CNY

Item	Current Period	Last Period
Sales expenses paid in cash	7,836,790.46	6,027,526.39
Expenses of management cash paid	7,463,756.44	9,840,133.10
Pay cash for R&D expenses	4,039.00	
Cash deposit for L/C		233,800.00
Intercourse funds and other	2,935,295.14	9,368,694.52
Total	18,239,881.04	25,470,154.01

(3) Other cash paid related with financing activities

Unit: RMB/CNY

Item	Current Period	Last Period
Pay the lease payment	652,967.28	
Total	652,967.28	

51. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

Unit: RMB/CNY

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	-14,817,049.31	-15,648,515.29
Add: Impairment provision for assets	-360,747.35	430,286.45
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	24,984,413.04	23,040,577.46
Depreciation of right-of-use assets	1,104,702.78	
Amortization of intangible assets	896,447.27	371,758.62
Amortization of long-term pending expenses	4,822,591.49	149,284.89

Loss from disposal of fixed assets, intangible assets and other long-term assets (income is listed with “-”)	5,105,581.41	41,980.15
Losses on scrapping of fixed assets (income is listed with “-”)		438.61
Loss from change of fair value (income is listed with “-”)	96,000.00	
Financial expenses (income is listed with “-”)	-2,632,280.81	3,967,446.10
Investment loss (income is listed with “-”)	-1,076,034.24	-49,972.60
Decrease of deferred income tax assets (increase is listed with “-”)	43,655.43	65,978.11
Decrease of deferred income tax asset ((increase is listed with “-”)	-75,190.54	-39,692.97
Decrease of inventory (increase is listed with “-”)	-31,159,401.15	-2,245,435.29
Decrease of operating receivable accounts (increase is listed with “-”)	-26,306,042.37	-11,912,557.39
Increase of operating payable accounts (decrease is listed with “-”)	-29,344,731.86	-49,082,177.35
Other		
Net cash flow arising from operating activities	-68,718,086.21	-50,910,600.50
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Switching Company bonds due within one year		
financing lease of fixed assets		
3. Net change of cash and cash equivalents:		
Balance of cash at period end	212,936,131.11	186,855,639.29
Less: Balance of cash at year-begin	209,649,305.99	255,735,611.93
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increasing of cash and cash equivalents	3,286,825.12	-68,879,972.64

(2) Constitution of cash and cash equivalent

Unit: RMB/CNY

Item	Closing balance	Opening balance
I. Cash	212,936,131.11	209,649,305.99
Including: Cash on hand	2,499,175.46	1,975,275.82
Bank deposit available for payment at any time	210,436,955.65	207,674,030.17
III. Balance of cash and cash equivalent at period-end	212,936,131.11	209,649,305.99

52. Assets with ownership or use right restricted

Unit: RMB/CNY

Item	Ending book value	Restriction reasons
Fixed assets	30,433,094.38	Mortgage loan
Intangible assets	4,915,678.15	Mortgage loan
Construction in progress	66,722,605.94	Mortgage loan
Total	102,071,378.47	

53. Item of foreign currency

(1) Item of foreign currency

Unit: RMB/CNY

Item	Closing balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary fund			116,974,656.40
Including: USD	12,223,180.78	6.685	81,711,963.51
EUR	75,648.22	7.0643	534,401.72
HKD			
JPY	620,051,745.00	0.0495	30,692,561.38
CEDI	4,115,163.50	0.9265	3,812,698.98
XOF	20,651,000.00	0.0108	223,030.80
Account receivable			28,356,137.96
Including: USD	2,935,457.37	6.685	19,623,532.52
EUR			
HKD			
JPY	168,907,831.80	0.0495	8,360,937.67
CEDI	401,152.48	0.9265	371,667.77
Long-term loans			97,333,600.00
Including: USD	14,560,000.00	6.685	97,333,600.00
EUR			
HKD			

(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons

√Applicable □Not applicable

Major foreign operation entity	Foreign main operation place	Book-keeping currency	Basis
HABITAT INTERNATIONAL CORPORATION	Panama	USD	The economic environment in the operation sites
LAIF FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
YAW ADDO FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
ZHONG GHA FOODS COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
AFRICA STAR FISHERIES LIMITED	Ghana	USD	The economic environment in the operation sites

54. Government subsidy

(1) Government subsidy

Unit: RMB/CNY

Category	Amount	Item presented	Amount reckoned into current gain/loss
Individual tax procedure refund	23,425.21	Other income	23,425.21

Job Stabilization Subsidy	590.93	Other income	590.93
Ammonia refrigeration media retrofit support subsidy	1,048,150.00	Deferred income	14,292.96

VIII. Changes of consolidation scope

There was no change in the company's consolidation scope during the reporting period.

IX. Equity in Other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shandong Zhonglu Fishery Shipping Co., Ltd.	Qingdao Shandong	Qingdao Shandong	Refrigerated transport	100.00%		Investment
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Yantai Shandong	Yantai Shandong	Food processing	53.79%	18.67%	Investment
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	Qingdao Shandong	Qingdao Shandong	Pelagic fishing	59.05%		Investment
Zhonglu Oceanic (Qingdao) Industrial Investment Development Co., Ltd	Qingdao Shandong	Qingdao Shandong		51.00%	49.00%	Investment
HABITAT INTERNATIONAL CORPORATION	Panama	Panama	Refrigerated transport	100.00%		Investment
LAIF FISHERIES COMPANY LIMITED	Ghana	Ghana	Pelagic fishing		100.00%	Investment
AFRICA STAR FISHERIES LIMITED	Ghana	Ghana	Pelagic fishing		100.00%	Investment
ZHONG GHA FOODS COMPANY	Ghana	Ghana	Pelagic fishing		100.00%	Investment

LIMITED						
Shandong Zhonglu Ocean Refrigerated Co., Ltd	Yantai Shandong	Yantai Shandong	Refrigeration service		100.00%	Investment
YAW ADDO FISHERIES COMPANY LIMITED	Ghana	Ghana	Pelagic fishing			Operating lease

(2) Important non-wholly-owned subsidiary

Unit: RMB/CNY

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	40.95%	-8,209,058.13		156,054,951.36
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	27.54%	2,411,134.60		90,845,860.33

(3) Main finance of the important non-wholly-owned subsidiary

Unit: RMB/CNY

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	218,486,503.17	233,184,756.87	451,671,260.04	64,930,854.08	5,653,833.65	70,584,687.73	230,078,254.48	228,556,206.12	458,634,460.60	57,308,361.86	5,761,460.67	63,069,822.53
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	261,924,569.41	130,696,243.27	392,620,812.68	51,576,489.68	11,175,549.11	62,752,038.79	174,444,432.90	131,698,553.85	306,142,986.75	74,321,902.61	10,707,337.85	85,029,240.46

Unit: RMB/CNY

Subsidiary	Current Period	Last Period
------------	----------------	-------------

	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	70,960,103.41	- 20,046,540.01	- 14,478,065.76	- 63,483,126.67	54,095,017.11	- 16,334,906.54	- 17,930,791.36	- 29,073,713.65
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	247,788,335.98	8,755,027.60	8,755,027.60	38,520,754.41	232,762,468.89	8,679,009.21	8,679,009.21	22,960,472.12

2. Transaction that has owners equity shares changed in subsidiary but still with controlling rights

(1) Owners equity shares changed in subsidiary

In January 2022, Zhongtai Xincheng Asset Management Co., Ltd. increased capital to the company's subsidiary, Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd with 100 million yuan. After capital increased, ratio of the shareholding directly down to 53.79% from 74.23%, ratio of shareholding in-directly down to 18.67% from 25.77%. among the minority shareholders, shareholding of Zhongtai Xincheng Asset Management Co., Ltd was 27.54%.

(2) Impact on minority's interest and owners' equity attributable to parent company

Unit: RMB/CNY

Purchase cost/disposal consideration	0.00
--Cash	
--Fair value of non-cash assets	
Purchase cost/total disposal consideration	0.00
Less: Subsidiary's share of net assets calculated based on the proportion of acquired/disposed equity	11,565,274.27
Difference	-11,565,274.27
Including: Adjust the capital reserve	11,565,274.27
Adjusted surplus reserve	
Adjusted undistributed profit	

Other explanation

In January 2022, Zhongtai Xincheng Asset Management Co., Ltd. increased capital to the company's subsidiary, Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd., resulting in a decrease in the Company's shareholding ratio, but without losing the control. The Company includes the changes in the share of net assets it enjoyed according to the shareholding ratio before and after the capital increase in the capital reserve.

3. Equity in joint venture and associated enterprise

(1) Financial summary for non-important Joint venture and associated enterprise

Unit: RMB/CNY

	Closing balance /Current Period	Opening balance /Last Period
Joint venture:		
Amount based on share-holding ratio		
Associated enterprise:		
Total book value of investment	2,382,345.00	
Amount based on share-holding ratio		

X. Risks related to financial instruments

The financial assets of the Company include accounts receivable and other receivables. The financial liabilities of the Company include accounts payable, other account payable and short-term loans. For details of each financial instrument, please refer to the relevant items in Note VI. The Company is faced with the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The board of directors is responsible for establishing and supervising the risk management structure of the Company and developing and monitoring the Company's risk management policies.

Risk management objectives and policies: the Company's goal of risk management is to strike a proper balance between risks and profits, minimize the negative impacts of the risks on the Company's operating results and maximize the benefits of shareholders and other equity investors.

1. Credit risk

If the customer or the other party involving in the financial instruments cannot fulfill the obligations under the contract and cause financial losses to the Company, that is credit risk. Credit risk is mainly from the customer receivables. The book value of account receivables and notes receivable and other receivables is the maximum credit risk of the Company for financial assets.

2. Liquidity risk

Liquidity risk is the risk of the shortage of funds when the Company is fulfilling its obligations related to financial liabilities. In the case of normal and tense funds, the Company needs to ensure that there is sufficient liquidity to meet its due debts and negotiate with financial institutions for financing so as to maintain a certain level of reserve credit line to reduce the liquidity risk.

3. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or the future cash flows fluctuate due to changes in foreign exchange rates. The foreign exchange risk faced by the Company mainly comes from the financial assets valued in US dollars, and the amount of foreign currency financial assets converted into RMB is listed as described in X-(vii)-53 foreign currency monetary items.

(2) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from the long-term bank loans, the Company's loans are floating interest rate, and there is risk of RMB benchmark interest rate change.

XI. Disclosure of fair value

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

Unit: RMB/CNY

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
(vi) Trading financial liabilities			96,000.00	96,000.00
Derivative financial liabilities			96,000.00	96,000.00
II. Non-persistent measure	--	--	--	--

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order

The unadjusted quoted prices in active markets for identical assets or liabilities

3. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on second-order

Inputs other than level 1 inputs that are directly or indirectly observable for the related assets and liabilities

4. Valuation technique and qualitative and quantitative information on major parameters for the fair value measure sustaining and non-persistent on third-order

Unobservable inputs for the related assets or liabilities

5. Sustaining items measured by fair value, as for the conversion between at all levels, reasons for conversion and policy for conversion time point

There were no conversion between levels of the above items that are measured at fair value on an ongoing basis during the reporting period

6. Changes of valuation technique in the Period

No changes in valuation technique occurred during the reporting period.

XII. Related party and related transactions

1. Parent company of the enterprise

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Shandong State-owned Assets Investment Holding Company Limited	Jinan Shandong	Investment and management, management and operation of assets, managed operations, investment advisory	4500 million Yuan	47.25%	47.25%

Ultimate controller of the Company is Shandong State-owned Assets Investment Holdings Co., Ltd.

2. Subsidiary of the Enterprise

Found more in Note IX. Equity in subsidiary

3. Joint venture and associated enterprise

Important joint venture and associated enterprise of the Company found more in the in Note IX-Interest in Other Entity.

4. Other related party

Other related party	Relationship with the Enterprise
Inspur General Software Co., Ltd.	Control by same parent company
Bank of Dezhou Co., Ltd.	Control by same parent company
Zhongtai Xincheng Asset Management Co., Ltd.	Control by same parent company
Qingdao Qingyu Fishing Boat Repair Co., Ltd.	Control by same parent company

5. Related transaction

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

Trusteeship management/contract:

Unit: RMB/CNY

Client/Contract-out party	Entrusting party/Contractor	Trustee/assets contract	Trustee /start	Trustee /ends	Managed earnings /pricing of the contract earnings	Managed earnings confirmed in the period / contract earnings
Shandong State-owned Assets Investment	Shandong Zhonglu Ocean Fishery Co., Ltd.	Delegated management	2022-04-14		Flat fee	0.00

Holding Co., Ltd.						
-------------------	--	--	--	--	--	--

(2) Related lease

As lessee:

Unit: RMB/CNY

Lessor	Assets type	rental cost for short-term leases and low-value assets leases with simplified processing (if applicable)		Variable lease payment not included in the measurement of leasing liability (if applicable)		Rental paid		Interest expenses assumed on lease liability		Right-of-use assets increased	
		Current Period	Last Period	Current Period	Last Period	Current Period	Last Period	Current Period	Last Period	Current Period	Last Period
Zhongtai Xincheng Asset Management Co., Ltd.	Office building					195,000.00	195,000.00	8,128.89			
Qingdao Qingyu Fishing Vessel Repair & Manufacture Co., Ltd.	Vehicle	28,700.00	16,000.00								

(3) Remuneration of key manager

Unit: RMB/CNY

Item	Current Period	Last Period
Remuneration of key manager	855,189.00	845,236.00

(4) Other related transactions

Interest income

Name	Related party	Current Period	Last Period
Deposit interest income	Bank of Dezhou Co., Ltd	1329.03	751.00
Total		1329.03	751.00

6. Receivable/payable items of related parties

(1) Receivable item

Unit: RMB/CNY

Item Name	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Prepayments	Inspur General Software Co., Ltd.	394,857.06		394,857.06	

XIII. Commitment or contingency

1. Important commitment

Important commitment on balance sheet date

No commitments that need to released ended as the reporting period

2. Contingency

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

The Company has no important contingency that need to disclose.

XIV. Event occurring after balance sheet date

1. Other explanation on events after balance sheet date

No events after balance sheet date need to released up to reporting period

XV. Other important event

1. Pension plan

In accordance with relevant laws, regulations and policies, the Company has established an enterprise annuity system, and on the basis of participating in basic pension insurance in accordance with the law, it pays supplementary pension insurance (i.e., enterprise annuity) for employees. Each year, according to the actual operating conditions, the operating efficiency coefficient is set, and the total amount of corporate contributions is calculated according to the operating efficiency coefficient; the expenses to be assumed by the company in the enterprise annuity have been disclosed in the employee compensation payable - defined contribution plans, and the individual payment of employees is withheld and paid from employee wages by the company. 176,600 yuan enterprise annuity are accrual in the year. For relevant disclosures, please refer to "Note X. (vii) 20 Wages Payable".

2. Segment information

(1) Determination basis and accounting policy for segment

Main operation of the Company including pelagic fishing, cold storage processing trade of aquatic products, vessel leasing and other operations. Segment disclosure is released by the business nature.

(2) Financial information of the segment

Unit: RMB/CNY

Item	Pelagic fishing	Vessel leasing	Cold storage processing trade of aquatic products	Other	Offset between segment	Total
I. Main operating income	111,100,654.53	48,813,484.03	245,335,538.20	96,422.69	-39,608,100.98	365,737,998.47
II. Main operating cost	126,148,503.07	45,672,777.17	232,539,807.35	71,776.52	-39,608,100.98	364,824,763.13
III. Credit impairment loss	-756,592.63	14,222.71	381,622.57			-360,747.35
IV. Depreciation and amortization	21,832,511.37	5,616,390.64	3,893,940.63	1,199,138.67		32,541,981.31
V. Total profit	-21,621,680.82	8,395,385.01	8,793,978.46	-10,026,619.58		-14,458,936.93
VI. Income tax		49,206.95	308,905.43			358,112.38
VII. Net profit	-21,621,680.82	8,346,178.06	8,485,073.03	-10,026,619.58		-14,817,049.31
VIII. Total assets	734,868,343.54	220,672,561.70	456,731,448.61	199,632,380.07	-157,816,563.00	1,454,088,170.92
IX. Total liability	101,478,720.57	15,774,362.64	63,260,068.71	173,493,206.83	-90,723,006.47	263,283,352.28

XVI. Principle notes of financial statements of parent company

1. Account receivable

(1) Category

Unit: RMB/CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	9,428,906.10	100.00%	5,596,787.44	59.36%	3,832,118.66	14,879,608.37	100.00%	6,148,547.53	41.32%	8,731,060.84
Including:										
Unrelated party portfolio	9,428,906.10	100.00%	5,596,787.44	59.36%	3,832,118.66	14,879,608.37	100.00%	6,148,547.53	41.32%	8,731,060.84
Total	9,428,906.10	100.00%	5,596,787.44	59.36%	3,832,118.66	14,879,608.37	100.00%	6,148,547.53	41.32%	8,731,060.84

Accrual bad debt provision on portfolio: 5,596,787.44

Unit: RMB/CNY

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Account receivable with provision for bad debts based on a portfolio of non-related parties	9,428,906.10	5,596,787.44	59.36%
Total	9,428,906.10	5,596,787.44	

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

☐Applicable ☒Not applicable

By account age

Unit: RMB/CNY

Account age	Closing balance
Within one year (one year included)	3,832,118.66
Within 6 months	3,832,118.66
Over three years	5,596,787.44
Over 5 years	5,596,787.44
Total	9,428,906.10

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Charge-off	Other	
Account receivable	6,148,547.53		551,760.09			5,596,787.44
Total	6,148,547.53		551,760.09			5,596,787.44

(3) Top five account receivables collected by arrears party at ending balance

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance (%)	Bad debt preparation ending balance
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	3,832,118.66	40.64%	0.00
PANDA CO.LTD	3,600,962.12	38.19%	3,600,962.12
Haifeng co., ltd.	430,625.10	4.57%	430,625.10
Han Xue	293,209.20	3.11%	293,209.20
Lv Ming	158,154.98	1.68%	158,154.98
Total	8,315,070.06	88.19%	

2. Other account receivable

Unit: RMB/CNY

Item	Closing balance	Opening balance
Dividend receivable	70,637,061.83	85,085,303.70
Other account receivable	49,364,523.02	33,929,882.66

Total	120,001,584.85	119,015,186.36
-------	----------------	----------------

(1) Dividend receivable

1) Category

Unit: RMB/CNY

Item (or invested company)	Closing balance	Opening balance
Subsidiary Dividends Receivable	70,637,061.83	85,085,303.70
Total	70,637,061.83	85,085,303.70

2) Major dividend receivable with over one year aged

Unit: RMB/CNY

Item (or invested company)	Closing balance	Account age	Causes of failure for collection	Whether has impairment occurred and determination basis
HABITAT INTERNATIONAL CORPORATION	70,637,061.83	Within 1-3 years	Considering the production and operation of subsidiary, payment is not required for the time being	No impairment
Total	70,637,061.83			

(2) Other account receivable

1) By nature

Unit: RMB/CNY

Nature	Closing book balance	Opening book balance
Internal contacts	50,629,115.02	33,377,123.62
Petty cash and other	2,340,560.70	4,148,691.43
Less: Provision for bad debts	-3,605,152.70	-3,595,932.39
Total	49,364,523.02	33,929,882.66

2) Accrual of bad debt provision

Unit: RMB/CNY

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2022	3,595,932.39			3,595,932.39
Balance of Jan. 1, 2022 in the period				
Current accrual	9,220.31			9,220.31
Balance on Jun. 30, 2022	3,605,152.70			3,605,152.70

Change of book balance of loss provision with amount has major changes in the period

☐Applicable ☒Not applicable

By account age

Unit: RMB/CNY

Account age	Closing balance
Within one year (one year included)	16,476,727.34
1-2 years	1,329,215.82
2-3 years	15,504.31
Over three years	35,148,228.25
3-4 years	3,553,211.05
4-5 years	12,343,655.62
Over 5 years	19,251,361.58
Total	52,969,675.72

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

Accrual of bad debt provision in the period:

Unit: RMB/CNY

Category	Opening balance	Current changes				Closing balance
		Accrual	Collected or reversal	Written off	Other	
Other Receivables	3,595,932.39	9,220.31				3,605,152.70
Total	3,595,932.39	9,220.31				3,605,152.70

4) Top 5 other account receivable collected by arrears party at ending balance

Unit: RMB/CNY

Enterprise	Nature	Closing balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
LAIF FISHERIES COMPANY LIMITED	Intercourse funds	15,417,912.67	0-3 years or more	29.11%	
Shandong Zhonglu Fishery Shipping Co., Ltd.	Intercourse funds	7,951,473.53	0-3 years or more	15.01%	
YAW ADDO FISHERIES COMPANY LIMITED	Intercourse funds	7,341,932.34	0-3 years or more	13.86%	
AFRICA STAR FISHERIES LIMITED	Intercourse funds	6,272,764.44	0-3 years or more	11.84%	
ZHONG GHA FOODS COMPANY LIMITED	Intercourse funds	3,314,349.48	0-3 years or more	6.26%	
Total		40,298,432.46		76.08%	

3. Long-term equity investments

Unit: RMB/CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	232,189,455.23		232,189,455.23	232,189,455.23		232,189,455.23
Total	232,189,455.23		232,189,455.23	232,189,455.23		232,189,455.23

(1) Investment for subsidiary

Unit: RMB/CNY

The invested entity	Opening balance (Book value)	Changes in the period (+,-)				Closing balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
HABITAT INTERNATIONAL CORP.	12,476,145.60					12,476,145.60	
Shandong Zhonglu Fishery Shipping Co., Ltd.	22,869,513.38					22,869,513.38	
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	55,448,185.24					55,448,185.24	
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	141,395,611.01					141,395,611.01	
Total	232,189,455.23					232,189,455.23	

4. Operating income and cost

Unit: RMB/CNY

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	41,543,053.81	42,013,560.14	33,468,179.96	30,992,416.58
Other operating	2,358,198.51	992,975.63	2,065,666.90	797,112.11
Total	43,901,252.32	43,006,535.77	35,533,846.86	31,789,528.69

Information relating to revenue:

Unit: RMB/CNY

Category	Branch 1	Branch 2	Total
Product Types	41,446,631.12	2,454,621.20	43,901,252.32

Including:				
Main business income	41,446,631.12	96,422.69		41,543,053.81
Other business income		2,358,198.51		2,358,198.51
Classification by business area				
Including:				
Market or customer type				
Including:				
Contract Types				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				
Including:				
Total	41,446,631.12	2,454,621.20		43,901,252.32

Information relating to performance obligations:

There are no outstanding performance obligations

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

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but not yet performed or not yet completed is 0.00 yuan, of which, yuan is expected to be recognized as revenue in , yuan is expected to be recognized as revenue in , and yuan is expected to be recognized as revenue in .

5. Investment income

Unit: RMB/CNY

Item	Current Period	Last Period
Investment income of trading financial assets during the holding period	1,076,034.24	49,972.60
Total	1,076,034.24	49,972.60

XVII. Supplementary Information

1. Current non-recurring gains/losses

√Applicable □Not applicable

Unit: RMB/CNY

Item	Amount	Note
Gains and losses on disposal of non-current assets	5,105,581.41	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are continuously enjoyed at a fixed or quantitative basis according to certain standards)	688,100.25	
Except for the effective hedging operations related to normal business operation of the Company, the gains/losses of fair value changes from holding the trading financial assets and trading financial liabilities, and the investment earnings obtained from disposing the trading financial asset, trading financial liability	980,034.24	
Other non-operating income and expenditure except for the aforementioned items	35,663.10	
Less: Impact on income tax	164,765.20	
Impact on minority interests	146,469.38	
Total	6,498,144.42	--

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

□ Applicable √ Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public -- Extraordinary Profit/loss*

□ Applicable √ Not applicable

2. REO and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profits attributable to common stock stockholders of the Company	-0.96%	-0.03	-0.03
Net profits attributable to common stock stockholders of the Company	-1.52%	-0.05	-0.05

after deducting nonrecurring gains and losses			
---	--	--	--

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable