

SHENZHEN CEREALS HOLDINGS CO.,LTD.

SEMI-ANNUAL REPORT 2022



【August 2022】

Section I. Important Notice, Contents and Interpretation

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

Person in charge of the Company Hu Xianghai, Head of Accounting Lu Yuhe and Head of Accounting Institution (Accounting Supervisors) Wen Jieyu hereby confirm that the Financial Report of Semi-Annual Report 2022 is authentic, accurate and complete.

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

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

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

The Company plans not to distributed cash dividend, bonus and no capitalizing of common reserves either.

Contents

Section I Important Notice, Contents and Interpretation	
.....	
错误!未定义书签。	
Section II Company Profile and Main Financial Indexes.....	6
Section III Management Discussion and Analysis.....	10
Section IV Corporate Governance.....	28
Section V Enviornmental and Social Responsibility.....	29
Section VI Important Events.....	31
Section VII Changes in Shares and Particular about Shareholders.....	40
Section VIII Preferred Stock.....	错
误!未定义书签。	
Section IX Corporate Bonds.....	错
误!未定义书签。	
Section X Financial Report.....	47

Documents Available for Reference

1. Text of financial statement with signature and seals of the person in charge of the Company, person in charge of accounting works and person in charge of accounting institution(accounting supervisor);
2. Original and official copies of all documents which have been disclosed during the reporting period;
3. Original copies of Semi-Annual Report 2022 with signature of the person in charge of the Company.

Interpretation

Items	Refers to	Contents
SZCH/Listed Company /the Company/	Refers to	Shenzhen Cereals Holdings Co., Ltd.
Shenzhen Flour	Refers to	Shenzhen Flour Co., Ltd
Shenliang Quality Inspection	Refers to	Shenliang Quality Inspection Co., Ltd.
Dongguan Logistics	Refers to	Dongguan Shenliang Logistics Co., Ltd.
Shenbao Huacheng	Refers to	Shenzhen Shenbao Huacheng Technology Co., Ltd.
Hualian Company	Refers to	Shenzhen Hualian Grain and Oil Trading Co., Ltd.
Shenliang Cold Chain	Refers to	Shenzhen Shenliang Cold Chain Logistics Co., Ltd.
Shenliang Property	Refers to	Shenzhen Shenliang Property Development Co., Ltd.
Wuyuan Jufangyong	Refers to	Wuyuan County Jufangyong Tea Co., Ltd.
Shenliang Food	Refers to	Huizhou Shenliang Food Co., Ltd.
Shenliang Grease	Refers to	Grease Branch of Shenzhen Grain Group Co., Ltd.
Wuhan Jiacheng	Refers to	Wuhan Jiacheng Biotechnology Co., Ltd.
Zhenping Company	Refers to	Zhenping Market Operation Tech. Co., Ltd.
Food Materials Group	Refers to	Shenzhen Food Materials Group Co., Ltd
Shenzhen SASAC	Refers to	Shenzhen Municipal People’s Government State-owned Assets Supervision & Administration Commission
CSRC	Refers to	China Securities Regulation Commission
SSE	Refers to	Shenzhen Stock Exchange
Article of Association	Refers to	Article of Association of Shenzhen Cereals Holdings Co., Ltd.
RMB/10 thousand Yuan	Refers to	CNY/ten thousand Yuan

Section II Company Profile and Main Financial Indexes

I. Company profile

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

II. Person/Way to contact

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

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

The registrations address, offices address and codes as well as website and email of the Company have no changes in the Period, found more in Annual Report 2021.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2021.

3.Other relevant information

Whether other relevant information has changed in the reporting period

Applicable Not applicable

IV. Main accounting data and financial indexes

Whether information disclosure and preparation place changed in reporting period or not

Yes No

	Current Period	Same period of last year	Changes over last year (+,-)
Operating revenue(RMB)	4,338,044,528.35	5,262,189,180.53	-17.56%
Net profit attributable to shareholders of the listed Company (RMB)	237,527,782.93	243,846,874.76	-2.59%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	227,132,288.75	237,039,666.31	-4.18%
Net cash flow arising from operating activities(RMB)	260,373,502.86	-691,272,151.33	137.67%
Basic earnings per share (RMB/Share)	0.2061	0.2116	-2.60%
Diluted earnings per share(RMB/Share)	0.2061	0.2116	-2.60%
Weighted average ROE	5.00%	5.17%	-0.17%
	End of current Period	End of last year	Changes over end of last year (+,-)
Total assets (RMB)	7,632,695,093.68	7,669,618,906.32	-0.48%
Net assets attributable to shareholder of listed Company (RMB)	4,579,686,071.77	4,630,292,102.34	-1.09%

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

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

Applicable Not applicable

Unit: CNY/RMB

	Net profit attributable to shareholders of the listed Company	Net assets attributable to shareholders of listed Company

	Current period	Last period	Period-end	Period-begin
Chinese GAAP	237,527,782.93	243,846,874.76	4,579,686,071.77	4,630,292,102.34
Items and amount adjusted by IAS				
Adjustment for other payable fund of stock market regulation			1,067,000.00	1,067,000.00
IAS	237,527,782.93	243,846,874.76	4,580,753,071.77	4,631,359,102.34

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

Applicable Not applicable

The Company has no above mentioned condition occurred in the period

3. Explanation on differences of the data under accounting standards in and out of China

Applicable Not applicable

VI. Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

Unit: CNY/RMB

Item	Amount	Note
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)	8,046,293.93	
Profit and loss of assets delegation on others' investment or management	221,889.46	
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 and financial assets available for sale	3,573,445.74	
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test	127,286.00	
Other non-operating income and expenditure except for the aforementioned items	1,065,883.45	
Less: impact on income tax	2,637,117.23	
Impact on minority shareholders' equity (after-tax)	2,187.17	
Total	10,395,494.18	

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

Applicable Not applicable

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

Information on the definition of non-recurring profit(gain)/loss that listed in the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss* as the recurring profit(gain)/loss

Applicable Not applicable

The Company does not have any non-recurring profit(gain)/loss listed under the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss* defined as recurring profit(gain)/loss

Section III Management Discussion and Analysis

I. Main businesses of the Company in the reporting period

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

The wholesale and retail business are mainly rice, wheat, rice in the husk, corn, sorghum, cooking oil and other varieties of grain and oil as well as the sales of fine tea, beverage and condiment. Mainly supplied wheat, rice, corn, barley, sorghum and other raw grain to customers such as the industry's large traders, feed processing and flour processing enterprises and so on; mainly sold rice, flour, cooking oil, high-quality tea, beverages and other products to demand units and community residents. During the reporting period, the international environment became more complex and severe, the conflict between Russia and Ukraine deepened and evolved, domestic pandemics had frequent outbreaks, unexpected factors exceeded expectations, the adverse impact was significantly increased, and the economic development was extremely unusual. The company continued to fight a protracted battle for pandemic prevention and control, took multiple measures to ensure the supply of goods, stabilize the supply, improve the products, strengthen the brand, deepen the market, and be a "stabilizer" for the food security of the special zone.

Food processing and manufacturing business are mainly the processing the technology research in aspect of flour, rice, cooking oil, tea and natural plant extracts, beverage, condiments, prepared foods, functional foods and so forth. The company's flour brands and products include "Jinchangman", "Yingshanhong" and "Hongli" series bread flour; "Clivia" and "Canna" series tailored flour for cakes and steamed bun; "Sunflower" special flour for noodles and dumpling skin; "Tianlvxiang" flour for civilian use and the rest; Rice products include "Shenliang Doximi", "Guzhixiang", "Gufengxianman", "Runxiangliangpin", "Panong Blue", "Taitai Fukou", "Duobaogufang", "Taihexiang" and others; Cooking oil products include brands such as "Shenliang Fuxi", "Shenliang Jinxi", "Youtian" and others; Tea brands mainly include "Jufangyong" tea; "Yichong" fresh extract, "Jindiao" instant tea powder and other tea deep-processed products, as well as "Shenbao" chrysanthemum and lemon tea, the "Cha Mi Xiang Qi" series of tea beverages as fresh fruit tea with grains and light food; lunch of "Utopia Autumn" tea and wine continues to enrich the product mix; Condiments are mainly "Sanjing" oyster sauce and sauces and the prepared food brand "Wotian"; the functional red yeast food "Shankangyuan"; Multiple brands shapes a product series, including "Shenliang Yushuiqing" rice, noodles, oil and miscellaneous cereals series, "Jiayi" rice and noodle series, "Jinchangman" noodle and oil series, "Black-faced Spoonbill" tea, rice, oil, drinking water, side dishes and spices series.

The leasing and business service refers to providing the professional import & export trade, warehousing &

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

II. Core Competitiveness Analysis

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

(1) Strategic guidance

The company's core management team has rich experience, strong strategic vision and pragmatic spirit. The company focuses on the main business, vigorously promotes business model innovation and transformation, and actively promotes the transformation from a "trade-oriented enterprise" to a "service-oriented enterprise" and from the "operation-oriented management and control" to the "strategic management and control", and has successively put forward the strategic goals and the specific implementation paths of building "the most competitive grain circulation service enterprise in the region", "excellent service provider of grain supply chain" and "excellent service provider in the supply chain of intelligent cereals, oil and foodstuff ". The company strengthens the grain strategic service capability, integrates its strategy into the national strategy, focuses on the functional positioning of "strengthening and optimizing the main business of grain, and serving the people's livelihood", actively deploys the supply chain, and continues to independently invest in "high-quality grain source base + channel logistics nodes + regional intelligent comprehensive park + urban intelligent distribution center", and further promotes a number of high-quality grain, oil and food projects and people's livelihood happiness projects such as Northeast Grain Source Base, Dongguan Grain Logistics Node, Intelligent Group Meals, Affordable Granary “Benefiting the People” Project, and “Tea & Rice Mutual Expectancy” Mini-type Synthesis, and effectively undertakes the important tasks of "ballast stone", "reservoir" and "regulator" for food security in the "dual-zone construction".

(2) Management and operation

The company actively builds a supply chain safe storage and transportation system to ensure regional food security; and actively builds a supply chain storage and transportation system to establish the operation strategy of "establishing food security firmly on supply chain security". According to the combination of dynamic and static, constant storage and constant new, and business orientation, the company improves the resource allocation of the intelligent cereals, oil and food supply chain, and strengthens the professional capabilities of "purchasing transactions, logistics allocation, warehousing rotation, and emergency response". In terms of business layout, the company deeply cultivates subdivides target markets, carries out differentiated and professional operations, and uses "Internet +" as a means to innovate and develop supply channels and transaction methods for grain and oil products, builds and improves the "three-in-one" multi-level product supply network of terminal grain and oil e-commerce, catering delivery services, and bulk grain and oil trading services. In terms of business management and control, the seamless link between "business" and "planning, funds, quality inspection, inventory, risk control, and discipline inspection" has been realized by the self-owned information management system, and a rigorous "six-in-one" management and control system to effectively has been built to reduce operating risks while fully participating in market competition, and effectively realized the "consistency of political responsibility and economic responsibility, and the unity of social benefits and economic benefits".

(3) R & D technology

The company attaches great importance to transforming and upgrading traditional industries with modern technological means. It actively introduces new-generation information technologies such as the Internet of Things, cloud computing, big data, and mobile Internet into grain management, forming an information system that can cover the entire industrial chain of the grain industry, so as to realize refined control of key links of grain procurement, warehousing, logistics, processing, trading, distribution, etc., and to promote the development of the "Internet + food" industry. The company's informatization construction capability is at the leading level in the domestic grain industry. It is the first in the industry to build a "standardized, mechanized, informationized, and harmless" system for warehouse management. The self-developed "grain logistics information system (Shenliang GLS)" has built a framework for the construction of grain informatization work, innovated the grain management model and led the development direction of the grain industry. The project was awarded the "National Internet of Things Major Application Demonstration Project" by the National Development and Reform Commission and the Ministry of Finance, and Experience of "Shenliang GLS" Enabling Total Quality Management Mode won the 2020 National Quality Benchmark. The company has strong research and development capabilities in the field of food and beverages, and has gathered leading technological advantages and equipment systems. Its subsidiaries, Shenbao Huacheng, Wuyuan Jufangyong, and Wuhan Jiacheng are all national high-tech enterprises. The company has undertaken a number of national research projects, presided over or participated in the preparation of a number of national standards and industry standards, and many informatization project achievements and scientific and technological achievements have won national, provincial and municipal awards.

(4) Quality control

The company gives full play to the advantages of products, channels, brands, warehousing, quality inspection, etc., controls product quality and safety, and provides high-quality and safe products for the society. Its subsidiary, Shenbao Huacheng, has established a quality control system recognized by large international food and beverage companies. Its subsidiary, Shenliang Quality Inspection, has the leading grain and oil quality inspection technology and equipment in the domestic grain industry, it has been incorporated into the national grain quality supervision and inspection system, and was awarded the "Guangdong Shenzhen National Grain Quality Monitoring Station" by the State Grain Administration, and obtained the Assessment Certificate (CATL) of the Quality and Safety Testing Agency of Agricultural Products and the Certificate of Qualification (CMA) of the Inspection and Testing Agency, etc., possessing with a number of certified testing capabilities. Shenliang Quality Inspection includes pesticide residues, heavy metal pollutants, mycotoxins and other health indicators and food taste indicators in the daily inspection indicators, and has the ability to test four types of indicators such as grain conventional quality, storage quality, grain safety and edible quality, which can meet the relevant quality inspection needs of grain and oil products, and can accurately analyze the nutrient content and health indicators of grains and determine its storage quality and edible quality. It has built a "digital laboratory" in the grain industry to monitor the entire process of sampling, testing, and distribution in real time, and cooperates with collaborative platforms to save, retrieve, integrate, analyze, and share grain and oil testing data to achieve 100% inspection coverage of grain and oil products.

(5) Incentive mechanism

The company focuses on the strategy of "strengthening the enterprise with talents", innovatively implements EVA assessment, and stimulates the internal driving force of enterprise development. It continues to innovate the talent training mechanism and build a high-quality talent supply chain, and has established an open talent echelon that meets the needs of the long-term development of the enterprise so as to reserve intelligence for the upgrading and development of the enterprise; it establishes result-oriented incentives and constraints appraisal system through the innovative implementation of the EVA performance appraisal mechanism, advocates employees to create value for shareholders, advocates the company to share value with employees, fully reflects the principle of prioritizing the interests of shareholders, favorably promotes the rational allocation of corporate resources, and effectively establishes a performance culture and stimulates the vitality of the company. The company is the first pilot enterprise in the state-owned assets system to implement the full coverage of the EVA assessment, so as to explore the replicable experience of establishing a share and incentive mechanism that is compatible with the labor market and linked to the economic benefits of the enterprise. The company insists on cultivating and advocating a corporate culture with the core values of "people oriented, performance first, quality first, and harmony first", and combines the personal development goals of employees with the corporate vision to enhance the cohesiveness of the company.

III. Main business analysis

2022 is the key period of the "14th Five-Year Plan". The company adheres to the general principle of seeking

progress while maintaining stability, actively serves and integrates into the new development pattern of grain security, strengthens the coordinated guarantee of the whole chain of production, purchase, storage, processing and sales, and insists on laying equal stress on quantity and quality, and thoroughly implements high-quality grain projects to strengthen, optimize and expand the industrial chain. During the reporting period, Dongguan Logistics Industrial Park project of the company was put into use, the company's transit business volume increased steadily, the rise in prices of high value-added services and bulk trade and the increase in the gross profit margin of grain and oil trade led to an increase in the company's overall efficiency. As of June 30, 2022, the company's total assets were 7.633 billion yuan, of which the net assets attributable to shareholders of the listed company were 4.58 billion yuan; the cumulative operating revenue was 4.338 billion yuan, achieving total profit of 241 million yuan, the net profit attributable to shareholders of the listed company was 238 million yuan, the weighted average return on equity was 5.00%, and the basic earnings per share was 0.2061 yuan per share.

During the reporting period, the company based on its own advantages and industrial development, used information technology, innovated and opened up the grain and oil products supply channels and trading methods, created a new pattern for tea and food business industry, built a multi-group and multi-channel food supply chain and service network, expanded the effective supply of medium- and high-end grain, oil, and food, and aims to meet people's needs of "quality, diversity, nutrition, health, green, and convenience", and promoted the transformation of grain and oil products from "eat full" to "eat well". The company continues to focus on grain circulation services, and completes grain and oil supply services with quality and quantity by actively building supply chains, continuously extending the industrial chains, innovating business models, and upgrading the industrial value chains, the development of the main grain and oil business continues to improve.

(1) Focus on reform and innovation, and consolidate the support of modern governance capabilities

The company has completed the three-year action tasks of state-owned enterprise reform, the key tasks and measures of the "Double Hundred Action", and the key task of benchmarking the world-class management improvement action, and provided the national food and agriculture industry and the state-owned assets and state-owned enterprises with a replicable and popularized "Shenliang Model". The company has carried out a number of informatization construction projects to accelerate the digital transformation of the company's entire chain. It has strictly performed information disclosure obligations, and continued to receive the highest rating of "A" in the Shenzhen Stock Exchange's 2021 annual information disclosure assessment for companies listed on the main board. It continues to strengthen organizational management and form a modern governance system with complete system, scientific standardization and efficient operation.

(2) Focus on key projects and make breakthroughs to drive all-round development

The company's Northeast Grain Source Base has further strengthened the "production, purchase, storage, processing and sales" chain of cereal and oil food, and Hongxinglong warehouse has adjusted the varieties of unprocessed grain reserves; the rice production line has been officially put into production; new methods such as

containerized railway-sea or truck-sea combined transportation are adopted to reduce cereal loss, reduce transportation time, and open up the channel of "north grain transported to the south".

The company's Dongguan grain logistics node construction and operation goes well, the Shenliang Logistics Building is officially opened, the A1 flat warehouse project has completed the construction of the main body and the supporting projects and is about to be put into production, and the A2 and A3 plots have obtained the construction project planning permit and accelerated the construction. It successfully obtained the port operating permit for berths No. 1 and No.2, and has started the construction of berth No.3; the port handling capacity reached a new high in the first half of the year.

(3) Focus on brand building, enable operations to improve quality and efficiency

The company firmly promotes brand development, continuously improves the excellent brand matrix, continuously improves the quality and scale of food supply, strengthens the core competitiveness, innovation and output capabilities of the brand, serves the common people with more high-quality grain and oil products with preferential prices, and sets an example in cereals, oils and foodstuff to create a benchmark for people's livelihood and happiness. A total of 12 products from three subsidiaries of the company, i.e. Shenzhen Flour, Shenliang Food, and Shenliang Oils and Fats, were selected into the ninth batch of "Shenzhen Products"; Shenbao Huacheng, a subsidiary of the company, was awarded the 12th "Shenzhen Time-honored Brand".

(4) Focus on regional grain security, strengthen and standardize grain and oil management

The company is determined to be a "stabilizer" for grain security in Shenzhen Special Economic Zone, regularly inspects and verifies the quantity and quality of grain and oil in stock at each warehouse, and provides reserve services with high quality and quantity; builds a green and smart grain depot, and follows the full-process inspection of warehousing, inventory and ex-warehouse. During the pandemic in Shenzhen, the company's grain depots implemented closed management, and the "three-in-one" logistics model, automated warehouses, digital laboratories and other emergency supply guarantees were operated in real time, which built the "first line of defense" for emergency guarantee of grain supply.

(5) Focus on risk prevention and control, and firmly guard the bottom line and red line of safety

The company has firmly built a five-in-one "big risk control" management mechanism of "internal control evaluation + safety production + audit + legal affairs + quality safety", and promoted full coverage of independent evaluation and risk assessment of subsidiaries; strengthened the cost control of the whole process of engineering projects; improved capital management system, built a unified supervision platform for funds, and improved the long-term supervision mechanism for fund security check.

Y-o-y changes of main financial data

Unit: CNY/RMB

	Current period	Same period of last year	Y-o-y increase/decr	Reasons for changes

			ease	
Operating revenue	4,338,044,528.35	5,262,189,180.53	-17.56%	The grain and oil trading sales declined due to the impact of epidemic on supplying chain business of the Company
Operating cost	3,775,825,625.81	4,650,397,070.67	-18.81%	The grain and oil trading sales declined due to the impact of epidemic on supplying chain business of the Company
Sales expenses	79,331,081.69	106,711,776.77	-25.66%	Stock of grain & oil and trading of grain & oil in the period decreased compared with the same period of the previous year, the sales expenses from warehousing and port terminal declined
Management expenses	125,631,541.74	109,316,093.65	14.93%	Total profit after reducing rent by the same caliber increased compared with the same period of the previous year, according to the operation, the Company prepays the annual performance and the payroll match
Financial expenses	28,009,628.45	17,204,774.52	62.80%	The berths 1 and 2 and CDE warehouse were put into operation last year, the expense-based interest costs increased compared with the same period of last year
Income tax expense	2,958,666.41	13,407,354.56	-77.93%	
R&D investment	10,137,177.77	10,926,018.15	-7.22%	
Net cash flow arising from operating activities	260,373,502.86	-691,272,151.33	137.67%	The reserve gain& oil settlement payment in 2021 and advance appropriation in the first half of 2022 are collected in the first half of 2022 while the same period of previous year was the second half of 2021
Net cash flow arising from investment activities	-25,369,682.63	-267,111,859.35	90.50%	In the same period of last year, the consideration paid for acquisition of minority interest from Dongguan Logistics of 322 million yuan, and no similar occurred in current period
Net cash flow arising from financing activities	-212,953,478.35	836,677,347.40	-125.45%	In the same period of last year, there were more loans from operation flow, and in current period, some long-term loans are paid due to the

				sufficient monetary funds
Net increase of cash and cash equivalent	22,090,601.62	-121,720,142.83	118.15%	

Major changes on profit composition or profit resources in reporting period

No major changes on profit composition or profit resources occurred in reporting period

Constitute of operating revenue

Unit: CNY/RMB

	Current period		Same period last year		Increase/decrease y-o-y (+,-)
	Amount	Ratio in operation income	Amount	Ratio in operation income	
Total operating revenue	4,338,044,528.35	100%	5,262,189,180.53	100%	-17.56%
According to industries					
Wholesale and retail	3,409,189,664.66	78.59%	4,400,038,220.56	83.62%	-22.52%
Leasing and commercial services	470,365,451.05	10.84%	476,311,036.38	9.05%	-1.25%
Manufacturing	458,489,412.64	10.57%	385,839,923.59	7.33%	18.83%
According to products					
Grain and oil trading and processing	3,754,406,530.76	86.55%	4,675,804,942.84	88.86%	-19.71%
Grain and oil storage, logistics and services	439,642,478.40	10.13%	422,355,721.28	8.03%	4.09%
Food & beverage and tea processing	113,272,546.54	2.61%	111,339,446.11	2.11%	1.74%
Leasing and others	30,722,972.65	0.71%	52,689,070.30	1.00%	-41.69%
According to region					
Domestic market	4,313,917,094.98	99.44%	5,245,073,883.18	99.67%	-17.75%
Exportation	24,127,433.37	0.56%	17,115,297.35	0.33%	40.97%

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

√ Applicable □ Not applicable

Unit: CNY/RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y

According to industries						
Wholesale and retail	3,409,189,664.66	3,182,456,673.11	6.65%	-22.52%	-23.00%	0.58%
According to products						
Grain and oil trading and processing	3,754,406,530.76	3,505,941,830.21	6.62%	-19.71%	-20.54%	0.98%
According to region						
Domestic market	4,313,917,094.98	3,759,320,612.43	12.86%	-17.75%	-18.94%	1.28%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable Not applicable

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

Applicable Not applicable

IV. Analysis of the non-main business

Applicable Not applicable

Unit: CNY/RMB

	Amount	Ratio in total profit	Causes	Whether be sustainable
Investment income	3,038,365.75	1.26%		Unsustainable
Gains/losses of fair value variation	221,889.46	0.09%		Unsustainable
Asset impairment	-81,499,450.86	-33.79%	Accrual of the reserve for falling prices of goods in stock. When selling the goods with falling prices accrual, the actual carrying forward of the reserves will be used to offset the current cost	Unsustainable
Non-operating income	1,133,017.31	0.47%		Unsustainable
Non-operating expense	67,133.97	0.03%		Unsustainable

V. Assets and liability analysis

1. Major changes of assets composition

Unit: CNY/RMB

	End of current period		End of last year		Ratio changes(+,-)	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	72,460,681.82	0.95%	50,409,923.65	0.66%	0.29%	
Account receivable	174,146,597.77	2.28%	283,047,341.62	3.69%	-1.41%	Settlement of grain & oil service income at end of previous year are received in current period
Inventory	3,619,041,269.92	47.41%	3,460,618,674.81	45.12%	2.29%	Increase in grain & oil stock compared to the beginning of the period
Investment real estate	225,116,917.61	2.95%	233,096,698.49	3.04%	-0.09%	
Long-term equity investment	72,955,363.50	0.96%	73,490,443.49	0.96%	0.00%	
Fix assets	2,122,654,384.98	27.81%	2,127,831,149.19	27.74%	0.07%	
Construction in process	198,788,393.17	2.60%	207,946,539.97	2.71%	-0.11%	
Right-of-use assets	87,899,195.17	1.15%	97,648,674.06	1.27%	-0.12%	
Short-term loans	725,635,087.73	9.51%	504,766,782.25	6.58%	2.93%	Increase in operating flow loans during the period
Contract liability	83,531,467.12	1.09%	182,972,314.85	2.39%	-1.30%	Contract liability decline due to the carrying forward of recognized revenue upon completion of performance obligations
Long-term loans	624,310,269.81	8.18%	730,521,692.22	9.52%	-1.34%	Repayment of long-term loans
Lease liability	79,340,597.07	1.04%	80,173,743.75	1.05%	-0.01%	

2. Main overseas assets

Applicable Not applicable

3. Assets and liability measured by fair value

Applicable Not applicable

Unit: CNY/RMB

Items	Opening amount	Changes of fair value gains/losses in this period	Accumulative changes of fair value reckoned into equity	Devaluation of withdrawing in the period	Amount of purchase in the period	Amount of sale in the period	Other changes	Ending amount
Financial assets								
1.Trading financial assets (excluding derivative financial assets)	211,060,770.50	221,889.46				138,934,274.95		72,348,385.01
Other non-current financial assets	57,500.00				80,000,000.00			80,057,500.00
Aforementioned total	211,118,270.50	221,889.46			80,000,000.00	138,934,274.95		152,405,885.01
Financial liabilities	0.00							0.00

Content of other changes

Whether there have major changes on measurement attributes for main assets of the Company in report period or not

Yes No

4. The assets rights restricted till end of the period

Item	Ending book value	Reasons for restriction
Monetary fund	1,000,000.00	Guarantee deposit
Fix assets	354,690,060.54	According to the long-term loan mortgage contract signed by Dongguan Logistics, a subsidiary of the Company, with Shenzhen Branch of Agricultural

Item	Ending book value	Reasons for restriction
		Development Bank and Huizhou Zhongkai Sub-branch of HSBC, Dongguan Logistics has subordinate mortgaged the real estate property rights of the structures of Yue (2020) Dongguan Property Right No. 0127118, Yue (2020) Dongguan Property Right No. 0127119, Yue (2020) Dongguan Property Right No. 0127120, and Yue (2020) Dongguan Property Right No.0119705 at No. 10, Jingang South Road, Machong Town, Dongguan City and other aground buildings as collateral for the loan.
Intangible assets	34,607,208.17	According to the long-term loan mortgage contract signed by Dongguan Logistics, a subsidiary of the Company, with Shenzhen Branch of Agricultural Development Bank and Huizhou Zhongkai Sub-branch of HSBC, Dongguan Logistics has subordinate mortgaged the real estate property rights of the structures of Yue (2020) Dongguan Property Right No. 0127118, Yue (2020) Dongguan Property Right No. 0127119, Yue (2020) Dongguan Property Right No. 0127120, and Yue (2020) Dongguan Property Right No.0119705 at No. 10, Jingang South Road, Machong Town, Dongguan City and other aground buildings as collateral for the loan.
Intangible assets	32,555,832.71	According to the loan contract Yue DG2017 NGDZ No. 006 signed by International Food, a subsidiary of the Company, with Bank of Communications Co., Ltd., Dongguan Branch, International Food has mortgaged its two pieces of land "DFGY (2009) DT No. 190" and "Yue (2020) Dongguan Real Estate Right No. 0321771" to the Bank of Communications Co., Ltd., Dongguan Branch as loan collateral.
Total	422,853,101.42	

VI. Investment analysis

1. Overall situation

Applicable Not applicable

Investment in reporting period (RMB)	Investment in the same period of last year (RMB)	Changes (+,-)
33,983,734.95	423,203,922.73	-92.68%

2.The major equity investment obtained in the reporting period

Applicable Not applicable

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

Applicable Not applicable

Unit: CNY/RMB

Item	Investment	Whether it is	Industry with	Amount	Accumulated	Capital source	Progress	Expected	Income	Reasons for	Date of	Disclosure
------	------------	---------------	---------------	--------	-------------	----------------	----------	----------	--------	-------------	---------	------------

	method	the fixed assets investment (Y/N)	the investment involved	input in the period	actual input as of the end of reporting period	s		earnings	accumulated at end of the reporting period	failure to achieve planned progress and expected benefits	disclosure (if any)	index (if any)
Logistic node project (phase II) of Dongguan Shenliang Logistics Co., Ltd.	Self-build	Y	Storage and wharf	17,458,885	1,469,018,012	Owned Funds	88.00%	-	-	-	-	-
Total	--	--	--	17,458,885	1,469,018,012	--	--	-	-	--	--	--

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

Unit: CNY/RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit and loss	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Capital Source
Domestic and overseas stock	000017	Zhonghua-A	0.00	Fair value measurements	921,099.27	221,889.46				221,889.46	1,142,988.73	Trading financial assets	Debt rescheduled shares
Total			0.00	--	921,099.27	221,889.46	0.00	0.00	0.00	221,889.46	1,142,988.73	--	--

(2) Derivative investment

Applicable Not applicable

The Company has no derivatives investment in the Period

5. Application of raised proceeds

Applicable Not applicable

The Company has no application of raised proceeds in the Period

VII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

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

Unit: CNY/RMB

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Cereals Group Co., Ltd	Subsidiary	Grain & oil trading processing, Grain and oil reserve service	1,530,000,000.00	7,724,060,588.89	4,176,587,134.71	4,135,433,596.58	191,940,309.99	190,067,853.96
Shenzhen Hualian Grain and Oil Trading Co., Ltd.	Subsidiary	Grain & oil trading	100,000,000.00	1,328,101,571.73	236,491,463.20	716,632,540.79	76,222,688.50	67,907,072.76
Shenzhen Flour Co., Ltd	Subsidiary	Grain & oil trading processing, Grain and oil reserve service	30,000,000.00	1,047,853,454.19	125,037,613.88	1,311,330,491.16	42,274,613.24	43,240,341.15

Particular about subsidiaries obtained or disposed in report period

Applicable Not applicable

Company name	The way of getting and treating subsidiary in the reporting	Influence on overall product and performance
Shenzhen Shenbao Technology Center Co., Ltd.	Mergers and Acquisitions	No material impact on overall production, operation and results of the Company for the year
Zhenping Market Operation Tech. Co., Ltd.	Newly established	No material impact for now on overall production, operation and results of the Company for the year
Shenliang Hongli Grain & Oil (Shenzhen) Co., Ltd.	Newly established	No material impact for now on overall production, operation and results of the Company for the year

Explanation on main holding/stock-jointly enterprise:

Shenzhen Cereals Group Co., Ltd: business scope: general business items: grain and oil purchase and sales, grain and oil storage and supply of military grain; grain and oil and products management and processing (operated by branches); operation and processing of feed (operated by outsourcing); investment in grain and oil, feed logistics projects; establishing grain and oil and feed trading market (including e-commerce market) (market license is also available); storage (operated by branches); development, operation and management of free property; providing management services for hotels; investing and setting up industries (specific projects are separately declared); domestic trade; engaging in import and export business; E-commerce and information construction; and grain circulation service. Licensed business items: the following projects shall be operated only with the relevant examination and approval documents if they are involved in obtaining approval: information services (internet information service only); general freight, professional transport (refrigerated preservation). Register capital was 1,530,000,000.00 Yuan. Ended as this period, total assets amounted as 7,724,060,588.89 Yuan, and net assets amounting to 4,176,587,134.71 Yuan, shareholders' equity attributable to parent Company is 3,976,719,908.68 Yuan; in the reporting period, achieved operation revenue, net profit and net profit attributable to shareholder of parent Company as 4,135,433,596.58 Yuan, 190,067,853.96 Yuan and 181,114,135.34 Yuan respectively.

Shenzhen Hualian Grain and Oil Trading Co., Ltd.: Business scope: general business items: domestic trade (except for projects that laws, administrative regulations, and decisions of the State Council require approval before registration); engaging in import and export business (except for projects prohibited by laws, administrative regulations, and decision of the State Council, restricted projects can be operated only after obtaining permission); online feed sales; information consultation, self-owned housing leasing (excluding talent agency services and other restricted items); international freight forwarding, domestic freight forwarding (can only be operated after being approved by the transport department if laws, administrative regulations, State Council decision require the approval of transport department); Licensed business items: purchase and sale of grain and oil, online sales of grain and oil; information service business (internet information service business only). Register capital was 100,000,000.00 Yuan. Ended as this period, total assets amounted as 1,328,101,571.73 Yuan, and net assets amounting to 236,491,463.2 Yuan, shareholders' equity attributable to parent Company is 208,500,133.85 Yuan; in the reporting period, achieved operation revenue, net profit and net profit attributable to parent Company as 716,632,540.79 Yuan, 67,907,072.76 Yuan and 67,612,430.08 Yuan respectively.

Shenzhen Flour Co., Ltd: business scope: hardware and electrical equipment, chemical products (excluding hazardous chemicals and restricted items), auto parts, purchase and sales of construction materials; self-operated import and export business (carry out according to the provisions of the registration certificate SMGDZZ No. 76); domestic trade (excluding franchise, exclusive control, monopoly commodities); wheat wholesale and retail; flour processing and production. Register capital was 30,000,000.00 Yuan. Ended as this period, total assets amounted as 1,047,853,454.19 Yuan, and net assets amounting to 125,037,613.88 Yuan, shareholders' equity attributable to parent Company is 125,037,613.88 Yuan; in the reporting period, achieved operation revenue, net profit and net profit attributable to parent Company as 1,311,330,491.16 Yuan, 43,240,341.15 Yuan and 43,240,341.15 Yuan respectively.

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks and countermeasures

1. The risk of the impact of the COVID-19 pandemic

The continued COVID-19 pandemic greatly affected the macroeconomic operation, and the uncertain risks faced by economic development have intensified. The company has been greatly and negatively affected in terms of production, trade, and industrial supply chain, resulting in rises in material costs, labor costs, logistics costs and other costs a certain extent.

In response to this risk, the company strictly implements the pandemic prevention policies, and does a good job in pandemic prevention tirelessly. On the one hand, the company builds a normalized mechanism for pandemic prevention and control, and implements prevention and control measures from three aspects of "people, objects, and environment"; on the other hand, the company makes reasonable arrangements for production and business through advance planning to ensure that the company's production and operation are carried out in an orderly manner. In addition, the company further promotes refined management to reduce costs and increase efficiency.

2. Raw material price fluctuation risk

Firstly, the monetary tightening policies to combat the inflation due to the over-issuance and depreciation of US dollar and the decline in social production levels caused by the COVID-19 pandemic have led to sharp fluctuations in prices of domestic and foreign commodities; secondly, as the COVID-19 pandemic continues, some countries have controlled the export of agricultural products, and the restrictions on the circulation of agricultural products caused the prices of agricultural products to rise; finally, the Russian-Ukrainian conflict have blocked the grain exports of two important grain-producing countries, causing the global grain and oil prices to continue to rise. The above risks have greatly impacted the industry in which the company operates, and the company's external raw material procurement costs continue to be under pressure.

The company will actively respond to the adverse effects of raw material price fluctuations on the company's operations through measures such as strengthening market forecasts, establishing strategic cooperation, optimizing supply management, and refining the management of the entire industry chain.

3. Food safety risks

As a major livelihood issue, food safety concerns the vital interests and safety and health of the people. Under the current situation of the sporadic and repeated COVID-19 pandemic, as emergency supplies, the distribution and transportation of grain may be affected by the transportation control and the requirements of local pandemic prevention policies. In order to ensure the supply and quality of emergency supplies, the company has made careful deployment and joint coordination of various units to strengthen the pandemic prevention and control of key objects such as people, vehicles, and the environment accompanying the goods, which not only ensures the

quality compliance and hygienic safety of the food to be put in storage, but also effectively guarantees sufficient grain and oil reserves, stable market supply and good food quality.

To address this risk, the company implements the following specific measures. First, strictly implement the main responsibility for food quality and safety. The company implements the special post for special responsibility, implements the requirements of "one batch, one inspection" for grain, oil and food, and strengthens the source control. Second, strengthen public opinion detection of food safety. The company strengthens the monitoring and tracking of food safety public opinion trends, stabilizes the consumer market sentiment of grain and oil, and does a good job in the management of grain quality and safety. Third, continuously improve the level of product quality assurance through technological transformation and technological progress. Fourth, strengthen product transportation and storage management to prevent secondary pollution of products.

4. The risk of market competition

As a representative enterprise of regional grain, oil and food business, there is still a certain gap in scale and brand awareness between the company and other central enterprises and large multinational grain, oil and food enterprises. In the future, the competition in the grain, oil and food industry will become more and more fierce, if the company cannot effectively promote the own brands and expand marketing channels, it may face greater market competition risks.

In order to cope with this risk, on the one hand, the company continues to improve the plan management level, formulates the purchase and sales plan during the year, and carefully optimizes the procurement channels to ensure sufficient grain supply and orderly supply; on the other hand, it continues to strengthen communication with upstream and downstream customers in the industry chain, vigorously expands sales channels, focuses on customer needs, develops brands and services, and enhances the company's brand value and competitiveness. At the same time, the company actively develops new customers and effectively expands markets outside the region and emerging markets.

5. Merger and acquisition integration risk

The company carries out investment and M&A projects according to its development strategy. Whether the M&A project can form a synergistic effect with the original business and whether it can be effectively integrated with the original corporate culture and management methods will affect the realization of the enterprise strategic goals, and the lack of adequate management and control may lead to M&A-related risks.

In response to this risk, the company will take the following measures. The first is to pay attention to the integrating degree of the operation of the acquired company with the company's development strategy, and make corrections in a timely manner; the second is to pay attention to the synergy between the acquired company and the company's existing industries, and coordinate the deployment of resources in a timely manner; the third is to gradually promote and realize the integration of systems and cultures; the fourth is to optimize the performance-

based innovation incentive and assessment mechanism, and constantly adjust the incentive policies of the acquired companies to adapt to the business objective.

Section IV Corporate Governance

I. Annual General Meeting and extraordinary shareholders general meeting held in this period

1. AGM in the period

Sessions	Type	Investor participation (%)	Opening date	Disclosure date	Resolutions
2021 Annual general meeting	AGM	72.09%	2022-05-18	2022-05-19	Resolution Notice of AGM 2021 of Shenzhen Cereals Holdings Co., Ltd. (Notice No.: 2022-15) released on Juchao website (www.cninfo.com.cn) dated 19 May 2022

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

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Causes
Wang Li	Director	Outgoing	2022-01-12	Retirement
Zhu Junming	President	Outgoing	2022-06-05	Passed away

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

Applicable Not applicable

The Company plans not to carried out distribution of cash dividend, bonus shares and share converted from capital reserve either for the half year

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

Applicable Not applicable

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

Section V Environmental and Social Responsibility

I. Major environmental protection

The listed Company and its subsidiary whether belong to the key sewage units released from environmental protection department

Yes No

Administrative penalties imposed for environmental issues during the reporting period

Company/Subsidiary	Reasons for penalty	Violation situation	Penalty results	Impact on the production & operation of the listed company	Corrective measures
-	-	-	-	-	-

Other environmental information disclosed with reference to the key emission units

N/A

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

Applicable Not applicable

Reasons for not disclosing other environmental information

The company attached great importance to environmental protection work, and each subsidiary has built corresponding environmental protection facilities according to the actual situation of production and operation to treat waste gas, dust, wastewater and solid waste generated in the production process, so as to make its emissions reach the national and local relevant standards. At the same time, based on its own business characteristics, the company's subsidiaries have formulated a series of rules and regulations on environmental protection and strictly implemented them to institutionalize and standardize the environmental protection.

II. Social responsibility

1. Rural revitalization.

In order to thoroughly implement the guiding spirit of the CPC Central Committee and the State Council on consolidating and expanding the results of poverty alleviation and the effective connection of rural revitalization and the decision-making and deployment of the Provincial Party Committee and the Municipal Party Committee on the implementation opinions on comprehensively promoting rural revitalization, according to the unified arrangement of the Shenzhen Municipal Party Committee, in July 2021, SZCH and Government Offices Administration of Shenzhen Municipality and Meteorological Bureau of Shenzhen Municipality selected and assigned personnel to formed a support working team stationed in the town (hereinafter referred to as "the working team") to help carry out rural revitalization and assistance work in Tuocheng Town, Longchuan County, Heyuan City, the working team gave full play to the advantages of the industry and provided support for the industrial development of Tuocheng Town.

The first was to implement the important exposition of General Secretary Xi Jinping's rural revitalization work in practical work. Conducted in-depth research in towns and villages, completed the rural revitalization research report and planning with high quality, and relevant results represented Heyuan City to participate in the selection of Guangdong Province. The second was to implement the monitoring of poverty-returning with heart and emotion. Implemented the contact mechanism for poverty-returning households, established a help book for special groups, and connected with charitable and public welfare resources. The third was to adhere to people first and life first, and assisted in the defense of the super-strong "Dragon Boat Water". Focused on helping Xindu Village, Shengli Village, Dajiang Village and Sanyin Village. Among them, Comrade Huang Bo joined the militia emergency team for flood fighting and emergency rescue at the first time, and made outstanding contributions, winning the title of "Flood Control and Flood Fighting Model" issued by the People's Armed Forces of Tuocheng Town.

2. The work of aid to Tibet.

The selected second batch of aid-Tibet cadres thoroughly implemented the spirit of Xi Jinping's important instructions, applied realistic and pragmatic approaches, took real action and worked hard, and conscientiously carried out every task of aid to Tibet with a strong sense of responsibility and mission, achieved the consolidation of poverty alleviation results and the effective connection of rural revitalization, steadily promoted the high-quality development of the farms in Zayu County, and successfully completed the task of aid to Tibet.

3. Volunteer service.

In the first half of 2022, the pandemic situation in Shenzhen showed a trend of frequent occurrences. In the face of the severe pandemic, Shenliang people acted bravely and acted well, actively participated in the anti-pandemic front line, and demonstrated the social responsibility of state-owned enterprises with service consciousness. More than 110 people of the company participated in the front-line prevention and control of the pandemic, and the volunteer service time exceeded 8,000 hours.

Section VI Important Events

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

√Applicable □ Not applicable

Commitment reason	Promise by	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments in assets reorganization	Food Materials Group	Shares limited for sale commitment	Commitment on the Lock-up Period of the Shares: Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as “Shenshenbao” and “Listed Company”) intends to purchase the 100% equity of Shenzhen Cereals Group Co., Ltd. (hereinafter referred to as “SZCG”, “target company”) held by the shareholders of SZCG through issuance of shares. Shenzhen Food Materials Group Co., Ltd (hereinafter referred to as “the committed person”), the controlling shareholder of SZCG, has made the following commitments: 1. The committed person should not transfer the shares of the listed company obtained from this transaction within 36 months from the date of listing of the shares. If the closing price of the listed company’s stock is lower than the issue price for 20 consecutive trading days within 6 months after the completion of this transaction, or the closing price is lower than the issue price at the term end of 6 months after the completion of the transaction, the lock-up period for the committed person to hold the company’s stock automatically prolongs for at least 6 months. 2. At the expiration of the above-mentioned lock-up period, if the committed person doesn’t fully fulfill the performance compensation obligation stipulated in the Performance Compensation Agreement, the lock-up period of the shares issued to the committed person will be prolonged to the date when the performance compensation obligation is	2018-04-02	2022-5-12	Completed

			<p>fulfilled. 3. Before this transaction, the shares of the Listed Company held by the committed person and the companies controlled by the promise shall not be transferred within 12 months after the completion of this transaction. 4. During the lock-up period of shares, the part that the committed person has increased due to the bonus issue of dividends, transfer of share capital or share allotment of the Listed Company and other ex dividend and ex right matters should also abide by the above-mentioned share lock-up arrangement. 5. If the above lock-up period does not comply with the latest regulatory requirements of the securities regulatory authority, the committed person will agree to make corresponding adjustments according to the latest regulatory opinions of the regulatory authorities, and implement in accordance with the relevant provisions of the China Securities Regulatory Commission and the Shenzhen Stock Exchange after the lock-up period expires.</p>			
Completed on time (Y/N)	Y					
If the commitment is overdue and has not been fulfilled, the specific reasons for incomplete performance and the work plan for next step shall be explained in detail	Not applicable					

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

Applicable Not applicable

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

III. External guarantee out of the regulations

Applicable Not applicable

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

IV. Appointment and non-reappointment (dismissal) of CPA

Whether the financial report has been audited or not

Yes No

The financial report has not been audited

V. Explanation from Board of Directors and Supervisory Committee for “Qualified Opinion” that issued by CPA

Applicable Not applicable

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

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in end of this period

VIII. Lawsuits

Significant lawsuits and arbitration

Applicable Not applicable

No significant lawsuits and arbitration occurred in the reporting period

Other lawsuits

Applicable Not applicable

Lawsuits (arbitration)	Amount involved (in 10 thousand Yuan)	Resulted an accrual liability (Y/N)	Progress	Trial result and influence	Execution of judgment	Disclosure date	Disclosure index
As of 30 June 2022, other lawsuits that	11,797.26	Yes, the single loan contract dispute from	The Company actively makes use of	After comprehensive analysis, the outcome	In promoting actively		Not applicable

<p>did not meet the disclosure standards for significant lawsuits mainly including: disputes over purchase and sales contract, disputes over loans contract, disputes over construction contracts, disputes over corporate separation contracts and housing lease contract dispute etc.</p>		<p>subordinate enterprise of the Company is expected to form an accrual liability of 3.5 million yuan approximately. Other lawsuit-related cases are relatively small in individual amount, and will not have a significant impact on the Company when analyzed in conjunction with the progress of these cases.</p>	<p>the advantageous resources of internal legal affairs and external laws firm to follow up and deal with the lawsuit-related cases. At present, the Company is responding to and dealing with the cases effectively in accordance with relevant laws and regulations</p>	<p>of the cases involved in the lawsuits will not have a significant impact on the Company</p>			
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------	--	--	--

IX. Penalty and rectification

Applicable Not applicable

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

Applicable Not applicable

XI. Major related transaction

1. Related transaction with routine operation concerned

Applicable Not applicable

No related transaction occurred in the period with routine operation concerned

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

Applicable Not applicable

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

3. Related transaction of foreign investment

Applicable Not applicable

No related transaction of foreign investment occurred in the period

4. Related credits and liabilities

Applicable Not applicable

No related credits and liabilities occurred in period

5. Contact with the related finance companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other major related transaction

Applicable Not applicable

No other major related transaction in the Period.

XII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship for the Company in reporting period

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period

(3) Leasing

Applicable Not applicable

No leasing in reporting period

2. Major Guarantee

Applicable Not applicable

Unit: 10 thousand Yuan

External Guarantee (not including guarantees to subsidiaries)										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party (Y/N)
Guarantee for the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party (Y/N)
Dongguan International Food Industrial Park Development Co., Ltd.		37,632	2018-07-27	30,632	Joint liability guaranty	N/A	N	14 years	N	N
Total amount of approving guarantee for subsidiaries in report period (B1)		79,138		Total amount of actual occurred guarantee for subsidiaries in report period (B2)						2,372
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		116,770		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)						30,632

Guarantee of the subsidiaries for the subsidiaries											
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Guarantee term	Complete implementation or not	Guarantee for related party (Y/N)	
Dongguan Shenliang Logistics Co., Ltd.		27,300	2015-07-13	9,921	Joint liability guaranty	N/A	N	8 years	N	N	
Dongguan International Food Industrial Park Development Co., Ltd.		39,168	2018-07-27	31,883	Joint liability guaranty	N/A	N	14 years	N	N	
Total amount of approving guarantee for subsidiaries in report period (C1)		49,062		Total amount of actual occurred guarantee for subsidiaries in report period (C2)						2,469	
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)		115,530		Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)						41,804	
Total amount of guarantee of the Company (total of three above mentioned guarantee)											
Total amount of approving guarantee in report period (A1+B1+C1)		128,200		Total amount of actual occurred guarantee in report period (A2+B2+C3)						4,841	
Total amount of approved guarantee at the end of report period (A3+B3+C2)		232,300		Total balance of actual guarantee at the end of report period (A4+B4+C4)						72,436	
The proportion of the total amount of actually guarantee in the net assets of the											15.82%

Company (that is A4+ B4+C4)	
Including:	
Balance of the guarantee provided for shareholder, actual controller and their related parties (D)	0
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)	72,436
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)	0
Total amount of the aforesaid three guarantees (D+E+F)	72,436

Explanation on guarantee with composite way

N/A

3.Trust financing

Applicable Not applicable

Unit: 10 thousand Yuan

Type	Fund sources	Amount occurred	Undue balance	Overdue amount	Impairment amount accrual for overdue financial management
Bank financial products	Owned funds	34,500	34,500	0	0
Total		34,500	34,500	0	0

The high-risk trust investment with single major amount or has minor security, poor fluidity and non-guaranteed

Applicable Not applicable

Unrecoverable principal or impairment possibility from entrust investment

Applicable Not applicable

4. Other material contracts

Applicable Not applicable

No other material contracts in the period.

XIII. Explanation of other important events

Applicable Not applicable

1. Changes in directors, supervisor and senior executives

(1) On January 12, 2022, the Company received a written resignation report from Director Mr. Wang Li, who has reached the statutory retirement age and has applied for resignation as a Director of the Company and Mr. Li does not hold any other positions in the Company after leaving. Found more in Notice on Retirement of Directors released on Juchao Website (www.cninfo.com.cn) dated January 14, 2022.

(2) On June 5, 2022, President and legal representative of the Company Mr. Zhu Junming passed away due to illness, number of the directors was reduced from 8 to 7, which is not lower than the minimum number of directors as regulated in Company Law. Found more in Notice on Death of the President and Legal Representative of the Company released on Juchao Website (www.cninfo.com.cn) dated June 7, 2022.

XIV. Important events from subsidiaries

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Restricted shares	684,601,142	59.40%	0	0	0	0	0	684,601,142	59.40%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person's shares	684,569,567	59.40%	0	0	0	0	0	684,569,567	59.40%
3. Other domestic shares	31,575	0.00%	0	0	0	0	0	31,575	0.00%
Including: Domestic legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Domestic natural person's shares	31,575	0.00%	0	0	0	0	0	31,575	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Foreign legal person's shares	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person's shares	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	467,934,112	40.60%	0	0	0	0	0	467,934,112	40.60%
1. RMB ordinary shares	416,184,832	36.11%	0	0	0	0	0	416,184,832	36.11%
2. Domestically listed foreign shares	51,749,280	4.49%	0	0	0	0	0	51,749,280	4.49%
3. Overseas listed	0	0.00%	0	0	0	0	0	0	0.00%

foreign shares									
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	1,152,535,254	100.00%	0	0	0	0	0	1,152,535,254	100.00%

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

II. Securities issuance and listing

Applicable Not applicable

III. Number of shareholders and particulars about shares holding

Unit: Share

Total common stock shareholders in reporting period-end	55,911	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see note 8)	0					
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount

								nt
Shenzhen Food Materials Group Co., Ltd	State-owned legal person	63.79%	735,237,253	0	669,184,735	66,052,518		
Shenzhen Agricultural Products Group Co., Ltd	State-owned legal person	8.23%	94,832,294	0	15,384,832	79,447,462		
Dongguan Fruit Vegetable Non-staple Food Trading Market Co., Ltd.	Domestic non-state legal person	0.75%	8,698,216	8,698,216	0	8,698,216		
Jiang Runlin	Domestic nature person	0.46%	5,300,000	5,300,000	0	5,300,000		
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.35%	4,070,515	1,407,928	0	4,070,515		
Lin Junbo	Domestic nature person	0.33%	3,830,100	230,100	0	3,830,100		
Zhong Zhenxin	Domestic nature person	0.29%	3,295,500	0	0	3,295,500		
Sun Huiming	Domestic nature person	0.28%	3,250,062	0	0	3,250,062		
Chen Jiuyang	Domestic nature person	0.26%	2,978,570	121,870	0	2,978,570		
Wang Yulin	Domestic nature person	0.12%	1,370,630	1,370,630	0	1,370,630		
Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable) (see note 3)	N/A							
Explanation on associated relationship among the aforesaid shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Food Materials Group Co., Ltd., and holds 34% of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Food Materials Group Co., Ltd.; the Company was not aware of any related relationship between other shareholders above, and whether they belonged to parties acting in concert as defined by the Acquisition Management Method of Listed Company.							
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	N/A							
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note	N/A							

11)			
Particular about top ten shareholders with un-lock up common stocks held			
Shareholders' name	Amount of common shares held without restriction at Period-end	Type of shares	
		Type	Number
Shenzhen Agricultural Products Group Co., Ltd	79,447,462	RMB common shares	79,447,462
Shenzhen Food Materials Group Co., Ltd	66,052,518	RMB common shares	66,052,518
Dongguan Fruit Vegetable Non-staple Food Trading Market Co., Ltd.	8,698,216	RMB common shares	8,698,216
Jiang Runlin	5,300,000	RMB common shares	5,300,000
Hong Kong Securities Clearing Company Limited	4,070,515	RMB common shares	4,070,515
Lin Junbo	3,830,100	RMB common shares	3,830,100
Zhong Zhenxin	3,295,500	RMB common shares	3,295,500
Sun Huiming	3,250,062	Domestically listed foreign shares	3,250,062
Chen Jiuyang	2,978,570	RMB common shares	2,978,570
Wang Yulin	1,370,630	RMB common shares	1,370,630
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	Shenzhen SASAC directly holds 100% equity of Shenzhen Food Materials Group Co., Ltd., and holds 34% of Shenzhen Agricultural Products Group Co., Ltd. indirectly through Shenzhen Food Materials Group Co., Ltd.; the Company was not aware of any related relationship between other shareholders above, and whether they belonged to parties acting in concert as defined by the Acquisition Management Method of Listed Company.		
Explanation on top 10 common shareholders involving margin business (if applicable) (see note 4)	At the end of reporting period, Shareholder – Lin Junbo holds 3,094,100 shares of the Company under customer credit trading secured securities account through China Merchants Securities Co., Ltd., common account holds 736,000 shares, and 3,830,100 shares are held in total at end of the Period. During the reporting period, the credit trading secured securities account has 505,900 shares decreased, and shares held in the common account has 736,000 shares increased, shares held are increased 230,100 shares in total.		

Whether top ten common stock shareholders or top ten common stock shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

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

IV. Changes of shares held by directors, supervisors and senior executives

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2021.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

Applicable Not applicable

The Company had no change of actual controller during the reporting period

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.

Section IX Corporate Bonds

Applicable Not applicable

Section X Financial Report

I. Audit report

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: CNY/RMB

1. Consolidated Balance Sheet

Prepared by SHENZHEN CEREALS HOLDINGS CO., LTD.

June 30, 2022

Unit: CNY/RMB

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	72,460,681.82	50,409,923.65
Settlement provisions		
Capital lent		
Trading financial assets	72,348,385.01	211,060,770.50
Derivative financial assets		
Note receivable	97,750.00	687,242.00
Account receivable	174,146,597.77	283,047,341.62
Receivable financing		
Accounts paid in advance	94,594,325.01	115,894,774.61
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	46,469,468.38	32,377,838.35
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	3,619,041,269.92	3,460,618,674.81
Contract assets		
Assets held for sale		
Non-current asset due within one year		

Other current assets	96,125,797.78	88,457,984.90
Total current assets	4,175,284,275.69	4,242,554,550.44
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	72,955,363.50	73,490,443.49
Investment in other equity instrument		
Other non-current financial assets	80,057,500.00	57,500.00
Investment real estate	225,116,917.61	233,096,698.49
Fixed assets	2,122,654,384.98	2,127,831,149.19
Construction in progress	198,788,393.17	207,946,539.97
Productive biological asset	373,155.60	378,001.80
Oil and gas asset		
Right-of-use assets	87,899,195.17	97,648,674.06
Intangible assets	595,234,927.12	609,405,194.82
Expense on Research and Development	326,306.90	
Goodwill	1,953,790.56	1,953,790.56
Long-term expenses to be apportioned	26,155,659.30	28,795,206.45
Deferred income tax asset	40,597,732.21	40,529,425.47
Other non-current asset	5,297,491.87	5,931,731.58
Total non-current asset	3,457,410,817.99	3,427,064,355.88
Total assets	7,632,695,093.68	7,669,618,906.32
Current liabilities:		
Short-term loans	725,635,087.73	504,766,782.25
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	554,848,179.43	426,906,669.71
Accounts received in advance	8,440,204.85	2,379,891.67
Contract liability	83,531,467.12	182,972,314.85
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		

Security sales of agency		
Wage payable	243,659,888.70	320,706,055.47
Taxes payable	45,257,793.47	86,813,588.15
Other account payable	379,510,687.74	376,607,198.99
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	112,832,529.55	128,732,475.16
Other current liabilities	1,764,823.46	4,367,576.91
Total current liabilities	2,155,480,662.05	2,034,252,553.16
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	624,310,269.81	730,521,692.22
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	79,340,597.07	80,173,743.75
Long-term account payable	17,445,737.26	17,266,921.98
Long-term wages payable		
Accrual liability	3,500,000.00	3,500,000.00
Deferred income	87,080,932.92	93,129,536.68
Deferred income tax liabilities	13,661,333.11	13,868,191.82
Other non-current liabilities		
Total non-current liabilities	825,338,870.17	938,460,086.45
Total liabilities	2,980,819,532.22	2,972,712,639.61
Owner's equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	1,259,639,656.65	1,259,639,656.65
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	405,575,490.42	405,575,490.42
Provision of general risk		
Retained profit	1,761,935,670.70	1,812,541,701.27

Total owner' s equity attributable to parent company	4,579,686,071.77	4,630,292,102.34
Minority interests	72,189,489.69	66,614,164.37
Total owner' s equity	4,651,875,561.46	4,696,906,266.71
Total liabilities and owner' s equity	7,632,695,093.68	7,669,618,906.32

Legal Representative: Hu Xianghai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Wen Jieyu

2. Balance Sheet of Parent Company

Unit: CNY/RMB

Item	June 30, 2022	January 1, 2022
Current assets:		
Monetary funds	3,445,937.73	2,264,388.89
Trading financial assets	72,189,251.68	181,047,789.68
Derivative financial assets		
Note receivable		
Account receivable	33,806,426.32	135,678,426.30
Receivable financing		
Accounts paid in advance		
Other account receivable	1,163,766,691.58	983,939,717.84
Including: Interest receivable		
Dividend receivable	540,000,000.00	540,000,000.00
Inventories		
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	274,391.11	1,083,482.32
Total current assets	1,273,482,698.42	1,304,013,805.03
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	4,024,019,425.09	4,048,519,425.09
Investment in other equity instrument		
Other non-current financial assets		

Investment real estate	16,279,118.62	16,514,913.76
Fixed assets	33,958,651.80	32,097,138.18
Construction in progress	516,131.26	239,282.75
Productive biological assets	373,155.60	378,001.80
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	17,924,048.27	19,338,264.04
Research and development costs		
Goodwill		
Long-term deferred expenses	1,354,041.18	1,538,731.98
Deferred income tax assets		
Other non-current assets	4,701,190.87	4,602,630.58
Total non-current assets	4,099,125,762.69	4,123,228,388.18
Total assets	5,372,608,461.11	5,427,242,193.21
Current liabilities:		
Short-term borrowings		28,175,026.24
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable		
Accounts received in advance		
Contract liability		
Wage payable	27,395,625.61	29,472,163.62
Taxes payable	4,967,437.88	2,801,612.80
Other accounts payable	963,897,833.67	764,330,925.37
Including: Interest payable		
Dividend payable	2,933,690.04	2,933,690.04
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	996,260,897.16	824,779,728.03
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities	3,500,000.00	3,500,000.00

Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	3,500,000.00	3,500,000.00
Total liabilities	999,760,897.16	828,279,728.03
Owners' equity:		
Share capital	1,152,535,254.00	1,152,535,254.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	3,018,106,568.27	3,018,106,568.27
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	133,171,062.28	133,171,062.28
Retained profit	69,034,679.40	295,149,580.63
Total owner's equity	4,372,847,563.95	4,598,962,465.18
Total liabilities and owner's equity	5,372,608,461.11	5,427,242,193.21

3. Consolidated Profit Statement

Unit: CNY/RMB

Item	Semi-annual of 2022	Semi-annual of 2021
I. Total operating income	4,338,044,528.35	5,262,189,180.53
Including: Operating income	4,338,044,528.35	5,262,189,180.53
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	4,027,985,541.37	4,901,525,013.61
Including: Operating cost	3,775,825,625.81	4,650,397,070.67
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		

Tax and extras	9,050,485.91	6,969,279.85
Sales expense	79,331,081.69	106,711,776.77
Administrative expense	125,631,541.74	109,316,093.65
R&D expense	10,137,177.77	10,926,018.15
Financial expense	28,009,628.45	17,204,774.52
Including: Interest expenses	27,256,521.87	15,362,400.04
Interest income	1,233,894.54	765,002.68
Add: Other income	8,030,243.98	4,891,929.30
Investment income (Loss is listed with “-”)	3,038,365.75	3,501,371.30
Including: Investment income on affiliated company and joint venture	-535,079.99	440,179.67
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 “-”)	221,889.46	288,972.32
Loss of credit impairment (Loss is listed with “-”)	245,856.01	34,157.37
Losses of devaluation of asset (Loss is listed with “-”)	-81,499,450.86	-111,448,173.12
Income from assets disposal (Loss is listed with “-”)		8,318.64
III. Operating profit (Loss is listed with “-”)	240,095,891.32	257,940,742.73
Add: Non-operating income	1,133,017.31	1,627,702.56
Less: Non-operating expense	67,133.97	403,164.30
IV. Total profit (Loss is listed with “-”)	241,161,774.66	259,165,280.99
Less: Income tax expense	2,958,666.41	13,407,354.56
V. Net profit (Net loss is listed with “-”)	238,203,108.25	245,757,926.43
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	238,203,108.25	245,757,926.43
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		

1.Net profit attributable to owner's of parent company	237,527,782.93	243,846,874.76
2.Minority shareholders' gains and losses	675,325.32	1,911,051.67
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		

VII. Total comprehensive income	238,203,108.25	245,757,926.43
Total comprehensive income attributable to owners of parent Company	237,527,782.93	243,846,874.76
Total comprehensive income attributable to minority shareholders	675,325.32	1,911,051.67
VIII. Earnings per share:		
(i) Basic earnings per share	0.2061	0.2116
(ii) Diluted earnings per share	0.2061	0.2116

Enterprise combines 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: Hu Xianghai

Person in charge of accounting works: Lu Yuhe

Person in charge of accounting institute: Wen Jieyu

4. Profit Statement of Parent Company

Unit: CNY/RMB

Item	Semi-annual of 2022	Semi-annual of 2021
I. Operating income	94,732,571.88	78,409,527.17
Less: Operating cost	235,795.14	235,795.14
Taxes and surcharge	239,797.63	443,112.63
Sales expenses		
Administration expenses	35,210,060.97	40,040,419.50
R&D expenses		
Financial expenses	-249,289.38	893,183.83
Including: Interest expenses	1,215,509.60	1,145,171.80
Interest income	1,385,168.73	285,480.74
Add: Other income	216,639.79	169,161.92
Investment income (Loss is listed with “-”)	2,279,175.50	567,166.06
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 “-”)	221,889.46	288,972.32
Loss of credit impairment (Loss is listed with “-”)		-220,207.77
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 “-”)	62,013,912.27	37,602,108.60
Add: Non-operating income	5,000.00	
Less: Non-operating expense		150,000.00
III. Total Profit (Loss is listed with “-”)	62,018,912.27	37,452,108.60
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	62,018,912.27	37,452,108.60
(i) continuous operating net profit (net loss listed with “-”)	62,018,912.27	37,452,108.60
(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	62,018,912.27	37,452,108.60
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: CNY/RMB

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	4,505,675,220.29	4,872,625,307.71
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	27,412,268.12	15,314,266.13
Other cash received concerning operating activities	969,031,224.09	509,043,498.66
Subtotal of cash inflow arising from operating activities	5,502,118,712.50	5,396,983,072.50
Cash paid for purchasing commodities and receiving labor service	3,881,170,164.56	5,229,031,194.26
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	213,374,966.28	158,496,287.47
Taxes paid	117,336,305.52	108,750,086.71
Other cash paid concerning operating activities	1,029,863,773.28	591,977,655.39
Subtotal of cash outflow arising from operating activities	5,241,745,209.64	6,088,255,223.83
Net cash flows arising from operating activities	260,373,502.86	-691,272,151.33
II. Cash flows arising from investing activities:		
Cash received from recovering investment	485,000,000.00	270,000,000.00
Cash received from investment income	2,507,720.69	3,051,423.05
Net cash received from disposal of fixed, intangible and other long-term assets	570.00	17,565.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	154.49	54,336.41
Subtotal of cash inflow from investing activities	487,508,445.18	273,123,324.46

Cash paid for purchasing fixed, intangible and other long-term assets	97,877,199.01	98,438,615.15
Cash paid for investment	415,000,000.00	120,006,966.66
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		321,680,000.00
Other cash paid concerning investing activities	928.80	109,602.00
Subtotal of cash outflow from investing activities	512,878,127.81	540,235,183.81
Net cash flows arising from investing activities	-25,369,682.63	-267,111,859.35
III. Cash flows arising from financing activities:		
Cash received from absorbing investment	4,900,000.00	490,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	4,900,000.00	
Cash received from loans	1,923,171,121.48	2,006,423,247.45
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,928,071,121.48	2,006,913,247.45
Cash paid for settling debts	1,817,214,190.96	907,763,968.37
Cash paid for dividend and profit distributing or interest paying	314,281,984.10	262,471,931.68
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	9,528,424.77	
Subtotal of cash outflow from financing activities	2,141,024,599.83	1,170,235,900.05
Net cash flows arising from financing activities	-212,953,478.35	836,677,347.40
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	40,259.74	-13,479.55
V. Net increase of cash and cash equivalents	22,090,601.62	-121,720,142.83
Add: Balance of cash and cash equivalents at the period -begin	49,370,080.20	190,494,225.94
VI. Balance of cash and cash	71,460,681.82	68,774,083.11

equivalents at the period -end		
--------------------------------	--	--

6. Cash Flow Statement of Parent Company

Unit: CNY/RMB

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	456,611,209.00	826,505.31
Write-back of tax received	127,947.08	
Other cash received concerning operating activities	1,390,207,872.37	664,855,399.05
Subtotal of cash inflow arising from operating activities	1,846,947,028.45	665,681,904.36
Cash paid for purchasing commodities and receiving labor service		45,000,000.00
Cash paid to/for staff and workers	31,404,815.06	25,664,475.70
Taxes paid	2,411,446.34	1,938,500.47
Other cash paid concerning operating activities	1,384,817,990.79	337,740,658.17
Subtotal of cash outflow arising from operating activities	1,418,634,252.19	410,343,634.34
Net cash flows arising from operating activities	428,312,776.26	255,338,270.02
II. Cash flows arising from investing activities:		
Cash received from recovering investment	255,000,000.00	10,000,000.00
Cash received from investment income	1,359,602.96	123,077.77
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		54,336.41
Subtotal of cash inflow from investing activities	256,359,602.96	10,177,414.18
Cash paid for purchasing fixed,	4,135,551.25	4,271,363.11

intangible and other long-term assets		
Cash paid for investment	145,000,000.00	20,006,966.66
Net cash received from subsidiaries and other units obtained		321,680,000.00
Other cash paid concerning investing activities	216,912,975.11	
Subtotal of cash outflow from investing activities	366,048,526.36	345,958,329.77
Net cash flows arising from investing activities	-109,688,923.40	-335,780,915.59
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	342,127,475.10	411,800,462.65
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	342,127,475.10	411,800,462.65
Cash paid for settling debts	370,299,684.12	99,925,561.27
Cash paid for dividend and profit distributing or interest paying	289,268,397.83	230,890,398.24
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	659,568,081.95	330,815,959.51
Net cash flows arising from financing activities	-317,440,606.85	80,984,503.14
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,697.17	
V. Net increase of cash and cash equivalents	1,181,548.84	541,857.57
Add: Balance of cash and cash equivalents at the period -begin	2,264,388.89	5,312,806.71
VI. Balance of cash and cash equivalents at the period -end	3,445,937.73	5,854,664.28

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

Current Amount

Unit: CNY/RMB

Item	Semi-annual of 2022		
	Owners' equity attributable to the parent Company	Min	Tota

	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	Priority interests	Minority owners' equity
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	1,152,535,254.00				1,259,639,656.65				405,575,490.42		1,812,541,701.27		4,630,292,102.34	66,614,164.37	4,696,906,266.71
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	1,152,535,254.00				1,259,639,656.65				405,575,490.42		1,812,541,701.27		4,630,292,102.34	66,614,164.37	4,696,906,266.71
III. Increase/Decrease in the period (Decrease is listed with “-”)										-50,606,305.7		-50,606,305.7	5,575,325.32	45,030,705.25	
(i) Total comprehensive income										237,527,782.93		237,527,782.93	675,325.32	238,203,108.25	

(ii) Owners' devoted and decreased capital														4,900.00	4,900.00
1. Common shares invested by shareholders														4,900.00	4,900.00
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										288,133.813.50				288,133.813.50	288,133.813.50
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)										-				-	-
4. Other										288,133.813.50				288,133.813.50	288,133.813.50
(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								723,692.27					723,692.27	723,692.27
2. Usage in the report period								723,692.27					723,692.27	723,692.27
(vi) Others														
VI. Balance at the end of the period	1,152,535.25				1,259.63				405,575.490.42	1,761.93		4,579.68	72,189.4	4,651.87
	4.00				6.65					0.70		1.77	9	1.46

Amount of the previous period

Unit: CNY/RMB

Item	Semi-annual of 2021													
------	---------------------	--	--	--	--	--	--	--	--	--	--	--	--	--

	Owners' equity attributable to the parent Company												Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less : Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other			Subtotal
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	1,152,535,254.00				1,422,892,729.36				382,367,575.37		1,637,536,441.03		4,595,331,999.76	199,913,404.33	4,795,245,404.09
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	1,152,535,254.00				1,422,892,729.36				382,367,575.37		1,637,536,441.03		4,595,331,999.76	199,913,404.33	4,795,245,404.09
III. Increase/Decrease in the period (Decrease is					-160,572,715.						13,339,823.96		-147,232,891.	-159,837,432.71	-307,070,324.37

listed with “-”)					62							66		
(i) Total comprehensive income										243,846,874.76		243,846,874.76	1,911,051.67	245,757,926.43
(ii) Owners' devoted and decreased capital					-160,572,715.62							-160,572,715.62	-161,748,484.38	-322,321,200.00
1.Common shares invested by shareholders					-160,572,715.62							-160,572,715.62	-161,748,484.38	-322,321,200.00
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other														
(iii) Profit distribution										-230,507,050.80		-230,507,050.80		-230,507,050.80
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution										-230,507,050.80		-230,507,050.80		-230,507,050.80

for owners (or shareholders)											507, 050. 80			507, 050. 80			07,05 0.80	
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 comprehen sive 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	1,152,535.254.00				1,262,320.013.74				382,367,575.37			1,650,876.264.99			4,448,099.108.10	40,075,971.62	4,488,175,079.72

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

Current Amount

Unit: CNY/RMB

Item	Semi-annual of 2022											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surpluses reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	1,152,535,254.00				3,018,106,568.27				133,171,062.28	295,149,580.63		4,598,962,465.18
Add:												
Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,152,535,254.00				3,018,106,568.27				133,171,062.28	295,149,580.63		4,598,962,465.18
III. Increase/Decrease in the period (Decrease is										-226,114,901.		-226,114,901.23

listed with “-”)										23		
(i) Total comprehensive income										62,018.9		62,018.9
(ii) Owners’ devoted and decreased capital										18,912.27		18,912.27
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												
(iii) Profit distribution										-		-
1. Withdrawal of surplus reserves										288,133.50		288,133.50
2. Distribution for owners (or shareholders)										-		-
3. Other										288,133.50		288,133.50
(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	1,152,535,254.00				3,018,106,568.27				133,171,062.28	69,034,679.40		4,372,847,563.95

Amount of the previous period

Unit: CNY/RMB

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	Perpetual capital	Other								

		k	secu ritie s									
I. The ending balance of the previous year	1,15 2,53 5,25 4.00				3,018, 106,5 68.27				109,9 63,14 7.23	316,78 5,396.0 1		4,597,39 0,365.51
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	1,15 2,53 5,25 4.00				3,018, 106,5 68.27				109,9 63,14 7.23	316,78 5,396.0 1		4,597,39 0,365.51
III. Increase/ Decrease in the period (Decrease is listed with “-”)										- 193,05 4,942.2 0		- 193,054, 942.20
(i) Total comprehensive income										37,452, 108.60		37,452,1 08.60
(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										- 230,50 7,050.8 0		- 230,507, 050.80
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)										- 230,50 7,050.8 0		- 230,507, 050.80
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	1,152,525,400				3,018,106,568.27				109,963,147.23	123,730,453.81		4,404,335,423.31

III. Basic information of Company

Shenzhen Cereals Holdings Co., Ltd. (formerly the Shenzhen Shenbao Industrial Co., Ltd., hereinafter referred to as “Company” or “the Company”), formerly named Shenzhen Shenbao Canned Food Company, obtained approval (Document (1991) No.978) from Shenzhen Municipal People’s Government to change to the name as Shenzhen Shenbao Industrial Co., Ltd. on 1 August 1991. Then with the approval (Document (1991) No.126) from People’s Bank of China, the Company began to list on Shenzhen Stock Exchange. The Company belongs to the grain, oil, food and beverage industry.

As of 30 June 2022, the cumulative amount of shares issued by the Company was 1,152,535,254 shares with registered capital of 1,152,535,254.00 yuan. Registered address: Shenzhen, Guangdong Province; HQ of the Company: 8/F, Tower B, No.4 Building, Software Industry Base, South District, Science & Technology Park, Xuefu Rd., Yuehai Street, Nanshan District, Shenzhen. Main business of the Company: general operating items: Purchase and sales of grain and oil, grain & oil reserves; operation and processing of grain & oil products; production of tea, tea products, tea and natural plant extract, canned foods, beverages and native products (business license of the production place shall be separately applied for); feed management and processing (outsourcing); investment, operation and development of grain & oil logistics, feed logistics and tea garden etc.; sales of feed and tea; warehousing services; food circulation services; modern food supply chain services; technology development and services of grain & oil, tea, plant products, soft drinks and foods; construction of E-commerce and information, IT development and supporting services; industrial investment (specific items will be

declared separately); domestic trade; operating the import and export business; engaged in real estate development and operation on the lands where the right-to-use has been legally acquired; development, operation, leasing and management of the own property; property management; providing management services to hotels.(items mentioned above which are involved in approval from national laws, administrative regulations and decision of the state council, must be submitted for examination and approval before operation). Licensed business item: wholesale of prepackaged food (excluding reheating prepackaged food) (in non-physical way); information service (internet information service only); general freight, professional transportation (refrigeration and fresh-keeping). Parent enterprise of the Company: Shenzhen Food Materials Group Co., Ltd; actual controller of the Company: Assets Supervision and Administration Commission of Shenzhen municipal People’s Government.

Change of the consolidate scope in the Period found more in “Note VIII. Change of consolidate scope”

Information with subsidiaries concerned found more in the “Note IX. Equity in other entity”

IV. Basis of preparation of financial statements

1. Basis of preparation

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

2. Going concern

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

V. Major accounting policy, accounting estimation

Specific accounting policies and estimation attention:

The following disclosures have covered the specific accounting policy and estimation formulated by the Company in accordance with the actual production and operation characteristics. Found more in Note “15. Inventory”, “24. Fix assets” and “39. Revenue”

1. Statement for observation of Accounting Standard for Business Enterprise

The financial statements prepared by the Company are in accordance to requirements of Accounting Standard for Business Enterprise issued by Ministry of Finance, which truly and completely reflect the financial status of the Company and parent company on 30 June 2022, as well as the consolidate and parent company’s operational

results and cash flow from Jan.-Jun. of 2022.

2. Accounting period

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

3. Operating cycle

Operating cycle of the Company was 12 months

4. Standard currency

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

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

Business combination under the same control: The assets and liabilities the Company acquired in a business combination shall be measured in accordance with book value of assets, liabilities (including the ultimate controlling party of goodwill acquired by the merging parties and the formation of) stated in combined financial report of the ultimate controlling party on the merger date. The net book value of assets and the payment of the merger consideration in the merger book value (or nominal value of shares issued) shall be adjusted in the share premium of reserve capital. the share premium in capital reserve is not enough for deducting, retained earnings .

Business combination not under the same control: Combination cost is the fair value of the assets paid, the liabilities incurred or assumed by the purchaser for the acquisition of the control of the purchaser and the equity securities issued on the purchase date. The difference between the fair value and book value is recognized in profit or loss. Goodwill is realized by the Company as for the difference between the combination cost and the fair value of the recognizable net assets of the acquiree acquired by acquirer in such business combination. In case that the above cost is less than the above fair value even with re-review, then the difference shall be recorded in current gains and losses. Each identifiable assets, liabilities and contingent liability of the acquiree acquired in a combination that qualifies for recognition is measured at fair value at the date of purchase.

The directed expenses incurred in the business combination are recorded into current gains/losses; the trading fees for issuing equity securities or debt securities for the business combination shall be recorded into the initial confirmation amount of equity securities or debt securities.

6. Methods for preparation of consolidated financial statements

1.1 Consolidated scope

The consolidation scope of the consolidated financial statements of the Company is fixed on the basis of control, which includes the Company and all subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through its participation in the investee's related activities, and has the ability to influence the amount of returns by using the power over the investee.

1.2 Consolidated procedure

The Company regards the entire enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial status, operating results and cash flow of the enterprise group. The influence of internal transactions between the company and its subsidiaries and among the subsidiaries shall be offset. If internal transactions indicate that the relevant assets have suffered impairment losses, the partial losses shall be confirmed in full. If the accounting policy and accounting period adopted by the subsidiary are inconsistent with the Company, when preparing the consolidated financial statements, make necessary adjustments in accordance with the Company's accounting policy and accounting period.

Subsidiary's equity, current net profits or losses and current comprehensive income belonging to minority shareholders shall be listed respectively under item of owners' equity in the consolidated balance sheet, item of net profit in profit sheet and item of total comprehensive income. Current loss minority shareholders of a subsidiary exceed the minority shareholders in the subsidiary's opening owners' equity share and the formation of balance, offset against minority interests.

(1) Increase of subsidiary or business

During the reporting period, the merger of the enterprises under the same control results in additional subsidiaries or business, the operation results and cash flow of the subsidiaries or business from beginning to the end of the reporting shall be included in the consolidated profit statement; also adjust the opening figures of the consolidated financial statements and the related items in the comparative statements, the consolidated reporting body is considered to have existed since the point when the ultimate controller began to control it.

If additional investment and other reasons can lead investee to be controlled under the same control, equity investments made before obtaining controlling right, relevant gains and losses and other comprehensive income as well as other changes in net assets confirmed during the latter date between point obtaining original equity and combined party and combinee under the same control day to the combined day, shall be offset against the retained earnings or profit or loss of the comparative reporting period.

During the reporting period, if a subsidiary or business is added due to a business combination not under the same control, it shall be included in the consolidated financial statements on the basis of the fair value of various

identifiable assets, liabilities and contingent liabilities determined on the purchase date.

Equity held from investee before acquisition date shall be measured at fair value of acquisition date if additional investment and other reasons can lead investee to be controlled under the same control. Difference between the fair value and the book value is recognized as investment income. Other comprehensive income and other changes in owner's equity under the equity method of accounting that can be reclassified to profit or loss at a later date are transferred to investment income for the period to which they belong at the date of purchase.

(2) Disposal of subsidiaries

① The general approach

If losing controlling right to investee due to disposal of partial equity, the remaining equity after the disposal shall be re-measured at fair value at the date when control is lost. Price of equity disposal plus fair value of the remaining equity, then subtracting net assets held from the former subsidiary from the acquisition date or combination date initially measured in accordance with original stake and goodwill, the difference shall be included in investment income of the period losing controlling right. Other comprehensive income and other changes in owner's equity under the equity method of accounting related to equity investments in former subsidiaries that can be reclassified to profit or loss in the future are transferred to investment income in the current period when control is lost.

② Step disposal of subsidiaries

As multiple transactions over disposal of the subsidiary's equity lead to loss of controlling right, if the terms of the transaction, situation and economic impact subject to one or above of the following conditions, usually it indicates repeated transactions should be accounted for as a package deal:

- i. These transactions are made considering at the same time or in the case of mutual impact;
- ii. These transactions only reach a complete business results when as a whole;
- iii. A transaction occurs depending on the occurrence of at least one other transaction;
- iv. Single transaction is not economical, but considered together with other transactions it is economical.

If each transaction is a package transaction, each transaction is accounted for as a disposal of a subsidiary and loss of control; before the loss of control the difference between the disposal price and the corresponding net assets of the subsidiary, recognized as other comprehensive income in the consolidated financial statements, into current profit and loss at current period when losing controlling right.

If each transactions doesn't form a package deal, equity held from subsidiary shall be accounted in accordance with relevant rules before losing controlling right, while in accordance with general accounting treatment when losing controlling right.

(3) Purchase of a minority stake in the subsidiary

Long-term equity investment of the Company for the purchase of minority interests in accordance with the newly acquired stake in the new calculation shall be entitled to the difference between the net assets from the acquisition

date (or combination date) initially measured between the consolidated balance sheet adjustment capital balance of the share premium in the capital reserve share premium insufficient, any excess is adjusted to retained earnings.

(4) Disposal of equity in subsidiary without losing control

Disposal price and disposal of long-term equity investment due to partial disposal of subsidiaries and long-term equity investment made between the relative net assets from the purchase date or the date of merger were initially measured at the difference between the subsidiary shall enjoy, the consolidated balance sheet adjustment in the balance of the share premium, capital balance of the share premium insufficient, any excess is adjusted to retained earnings.

7. Classification of joint venture arrangement and accounting for joint operations

The joint venture arrangement are divided into joint operations and joint ventures.

The joint operation, a joint venture arrangement in which the joint ventures enjoys the assets and bear the liabilities associated with the arrangement.

The Company recognized the following items related to its shares of interest in the joint operation:

- (1) Recognition of the assets held separately by the Company, and recognition of the jointly held assets based on the share of the Company;
- (2) Recognition of the liabilities borne by the Company individually and liabilities borne jointly in proportion to the shares;
- (3) Recognition of revenue from the sales of the shares of common operating output;
- (4) Recognition of the revenue from joint operation arising from the sale of the output at the shares;
- (5) Recognition of the separately incurred costs and recognition of the expenses incurred in joint operations based on the shares;

Investment in joint venture is accounted for using the equity method, found more in “V(22) Long-term equity investment”

8. Recognition standards for cash and cash equivalents

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

9. Foreign currency business and conversion of foreign currency statement

1.1 Foreign currency business

The foreign currency business uses the spot exchange rate on the transaction date as the conversion rate to convert the foreign currency amount into RMB.

The balance of foreign currency monetary items on the balance sheet date is converted at the spot exchange rate on the balance sheet date. The resulting exchange differences, except that the balance of exchange generated from

the foreign currency special borrowings related to the assets whose acquisition and construction are eligible for capitalization is disposed in accordance with the principle of borrowing costs capitalization, are included in the current profit and loss.

1.2 Conversion of foreign currency financial statements

Assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; except for the “undistributed profit” item, other items of the owner's equity items are converted at the spot exchange rate at the time of occurrence. Income and expense items in the income statement are converted at the spot exchange rate on the transaction date.

When disposing an overseas operation, the translation difference of the foreign currency financial statements related to the overseas operation is transferred from the owner's equity items to the disposal of the current profit and loss.

10. Financial instruments

The Company recognizes a financial assets, financial liabilities or equity instrument when it becomes a party to a financial instrument contract.

1.1 Categories of financial instruments

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

The Company classifies the financial assets that meet the following conditions and are not designated to be measured at fair value and whose changes are recorded into the current gain/losses as financial assets measured at amortized cost:

- the business mode is aimed at collecting contractual cash flows;
- contractual cash flows represent only payments of principal and interest based on the outstanding principal amount.

The Company classifies the financial assets (debt instruments) that meet the following conditions and are not specified as measured at fair value and whose changes are recorded into the current gain/losses as financial assets (debt instruments) measured at fair value and whose changes are recorded into other comprehensive income:

- the business model is aimed at both the collection of contractual cash flows and the sales of the financial assets;
- contractual cash flows represent only payments of principal and interest based on the outstanding principal

amount.

For non-trading equity instrument investment, the Company determines whether it is designated as a financial asset (equity instrument) measured at fair value and whose changes are included in other comprehensive income at the initial recognition. The designation is made on a single investment basis and the related investment meet the definition of an equity instrument from an issuer's perspective.

Except for the above-mentioned financial assets measured at amortized cost and at fair value with changes included in other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value and with changes included in current profits and losses. At the time of initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Company can irrevocably designate the financial assets that should be classified as financial assets measured at amortized cost or measured at fair value and whose changes are included in other comprehensive income as the financial assets measured at fair value and whose changes are included in the current profit and loss.

In the initial recognition, financial liabilities are classified as the financial liabilities measured at fair value and whose changes are included in current profit and loss and the financial liabilities measured at amortized cost.

Financial liabilities that meet one of the following conditions can be designated as financial liabilities measured at fair value and whose changes are included in current profit and loss in the initial measurement:

- 1) The designation can eliminate or significantly reduce accounting mismatches.
- 2) According to the enterprise risk management or investment strategy specified in the official written document, manage and make performance evaluation of the financial liability portfolio or financial assets and financial liability portfolio based on fair value, and report to the key management personnel based on this.
- 3) The financial liability includes embedded derivatives that need to be separately split.

1.2 Recognition and measurement for financial instrument

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, and debt investment, which are initially measured at fair value, and related transaction costs are included in the initial recognition amount. The accounts receivable not including major financing components and the accounts receivable that the Company decides not to consider the financing component of not more than one year are initially measured at the contract transaction price.

Interest calculated by the effective interest method during the holding period is included in the current profit and loss.

When recovering or disposing, the difference between the price obtained and the book value of the financial asset

is included in the current profit and loss.

(2) Financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income

Financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, including receivables financing, other debt investment, etc., are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value, the changes in fair value are included in other comprehensive income except for interest, impairment losses or gains and exchange gains and losses calculated by using the effective interest method.

When a financial asset is terminated for recognition, the accumulated gain or loss previously included in other comprehensive income is transferred from other comprehensive income and included in current profit and loss.

(3) Financial assets (equity instruments) measured at fair value and whose changes are included in other comprehensive income

Financial assets (equity instruments) measured at fair value and whose changes are included in other comprehensive income, including other equity instruments, etc., are initially measured at fair value, and related transaction expenses are included in the initially recognized amount. The financial assets are subsequently measured at fair value, and changes in fair value are included in other comprehensive income. The dividends obtained are included in the current profits and losses.

When a financial asset is terminated for recognition, the accumulated gain or loss previously included in other comprehensive income is transferred from other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair value and whose changes are included in current profit and loss

Financial assets measured at fair value and whose changes are included in current profit and loss, including Tradable financial assets, derivative financial assets and other non-current financial assets, etc., are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value, and changes in fair value are recognized in current profit and loss.

(5) Financial liabilities measured at fair value and whose changes are included in current profit and loss

Financial liabilities measured at fair value and whose changes are included in current profit and loss, including transaction financial liabilities, derivative financial liabilities, etc., are initially measured at fair value, and related transaction expenses are included in current profit and loss. The financial liabilities are subsequently measured at fair value, and changes in fair value are included in current profit and loss.

When a financial liability is terminate for recognition, the difference between book value and the consideration

paid shall be recorded into the current profit and loss.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, bills payable, accounts payable, other payable, long-term borrowings, bonds payable, and long-term payable, are initially measured at fair value, and related transaction expenses are included in the initial recognition amount.

Interest calculated by the effective interest method during the holding period is included in the current profit and loss.

When a financial liability is terminate for recognition, the difference between the consideration paid and the book value of the financial liability is included in current profit and loss.

1.3 Termination of recognition and transfer of financial assets

If one of the following conditions is satisfied, the Company shall terminate the recognition of financial assets:

- the contractual rights to receive cash flows from financial assets terminates;
- the financial asset has been transferred and virtually all the risks and rewards of the ownership of the financial asset have been transferred to the transferee;
- the financial assets have been transferred. Although the company has neither transferred nor retained nearly all the risks and rewards of ownership of the financial assets, it has not retained control of the financial assets

When transfer of financial assets occurs, if substantially all the risks and rewards of ownership of the financial asset are retained, the recognition of the financial asset shall not be terminated.

When judging whether or not the aforesaid terminal recognition condition for financial assets is arrived at for transfer of financial assets, the Company generally adopts the principle that substance over weighs format.

The Company divides such transfer into entire transfer and part transfer. As for the entire transfer meeting condition for discontinued recognition, balance between the following two items is recorded in current gains and losses:

- 1) Carrying value of financial assets in transfer;
- 2) Aggregate of the consideration received from transfer and accumulative movements of fair value originally recorded in owners' equity directly (applicable for the financial assets (debt instrument) measured at fair value and whose changes are recorded into other comprehensive income)

As for the part transfer meeting condition for discontinued recognition, entire carrying value of financial assets in transfer is shared by discontinued recognition part and continued recognition part, in light of their respective fair value. Balance between the following two items is recorded in current gains and losses:

1) Carrying value of discontinued recognition part;

2) Aggregate of the consideration of discontinued recognition part and amount of such part attributable to accumulative movements of fair value originally recorded in owners' equity directly (applicable when financial assets involved in transfer belong to financial assets (debt instrument) measured at fair value and whose changes are included in other comprehensive income).

Financial assets are still subject to recognition if transfer of such assets doesn't satisfy the condition for discontinued recognition. And consideration received is recognized as financial liability.

1.4 Terminating the recognition of financial liability

As for the financial liabilities with its whole or part present obligations released, the company shall terminate the recognition for such financial liabilities or part of it. If the company enters into agreement with its creditor to substitute for the existing financial liabilities by means of assuming new financial liabilities, then the company shall terminate the recognition for the existing financial liabilities and recognized the new financial liabilities provided that the contract clauses of the new and the existing financial liabilities are different in substance.

If the company makes substantial amendment to the whole or part contract clauses of the existing financial liabilities, it shall terminate the recognition for the existing financial liabilities or part of it. Meanwhile, the financial liabilities with amendment to its clauses shall be realized as new financial liabilities.

In case of terminate the recognition of financial liabilities in whole or part, the difference between the carrying value of such financial liabilities and consideration paid (including the non-cash assets exchanged or new financial liabilities assumed) shall be recorded in current gains and losses.

In case that the company repurchases part of financial liabilities, based on the comparative fair value of the continuing recognition part and the derecognizing part, the company shall allocate the carrying value of the financial liabilities in whole on the repurchase date. Difference between the carrying value allocated to the derecognizing part and the consideration paid (including the non-cash assets exchanged or new financial liabilities assumed) shall be recorded in current gains and losses.

1.5 Recognition method for fair value of financial assets and financial liabilities

As for the financial instrument with an active market, the fair value is determined by the offer of the active market; there is no active market for a financial instrument, the valuation techniques to determine its fair value. At the time of valuation, the Company adopted applicable in the present case and there is enough available data and other information technology to support valuation, assets or liabilities of feature selection and market participants

in the trading of the underlying asset or liability considered consistent input value and priority as the relevant observable inputs. Where relevant observable inputs can not get or do not get as far as practicable, the use of un-observable inputs.

1.6 Testing of the financial assets impairment and accounting treatment

The Company estimates the expected credit losses of financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, and financial guarantee contracts in a single or combined way.

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

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision based on the amount equivalent to the expected credit losses for the entire duration of the financial instrument; if the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company measures its loss provision based on the amount equivalent to the expected credit losses of the financial instrument in the next 12 months. The increase or reversal amount of the resulting loss provision is included in the current profit and loss as an impairment loss or gain.

The Company compares the risk of default on the balance sheet date of financial instruments with the risk of default on the date of initial recognition to determine the relative change in the risk of default during the expected life of the financial instrument so as to assess whether the credit risk of the financial instrument has increased significantly since the initial recognition. Usually, if it is overdue for more than 30 days, the Company shall believe that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the financial instrument's credit risk at the balance sheet date is low, the Company shall believe that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If there is objective evidence that a financial asset has suffered credit impairment, the Company shall make provision for impairment of the financial asset on a single basis.

Regarding the accounts receivable and contract assets formed from transactions regulated by the "Accounting Standards for Business Enterprises No. 14-Revenue" (2017), regardless of whether it contains a significant financing component, the Company always measure its loss reserves at the amount equivalent to the expected credit loss during the entire duration.

For lease receivables, the Company always chooses to measure its loss reserves at an amount equivalent to expected credit losses during the entire duration.

If the Company no longer reasonably expects whether the contractual cash flow of a financial asset can be recovered in whole or in part, it will directly write down the book balance of the financial asset.

11. Note receivable

12. Account receivable

13. Receivable financing

14. Other account receivable

Determining method and accounting treatment on the expected credit loss of other account receivable

15. Inventory

1.1 Classification and costs of inventory

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

Inventory is initially measured at cost, which includes the costs of purchase, processing costs and other expenditures incurred in bringing the inventories to their present location and condition.

1.2 Valuation methods for delivery of inventory

The weighted average or individual valuation method is used when the inventory is issued according to the nature of the business.

1.3 Recognition standards of the net realizable value for inventory

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. When the cost of inventories is higher than its net realizable value, make provisions for inventory write-down. The net realizable value refers to the amount of the estimated selling price of the inventory minus the estimated cost, estimated selling expenses and related taxes and fees at the time of completion in daily activities.

The net realizable value of inventory products and materials for sale, in normal business production, is measured as the residual value after deducting the estimated sales expense and related taxes and fees from the estimated selling price; the net realizable value of an item of inventories subject to further processing, in normal business production, is measured as the residual value after deducting the sum of the estimated

costs of completion, sales expense and related taxes and fees from the estimated selling price of the for-sale item. The net realizable value of the quantity of inventories held to satisfy firm sales or service contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realizable value of the excess is based on general selling prices.

After making provisions for inventory write-down, if the factors that previously affected the write-down of the inventory value have disappeared, causing the net realizable value of the inventory to be higher than its book value, it shall be reversed within the amount of the inventory write-down that has been withdrawn, and the reversed amount is included in the current profit and loss.

1.4 Inventory system

Inventory system is the perpetual inventory system.

1.5 Amortization of low-value consumables and packaging materials

- (1) Low-value consumables adopts the method of primary resale;
- (2) Wrappage adopts the method of primary resale.

16. Contract asset

1.1 Methods and criteria for recognition of a contract asset

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company lists the right (and the right depends on other factors other than the passage of time) to receive consideration for the transfer of goods or services to customers as contract assets. Contract assets and contract liabilities under the same contract are presented in net amount. The Company's unconditional (only depending on the passage of time) right to collect consideration from customers are separately listed as receivables.

1.2 Determination method and accounting treatment method of expected credit loss of contract assets

Found more in the (10).6 Testing of the financial assets impairment and accounting treatment carried under Note V

17. Contract cost**18. Assets held for sale****19. Creditors' investment****20. Other creditors' investment****21. Long-term account receivable****22. Long-term equity investment****1.1 Criteria for judgment of the common control and significant influence**

Common control refers to the control that is common to an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be agreed upon by the participants sharing the control rights before making a decision. Where the Company and other joint venture parties jointly control the invested entity and have rights to the net assets of the invested entity, the invested entity is the joint venture of the Company.

Significant influence refers to the right to participate in making decisions relating to the financial and operational policies of an enterprise, while not able to control or jointly control (with others) establishment of these policies. If the Company has significant influence on the invested enterprises, than such invested enterprises shall be the joint venture of the Company.

1.2 Determination of initial investment cost**(1) Long-term equity investment formed by business combination**

For a long-term equity investment in a subsidiary formed by a business combination under the same control, the initial investment cost of the long-term equity investment is based on the share of the book value of the owner's equity of the combined party obtained in the consolidated financial statements of the ultimate controlling party on the combining date. The difference between the initial investment cost of long-term equity investment and the book value of the consideration paid shall be used to adjust the equity premium in the capital reserve; when the equity premium in the capital reserve is insufficient to offset, adjust the retained earnings. If it is possible to exercise control over an investee under the same control due to additional investment, etc., adjust the equity premium based on the difference between the initial investment cost of the long-term equity investment confirmed in accordance with the above principles and the book value of the long-term equity investment before the combination plus the sum of the book value of the new valuable consideration for the shares obtained on the combining date, if the equity premium is not enough to offset, offset the retained earnings.

For long-term equity investment in a subsidiaries formed by business combination not under the same control, the initial investment cost is based on the cost of the combination determined at the date of purchase. If it is possible

to exercise control over an investee not under the same control due to additional investment, the sum of book value of the equity investment originally held plus the cost of the additional investment is used as the initial investment cost.

(2) Long-term equity investment required by means other than business combination

For long-term equity investments obtained through payment with cash, then the actual payment shall be viewed as initial investment cost.

For long-term equity investments obtained through issuance of equity securities, then the fair value of such securities shall be viewed as initial investment cost

1.3 Subsequent measurement and recognition of gains and losses

(1) Long-term equity investment measured by cost

The long-term equity investment for subsidiary shall be measured by cost, unless the investment qualities as held for sale. Other than payment actually paid for obtaining investment or cash dividend or profit included in consideration which has been declared while not granted yet, the Company recognizes investment income according to its share in the cash dividend or profit declared for grant by the invested unit.

(2) Long-term equity investment measured by equity

The Company calculates long term equity investment in associates and joint ventures under equity method. Where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period. And adjusted the costs of long-term equity investment at the same time.

Return on investments and other comprehensive income is recognized respectively by shares of net gains and losses realized by the invested company and other comprehensive income, and book value of such investment is adjusted accordingly. Profit or cash dividends pro rata distributed by the invested company are to minus book value of the relative long-term investment. Book value of long-term investment is adjusted when changes occur other than net gains and losses, other comprehensive income and profit distribution of the invested company (abbreviated as other changes of owners' equity), and is to report in owners' equity accordingly.

When confirming the share of the net profit and loss, other comprehensive income and other owner's equity changes that should be enjoyed by the investee, adjust the net profit and other comprehensive income of the investee based on the fair value of the investee's identifiable net assets at the time when the investment is obtained and in accordance with the company's accounting policies and accounting period before confirmation.

The un-realized transaction gains/losses attributable to investment enterprise, internally occurred between the Company, affiliated units and joint-ventures should be calculated by proportion of shares-holding which should be offset, than recognized investment gains/losses(except where the assets invested or sold constitute a business). If the unrealized internal transaction losses with the investee are assets impairment losses, they will be fully recognized.

In addition to assuming obligations for additional losses, the company's net losses to joint ventures or associates are limited to the book value of long-term equity investments and other long-term equity that actually constitutes net investment in joint ventures or associates write down to zero. If a joint venture or an associated enterprise realizes net profits in the future, the company resumes recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

(3) Disposal of long-term equity investment

Difference between carrying value and actual acquisition price in respect of disposal of long term equity investment shall be included in current period gains and losses.

Long-term equity investment accounted for by equity method

For long-term equity investments accounted for by partial disposition equity method, the remaining equity is still accounted for by the equity method, the other comprehensive income recognized by the original equity method shall be carried forward in a corresponding proportion on the same basis as the direct disposal of related assets or liabilities by the investee, other changes in owner's equity are carried forward to the current profit and loss on a pro rata basis.

If the joint control or significant influence on the investee is lost due to the disposal of equity investment, for the other comprehensive income recognized by the original equity investment due to the adoption of the equity method, use the same basis as the investee to directly dispose of related assets or liabilities for accounting treatment when terminating the adoption of the equity method, the same basis as the direct disposal of related assets or liabilities by the investee is used for accounting treatment, all other changes in owner's equity are transferred to the current profit and loss when terminating the adoption of the equity method.

If the control of the investee is lost due to the disposal of part of the equity investment, and the remaining equity can exercise joint control or exert significant influence on the investee when preparing individual financial statements, the equity method shall be used for accounting and the remaining equity shall be deemed to be accounted for by the equity method for adjustment since the acquisition, and the other comprehensive income recognized before obtaining the control of the investee is carried forward on the same basis as the direct disposal of related assets or liabilities by the investee in proportion, changes in other owners' equity confirmed by the equity method are carried forward to the current profit and loss on a pro rata basis; if the remaining equity cannot

exercise joint control or exert significant influence on the investee, it shall be recognized as a financial asset, and the difference between its fair value and book value on the day when the control is lost is included in the current profit and loss, and all other comprehensive income and other owner's equity changes recognized before obtaining the control of the investee are carried forward.

If the equity investment in a subsidiary is disposed of through multiple transactions until it loses control, and it is a package transaction, each transaction shall be accounted for as a transaction that disposes of the equity investment of the subsidiary and loses control. The difference between the cost of each disposal before the loss of control and the book value of the long-term equity investment corresponding to the equity being disposed of is first recognized as other comprehensive income in individual financial statements, and then transferred to the current profit and loss of the loss of control when the control is lost. If it is not a package transaction, each transaction shall be accounted for separately.

23. Investment real estate

Measurement

Measured by cost

Depreciation or amortization method

Investment real estate is defined as the real estate with the purpose to earn rent or capital appreciation or both, including the rented land use rights and the land use rights which are held and prepared for transfer after appreciation, the rented buildings (including the buildings for rent after completion of self-construction or development activities and the buildings under construction or development for future lease).

Subsequent expenditures related to investment real estate are included in the cost of investment real estate when it is probable that the related economic benefits will flow and the cost can be measured; otherwise, charged to current gain/loss as incurred.

Current investment real estate of the Company are measured by cost. As for the investment real estate-rental building measured by cost, the depreciation policy is same as the fixed assets of the Company, the land use right for rental has the same amortization policy as intangible assets.

24. Fix assets

(1) Recognition

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one year of service life. Fixed assets should be recognized for qualified the followed conditions at the same time:

- ① It is probable that the economic benefits associated with the assets will flow into the Company;
- ② The cost of the assets can be measured reliably.

Fixed assets are initially measured at cost (and considering the impact of expected abandonment cost factors).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the related economic benefits are likely to flow in and their costs can be reliably measured; the book value of the replaced part is derecognized; all other subsequent expenditures are included in the current profit and loss when incurred.

(2) Depreciation methods

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

Estimated the net salvage rate to determine the depreciation rate. For fixed assets with provision for impairment, the amount of depreciation shall be determined in future periods according to the book value after deducting the provision for impairment and based on the usable life. If each component of the fixed assets has different service lives or provides economic benefits to the enterprise in different ways, select different depreciation rates or depreciation methods, and the depreciation is accrued separately.

(3) Recognition, measurement and depreciation of fixed assets held under finance lease

25. Construction in process

Construction in process is measured at the actual cost incurred. The actual cost includes construction cost, installation cost, borrowing costs that meet the capitalization conditions, and other necessary expenditures incurred before the construction in progress reaches its intended usable state. When the construction in process reaches the intended usable state, it will be transferred to fixed assets and depreciation will be accrued from the

next month.

26. Borrowing expenses

1.1 Recognition of the borrowing expenses capitalization

Borrowing expenses that attributed for purchasing or construction of assets that are complying start to be capitalized and counted as relevant assets cost; other borrowing expenses, reckoned into current gains and losses after expenses recognized while occurred.

Assets satisfying the conditions of capitalization are those assets of fixed, investment real estate etc. which need a long period of time to purchase, construct, or manufacturing before becoming usable.

1.2 Period of capitalization

Capitalizing period was from the time star capitalizing until the time of suspended capitalization. The period for borrowing expenses suspended excluded in the period.

Capitalizing for borrowing expenses by satisfying the followed at same time:

- (1) Assets expense occurred, and paid as expenses in way of cash, non-cash assets transfer or debt with interest taken for purchasing, constructing or manufacturing assets that complying with capitalizing condition;
- (2) Borrowing expenses have occurred;
- (3) Necessary activities occurred for reaching predicted usable statues or sale-able status for assets purchased, constructed or manufactured.

If purchasing, construction, or manufacturing process of an asset satisfying the conditions of capitalization reached its predicted usable status or sale-able status, capitalization suspended for borrowing expenses.

1.3 Period of suspended

If purchasing, construction, or manufacturing process of an asset satisfying the conditions of capitalization is suspended abnormally for over 3 months, capitalizing of borrowing expenses shall be suspended; the suspended assets that satisfying the conditions of capitalization meets the necessary procedure of reaching predicted usable status or for-sale status, capitalizing of borrowing expenses shall be resumed. The borrowing expenses occurred during the period of suspended shall reckon into current gains and losses until the purchasing, construction, or manufacturing process is resumed for capitalizing.

1.4 Capitalization rate of the borrowing costs, measurement of the capitalized amount

As for the special loans borrowed for the purchase, construction or production of assets eligible for capitalization, the borrowing costs are capitalized by deducting the actual borrowing costs incurred in current period of special

borrowing, the interest income earned by borrowing funds that have not yet been used, deposited in the bank or the investment income obtained from the temporary investment.

For the general borrowings used for the acquisition, construction or production of assets eligible for capitalization, the amount of borrowing costs that should be capitalized for general borrowings is calculated and determined according to the weighted average of the asset expenditures of accumulated asset expenditures over the special borrowings multiplying by the capitalization rate of the occupied general borrowings. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange difference of the principal and interest of the specialized foreign currency borrowing is capitalized and included in the cost of the assets that meet the capitalization conditions. Exchange differences arising from the principal and interest of foreign currency borrowings other than specialized foreign currency borrowing are included in the current profits and losses.

27. Biological assets

(1) The Company's biological assets are productive biological assets, which are classified into productive biological assets, consumptive biological assets and biological assets for commonweal according to the purpose of holding and the way in which economic benefits are realized.

(2) Biological assets are initially measured at cost.

(3) The necessary expenditures incurred by productive biological assets before reaching the intended production and operation purposes constitute the cost of the productive biological assets. Subsequent expenditures incurred after achieving the intended production purposes shall be included in the current profit and loss.

(4) The necessary expenditures for consumptive biological assets before closure constitute the cost of consumptive biological assets, and subsequent expenditures incurred after closure are included in the current profit and loss. The consumptive biological assets are carried at cost when harvested using the proportional method of accumulation.

(5) The Company's biological assets are mainly tea trees. The company's productive biological assets that achieve the intended production and operation purposes are depreciated according to the average service life method, and the service life is determined as the remaining period of land use after deducting the immature tea tree period (5 years), the residual value rate is 5%. At the end of each year, the company reviews the service life, expected net residual value and depreciation methods. If the service life and expected net output value are different from the original estimate, or there is a significant change in the realization of economic benefits, it will be used as an accounting estimate change to adjust the service life or estimated net output value or change the depreciation method.

(6) Biological assets for commonweal refer to biological assets whose main purpose is protection and environmental protection, including wind-breaking and sand-fixing forests, soil and water conservation forests, and water conservation forests.

The cost of self-constructed biological assets for commonweal shall be determined in accordance with the necessary expenditures such as cost of planting, tending fees, forest protection fees, forest culture and management facility fees, improved seed experiment fees, survey design fees, and indirect costs that should be apportioned before the closure, including borrowing costs that meet the conditions for capitalization.

Biological assets for commonweal are subsequently measured at cost. There is no need to withdraw the asset impairment reserve for biological assets for commonweal.

(7) The balance of the disposal consideration from the sale, inventory loss, death or damage of biological assets after deducting the book value and relevant taxes shall be included in the current profit and loss.

28. Oil and gas assets

29. Right-of-use assets

30. Intangible assets

(1) Measurement, use of life and impairment testing

1.1 Measurement

(1) Initial measurement is made at cost when the Company acquires intangible assets; For those intangible assets purchased from outside, the purchase value, relevant taxes and other payments attributable to predicted purpose obtained should recognized as cost for this assets.

(2) Subsequent measurement

Analyzing and judging the service life of an intangible asset when they are acquired.

Those intangible assets with limited useful life are evenly amortized on straight basis from the date when they become usable to the end of expected useful life; Intangible assets for which it is impossible to predict the term during which the assets can bring in economic benefits are viewed as intangible assets with indefinite life without amortization.

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

Item	Predicted useful life	Amortization method	Basis
Land use right	Amortized the actual rest of life after certificate of land use right obtained	Straight-line method	Certificate of land use right
Forest tree use	Service life arranged	Straight-line	Protocol agreement

Item	Predicted useful life	Amortization method	Basis
right		method	
Trademark use right	10-year	Straight-line method	Actual situation of the Company
Shop management right	Service life arranged	Straight-line method	Protocol agreement
Software use right	5-8 years	Straight-line method	Protocol agreement
Patents and others	20-year	Straight-line method	Actual situation of the Company

1.3 Judgment basis on intangible assets with uncertain service life and review procedures for the service life

Intangible assets for which it is impossible to predict the term during which the assets can bring in economic benefits are viewed as intangible assets with indefinite life. Intangible assets with indefinite life are not amortized during the holding period, and useful life is re-reviewed at the end of each accounting period. In case that it is still determined as indefinite after such re-review, then impairment test will be conducted continuously in every accounting period.

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

31. Impairment of long term assets

The long-term assets as long-term equity investments, investment real estate measured at cost, fixed assets, construction in progress, right-of-use assets, intangible assets with certain service life and oil & gas assets are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

For goodwill formed by business combination, intangible assets with uncertain service life, and intangible assets that have not yet reached the usable state, regardless of whether there are signs of impairment, impairment test shall be carried out at least at the end of each year.

When the Company conducts the goodwill impairment test, the book value of goodwill formed by business combination is apportioned to the relevant asset group according to reasonable methods from the date of purchase; if it is difficult to apportion it to the relevant asset group, apportion it to the relevant asset group portfolio. Relevant asset group or assets portfolio is the asset group or combination of assets group that can benefit from the synergies of the enterprise merger.

When conducting impairment test for relevant asset group with inclusion of goodwill, in case that there is indication of impairment for such asset group, impairment test would be firstly conducted in respect of the asset groups without inclusion of goodwill. Then, it shall calculate the recoverable amount and determine the corresponding impairment loss as compared to its carrying value. Then conduct an impairment test on the asset group or asset group portfolios containing goodwill, and compare their book value with the recoverable amount. If the recoverable amount is lower than the book value, the amount of impairment loss first deducts the book value of the goodwill allocated to the asset group or asset group portfolio, and then deducts the book value of the other assets in proportion according to the proportion of the book value of the other assets other than goodwill in the asset group or asset group portfolio.

Once recognized, asset impairment loss would not be reversed in future accounting period.

32. Long term prepaid expense

Long term prepaid expense represents the expense which the Company has occurred and shall be amortized in the current and later periods with amortization period exceeding one year. Long-term prepaid expenses of the Company includes expenditures on improvement of investment real estate, decoration fee and expenditure for fixed assets improvement etc. Long term prepaid expense is amortized during the beneficial period under straight line method.

33. Contract liability

The Company lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is listed as contract liabilities. Contract assets and contract liabilities under the same contract are presented in net amount.

34. Staff remuneration

(1) Accounting treatment of short term remuneration

In the period of employee services, short-term benefits are actually recognized as liabilities and charged to profit or loss or relevant assets costs.

Regarding to the social insurance and housing funds that the Company paid for employees, the Company should recognize corresponding employees benefits payable according to the appropriation basis and proportion as stipulated by relevant requirements and recognize the corresponding liabilities.

The employee welfare expenses incurred shall be recorded into the current gain/loss or the cost of relevant assets according to the actual amount when actually incurred, and the non-monetary welfare shall be measured at fair

value.

(2)Accounting treatment for post employment benefits

Defined contribution plan

The Company pays basic endowment insurance and unemployment insurance for employees according to the relevant regulations of the local government. In the accounting period in which employees provide services for the Company, the amount to be paid is calculated according to the local payment base and proportion, and is recognized as a liability and included in current profit and loss or related asset cost. In addition, the Company also participates in the enterprise annuity plan/supplementary pension insurance fund approved by the relevant state departments. The Company pays a certain percentage of the total wages of employees to the annuity plan/local social insurance agency, and the corresponding expenditures are included in the current profit and loss or the cost of related asset.

Defined benefit plan

The Company assigns the benefit obligation arising from the defined benefit plan to the period during which the employee provides service according to the formula determined by the expected accumulated benefit unit method, and includes it in the current profit and loss or related asset cost.

The deficit or surplus formed by the present value of the defined benefit plan obligation minus the fair value of the defined benefit plan asset is recognized as a net benefit or net asset of the defined benefit plan. If there is a surplus in the defined benefit plan, the Company measures the net assets of the defined benefit plan by the lower of the surplus and the asset limit of the defined benefit plan.

All defined benefit plan obligations, including obligations expected to be paid within twelve months of the end of the annual reporting period in which the employee provides services, are discounted based on the market return of the national debt matching with the defined benefit plan obligations deadline and currency or the high quality corporation bonds in an active market on the balance sheet date.

The service cost generated by the defined benefit plan and the net liabilities or the net interest of the net assets of the defined benefit plan are included in the current profit and loss or the related assets cost; the changes generated by the remeasurement of net liabilities or net assets of the defined benefit plan are included in other comprehensive income, and will not be transferred back to profit or loss in the subsequent accounting period, when the original defined benefit plan is terminated, the part that was originally included in other comprehensive income will be carried forward to undistributed profit within the scope of equity.

When settling the defined benefit plan, the settlement gain or loss is confirmed by the difference between the present value of the defined benefit plan obligation and the settlement price determined on the settlement date.

(3)Accounting treatment for dismissal benefit

If the Company provides dismissal benefits to employees, the employee compensation liabilities arising from dismissal benefits shall be recognized on the earlier date of the following two, and shall be included in the current profit and loss: When the company cannot unilaterally withdraw the dismissal benefits provided by the dismissal plan or downsizing proposal; When the company confirms the costs or expenses related to the reorganization involving the payment of dismissal benefits.

(4)Accounting treatment for other long term staff benefits**35. Lease liability****36. Accrual liability**

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

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

Accrual liabilities shall conduct initial measurement by best estimation of expenditures needed by fulfillment of current responsibilities.

While determined the best estimation, take the risks, uncertainty and periodic value of currency that connected to the contingent issues into consideration. For major influence from periodic value of currency, determined best estimation after discount on future relevant cash out-flow.

Where there is a continuous range of required expenditures, and the probability of occurrence of various results within this range is the same, the best estimate is determined according to the median value in the range; in other cases, the best estimate shall be treated as follows:

- If a contingency involves a single item, it shall be determined according to the amount most likely to occur.
- If a contingency involves multiple items, it shall be determined in accordance with various possible outcomes and related probability calculation.

If all or part of the expenditure required to pay off the estimated liabilities is expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically certain that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liability.

The Company reviews the book value of estimated liabilities on the balance sheet date. If there is conclusive evidence that the book value does not reflect the current best estimate, the book value will be adjusted according to the current best estimate.

37.Share-based payment

38. Other financial instrument of preferred stocks and perpetual bond

39. Revenue

Accounting policy used for revenue recognition and measurement

1.1 Accounting policy used for revenue recognition and measurement

The Company fulfills the performance obligations in the contract, that is, revenue is recognized when the customer obtains control of the relevant goods or services. Obtaining control of related goods or services means being able to lead the use of the goods or services and obtain almost all of the economic benefits from them.

If the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation in accordance with the relative proportion of the stand-alone selling price of the goods or services promised by each individual performance obligation on the starting date of the contract. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price refers to the amount of consideration that the Company expects to be entitled to receive due to the transfer of goods or services to customers, excluding payments collected on behalf of third parties and payments expected to be returned to customers. The Company determines the transaction price in accordance with the terms of the contract and combined with its past customary practices, when determining the transaction price, it considers the influence of variable consideration, major financing components in the contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price that includes variable consideration at an amount that does not exceed the amount of accumulated recognized revenue that is unlikely to be materially reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash when the customer obtains control of the goods or services, and uses the actual interest method to amortize the difference between the transaction price and the contract consideration during the contract period. (Tips: for the interval between the transfer of control and the payment of the price by the customer does not exceed one year, the enterprise may disregard the financing component thereof. Enterprise should make disclosure according to the actual situation)

It belongs to the performance obligation fulfilled within a certain period of time when meeting one of the following conditions, otherwise it belongs to the performance obligation fulfilled at a certain point in time:

- The customer obtains and consumes the economic benefits brought by the Company's performance at the same

time as the Company's performance.

- Customers can control the products under construction in the Company's performance process.
- The products produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to collect payment for the accumulated performance part of the contract during the entire contract period.

For performance obligations performed within a certain period of time, the Company recognizes revenue according to the performance progress during that period, except where the performance progress cannot be reasonably determined. The Company considers the nature of the goods or services and adopts the output method or the input method to determine the progress of performance. When the performance progress cannot be reasonably determined, and the costs incurred are expected to be compensated, the Company shall recognize the revenue according to the amount of the costs incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When judging whether a customer has obtained control of goods or services, the Company considers the following signs:

- The Company has the current right to collect payment for the goods or services, that is, the customer has the current payment obligation for the goods or services.
- The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- The Company has transferred the goods to the customer in kind, that is, the customer has taken possession of the goods in kind.
- The Company has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods.
- The customer has accepted the goods or services, etc.

1.2 Specific principle

(1) Revenue from sales of goods: the sales revenue is recognized after the goods sold domestically have been delivered and the relevant terms agreed in the contract are met; for export sales, the realization of sales revenue is confirmed after the goods have been dispatched and declared in compliance with the relevant terms as agreed in the contract. For export sales, the sales revenue is recognized after the goods have been sent and declared and the relevant terms agreed in the contract are met.

(2) Revenue from provision of labor services: For the dynamic reserve of grain and oil and its rotation services provided by the Company to the Shenzhen Municipal Government, the revenue is recognized when relevant labor services occur, the revenue from grain and oil reserve services is calculated and confirmed monthly based on the actual amount of grain and oil reserves and the reserve price stipulated in the "Shenzhen Municipal Government

Grain Reserve Expenses Contract Operation Regulations" and the "Shenzhen Municipal Government Edible Vegetable Oil Government Reserve Expenses Contract Operation Regulations".

(3) Other income:

1)-The amount of royalty revenue is calculated and determined in accordance with the charging time and method agreed in the relevant contract or agreement;

2)- Income from real estate, terminal warehouse and other property leasing and terminal docking business is calculated and recognized as the property rental income, warehousing and logistics income.

Differences in accounting policies for revenue recognition due to the different operating models for the same types of business

40. Government subsidy

1.1 Types

Governments subsidy of the Company refer to the monetary and non-monetary assets obtained from government for free, and are divided into those related to assets and others related to revenues.

Government subsidy related to assets refer to those obtained by the Company and used for purchase or construction of or otherwise to form long-term assets. Government subsidies related to revenue refer to those other than government subsidies related to assets.

Specific criteria for classifying the government subsidy as asset-related by the Company are: government subsidy acquired for the acquisition and construction or other formation of long-term assets

Specific criteria for classifying the government subsidy as income-related by the Company are: government subsidy obtained by the Company other than those related to assets.

1.2 Recognition time point

At end of the period, if there is evidence show that the Company qualified relevant condition of fiscal supporting polices and such supporting funds are predicted to obtained, than recognized the amount receivable as government subsidy. After that, government subsidy shall recognize while actually received.

Government subsidy in the form of monetary assets are stated at the amount received or receivable.

Government subsidy in the form of non-monetary assets are measured at fair value; if fair value cannot be obtained, a nominal amount (one yuan) is used. Government subsidy measured at nominal amount is recognized immediately in profit or loss for the current period.

1.3 Accounting treatment

Based on the nature of economic business, the Company determines whether a certain type of government subsidy business should be accounted for by using the total amount method or the net amount method. In general, the

Company only chooses one method for similar or similar government subsidy services, and this method is consistently applied to the business.

Item	Calculation content
Based on gross method	All business of government subsidy

Government subsidy related to assets is used to offset the book value of related assets or be recognized as deferred income. If it is confirmed as deferred income, it shall be included in the current profit and loss in a reasonable and systematic way by stages within the useful life of the relevant assets (those related to the Company's daily activities are included in other income; those unrelated to the Company's daily activities are included in the non-operating income);

Government subsidy related to income that is used to compensate the Company's related costs or losses in subsequent periods is recognized as deferred income, and is included in the current profit and loss during the period when the related costs or losses are recognized (those related to the Company's daily activities are included in other income; those unrelated to the Company's daily activities are included in the non-operating income) or used to offset related costs or losses; those used to compensate the Company's related costs, expenses or losses are directly included in the current profit and loss (those related to the Company's daily activities are included in other income; those unrelated to the Company's daily activities are included in the non-operating income) or used to offset related costs or losses.

The policy-related preferential loan interest discounts obtained by the Company shall be accounted for separately in the following two situations:

(1) The finance allocates interest discount funds to the lending bank. If the lending bank provides loans to the Company at a policy-based preferential interest rate, the Company will use the actually received loan amount as the entry value of the loan, and calculate related borrowing costs according to the loan principal and the policy-based preferential interest rate.

(2) If the finance directly allocates interest discount funds to the Company, the Company will write down the relevant borrowing costs with the corresponding interest discount.

41. Deferred income tax assets and deferred income tax liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business mergers and transactions or events that are directly included in owner's equity (including other comprehensive income), the Company include current income tax and deferred income tax in current profit and loss.

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base of assets and liabilities and their book value.

Deductible temporary differences recognized by deferred income tax assets is limited to the taxable income that is likely to be obtained in the future to deduct deductible temporary differences. For the deductible losses and tax deductions that can be carried forward for subsequent years are limited to the future taxable income that is likely to be obtained to deduct deductible and tax deductions.

For taxable temporary differences, except for special circumstances, deferred income tax liabilities are recognized. Special circumstances that do not recognize deferred income tax assets or deferred income tax liabilities include:

- Initial recognition of goodwill;
- Transactions or events that neither are a business combination nor affect accounting profits and taxable income (or deductible losses) when occur.

For taxable temporary differences related to investments in subsidiaries, associates and joint ventures, deferred income tax liabilities are recognized, unless the Company can control the timing of the reversal of the temporary differences and the temporary differences are not likely to be reversed in the foreseeable future. For deductible temporary differences related to investments in subsidiaries, associates and joint ventures, when the temporary differences are likely to be reversed in the foreseeable future and are likely to be used to deduct the taxable income of deductible temporary differences in the future, recognize deferred income tax assets.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be paid off in accordance with the provisions of the tax law.

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income cannot be obtained in the future to offset the benefits of deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the write-down amount shall be reversed.

When there is a statutory right to settle on a net basis, and an intention to settle on a net basis or acquire assets and pay off liabilities at the same time, the current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be listed as the net amount after offset when the following conditions are met at the same time:

- The tax subject has the statutory right to settle current income tax assets and current income tax liabilities on a net basis;
- Income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same taxation subject or related to different taxation subjects, however, in the period during which each important deferred income tax asset and liability are reversed in the future, the taxpayer

involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and settle liabilities at the same time.

42. Lease

(1) Accounting treatment for operating lease

1. Right-of-use assets

On the commencement date of the lease term, the Company recognizes the right-of-use assets for leases other than short-term leases and low-value asset leases. The right-of-use assets shall be initially measured at cost. The cost includes:

- The initial measurement amount of lease liabilities;
- Where the lease payments paid on or before the commencement date of the lease term have a lease incentive, the amount of the lease incentive already enjoyed shall be deducted;
- Initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company to dismantle and remove the leased assets, restore the sites where the leased assets locate or restore the leased assets to the state agreed upon in the lease terms, excluding costs incurred for the production of inventory.

The Company shall subsequently use the straight-line method to calculate the depreciation of the right-of-use assets. Where ownership of the leased asset can be reasonably determined at the end of the lease term, the Company shall calculate the depreciation during the remaining useful life of the leased asset; Otherwise, the depreciation of the leased asset is calculated during the period which is shorter between the lease term and the remaining useful life of the leased asset.

The Company determines whether the right-of-use asset impairment has occurred in accordance with the principles described in the Notes III- "(20). Impairment of Long-term Assets", and makes accounting treatment for the identified impairment loss.

2. Lease liability

On the commencement date of the lease term, the Company recognizes the lease liabilities for leases other than short-term leases and low-value asset leases. Lease liabilities are initially measured at the present value of outstanding lease payments. The lease payments include:

- Where there is a lease incentive in the fixed payments (including the substantive fixed payments), deduct the lease incentive;
- Variable lease payments depending on the index or ratio;
- The payments estimated to be paid according to the guaranteed residual value provided by the company;
- The executive price of the call option provided that the company reasonably determines that the option will be

exercised;

- The payments payable to exercise the termination of lease option provided that the lease term reflects that the company shall exercise the termination of lease option.

The Company uses the interest rate implicit in lease as the discount rate, but if the interest rate implicit in lease cannot be reasonably determined, the Company's incremental borrowing rate shall be used as the discount rate.

The Company calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic rate and records it into the current profits and losses or the cost of underlying asset.

The variable lease payments not included in the measurement of lease liabilities are booked into the profits and losses of the current period or the cost of related assets when actually incurred.

After the commencement date of the lease term, if any of the following circumstances occurs, the Company shall re-measure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the difference shall be recorded into the profits and losses of the current period.

- If the evaluation results of the call option, the lease renewal option or the termination option changes, or the actual exercise of the said option is inconsistent with the original evaluation results, the Company shall remeasure the lease liability at the present value calculated by the changed lease payment and the revised discount rate;

- In the event of a change in the substantive fixed payment, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or ratio used to determine the lease payment, the Company shall remeasure the lease liability according to the present value calculated by the changed lease payment and the original discount rate. However, where changes in lease payments result from changes in floating interest rates, the present value is calculated by using the revised discount rate.

(3) Short-term leases and low-value asset leases

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term leases and low-value asset leases, and records the relevant lease payments into the current profits and losses or related asset costs in accordance with the straight-line method for each period of the lease term. A short-term lease is a lease not exceeding 12 months and excluding the call option on the commencement date of the lease term. The low-value asset lease refers to a lease with a lower value when a single leased asset is a new asset. Where the company subleases or expects to sublease the leased asset, the original lease is not a low-value asset lease.

4. Lease change

If the lease changes and meets the following conditions at the same time, the Company will treat the lease change as a separate lease for accounting treatment:

- The lease change expands the lease scope by increasing one or more right of use of the leased assets;
- The increased consideration and the separate price for the extension portion of the lease shall be equivalent to the amount adjusted according to the contract.

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

If the lease change results in the narrowing of the lease scope or the shortening of the lease term, the Company shall adjust the book value of the right-of-use assets accordingly, and record the profits or losses related to partial or complete termination of lease into the profits and losses of the current period. The Company shall adjust the book value of the right-of-use assets accordingly if the lease liabilities are remeasured due to other lease changes.

5. Rent concessions related to COVID-19

Where the simplified method of rent concessions related to COVID-19 is adopted, the Company shall not assess whether there is a lease change, and shall continue to calculate the interest expense of the lease liability at the same discount rate as before the concessions and include it in the current profit and loss, and continue to make an depreciation for right-of-use assets in the same way as before the concession. In the event of rent reduction or exemption, the Company shall treat the reduced rent as the variable lease payment amount, and offset the related asset cost or expenses by using the discounted amount at the undiscounted rate or the discounted rate before the concession when the original rent payment obligation is relieved by reaching a concession agreement, and adjust the lease liabilities accordingly; where the rent payment is delayed, the Company shall offset the lease liabilities recognized in the previous period when the actual payment is made.

For short-term leases and low-value asset leases, the Company shall continue to include the original contract rent in the related asset cost or expenses in the same way as before the concession. In the event of rent reduction or exemption, the Company shall treat the reduced rent as the variable lease payment, and offset the relevant asset cost or expenses during the reduction and exemption period; where the rent payment is delayed, the Company shall recognize the rent payable as a payable during the original payment period, and offset the payable recognized in the previous period when the actual payment is made.

(2)Accounting treatment for financing lease

43. Other important accounting policy and estimation

44. Changes of important accounting policy and estimation

(1)Changes of important accounting policies

Applicable Not applicable

(2) Changes of important accounting estimate

Applicable Not applicable

45. Other

N/A

VI. Taxes

1. Type of tax and rate for main applicable tax

Taxes	Basis	Rate
VAT	The output tax is calculated on the basis of the sales of goods and the taxable service income calculated according to the tax law. After deducting the input tax amount that is allowed to be deducted in the current period, the difference part is the value-added tax payable.	13.00%, 9.00%, 6.00%, 5.00%, 3.00%
Urban maintenance and construction tax	Calculated according to the actual value-added tax and consumption tax	7.00%, 5.00%
Enterprise income tax	Calculated according to taxable income	25.00%, 20.00%, 15.00%
Educational surtax	Calculated according to the actual value-added tax and consumption tax	3.00%
Local education surcharge	Calculated according to the actual value-added tax and consumption tax	2.00%
Property tax	Price-based resource tax, 1.2 percent of the remaining value after deducting 20% of the original value of the property; 12 percent of the rental income if levy by rents.	1.20%, 12.00%
Deed tax	When the property right of the real property is transferred, the contract price	3.00%-5.00%

	shall be paid to the owner of the property right in one lump sum	
--	------------------------------------------------------------------	--

Rate of income tax for different taxpaying body:

Taxpaying body	Rate of income tax
Shenzhen Cereals Holdings Co., Ltd.	25.00%
Shenzhen Cereals Group Co., Ltd (hereinafter referred to as "SZCG")	25.00%, Some businesses are tax-free
Shenzhen Hualian Grain and Oil Trading Co., Ltd. (hereinafter referred to as "Hualian Cereals and Oil")	25.00%
Dongguan Hualian Grain & Oil Trade Co., Ltd. (hereinafter referred to as "Dongguan Hualian ")	25.00%
Shenzhen Shenliang Hongjun Catering Management Co., Ltd. (hereinafter referred to as "Shenliang Hongjun ")	25.00%
Shenzhen Flour Co., Ltd(hereinafter referred to as "Shenzhen Flour")	Tax-free
Shenliang Quality Inspection Co., Ltd.(hereinafter referred to as"Quality Inspection")	25.00%
Hainan Shenliang Oil & Food Co., Ltd. (hereinafter referred to as"Hainan Oil & Food")	20.00%
Shenzhen Shenliang Doximi Business Co., Ltd. (hereinafter referred to as"Doximi ")	25.00%
Shenzhen Shenliang Big Kitchen Food Supply Chain Co., Ltd(hereinafter referred to as"Big Kitchen")	25.00%
Shenzhen Shenliang Storage (Yingkou) Co., Ltd(hereinafter referred to as"Yingkou Storage")	25.00%
Shenzhen Shenliang Cold Chain Logistics Co., Ltd.(hereinafter referred to as"Cold Chain Logistics")	15.00%
Shenzhen Shenliang Property Development Co., Ltd. (hereinafter referred to as"Shenliang Property")	25.00%
Shenzhen Shenliang Property Management Co., Ltd. (hereinafter referred to as"Shenliang Property")	20.00%
Dongguan Shenliang Logistics Co., Ltd.(hereinafter referred to as Dongguan Logistics)	25.00%
Dongguan International Food Industrial Park Development Co., Ltd.(hereinafter referred to as"International Food")	25.00%
Dongguan Shenliang Oil & Food Trade Co., Ltd.(hereinafter referred to as"Dongguan Oil & Food")	25.00%
Shuangyashan Shenliang Cereals Base Co., Ltd. (hereinafter referred to as"Shuangyashan ")	25.00%
Shenzhen Shenbao Huacheng Technology Co., Ltd. (hereinafter referred to as Shenbao Huacheng)	15.00%
Wuyuan County Jufangyong Tea Co., Ltd.(hereinafter referred to as Wuyuan Jufangyong)	15.00%

Shenzhen Shenshenbao Investment Co., Ltd(hereinafter referred to as"Shenbao Investment ")	25.00%
Shenzhen Shenshenbao Tea Culture Commercial Management Co., Ltd.(hereinafter referred to as"Shenbao Tea Culture")	25.00%
Hangzhou Ju Fang Yong Holding Co., Ltd(hereinafter referred to as"Ju Fang Yong Holding")	25.00%
Hangzhou Ju Fang Yong Trading Co., Ltd. (hereinafter referred to as"Ju Fang Yong Trading ")	25.00%
Hangzhou Fuhaitang Catering Management Chain Co., Ltd. (hereinafter referred to as"Fuhaitang Catering")	25.00%
Hangzhou Fuhaitang Tea Ecological Technology Co., Ltd.(hereinafter referred to as"Fuhaitang Ecological")	25.00%
Mount Wuyi Shenbao Rock Tea Co., Ltd.(hereinafter referred to as"Shenbao Rock Tea")	25.00%
Yunnan Shenbao Pu'er Tea Supply Chain Management Co., Ltd.(hereinafter referred to as"Pu'er Tea Supply Chain")	25.00%
Shenzhen Shenliang Food Co., Ltd.(hereinafter referred to as"Shenzhen Shenliang Food ")	25.00%
Yunnan Pu'er Tea Trading Center Co., Ltd.(hereinafter referred to as"Pu'er Tea Trading Center")	25.00%
Huizhou Shenliang Food Co., Ltd.(hereinafter referred to as Shenliang Food)	25.00%
Huizhou Shenbao Technology Co., Ltd.(hereinafter referred to as"Huizhou Shenbao ")	25.00%
Zhenping Market Operation Tech. Co., Ltd.(hereinafter referred to as"Zhenping Market ")	25.00%
Shenzhen Shenbao Industrial & Trading Co., Ltd(hereinafter referred to as"Shenbao Industrial & Trading")	25.00%
Wuhan Jiacheng Biotechnology Co., Ltd.(hereinafter referred to as Wuhan Jiacheng)	15.00%
Hubei Jiacheng Biotechnology Co., Ltd. (hereinafter referred to as Hubei Jiacheng)	25.00%
Wuhan Hongqu Health Biology Co., Ltd(hereinafter referred to as"Wuhan Hongqu")	25.00%
Macheng Jintian Camellia Oil Co., Ltd.(hereinafter referred to as"Macheng Jintian")	25.00%
Shenliang Hongli Grain & Oil (Shenzhen) Co., Ltd.(hereinafter referred to as"Hongli Grain & Oil")	25.00%

2. Tax preferential

1. VAT preference and approval

According to the "Notice of the Ministry of Finance and the State Administration of Taxation on the Issues

Concerning the VAT Collection and Exemption of Grain Enterprises (CSZ [1999] No. 198)” and “Shenzhen Tax Service, State Taxation Administration and Shenzhen Finance Bureau SGSF (SCF [1999] No.428)”, confirming that SZCG, the Company’s subsidiary, and its subsidiaries, are state-owned grain purchase and sale enterprises that undertake grain collection and storage tasks for Shenzhen, the grain sold is subject to tax-free declaration by rule and enjoys the exemption from VAT. In addition, according to the stipulation of the “Announcement of State Administration of Taxation on Relevant Management Matters After Clarifying the Cancellation of the Approval of Some VAT Preferential Policies” (SAT Announcement 2015 No. 38), the approval for exemption from VAT and the involved tax review and approval procedures for the state-owned grain enterprises that undertake grain collection and storage tasks, other grain enterprises that operate tax-free projects and enterprises that have edible vegetable oil sales business for government reserves are cancelled and changed to record management. The taxpayer does not change the content of the record materials during the period of tax exemption can be put on a one-time record. In December 2013, SZCG obtained the notice of the VAT preferential record (SGSFJBM [2013] No.2956) from Shenzhen Futian State Administration of Taxation. In the case of no change in policy, this limited filing period started on January 1st, 2014. The VAT input tax amount of the preferential item was separately accounted for, and the input VAT calculation method cannot be changed within 36 months after the selection. As of June 30, 2022, the tax exemption policy has been in effect since its filing in 2014, and the company’s VAT input tax has not changed since it was accounted for separately in 2014, so the company continues to enjoy the tax preference.

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

According to the stipulations of “Notice of the Ministry of Finance and the State Administration of Taxation on the Relevant Tax Policies Concerning Some National Reserved Commodities (CS [2019] No. 77)”, and documents of Guangdong Province Department of Finance, Guangdong Provincial Taxation Bureau of the State Administration of Taxation and Guangdong Provincial Food and Material Reserve Bureau (Yue Cai Shui [2020]No.2, confirming that the fund account book of SZCG, the Company’s subsidiary, and its direct depots is exempt from stamp duty, confirming that the written purchase and sale contracts of SZCG in the process of undertaking the commodity reserve business are exempt from stamp duty, and confirming that SZCG’s house property and land used for the commodity reserve business are exempt from house property tax and urban land use tax. The execution time limit for this tax preference policy is up to June 30, 2022.

3. Enterprise income tax

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

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

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

(4) On November 15, 2019, Wuhan Jiacheng, a subsidiary of the Company, obtained the High-tech Enterprise Certificate (Certificate No.: GR201942000977) jointly issued by the Department of Science and Technology of Hubei Province, the Hubei Provincial Department of Finance of Hubei Province, and the Hubei Provincial Tax Service, State Taxation Administration, which is valid for three years. According to the relevant preferential policies of the state for high-tech enterprises, qualified high-tech enterprises will pay corporate income tax at a reduced income tax rate of 15.00% within three years from the year of identification. Wuhan Jiacheng enjoys the preferential tax policy from 2019 to 2022.

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

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

processing is exempt from income tax.

(7) According to Article II of the "Notice of the State Taxation Administration and Ministry of Finance on the Implementation of Inclusive Tax Relief Policies for Small and Micro Enterprises" (CS[2029] No. 13), the portion of the annual taxable income of small, low-profit enterprises that does not exceed 1 million yuan will be included in the taxable income by 25%, and the corporate income tax will be paid at a tax rate of 20%. The portion of the annual taxable income of small, low-profit enterprises exceeding 1 million yuan but not exceeding 3 million yuan will be included in the taxable income by 50%, and the corporate income tax will be paid at a tax rate of 20%. On March 31, 2021, the Ministry of Finance and the State Taxation Administration issued Announcement No. 12 of 2021, for the part of the annual taxable income of small and low-profit enterprises not exceeding one million yuan, on the basis of the preferential policies stipulated in Article 2 of the Notice of the Ministry of Finance and the State Taxation Administration on Implementing Inclusive Tax Reduction and Exemption Policies for Small and Micro Enterprises (CS[2019] No. 13), the corporate income tax shall be halved; Hainan Cereals and Oils, and Shenliang Property, as the Company's subsidiaries, are small and low-profit enterprises, and are eligible for tax preference.

3. Other

N/A

VII. Annotation to main items of consolidated financial statements

1. Monetary funds

Unit: CNY/RMB

Item	Ending balance	Opening balance
Cash on hand	67,892.44	29,370.19
Cash in bank	70,821,643.50	49,173,812.84
Other monetary fund	1,571,145.88	1,206,740.62
Total	72,460,681.82	50,409,923.65
The total amount of money that has restrictions on use due to mortgage, pledge or freezing	1,000,000.00	1,039,843.45

Other explanation

2. Tradable financial assets

Unit: CNY/RMB

Item	Ending balance	Opening balance
Financial assets measured by fair value and with variation reckoned into current gains/losses	72,348,385.01	211,060,770.50

Including:		
Equity investment instrument	1,142,988.73	921,099.27
Structured financial products	71,205,396.28	210,139,671.23
Including:		
Total	72,348,385.01	211,060,770.50

Other explanation:

3. Derivative financial assets

Unit: CNY/RMB

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

Other explanation

4. Note receivable

(1) Category

Unit: CNY/RMB

Item	Ending balance	Opening balance
Bank acceptance bill	97,750.00	687,242.00
Total	97,750.00	687,242.00

Unit: CNY/RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

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

Applicable Not applicable

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

Bad debt provision accrual in the period:

Unit: CNY/RMB

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

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

Applicable Not applicable

(3) Note receivable that pledged at period-end

Unit: CNY/RMB

Item	Amount pledged at period-end
------	------------------------------

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

Unit: CNY/RMB

Item	Amount derecognition at period-end	Amount not derecognition at period-end
------	------------------------------------	----------------------------------------

(5) Notes transfer to account receivable due for failure implementation by drawer at period-end

Unit: CNY/RMB

Item	Amount transfer to account receivable at period-end
------	-----------------------------------------------------

Other explanation

(6) Note receivable actually written-off in the period

Unit: CNY/RMB

Item	Amount written-off
------	--------------------

Including important note receivable that written-off:

Unit: CNY/RMB

Enterprise	Nature	Amount written-off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
------------	--------	--------------------	--------------------	--------------------------	---------------------------------------

Explanation on note receivable written-off:

5. Account receivable

(1) Category

Unit: CNY/RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on a single basis	93,902,781.96	34.65%	92,734,278.08	98.76%	1,168,503.88	95,231,065.86	25.05%	92,862,561.98	97.51%	2,368,503.88
Including:										
Account receivable with single significant amount and withdrawal	10,455,627.54	3.86%	10,455,627.54	100.00%		10,455,627.54	2.75%	10,455,627.54	100.00%	

bad debt provision on single basis										
Account receivable with single minor amount but with bad debts provision accrued on a single basis	83,447,154.42	30.79%	82,278,650.54	98.60%	1,168,503.88	84,775,438.32	22.30%	82,406,934.44	97.21%	2,368,503.88
Account receivable with bad debt provision accrual on portfolio	177,129,809.30	65.35%	4,151,715.41	2.34%	172,978,093.89	284,943,025.46	74.95%	4,264,187.72	1.50%	280,678,837.74
Including:										
Aging portfolio	136,002,586.24	50.18%	4,151,715.41	3.05%	131,850,870.83	143,007,108.06	37.62%	4,264,187.72	2.98%	138,742,920.34
Other portfolio	41,127,223.06	15.17%			41,127,223.06	141,935,917.40	37.33%			141,935,917.40
Total	271,032,591.26	100.00%	96,885,993.49	35.75%	174,146,597.77	380,174,091.32	100.00%	97,126,749.70	25.55%	283,047,341.62

Bad debt provision accrual on single basis: 92,734,278.08 yuan

Unit: CNY/RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Guangzhou Jinhe Feed Co., Ltd	10,455,627.54	10,455,627.54	100.00%	Slightly possibly taken back
Shenzhen Faqun Industry Co., Ltd.	4,582,156.00	4,582,156.00	100.00%	Slightly possibly taken back
Li Shaoyu	2,929,128.53	2,929,128.53	100.00%	Slightly possibly taken back
Zhuhai Doumen Huabi Feed Co., Ltd.	2,396,327.14	2,396,327.14	100.00%	Slightly possibly taken back
Chongqing Zhongxing Food Industry Co., Ltd.	2,354,783.30	2,354,783.30	100.00%	Slightly possibly taken back
Hengyang Feed factory	2,591,566.65	2,591,566.65	100.00%	Slightly possibly taken back
Sichuan Zhongxing Food Industry Co., Ltd.	1,698,103.22	1,698,103.22	100.00%	Slightly possibly taken back
Shenzhen Buji Agricultural Products Wholesale Center Market Xingmin	1,534,512.45	1,534,512.45	100.00%	Slightly possibly taken back

Commercial Bank				
Cao Shengyun	1,429,745.00	1,429,745.00	100.00%	Slightly possibly taken back
Huaxing Feed Factory, Shunde District, Foshan City	1,290,274.22	1,290,274.22	100.00%	Slightly possibly taken back
Shanghai office	1,059,295.90	1,059,295.90	100.00%	Slightly possibly taken back
Shenzhen Dihuan Investment Development Company	1,045,356.50	1,045,356.50	100.00%	Slightly possibly taken back
Other single provision	60,535,905.51	59,367,401.63	98.07%	Slightly possibly taken back
Total	93,902,781.96	92,734,278.08		

Bad debt provision accrual on portfolio: 4,151,715.41 yuan

Unit: CNY/RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Combination of sales receivables	136,002,586.24	4,151,715.41	3.05%
Specific object combinations	41,127,223.06		
Total	177,129,809.30	4,151,715.41	

Explanation on portfolio determines:

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 receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

Unit: CNY/RMB

Account age	Ending balance
Within one year (including 1-year)	162,544,194.77
1-2 years	10,029,455.37
2-3 years	3,296,082.19
Over 3 years	95,162,858.93
3-4 years	1,651,225.64
4-5 years	860,649.61
Over 5 years	92,650,983.68
Total	271,032,591.26

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

Bad debt provision accrual in the period:

Unit: CNY/RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written-off	Other	
Bad debt provision accrual on single basis	92,862,561.98		128,283.90			92,734,278.08
Sales Receivables Portfolio	4,264,187.72		112,472.31			4,151,715.41
Total	97,126,749.70		240,756.21			96,885,993.49

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

Unit: CNY/RMB

Enterprise	Amount collected or reversal	Collection way
------------	------------------------------	----------------

(3) Account receivable actually written-off in the period

Unit: CNY/RMB

Item	Amount written-off
------	--------------------

Including major account receivable written-off:

Unit: CNY/RMB

Enterprise	Nature	Amount written-off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
------------	--------	--------------------	--------------------	--------------------------	---------------------------------------

Explanation on account receivable written-off:

(4) Top 5 account receivables at ending balance by arrears party

Unit: CNY/RMB

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance	Bad debt preparation ending balance
First	33,802,000.02	12.47%	
Second	10,455,627.54	3.86%	10,455,627.54
Third	6,415,190.21	2.37%	
Fourth	6,398,645.91	2.36%	
Fifth	5,631,565.07	2.08%	55,148.09
Total	62,703,028.75	23.14%	

(5) Assets and liabilities resulted by account receivable transfer and continues involvement

(6) Account receivable derecognition due to financial assets transfer

6. Account receivable financing

Unit: CNY/RMB

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

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

Applicable Not applicable

If the impairment provision of account receivable financing is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivables to disclose related information about impairment provision:

Applicable Not applicable

Other explanation

7. Accounts paid in advance

(1) By account age

Unit: CNY/RMB

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	93,526,177.70	98.87%	115,518,972.22	99.68%
1-2 years	738,880.47	0.78%	193,952.41	0.17%
2-3 years	164,558.11	0.18%	46,662.00	0.04%
Over 3 years	164,708.73	0.17%	135,187.98	0.11%
Total	94,594,325.01		115,894,774.61	

Explanation on reasons of failure to settle on important account paid in advance with age over one year:

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

Prepaid objects	Ending balance	Proportion in of total prepayment balance at the end of period (%)
First	39,315,427.81	41.56
Second	33,101,014.04	34.99
Three	6,646,168.00	7.03
Fourth	5,610,000.00	5.93
Fifth	3,220,000.00	3.40
Total	87,892,609.85	92.91

Other explanation:

8. Other account receivable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Other account receivable	46,469,468.38	32,377,838.35
Total	46,469,468.38	32,377,838.35

(1) Interest receivable

1) Category

Unit: CNY/RMB

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

2) Significant overdue interest

Unit: CNY/RMB

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

Other explanation

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

Unit: CNY/RMB

Item (or invested enterprise)	Ending balance	Opening balance
-------------------------------	----------------	-----------------

2) Important dividend receivable with account age over one year

Unit: CNY/RMB

Item (or invested enterprise)	Ending balance	Account age	Reasons for not collection	Whether impairment occurs and its judgment basis
-------------------------------	----------------	-------------	----------------------------	--------------------------------------------------

3) Accrual of bad debt provision

Applicable Not applicable

Other explanation

(3) Other account receivable

1) By nature

Unit: CNY/RMB

Nature	Ending book balance	Opening book balance
Margin and deposit	15,821,639.26	12,323,696.08
Other intercourse funds	130,468,808.14	119,880,221.09
Total	146,290,447.40	132,203,917.17

2) Accrual of bad debt provision

Unit: CNY/RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2022	3,185,683.43		96,640,395.39	99,826,078.82
Balance of Jan. 1, 2022 in the period				
Current accrual	128,700.20			128,700.20
Current write-off			133,800.00	133,800.00
Balance on Jun. 30, 2022	3,314,383.63		96,506,595.39	99,820,979.02

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

 Applicable Not applicable

By account age

Unit: CNY/RMB

Account age	Ending balance
Within one year (including 1-year)	21,424,236.35
1-2 years	18,927,585.87
2-3 years	2,090,194.46
Over 3 years	103,848,430.72
3-4 years	1,789,390.49
4-5 years	1,788,178.30
Over 5 years	100,270,861.93
Total	146,290,447.40

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

Bad debt provision accrual in the period:

Unit: CNY/RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written off	Other	
Bad debt provision accrual on single basis	96,640,395.39		133,800.00			96,506,595.39
Bad debt provision	3,185,683.43	128,700.20				3,314,383.63

accrual on portfolio						
Total	99,826,078.82	128,700.20	133,800.00			99,820,979.02

Including major amount with bad debt provision reverse or collected in the period:

Unit: CNY/RMB

Enterprise	Amount reversal or collected	Collection way
------------	------------------------------	----------------

4) Other account receivable actually written-off in the period

Unit: CNY/RMB

Item	Amount written-off
------	--------------------

Including important other account receivable written-off:

Unit: CNY/RMB

Enterprise	Nature	Amount written-off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
------------	--------	--------------------	--------------------	--------------------------	---------------------------------------

Explanation on other account receivable written-off:

5) Top 5 other receivables at ending balance by arrears party

Unit: CNY/RMB

Enterprise	Nature	Ending balance	Account age	Ratio in total ending balance of other account receivables	Bad debt preparation ending balance
First	Other intercourse funds	24,608,742.46	Within 1 year, over 5 years	16.82%	22,187,644.18
Second	Other intercourse funds	8,326,202.63	Over 5 years	5.69%	8,326,202.63
Three	Other intercourse funds	8,285,803.57	Over 5 years	5.66%	8,285,803.57
Fourth	Other intercourse funds	8,257,311.80	Over 5 years	5.64%	8,257,311.80
Fifth	Other intercourse funds	6,397,067.59	Over 5 years	4.37%	6,397,067.59
Total	--	55,875,128.05	--	38.18%	53,454,029.77

6) Other account receivables related to Government subsidy

Unit: CNY/RMB

Enterprise	Government subsidy	Ending balance	Ending account age	Time, amount and basis for collection predicted
------------	--------------------	----------------	--------------------	-------------------------------------------------

7) Other receivable for termination of confirmation due to the transfer of financial assets

8) The amount of assets and liabilities that are transferred other receivable and continued to be involved

Other explanation

9. Inventories

Whether companies need to comply with the disclosure requirements of the real estate industry

No

(1) Category

Unit: CNY/RMB

Item	Ending balance			Opening balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	75,917,421.01	14,841,005.00	61,076,416.01	71,483,882.02	14,841,005.00	56,642,877.02
Goods in process	18,235,651.96		18,235,651.96	23,932,099.23		23,932,099.23
Inventory goods	3,616,039,048.21	95,396,954.45	3,520,642,093.76	3,463,256,518.48	98,441,505.32	3,364,815,013.16
Revolving material	5,383,668.92	966,891.96	4,416,776.96	5,596,700.59	966,891.96	4,629,808.63
Goods in transit	10,341,793.61		10,341,793.61	5,362,274.64		5,362,274.64
Low-value consumables-packaging	3,619,880.75		3,619,880.75	4,367,402.92		4,367,402.92
Consignment processing materials	5,999,159.19	5,290,502.32	708,656.87	6,159,701.53	5,290,502.32	869,199.21
Total	3,735,536,623.65	116,495,353.73	3,619,041,269.92	3,580,158,579.41	119,539,904.60	3,460,618,674.81

(2) Inventories fall provision or contract performance costs impairment provision

Unit: CNY/RMB

Item	Opening balance	Current amount increased		Current amount decreased		Ending balance
		Accrual	Other	Reversal or	Other	

				write-off		
Raw materials	14,841,005.00					14,841,005.00
Inventory goods	98,441,505.32	81,891,850.85		84,936,401.72		95,396,954.45
Revolving material	966,891.96					966,891.96
Consignment processing materials	5,290,502.32					5,290,502.32
Total	119,539,904.60	81,891,850.85		84,936,401.72		116,495,353.73

(3) Explanation on inventories with capitalization of borrowing costs included at ending balance

(4) Assets unsettled formed by construction contract which has completed at period-end

10. Contract assets

Unit: CNY/RMB

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

Amount and reasons for the major changes of book value of contract assets in the period:

Unit: CNY/RMB

Item	Amount changed	Cause of change
------	----------------	-----------------

If the bad debt provision of accrual contract is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivables to disclose related information about bad debt provision:

Applicable Not applicable

Impairment provision of contract assets in the period

Unit: CNY/RMB

Item	Current accrual	Current reversal	Charge off/Written-off	Causes
------	-----------------	------------------	------------------------	--------

Other explanation

11. Assets held for sale

Unit: CNY/RMB

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

Other explanation

12. Non-current asset due within one year

Unit: CNY/RMB

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

Important creditors' investment/ other creditors' investment

Unit: CNY/RMB

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

Other explanation

13. Other current assets

Unit: CNY/RMB

Item	Ending balance	Opening balance
Financial product		10,000,000.00
Prepayment of taxes	1,451,416.63	1,403,832.26
Input tax to be deducted	94,674,381.15	77,054,152.64
Total	96,125,797.78	88,457,984.90

Other explanation:

14. Creditors' investment

Unit: CNY/RMB

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

Important creditors' investment

Unit: CNY/RMB

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

Accrual of impairment provision

Unit: CNY/RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2022 in the period				

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

Applicable Not applicable

Other explanation

15. Other creditors' investment

Unit: CNY/RMB

Item	Opening balance	Accrual interest	Change of fair value in the period	Ending balance	Cost	Accumulated change of fair value	Loss impairment accumulated recognized in other comprehensive income	Note

Important other creditors' investment

Unit: CNY/RMB

Other creditor item	Ending balance				Opening balance			
	Face value	Coupon rate	Actual rate	Maturity date	Face value	Coupon rate	Actual rate	Maturity date

Accrual of impairment provision

Unit: CNY/RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2022 in the period				

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

Applicable Not applicable

Other explanation

16. Long-term account receivable

(1) Long-term account receivable

Unit: CNY/RMB

Item	Ending balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	

Impairment of bad debt provision

Unit: CNY/RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses	Expected credit losses	Expected credit losses	

	over next 12 months	for the entire duration (without credit impairment occurred)	for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2022 in the period				

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

Applicable Not applicable

(2) Long-term account receivable derecognition due to financial assets transfer

(3) Assets and liabilities resulted by long-term account receivable transfer and continues involvement

Other explanation

17. Long-term equity investment

Unit: CNY/RMB

The invested entity	Openin g balance (book value)	Current changes (+, -)								Ending balance (book value)	Ending balance of impair ment provisi on
		Additio nal investm ent	Capital reducti on	Investm ent gains recogni zed under equity	Other compre hensive income adjustm ent	Other equity change	Cash dividen d or profit announ ced to issued	Accrual of impair ment provisi on	Other		
I. Joint venture											
II. Associated enterprise											
Shenzh en Duoxi Equity Investm ent Fund Manage ment Co., Ltd.	2,782,6 91.30			- 316,75 5.31						2,465,9 35.99	
Zhuhai Hengxi ng Feed Industri al Co., Ltd.	31,534, 652.77			- 219,33 8.14						31,315, 314.63	

Shenlian g Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	28,006, 043.15			- 281,57 6.44					27,724, 466.71	
Shenzhen Shenyuan Data Tech. Co., Ltd	11,167, 056.27			282,58 9.90					11,449, 646.17	
Shenbo Liaoyuan Investment Company										57,628. 53
Shenzhen Shenbo (Xinmin) Foods Co., Ltd.*1										2,870.0 00.00
Subtotal	73,490, 443.49			- 535,07 9.99					72,955, 363.50	2,927,6 28.53

Total	73,490,443.49			-	535,079.99					72,955,363.50	2,927,628.53
-------	---------------	--	--	---	------------	--	--	--	--	---------------	--------------

Other explanation

18. Other equity instrument investment

Unit: CNY/RMB

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

Itemized the non-tradable equity instrument investment in the period

Unit: CNY/RMB

Item	Dividend income recognized	Cumulative gains	Cumulative losses	Retained earnings transfer from other comprehensive income	Causes of those that designated measured by fair value and with its variation reckoned into other comprehensive income	Cause of retained earnings transfer from other comprehensive income
------	----------------------------	------------------	-------------------	------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------

Other explanation

10. Other non-current financial assets

Unit: CNY/RMB

Item	Ending balance	Opening balance
Debt instrument investment	80,000,000.00	
Equity instrument investment	57,500.00	57,500.00
Total	80,057,500.00	57,500.00

Other explanation:

20. Investment real estate

(1) Measured at cost

Applicable Not applicable

Unit: CNY/RMB

Item	House and building	Land use right	Construction in progress	Total
I. Original book value				
1. Opening balance	583,090,328.15			583,090,328.15
2. Current amount increased				

(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in				
(3) Increased by combination				
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	583,090,328.15			583,090,328.15
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	349,993,629.66			349,993,629.66
2.Current amount increased	7,979,780.88			7,979,780.88
(1) Accrual or amortization	7,979,780.88			7,979,780.88
3.Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance	357,973,410.54			357,973,410.54
III. Impairment provision				
1.Opening balance				
2.Current amount increased				
(1) Accrual				
3. Current amount decreased				
(1) Disposal				
(2) Other transfer-out				
4.Ending balance				
IV. Book value				

1. Ending book value	225,116,917.61			225,116,917.61
2. Opening book value	233,096,698.49			233,096,698.49

(2) Measure on fair value

Applicable Not applicable

(3) Investment real estate without property certificate completed

Unit: CNY/RMB

Item	Book value	Reasons
------	------------	---------

Other explanation

21. Fixed assets

Unit: CNY/RMB

Item	Ending balance	Opening balance
Fixed assets	2,119,548,279.71	2,124,725,043.92
Fixed assets disposal	3,106,105.27	3,106,105.27
Total	2,122,654,384.98	2,127,831,149.19

(1) Fixed assets

Unit: CNY/RMB

Item	House and buildings	Machinery equipment	Transport equipment	Electronic and other equipment	Total
I. Original book value:					
1. Opening balance	1,865,763,990.05	727,276,785.70	20,575,716.47	93,892,840.29	2,707,509,332.51
2. Current amount increased		40,608,120.93	7,900.00	1,863,135.38	42,479,156.31
(1) Purchase		24,420,089.59	7,900.00	1,863,135.38	26,291,124.97
(2) Construction in progress transfer-in		16,188,031.34			16,188,031.34
(3) Increased by combination					
3. Current amount decreased		2,247,336.74	2,673.97	142,513.94	2,392,524.65
(1) Disposal or scrap		2,247,336.74	2,673.97	142,513.94	2,392,524.65

4. Ending balance	1,865,763,990.05	765,637,569.89	20,580,942.50	95,613,461.73	2,747,595,964.17
II. Accumulated depreciation					
1. Opening balance	252,952,615.07	257,603,342.45	15,577,950.37	53,827,426.99	579,961,334.88
2. Current amount increased	22,066,578.84	18,678,058.80	593,294.37	5,582,737.12	46,920,669.13
(1) Accrual	22,066,578.84	18,678,058.80	593,294.37	5,582,737.12	46,920,669.13
3. Current amount decreased		1,516,698.65	1,613.47	138,961.14	1,657,273.26
(1) Disposal or scrap		1,516,698.65	1,613.47	138,961.14	1,657,273.26
4. Ending balance	275,019,193.91	274,764,702.60	16,169,631.27	59,271,202.97	625,224,730.75
III. Impairment provision					
1. Opening balance		2,813,063.84		9,889.87	2,822,953.71
2. Current amount increased					
(1) Accrual					
3. Current amount decreased					
(1) Disposal or scrap					
4. Ending balance		2,813,063.84		9,889.87	2,822,953.71
IV. Book value					
1. Ending book value	1,590,744,796.14	488,059,803.45	4,411,311.23	36,332,368.89	2,119,548,279.71
2. Opening book value	1,612,811,374.98	466,860,379.41	4,997,766.10	40,055,523.43	2,124,725,043.92

(2) Temporarily idle fixed assets

Unit: CNY/RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
------	---------------------	--------------------------	----------------------	------------	------

(3) Fixed assets leased out by operation

Unit: CNY/RMB

Item	Ending book value
------	-------------------

(4) Fix assets without property certification held

Unit: CNY/RMB

Item	Book value	Reasons for without the property certification
House buildings	594,712,049.26	Still under processing
House buildings	14,873,443.16	At present, the relevant application and approval procedures are being started.

Other explanation

(5) Fixed assets disposal

Unit: CNY/RMB

Item	Ending balance	Opening balance
Disposal of fixed assets - machinery equipment	3,106,105.27	3,106,105.27
Total	3,106,105.27	3,106,105.27

Other explanation

13. Construction in progress

Unit: CNY/RMB

Item	Ending balance	Opening balance
Construction in progress	198,788,393.17	207,946,539.97
Total	198,788,393.17	207,946,539.97

(1) Construction in progress

Unit: CNY/RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Dongguan grain storage and wharf matching project	147,012,469.99		147,012,469.99	138,980,117.20		138,980,117.20
Jiangxia Base Project	27,236,162.02		27,236,162.02	27,039,711.44		27,039,711.44

Installation Project/Phase I Project (Shuangya Mountain)	773,845.16		773,845.16	11,405,601.69		11,405,601.69
Pinghu Grain Depot Phase III Low Temperature Rice Warehouse Expansion and Reconstruction Project-L2				8,584,169.91		8,584,169.91
Pinghu Grain Depot Phase III Low Temperature Rice Warehouse Expansion and Reconstruction Project-L4				7,637,139.21		7,637,139.21
Cold chain intelligent system	3,645,282.94		3,645,282.94	3,645,282.94		3,645,282.94
CDE storage of Dongguan Food Industrial Park and wharf mating projects	2,476,401.46		2,476,401.46	1,953,288.69		1,953,288.69
Far-reaching data technology smart logistics park management platform project	2,777,600.00		2,777,600.00	1,587,200.00		1,587,200.00
Warehouse No. 6 Smart Warehouse Renovation Project	1,175,982.45		1,175,982.45	1,175,982.45		1,175,982.45
Deep	824,660.05		824,660.05	824,660.05		824,660.05

processing of Dongguan Industry and Trading Food						
Shenbao Plaza project	3,842,333.64	3,842,333.64		3,842,333.64	3,842,333.64	
Small packing line	2,369,122.03		2,369,122.03			
Digital construction software development of Shenyuan Digital Phase V	2,155,000.00		2,155,000.00			
Other	9,245,056.81	903,189.74	8,341,867.07	6,016,576.13	903,189.74	5,113,386.39
Total	203,533,916.55	4,745,523.38	198,788,393.17	212,692,063.35	4,745,523.38	207,946,539.97

(2) Changes of major construction in progress

Unit: CNY/RMB

Item Name	Budget	Opening balance	Current amount increased	Transfer-in fixed assets	Other decreased in the Period	Ending balance	Proportion of project investment in budget	Progress	Accumulated capitalization of interest	Including: amount of capitalization of interest in Period	Interest capitalization rate in Period	Capital resources
Dongguan grain storage and wharf matching project	1,242,000.00	138,980,117.20	8,032,352.79			147,012,469.99	77.42%	77.42%	35,743,874.21	848,940.01	4.36%	Other
Deep processing of Dongguan	292,000.00	824,660.05				824,660.05	42.00%	42.00%	3,552,458.11			Other

Industry and Trading Food												
CDE storage of Dongguan Food Industrial Park and wharf matings projects	1,087,300.00	1,953,288.69	523,112.77			2,476,401.46	98.50%	98.50%	86,730,568.74			Other
Total	2,621,300.00	141,758,065.94	8,555,465.56			150,313,531.50			126,026,901.06	848,940.01		--

(3) The provision for impairment of construction in progress

Unit: CNY/RMB

Item	Amount accrual in the period	Reasons of accrual
------	------------------------------	--------------------

Other explanation

(4) Engineering material

Unit: CNY/RMB

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

Other explanation

23. Productive biological asset

(1) Measured by cost

Applicable Not applicable

Unit: CNY/RMB

Item	Plant	Livestock	Forestry	Fisheries	Total
	Tea tree				
I. Original book					

value					
1.Opening balance	416,771.28				416,771.28
2.Current amount increased					
(1)Outsourcing					
(2)self-cultivate					
3.Current amount decreased					
(1)Disposal					
(2)Other					
4.Ending balance	416,771.28				416,771.28
II. Accumulated depreciation					
1.Opening balance	38,769.48				38,769.48
2.Current amount increased	4,846.20				4,846.20
(1)Accrual	4,846.20				4,846.20
3.Current amount decreased					
(1)Disposal					
(2)Other					
4.Ending balance	43,615.68				43,615.68
III. Impairment provision					
1.Opening balance					
2.Current amount increased					
(1)Accrual					
3.Current amount decreased					
(1)Disposal					

(2)Other					
4.Ending balance					
IV. Book value					
1.Ending book value	373,155.60				373,155.60
2. Opening book value	378,001.80				378,001.80

(2) Measured by fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use asset

Unit: CNY/RMB

Item	House building	Land use rights	Total
I. Original book value			
1.Opening balance	114,263,346.96	1,903,312.71	116,166,659.67
2.Current amount increased	950,847.20		950,847.20
New leasing	950,847.20		950,847.20
3.Current amount decreased			
4.Ending balance	115,214,194.16	1,903,312.71	117,117,506.87
II. Accumulated depreciation			
1.Opening balance	18,280,071.52	237,914.09	18,517,985.61
2.Current amount increased	10,581,369.06	118,957.03	10,700,326.09
(1) Accrual	10,581,369.06	118,957.03	10,700,326.09
3.Current amount decreased			
(1) Disposal			
4.Ending balance	28,861,440.58	356,871.12	29,218,311.70
III. Impairment provision			
1.Opening balance			

2.Current amount increased			
(1) Accrual			
3.Current amount decreased			
(1) Disposal			
4.Ending balance			
IV. Book value			
1.Ending book value	86,352,753.58	1,546,441.59	87,899,195.17
2. Opening book value	95,983,275.44	1,665,398.62	97,648,674.06

Other explanation:

26. Intangible assets

(1) Intangible assets

Unit: CNY/RMB

Item	Land use right	Patent	Non-patent technology	Trademark rights	Software usage rights	Forest use rights	Shop use rights	Other	Total
I. Original book value									
1.Opening balance	639,497,282.33	47,245,918.89		184,073.32	54,841,231.99	22,859,104.98	3,610,487.37	21,221,422.64	789,459,521.52
2.Current amount increased					459,024.87				459,024.87
(1) Purchase					459,024.87				459,024.87
(2) internal R&D									
(3) Increased									

by combinati on									
3.Current amount decreased									
(1) Disposal									
4.Ending balance	639,497,2 82.33	47,245,91 8.89		184,073.3 2	55,300,25 6.86	22,859,10 4.98	3,610,487 .37	21,221,42 2.64	789,918,5 46.39
II. Cumulati ve amortizati on									
1.Openin g balance	111,897,1 60.87	29,421,16 8.19		134,532.7 6	15,904,70 5.80	6,944,583 .32	1,525,322 .61	7,543,227 .73	173,370,7 01.28
2.Current amount increased	7,810,964 .96	714,367.5 6		5,875.08	3,773,555 .06	386,431.8 0	54,002.70	1,884,095 .41	14,629,29 2.57
(1) Accrual	7,810,964 .96	714,367.5 6		5,875.08	3,773,555 .06	386,431.8 0	54,002.70	1,884,095 .41	14,629,29 2.57
3.Current amount decreased									
(1) Disposal									
4.Ending balance	119,708,1 25.83	30,135,53 5.75		140,407.8 4	19,678,26 0.86	7,331,015 .12	1,579,325 .31	9,427,323 .14	187,999,9 93.85
III.									

Impairment provision									
1. Opening balance		5,553,283.54			1,130,341.88				6,683,625.42
2. Current amount increased									
(1) Accrual									
3. Current amount decreased									
(1) Disposal									
4. Ending balance		5,553,283.54			1,130,341.88				6,683,625.42
IV. Book value									
1. Ending book value	519,789,156.50	11,557,099.60		43,665.48	34,491,654.12	15,528,089.86	2,031,162.06	11,794,099.50	595,234,927.12
2. Opening book value	527,600,121.46	12,271,467.16		49,540.56	37,806,184.31	15,914,521.66	2,085,164.76	13,678,194.91	609,405,194.82

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

(2) Land use rights without certificate of ownership

Unit: CNY/RMB

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

Other explanation:

27. Expense on Research and Development

Unit: CNY/RMB

Item	Opening balance	Current amount increased			Current amount decreased			Ending balance
		Internal development expenditure	Other		Confirmed as intangible assets	Transfer to current profit and loss		
Z2210401; Z2210101 project		326,306.90						326,306.90
Total		326,306.90						326,306.90

Other explanation

28. Goodwill

(1) Original book value

Unit: CNY/RMB

The invested entity or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Formed by business combination		Dispose		
Wuhan Jiacheng Biotechnology Co., Ltd.	1,953,790.56					1,953,790.56
Yunnan Pu'er Tea Trading Center Co., Ltd.	673,940.32					673,940.32
Total	2,627,730.88					2,627,730.88

(2) Goodwill impairment provision

Unit: CNY/RMB

The invested entity or matters forming goodwill	Opening balance	Current increased		Current decreased		Ending balance
		Accrual		Dispose		

Yunnan Pu'er Tea Trading Center Co., Ltd.	673,940.32					673,940.32
Total	673,940.32					673,940.32

Relevant information about the assets group or portfolio goodwill included

Instructions for goodwill impairments test process and key parameters (such as the forecast period growth rate, stable period growth rate, profit rate, discount rate, and forecast period when estimating the present value of the future cash flow), and the method of confirming the impairment loss of goodwill:

Impact of goodwill impairment test

Other explanation

29. Long-term expenses to be apportioned

Unit: CNY/RMB

Item	Opening balance	Current amount increased	Current amortization	Other decreased	Ending balance
Improve expenditure for fix assets	14,283,062.63	450,179.21	2,046,251.80		12,686,990.04
Decoration fee	9,235,428.02	751,329.99	1,168,987.24		8,817,770.77
Improve expenditure for investment real estate	283,138.77		19,087.98		264,050.79
Affiliated project of resident area in Wuyuan Jufangyong	70,356.31		13,191.78		57,164.53
Other	4,923,220.72	125,500.00	719,037.55		4,329,683.17
Total	28,795,206.45	1,327,009.20	3,966,556.35		26,155,659.30

Other explanation

30. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred income tax assets without offset

Unit: CNY/RMB

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Impairment provision for assets	63,091,518.23	15,132,426.76	62,056,367.05	15,139,642.20
Unrealized profits in	2,845,136.63	426,770.49	2,250,127.31	337,519.10

internal transactions				
Deductible loss	2,383,937.40	357,590.61	2,383,937.40	357,590.61
Credit impairment loss	99,746,216.18	24,680,944.35	99,371,735.40	24,694,673.56
Total	168,066,808.44	40,597,732.21	166,062,167.16	40,529,425.47

(2) Deferred income tax liability without offset

Unit: CNY/RMB

Item	Ending balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation increment of enterprise combine under different control	60,330,328.86	13,661,333.11	61,157,763.69	13,868,191.82
Total	60,330,328.86	13,661,333.11	61,157,763.69	13,868,191.82

(3) Deferred income tax assets and deferred income tax liabilities listed after off-set

Unit: CNY/RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		40,597,732.21		40,529,425.47
Deferred income tax liabilities		13,661,333.11		13,868,191.82

(4) Details of uncertain deferred income tax assets

Unit: CNY/RMB

Item	Ending balance	Opening balance
Deductible temporary differences	150,364,591.83	155,064,630.67
Deductible loss	262,976,172.93	254,117,581.76
Total	413,340,764.76	409,182,212.43

(5) Deductible losses of un-recognized deferred income tax assets expired on the followed year

Unit: CNY/RMB

Year	Ending amount	Opening amount	Note
------	---------------	----------------	------

Other explanation

31. Other non-current asset

Unit: CNY/RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid for equipment	596,301.00		596,301.00	1,329,101.00		1,329,101.00
Prepaid for system	4,701,190.87		4,701,190.87	4,602,630.58		4,602,630.58
Total	5,297,491.87		5,297,491.87	5,931,731.58		5,931,731.58

Other explanation:

32. Short-term loans

(1) Category

Unit: CNY/RMB

Item	Ending balance	Opening balance
Guaranteed Loan	5,000,000.00	1,500,000.00
Loan in credit	720,635,087.73	503,266,782.25
Total	725,635,087.73	504,766,782.25

Explanation on category of short-term loans:

(2) Overdue short-term loans without payment

RMB 0 short-term loans over due without paid at period-end, including follow major amount:

Unit: CNY/RMB

Borrower	Ending balance	Loan rate	Overdue time	Overdue interest
----------	----------------	-----------	--------------	------------------

Other explanation

33. Tradable financial liability

Unit: CNY/RMB

Item	Ending balance	Opening balance
Including:		
Including:		

Other explanation

34. Derivative financial liability

Unit: CNY/RMB

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

Other explanation

35. Note payable

Unit: CNY/RMB

Category	Ending balance	Opening balance
----------	----------------	-----------------

Notes expired at year-end without paid was 0 Yuan.

36. Account payable

(1) Account payable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Trade accounts payable	339,539,462.40	154,756,781.25
Account payable for engineering	213,373,487.06	271,692,014.89
Other	1,935,229.97	457,873.57
Total	554,848,179.43	426,906,669.71

(2) Major accounts payable with age over one year

Unit: CNY/RMB

Item	Ending balance	Reasons of outstanding or carry-over
------	----------------	--------------------------------------

Other explanation

37. Accounts received in advance

(1) Accounts received in advance

Unit: CNY/RMB

Item	Ending balance	Opening balance
Other	8,440,204.85	2,379,891.67
Total	8,440,204.85	2,379,891.67

(2) Important account received in advance with account age over one year

Unit: CNY/RMB

Item	Ending balance	Reasons of outstanding or carry-over
------	----------------	--------------------------------------

Other explanation

38. Contract liabilities

Unit: CNY/RMB

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

Sales price	83,531,467.12	182,972,314.85
Total	83,531,467.12	182,972,314.85

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

Unit: CNY/RMB

Item	Amount changed	Reasons of changes
------	----------------	--------------------

39. Wage payable

(1) Wage payable

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
I. Short-term compensation	302,581,812.37	158,075,025.42	229,833,716.93	230,823,120.86
II. After-service welfare-defined contribution plans	17,397,568.50	12,007,617.69	17,295,092.95	12,110,093.24
III. Dismissed welfare	726,674.60	1,324,436.60	1,324,436.60	726,674.60
Total	320,706,055.47	171,407,079.71	248,453,246.48	243,659,888.70

(2) Short-term compensation

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Wage, bonus, allowance and subsidy	295,270,793.56	137,398,476.17	208,775,279.00	223,893,990.73
2. Employees' welfare	396,756.42	6,993,908.40	7,390,664.82	
3. Social insurance charges	349,682.30	3,250,914.47	3,426,137.14	174,459.63
Including:				
medical insurance premium	314,270.80	2,969,056.31	3,127,418.60	155,908.51
Industrial injury insurance premiums	6,181.14	102,660.70	106,094.62	2,747.22
Maternity insurance premiums	29,230.36	179,197.46	192,623.92	15,803.90
4. Housing public reserve		8,245,811.07	7,824,092.21	421,718.86
5. Trade union fee and education fee	6,564,580.09	2,185,915.31	2,417,543.76	6,332,951.64
Total	302,581,812.37	158,075,025.42	229,833,716.93	230,823,120.86

(3) Defined contribution plans

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
1. Basic endowment insurance premiums		9,014,786.61	8,841,985.53	172,801.08
2. Unemployment insurance premiums	8,702.95	100,023.75	104,654.11	4,072.59
3. Enterprise annuity	17,388,865.55	2,892,807.33	8,348,453.31	11,933,219.57
Total	17,397,568.50	12,007,617.69	17,295,092.95	12,110,093.24

Other explanation:

40. Taxes payable

Unit: CNY/RMB

Item	Ending balance	Opening balance
VAT	4,683,262.98	5,394,516.81
Enterprise income tax	16,598,156.90	75,860,781.94
Personal income tax	16,086,239.75	2,264,416.73
Urban maintenance and construction tax	215,257.06	247,110.08
House property tax	5,688,062.47	1,310,817.90
Deed tax	664,227.84	664,227.84
Stamp tax	262,711.31	648,290.86
Use tax of land	794,772.27	214,536.03
Educational surtax	180,191.99	203,981.23
Other	84,910.90	4,908.73
Total	45,257,793.47	86,813,588.15

Other explanation:

41. Other account payable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Dividend payable	2,933,690.04	2,933,690.04
Other account payable	376,576,997.70	373,673,508.95
Total	379,510,687.74	376,607,198.99

(1) Interest payable

Unit: CNY/RMB

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

Major overdue interest:

Unit: CNY/RMB

Borrower	Overdue amount	Overdue causes
----------	----------------	----------------

Other explanation

(2) Dividend payable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Common stock dividend	2,933,690.04	2,933,690.04
Total	2,933,690.04	2,933,690.04

Other explanation, including important dividend payable over one year without payment, disclose reasons for un-paid:

(3) Other account payable

1) By nature

Unit: CNY/RMB

Item	Ending balance	Opening balance
Engineering quality retention money and fund of tail	963,863.07	1,436,175.56
Deposit and margin	114,423,319.31	134,841,365.60
Intercourse funds and other	225,376,359.53	201,486,678.66
Drawing expenses in advance	35,813,455.79	35,909,289.13
Total	376,576,997.70	373,673,508.95

2) Significant other account payable with over one year age

Unit: CNY/RMB

Item	Ending balance	Reasons of outstanding or carry-over
------	----------------	--------------------------------------

Other explanation

42. Liability held for sale

Unit: CNY/RMB

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

Other explanation

43. Non-current liabilities due within one year

Unit: CNY/RMB

Item	Ending balance	Opening balance
Long-term loans due within one year	100,942,021.51	108,955,105.34
Lease liabilities due within one year	11,890,508.04	19,777,369.82
Total	112,832,529.55	128,732,475.16

Other explanation:

44. Other current liabilities

Unit: CNY/RMB

Item	Ending balance	Opening balance
VAT payable	1,764,823.46	4,367,576.91
Total	1,764,823.46	4,367,576.91

Change of short-term bonds payable:

Unit: CNY/RMB

Bonds	Face value	Issuance date	Bonds term	Amount issued	Opening balance	Issued in the period	Accrual interest by face value	Premium and discount amortization	Paid in the period		Ending balance
Total											

Other explanation: nil

45. Long-term loans

(1) Category

Unit: CNY/RMB

Item	Ending balance	Opening balance
Mortgage + guarantee	624,310,269.81	730,521,692.22
Total	624,310,269.81	730,521,692.22

Explanation on category of long-term loans:

Other explanation, including interest rate range:

46. Bonds payable

(1) Bonds payable

Unit: CNY/RMB

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

(2) Changes of bonds payable (not including the other financial instrument of preferred stock and perpetual capital securities that classify as financial liability)

Unit: CNY/RMB

Bonds	Face value	Issuance date	Bonds term	Amount issued	Opening balance	Issued in the period	Accrual interest by face value	Premium and discount	Paid in the period		Ending balance
-------	------------	---------------	------------	---------------	-----------------	----------------------	--------------------------------	----------------------	--------------------	--	----------------

								amortization			
Total	—										

(3) Convertible conditions and time for shares transfer for the convertible bonds

(4) Other financial instruments classify as financial liability

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

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

Unit: CNY/RMB

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

Basis for financial liability classification for other financial instrument

Other explanation

47. Lease liability

Unit: CNY/RMB

Item	Ending balance	Opening balance
Lease Payments	99,431,195.96	110,058,216.03
Unrecognized financing charges	-8,200,090.85	-10,107,102.46
Lease liabilities due within one year	-11,890,508.04	-19,777,369.82
Total	79,340,597.07	80,173,743.75

Other explanation

48. Long-term account payable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Special account payable	17,445,737.26	17,266,921.98
Total	17,445,737.26	17,266,921.98

(1) By nature

Unit: CNY/RMB

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

Other explanation

(2) Special account payable

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Depreciation fund for grain deposits	16,277,275.98	28,437.28		16,305,713.26	
Shenzhen Hospital Phase III Housing Expropriation Property Rights Exchange	989,646.00	150,378.00		1,140,024.00	
Total	17,266,921.98	178,815.28		17,445,737.26	

Other explanation:

49. Long-term wage payable

(1) Long-term wage payable

Unit: CNY/RMB

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

(2) Changes of defined benefit plans

Present value of the defined benefit plans:

Unit: CNY/RMB

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

Scheme assets:

Unit: CNY/RMB

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

Net liability (assets) of the defined benefit plans

Unit: CNY/RMB

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

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

Major actuarial assumption and sensitivity analysis:

Other explanation

50. Accrual liabilities

Unit: CNY/RMB

Item	Ending balance	Opening balance	Causes
External guarantee	3,500,000.00	3,500,000.00	See explanation for details

Total	3,500,000.00	3,500,000.00	--
-------	--------------	--------------	----

Other explanation, including relevant important assumptions and estimation:

Note: According to the civil judgment made by the Shenzhen Intermediate People's Court, in the disputes over loan contract between Changzhou Shenbao Chacang Electronic Commerce Co., Ltd. and Shenzhen Agricultural Products Financing Guarantee Co., Ltd., the Company shall assume joint and several liabilities for repayment of the debts of Changzhou Shenbao Chacang Electronic Commerce Co., Ltd. within the scope of 3.5 million yuan.

51. Deferred income

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance	Causes
Government subsidy related to assets	93,129,536.68		6,048,603.76	87,080,932.92	
Total	93,129,536.68		6,048,603.76	87,080,932.92	

Item with Government subsidy involved:

Unit: CNY/RMB

Liability	Opening balance	New grants in the Period	Amount reckoned in non-operation revenue	Amount reckoned in other income	Cost reduction in the period	Other changes	Ending balance	Assets-related/income related
Intelligent management of grain depot based on mobile internet	266,666.52			100,000.02			166,666.50	Assets-related
Special funds for intelligent upgrading and transformation of grain warehouse "Grain Safety Project"	6,287,083.39			477,499.98			5,809,583.41	Assets-related
Government central government grant funds	6,219,714.58			3,633,373.44			2,586,341.14	Assets-related

Base of further processing for tea and nature plants	274,999.96			137,500.02			137,499.94	Assets-related
Special fund for the development of strategic emerging industries in Shenzhen	2,485,265.75			175,604.52			2,309,661.23	Assets-related
Industrialization of instant tea powder	1,494,799.03			98,222.94			1,396,576.09	Assets-related
Enterprise technology center is a municipal R&D center. Subsidies for industrial technological advancement	1,375,227.49			102,012.24			1,273,215.25	Assets-related
Grant for key technology research and industrialization of instant tea powder	110,276.21			7,122.48			103,153.73	Assets-related
Construction amount for 50 tons	124,999.90			62,500.02			62,499.88	Assets-related

for clearly processing for Mingyou tea								
Subsidy for supply system construction of agricultural products	150,000.00			100,000.00			50,000.00	Assets-related
Construction of O2O community sales service system for high quality grain and oil based on B2C E-commerce platform	1,679,875.08			16,339.04			1,663,536.04	Assets-related
Industrialization of Doximi E-commerce platform	241,860.58			241,860.58				Assets-related
Grain storage project of Dongguan Shenliang Logistics Co., Ltd. - Storage A	7,455,646.47			131,128.56			7,324,517.91	Assets-related
Phase II of grain storage project of Dongguan Shenliang	29,874,797.96			515,650.26			29,359,147.70	Assets-related

Logistics Co., Ltd.- Storage B								
Grain, oil and food headquarters and innovative public service platform of Dongguan Shenliang Logistics Co., Ltd.	18,000,000.00						18,000,000.00	Assets-related
Construction of 450000 ton silos and 60000 ton film silos - CDE warehouse. Gas storage bin	17,088,323.76			249,789.66			16,838,534.10	Assets-related
Total	93,129,536.68			6,048,603.76			87,080,932.92	

Other explanation:

52. Other non-current liabilities

Unit: CNY/RMB

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

Other explanation

53. Share capital

Unit: CNY/RMB

	Opening balance	Increased (decreased) in this period (+, -)					Ending balance
		New shares issued	Bonus shares	Shares converted from public reserve	Other	Subtotal	
Total shares	1,152,535,25						1,152,535,25

	4.00						4.00
--	------	--	--	--	--	--	------

Other explanation:

54. Other equity instrument

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

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

Unit: CNY/RMB

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

Changes of other equity instrument, change reasons and relevant accounting treatment basis:

Other explanation

55. Capital public reserve

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Capital premium (Share capital premium)	1,250,743,274.79			1,250,743,274.79
Other capital reserve	8,896,381.86			8,896,381.86
Total	1,259,639,656.65			1,259,639,656.65

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

56. Treasury stock

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
------	-----------------	-------------------	-------------------	----------------

Other explanation, including changes and reasons for changes:

57. Other comprehensive income

Unit: CNY/RMB

Item	Opening balance	Current Period						Ending balance
		Account before income tax in the period	Less: written in other comprehensive income in previous	Less: written in other comprehensive income in previous	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	

			period and carried forward to gains and losses in current period	period and carried forward to retained earnings in current period				
--	--	--	------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------	--	--	--	--

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

58. Reasonable reserve

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Production safety fee		723,692.27	723,692.27	
Total		723,692.27	723,692.27	

Other explanation, including changes and reasons for changes:

58. Surplus public reserve

Unit: CNY/RMB

Item	Opening balance	Current increased	Current decreased	Ending balance
Statutory surplus reserves	405,575,490.42			405,575,490.42
Total	405,575,490.42			405,575,490.42

Other explanation, including changes and reasons for changes:

60. Retained profit

Unit: CNY/RMB

Item	Current period	Last period
Retained profit at the end of the previous year before adjustment	1,812,541,701.27	1,637,536,441.03
Total retained profit at the beginning of the previous year before adjustment	1,812,541,701.27	1,637,536,441.03
Add: net profit attributable to shareholder of parent company	237,527,782.93	428,720,226.09
Less: withdrawal of legal surplus reserve		23,207,915.05
Common stock dividends payable	288,133,813.50	230,507,050.80
Retained profit at period-end	1,761,935,670.70	1,812,541,701.27

Details about adjusting the retained profits at the beginning of the period:

- 1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to 0

Yuan.

3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 Yuan

4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 Yuan.

5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 Yuan

61. Operating income and operating cost

Unit: CNY/RMB

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	4,337,091,078.42	3,774,554,176.15	5,259,568,275.95	4,649,191,683.41
Other business	953,449.93	1,271,449.66	2,620,904.58	1,205,387.26
Total	4,338,044,528.35	3,775,825,625.81	5,262,189,180.53	4,650,397,070.67

Information relating to revenue:

Unit: CNY/RMB

Category	Branch 1	Branch 2		Total
Product Types				
Including:				
Classification by business area				
Including:				
Market or customer type				
Including:				
Contract Types				
Including:				
Classification by time of goods transfer				
Including:				
Classification by contract duration				
Including:				
Classification by sales channel				

Including:				
Total				

Information relating to performance obligations:

Nil

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 83,531,467.12 yuan, among them, 83,531,467.12 yuan of revenue is expected to be recognized in 1, yuan of revenue is expected to be recognized in YEAR, and yuan of revenue is expected to be recognized in YEAR.

Other explanation

62. Tax and surcharges

Unit: CNY/RMB

Item	Current period	Last period
Consumption tax	895,956.94	544,486.02
Urban maintenance and construction tax	679,527.61	411,731.33
House property tax	5,248,155.88	4,225,156.71
Use tax of land	1,110,186.75	945,095.60
Vehicle and vessel use tax	11,504.16	8,953.20
Stamp duty	1,098,343.62	826,252.63
Other	6,810.95	7,604.36
Total	9,050,485.91	6,969,279.85

Other explanation:

63. Sales expenses

Unit: CNY/RMB

Item	Current Period	Last Period
Labor and social security benefits	50,753,585.91	40,890,403.82
Port terminal fee	716,873.62	17,962,250.33
Warehousing, loading and unloading fees	1,731,511.87	15,646,124.52
Depreciation and amortization of long-term assets	6,945,867.51	6,730,728.23
Equivalent loss for low value perishable goods	1,795,020.01	2,408,636.91
Utilities and office expenses	5,073,994.09	2,848,894.71
After-sale services	5,310,993.88	2,359,846.00
Rental fee	2,387,092.62	2,942,783.48
Advertisement charge	444,896.32	790,841.41
Travel expenses	489,966.51	1,101,872.85
Business hospitality expenses	600,487.33	799,812.28

Property insurance premium	412,474.71	631,971.43
Logistics transportation fee	1,016,601.52	2,180,760.95
Sales commission	231,142.82	230,219.20
Automobile expenses	98,335.07	296,086.85
Other	1,322,237.90	8,890,543.80
Total	79,331,081.69	106,711,776.77

Other explanation:

64. Administration expenses

Unit: CNY/RMB

Item	Current Period	Last Period
Labor and social security benefits	87,350,621.59	74,829,904.07
Depreciation and amortization of long-term assets	19,952,461.81	12,401,821.37
Office expenses	5,602,580.56	5,946,658.73
Intermediary agency fee	3,139,405.86	3,127,140.25
Rental	310,642.57	2,049,677.28
Travel expenses	403,109.35	721,643.56
Communication fee	707,182.05	602,782.52
Business hospitality	413,778.48	776,421.99
Vehicle usage fee	492,876.00	458,887.95
Relocation and shutdown costs	412,506.76	419,391.74
Repair cost	183,270.55	311,482.72
Low-value consumables	84,958.94	66,494.16
Other	6,578,147.22	7,603,787.31
Total	125,631,541.74	109,316,093.65

Other explanation:

65. R&D expenses

Unit: CNY/RMB

Item	Current Period	Last Period
Labor and social security benefits	6,716,359.32	7,052,838.34
Depreciation cost	1,998,043.41	2,141,451.05
Logistics consumption	592,590.41	350,852.23
Travel expenses	139,106.57	350,496.63
Maintenance and inspection fee	102,772.23	190,595.59
Office expenses	362,891.74	559,237.89
Intermediary fees	62,832.83	18,883.02
Automobile expenses	199.50	27,522.00
Other	162,381.76	234,141.40
Total	10,137,177.77	10,926,018.15

Other explanation:

66. Financial expenses

Unit: CNY/RMB

Item	Current period	Last period
Interest expenses	27,256,521.87	15,362,400.04
Less: Interest income	1,233,894.54	765,002.68
Exchange loss	-335,848.25	152,194.11
Other	2,322,849.37	2,455,183.05
Total	28,009,628.45	17,204,774.52

Other explanation:

67. Other income

Unit: CNY/RMB

Sources	Current period	Last period
Government subsidies related to asset		
Government subsidies related to income		
Collectively deduction for input tax	258,853.31	294,887.24
Withholding personal income tax handling fee	287,394.38	321,549.63
Direct VAT exemption	7,091.04	199.68
Government subsidy	7,465,486.58	4,275,292.75
Other	11,418.67	
Total	8,030,243.98	4,891,929.30

68. Investment income

Unit: CNY/RMB

Item	Current period	Last period
Long-term equity investment income measured by equity	-535,079.99	440,179.67
Income from financial products	3,573,445.74	3,061,191.63
Total	3,038,365.75	3,501,371.30

Other explanation:

69. Net exposure hedge gains

Unit: CNY/RMB

Item	Current Period	Last Period

Other explanation

70. Income of fair value changes

Unit: CNY/RMB

Sources	Current period	Last period
Tradable financial assets	221,889.46	288,972.32
Total	221,889.46	288,972.32

Other explanation:

71. Credit impairment loss

Unit: CNY/RMB

Item	Current period	Last period
Loss of bad debt of other account receivable	5,099.80	46,004.50
Loss of bad debt of account receivable	240,756.21	-11,847.13
Total	245,856.01	34,157.37

Other explanation:

72. Assets impairment loss

Unit: CNY/RMB

Item	Current period	Last period
II. Inventory price drop loss and contract performance cost impairment loss	-81,499,450.86	-111,448,173.12
Total	-81,499,450.86	-111,448,173.12

Other explanation:

73. Income from assets disposal

Unit: CNY/RMB

Sources	Current period	Last period
Profit and loss on disposal of non current assets		8,318.64
Total		8,318.64

74. Non-operating income

Unit: CNY/RMB

Item	Current period	Last period	Amount included in the current non-recurring profit and loss
Government subsidy	84,111.74	3,879.42	84,111.74
Profit		91,006.38	
Other	358,293.46	1,532,816.76	358,293.46

Liquidated damages compensation income	690,612.11		690,612.11
Total	1,133,017.31	1,627,702.56	1,133,017.31

Government subsidy reckoned into current gains/losses:

Unit: CNY/RMB

Grants	Issuing subject	Issuing cause	Property type	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of this period	Amount of last period	Assets related/Income related

Other explanation:

75. Non-operating expenditure

Unit: CNY/RMB

Item	Current period	Last period	Amount included in the current non-recurring profit and loss
External donations	39,545.29	150,397.26	39,545.29
Inventory loss		6,532.18	
Loss of scrap from non-current assets	6,686.73	19,868.54	6,686.73
Other	20,901.95	226,366.32	20,901.95
Total	67,133.97	403,164.30	67,133.97

Other explanation:

76. Income tax expense

(1) Income tax expense

Unit: CNY/RMB

Item	Current period	Last period
Current income tax expenses	3,110,846.12	13,716,643.86
Deferred income tax expenses	-152,179.71	-309,289.30
Total	2,958,666.41	13,407,354.56

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

Unit: CNY/RMB

Item	Current period
Total profit	241,161,774.66

Income tax expenses calculated by statutory tax rate	60,290,443.67
Impact from different tax rate apply with the subsidiary	-45,564.86
Effect of adjusting income tax in the previous period	-12,917,232.17
Impact of non taxable income	-91,450,323.76
Impact on cost, expenses and losses that unable to deducted	26,924,970.14
Impact of the deductible loss on deferred income tax assets not recognized in the prior period of use	-2,174,080.47
Unrecognized impacts of deductible temporary differences or deductible losses on deferred income tax assets in the period	22,330,453.86
Income tax expenses	2,958,666.41

Other explanation

77. Other comprehensive income

Found more in annotations

78. Annotation of cash flow statement

(1) Cash received with other operating activities concerned

Unit: CNY/RMB

Item	Current period	Last period
Intercourse funds and deposit	966,296,334.99	501,614,298.48
Government subsidy	1,500,994.56	6,664,197.50
Interest income	1,233,894.54	765,002.68
Other	21,683,507.64	
Total	969,031,224.09	509,043,498.66

Note of cash paid with other operating activities concerned:

(2) Cash paid with other operating activities concerned

Unit: CNY/RMB

Item	Current period	Last period
Intercourse funds and deposit	983,321,525.67	506,989,695.21
Operating daily expenses	38,737,048.77	80,962,607.92
Other	7,805,198.84	4,025,352.26
Total	1,029,863,773.28	591,977,655.39

Note of cash paid with other operating activities concerned:

(3) Cash received with other investment activities concerned

Unit: CNY/RMB

Item	Current period	Last period
Other	154.49	54,336.41

Total	154.49	54,336.41
-------	--------	-----------

Note of cash received with other investment activities concerned:

(4) Cash paid related with investment activities

Unit: CNY/RMB

Item	Current period	Last period
Other	928.80	109,602.00
Total	928.80	109,602.00

Note of cash paid related with investment activities:

(5) Cash received with other financing activities concerned

Unit: CNY/RMB

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

Note of cash received with other financing activities concerned:

(6) Other cash paid related with financing activities

Unit: CNY/RMB

Item	Current period	Last period
Operating lease rent paid	9,528,424.77	
Total	9,528,424.77	

Note of other cash paid related with financing activities:

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

Unit: CNY/RMB

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	238,203,108.25	245,757,926.43
Add: Impairment provision for assets	81,253,594.85	111,414,015.75
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	54,905,296.21	39,826,096.31
Depreciation of right-of-use assets	10,700,326.09	8,663,657.57
Amortization of intangible assets	14,629,292.57	13,380,523.65
Amortization of long-term pending expenses	3,966,556.35	9,959,152.51
Loss from disposal of fixed assets, intangible assets and other long-term	-570.00	-8,318.64

assets (income is listed with “-”)		
Losses on scrapping of fixed assets (income is listed with “-“)	6,686.73	19,868.54
Loss from change of fair value (income is listed with “-“)	-221,889.46	-288,972.32
Financial expenses (income is listed with “-”)	26,920,673.62	15,500,789.85
Investment loss (income is listed with “-”)	-3,038,365.75	-3,501,371.30
Decrease of deferred income tax assets (increase is listed with “-”)	-68,306.74	-102,430.60
Decrease of deferred income tax asset (increase is listed with “-”)	-206,858.71	-206,858.70
Decrease of inventory (increase is listed with “-”)	-233,168,543.50	-713,312,219.22
Decrease of operating receivable accounts (increase is listed with “-”)	99,277,098.55	-557,180,868.53
Increase of operating payable accounts (decrease is listed with “-”)	-32,784,596.20	138,806,857.37
Other		
Net cash flow arising from operating activities	260,373,502.86	-691,272,151.33
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	71,460,681.82	68,774,083.11
Less: Balance of cash at year-begin	49,370,080.20	190,494,225.94
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increasing of cash and cash equivalents	22,090,601.62	-121,720,142.83

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

Unit: CNY/RMB

	Amount
Including:	
Including:	

Including:	
------------	--

Other explanation

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

Unit: CNY/RMB

	Amount
Including:	
Including:	
Including:	

Other explanation

(4) Constitution of cash and cash equivalent

Unit: CNY/RMB

Item	Ending balance	Opening balance
I. Cash	71,460,681.82	49,370,080.20
Including: Cash on hand	67,892.44	29,370.19
Bank deposit available for payment at any time	70,821,643.50	49,133,969.39
Other monetary fund available for payment at any time	571,145.88	206,740.62
III. Balance of cash and cash equivalent at period-end	71,460,681.82	49,370,080.20

Other explanation:

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" at end of last period:

81. Assets with ownership or use right restricted

Unit: CNY/RMB

Item	Ending book value	Reasons for restriction
Monetary fund	1,000,000.00	Guarantee deposit
Fix assets	354,690,060.54	According to the long-term loan mortgage contract signed by Dongguan Logistics, a subsidiary of the Company, with Shenzhen Branch of Agricultural Development Bank and Huizhou Zhongkai Sub-branch of HSBC, Dongguan Logistics has subordinate mortgaged the real estate property rights

		of the structures of Yue (2020) Dongguan Property Right No. 0127118, Yue (2020) Dongguan Property Right No. 0127119, Yue (2020) Dongguan Property Right No. 0127120, and Yue (2020) Dongguan Property Right No.0119705 at No. 10, Jingang South Road, Machong Town, Dongguan City and other aground buildings as collateral for the loan.
Intangible assets	34,607,208.17	According to the long-term loan mortgage contract signed by Dongguan Logistics, a subsidiary of the Company, with Shenzhen Branch of Agricultural Development Bank and Huizhou Zhongkai Sub-branch of HSBC, Dongguan Logistics has subordinate mortgaged the real estate property rights of the structures of Yue (2020) Dongguan Property Right No. 0127118, Yue (2020) Dongguan Property Right No. 0127119, Yue (2020) Dongguan Property Right No. 0127120, and Yue (2020) Dongguan Property Right No.0119705 at No. 10, Jingang South Road, Machong Town, Dongguan City and other aground buildings as collateral for the loan.
Intangible assets	32,555,832.71	According to the loan contract Yue DG2017 NGDZ No. 006 signed by International Food, a subsidiary of the Company, with Bank of Communications Co., Ltd., Dongguan Branch, International Food has mortgaged its two pieces of land "DFGY (2009) DT No. 190" and "Yue (2020) Dongguan Real Estate Right No. 0321771" to the Bank of Communications Co., Ltd., Dongguan Branch as loan collateral.
Total	422,853,101.42	

Other explanation:

82. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: CNY/RMB

Item	Ending foreign currency balance	Convert rate	Ending RMB balance converted
Monetary fund			5,737,909.01
Including: USD	730,773.66	6.6889	4,888,071.93
EURO	97,084.20	6.9881	678,434.10
HKD	201,106.39	0.8523	171,402.98
Account receivable			3,342,927.74
Including: USD	471,883.03	6.6889	3,156,378.40
EURO			
HKD	218,877.55	0.8523	186,549.34
Long-term loans			
Including: USD			
EURO			
HKD			

Other explanation:

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

Applicable Not applicable

83. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and quantitative information for the arbitrage risks:

84. Government subsidy

(1) Government subsidy

Unit: CNY/RMB

Category	Amount	Item	Amount reckoned into current gains/losses
Government subsidy related to assets	87,080,932.92	Deferred income	6,048,603.76

Government subsidy related to income	1,416,882.82	Other income	1,416,882.82
Government subsidy related to income	84,111.74	Non-operating income	84,111.74

(2) Government subsidies rebate

Applicable Not applicable

Other explanation

85. Other

VIII. Changes of consolidation range

1. Enterprise merger not under the same control

(1) Enterprise merger not under the same control

Unit: CNY/RMB

Acquiree	Time point for equity obtained	Cost of equity obtained	Ratio of equity obtained	Acquired way Equity obtained way	Purchasing date	Standard to determine the purchasing date	Income of acquiree from purchasing date to period-end	Net profit of acquiree from purchasing date to period-end

Other explanation

(2) Combination cost and goodwill

Unit: CNY/RMB

Consolidation cost	
--Cash	
--Fair value of non-cash assets	
--Fair value of debts issued or assumed	
--Fair value of equity securities issued	
-- Fair value of contingent consideration	
--Fair value of the equity prior to the purchasing date	
--Other	
Total combination cost	
Less: shares of fair value of identifiable net assets acquired	
Goodwill/merger cost is less than the shares of fair value of identifiable net assets acquired	

Determination method for fair value of the combination cost and contingent consideration and changes:

Main reasons for large goodwill resulted:

Other explanation:

(3) Identifiable assets and liability on purchasing date under the acquiree

Unit: CNY/RMB

	Fair value on purchasing date	Book value on purchasing date
Assets:		
Monetary funds		
Account receivable		
Inventory		
Fix assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Deferred tax liabilities		
Net assets		
Less: Minority interests		
Net assets acquired		

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

Contingent liability of the acquiree bear during combination:

Other explanation

(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

Yes No

(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are un-able to confirm rationally

(6) Other explanation

2. Combine under the same control

(1) Enterprise combined under the same control in the Period

Unit: CNY/RMB

Acquiree	Equity ratio obtained in combination	Basis of combined under the same	Combination date	Standard to determine the combination	Income of the combined party from	Net profit of the combined party from	Income of the combined party	Net profit of the combined party

		control		n date	period- begin of combinatio n to the combinatio n date	period- begin of combinatio n to the combinatio n date	during the comparison period	during the comparison period
--	--	---------	--	--------	-----------------------------------------------------------------------	-----------------------------------------------------------------------	------------------------------------	------------------------------------

Other explanation

(2) Combination cost

Unit: CNY/RMB

Consolidation cost	
--Cash	
-- Book value of non-cash assets	
- Book value of debts issued or assumed	
-- The face value of the equity securities issued	
--Contingent consideration	

Explanation on contingent consideration and its changes:

Other explanation:

(3) Book value of the assets and liability of the combined party on combination date

Unit: CNY/RMB

	Consolidation date	End of last period
Assets:		
Monetary funds		
Account receivable		
Inventory		
Fix assets		
Intangible assets		
Liability:		
Loan		
Account payable		
Net assets		
Less: Minority interests		
Net assets acquired		

Contingent liability of the combined party bear during combination:

Other explanation

3. Reverse purchase

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

4. Disposal Subsidiary

Whether there is a subsidiary disposal on one time, which is loss control of rights

Yes No

Whether there is a subsidiary disposal by steps through multiple trading and loss control of rights in the period

Yes No

5. Other reasons for consolidation range changed

Consolidation scope changes caused by other reasons (eg, newly establish subsidiaries, liquidate subsidiaries, etc.) and the related circumstances:

In the reporting period, subsidiary Shenzhen Shenbao Technology Center Co., Ltd was consolidated by subsidiary Shenbao Huacheng, new enterprise established including Zhenping Market Operation Tech. Co., Ltd. and Shenliang Hongli Grain & Oil (Shenzhen) Co., Ltd.

6. Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main place of operation	Registration place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
SZCG	Shenzhen City	Shenzhen City	Grain & oil trading	100.00%		Combine under the same control
Hualian Grain & Oil	Shenzhen City	Shenzhen City	Grain & oil trading		100.00%	Combine under the same control
Shenzhen Flour	Shenzhen City	Shenzhen City	Flour processing		100.00%	Combine under the same control
Shenliang Quality Inspection	Shenzhen City	Shenzhen City	Inspection		100.00%	Combine under the same control

Hainan Grain and Oil	Haikou City	Haikou City	Feed production		100.00%	Combine under the same control
Doximi	Shenzhen City	Shenzhen City	E-commerce		100.00%	Combine under the same control
Big Kitchen	Shenzhen City	Shenzhen City	Sales and processing of grain ,oil and products		70.00%	Combine under the same control
Yingkou Storage	Yingkou City	Yingkou City	Storage		100.00%	Combine under the same control
Cold-Chain Logistic	Shenzhen City	Shenzhen City	Fresh food management on-line		100.00%	Combine under the same control
Shenliang Property	Shenzhen City	Shenzhen City	Real estate development and property management		100.00%	Combine under the same control
International Food	Dongguan City	Dongguan City	Port operation, food production		100.00%	Combine under the same control
Dongguan Grain and Oil	Dongguan City	Dongguan City	Food production		100.00%	Combine under the same control
Dongguan Logistics	Dongguan City	Dongguan City	Storage, logistics	49.00%	51.00%	Combine under the same control
Shuangyashan	Shuangyashan City	Shuangyashan City	Construction of food base and development of related complementary facility		51.00%	Combine under the same control
Shenliang Hongjun	Shenzhen City	Shenzhen City	Catering		51.00%	Establishment
Dongguan Hualian	Dongguan City	Dongguan City	Grain and oil trade		100.00%	Establishment
Shenliang Property	Shenzhen City	Shenzhen City	Property management		100.00%	Establishment
Shenbao Huacheng	Shenzhen City	Shenzhen City	Manufacturing	100.00%		Establishment
Wuyuan	Shangrao City	Shangrao City	Manufacturing		100.00%	Establishment

Jufangyong						
Huizhou Shenbao	Huizhou City	Huizhou City	Comprehensive	100.00%		Establishment
Shenbao Investment	Shenzhen City	Shenzhen City	Investment management	100.00%		Establishment
Shenbao Tea Culture	Shenzhen City	Shenzhen City	Commercial trade		100.00%	Establishment
Ju Fang Yong Trading	Hangzhou City	Hangzhou City	Wholesale business		60.00%	Establishment
Ju Fang Yong Holding	Hangzhou City	Hangzhou City	Comprehensive		100.00%	Establishment
Fuhaitang Catering	Hangzhou City	Hangzhou City	Catering industry		100.00%	Establishment
Fuhaitang Ecological	Hangzhou City	Hangzhou City	Tea planting, production and sales		100.00%	Combine not under the same control
Shenbao Rock Tea	Wuyishan City	Wuyishan City	Manufacturing		100.00%	Establishment
Pu'er Tea Supply Chain	Pu'er City	Pu'er City	Wholesale business		100.00%	Establishment
Pu'er Tea Trading Center	Pu'er City	Pu'er City	Service industry		55.00%	Establishment
Shenliang Food	Huizhou City	Shenzhen City	Manufacturing	100.00%		Establishment
Huizhou Shenliang Food	Huizhou City	Huizhou City	Wholesale business		100.00%	Establishment
Zhenpin Market	Shenzhen City	Shenzhen City	Platform construction, promotion and operation		51.00%	Establishment
Shenbao Industry & Trade	Huizhou City	Shenzhen City	Wholesale business	100.00%		Establishment
Wuhan Jiacheng	Wuhan City	Wuhan City	Food production		51.00%	Combine not under the same control
Hubei Jiacheng	Wuhan City	Wuhan City	Food production		51.00%	Combine not under the same control
Wuhan Hongqu	Wuhan City	Wuhan City	Food production		51.00%	Combine not under the same control
Macheng Jingtian	Macheng City	Macheng City	Food production		51.00%	Combine not under the same control

Hongli Grain and Oil	Shenzhen City	Shenzhen City	Investment management	100.00%		Establishment
----------------------	---------------	---------------	-----------------------	---------	--	---------------

Explanation on share-holding ratio in subsidiary different from ratio of voting right:

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Major structured entity included in consolidates statement:

Basis of termination of agent or consignor:.

Other explanation:

(2) Important non-wholly-owned subsidiary

Unit: CNY/RMB

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
Big Kitchen	30.00%	744,634.71		5,072,663.05

Explanation on holding ratio different from the voting right ratio for minority shareholders:

Other explanation:

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

Unit: CNY/RMB

Subsidiary	Ending balance						Opening balance					
	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities
Big Kitchen	177,713,127.91	4,938,971.57	182,652,099.48	164,463,970.63	1,279,252.02	165,743,222.65	159,526,005.38	5,490,342.50	165,016,347.88	149,310,334.72	1,279,252.02	150,589,586.74

Unit: CNY/RMB

Subsidiary	Current Period				Last Period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity	Operating revenue	Net profit	Total comprehensive income	Cash flow from operation activity
Big Kitchen	129,580,965.22	2,482,115.69	2,482,115.69	-45,524.08	155,498,647.91	460,798.48	460,798.48	5,975,836.68

Other explanation

(4) Significant restrictions on the use of enterprise group assets and pay off debts of the enterprise group

(5) Financial or other supporting offers to the structured entity included in consolidated financial statement

Other explanation

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

(1) Owners equity shares changed in subsidiary

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

Unit: CNY/RMB

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

Other explanation

3. Equity in joint venture and associated enterprise

(1) Important joint venture or associated enterprise

Joint venture/Associated enterprise	Main place of operation	Registration place	Business nature	Share-holding ratio		Accounting treatment on investment for joint venture and associated enterprise
				Directly	Indirectly	
Zhuhai Hengxing Feed Industrial Co., Ltd.	Zhuhai	Zhuhai	Aquatic fee and animal fee		40.00%	Equity method
Shenliang Intelligent Wulian Equity	Shenzhen	Shenzhen	Equity investment; investment		49.02%	Equity method

Investment Fund (Shenzhen) Partnership Enterprise (Limited)			consultant			
-------------------------------------------------------------	--	--	------------	--	--	--

Description of the percentage of shareholding in joint ventures or associates different from the percentage of voting rights:

Has major influence with less 20% voting rights hold, or has minor influence with over 20% (20% included) voting rights hold:

(2) Main financial information of the important joint venture

Unit: CNY/RMB

	Ending balance/Current Period	Opening balance/Last Period
Current assets		
Including: cash and cash equivalent		
Non current assets		
Total assets		
Current liabilities		
Non current liabilities		
Total liabilities		
Minority's interest		
Shareholders' equity attributable to the parent company		
Share of net assets calculated by shareholding ratio		
Adjustment items		
--Goodwill		
--Unrealized profit of internal trading		
-- Other		
Book value of equity investment in joint venture		
Fair value of the equity investment of joint ventures with public offers concerned		
Operating income		
Financial expenses		
Income tax expenses		
Net profit		
Net profit of discontinuing operation		
Other comprehensive income		
Total comprehensive income		

Dividends received from joint venture in the year		
---------------------------------------------------	--	--

Other explanation

(3) Main financial information of the important associated enterprise

Unit: CNY/RMB

	Ending balance/Current Period		Opening balance/Last Period	
	Zhuhai Hengxing Feed Industry Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)	Zhuhai Hengxing Feed Industry Co., Ltd.	Shenliang Intelligent Wulian Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited)
Current assets	210,390,264.04	20,304,410.64	109,747,137.54	20,142,644.00
Non current assets	25,644,502.33	36,755,628.56	26,046,337.28	36,989,582.89
Total assets	236,034,766.37	57,060,039.20	135,793,474.82	57,132,226.89
Current liabilities	160,829,908.06	510,000.00	56,918,240.71	
Non current liabilities	399,384.69		445,371.69	
Total liabilities	161,229,292.75	510,000.00	57,363,612.40	
Minority's interest				
Equity attributable to shareholder of parent company	74,805,473.62	56,550,039.20	78,429,862.42	57,132,226.89
Share of net assets measured by shareholding	29,922,189.45	27,720,829.22	31,371,944.97	28,006,217.62
Adjustment	1,393,125.18	3,637.49	162,707.80	-174.47
--Goodwill				
--Unrealized profit of internal trading				
-- Other	1,393,125.18	3,637.49	162,707.80	-174.47
Book value of equity investment in associated enterprise	31,315,314.63	27,724,466.71	31,534,652.77	28,006,043.15
Fair value of the equity investment of associated enterprise with public offers concerned				
Operating income	348,236,616.85		342,054,335.50	
Net profit	-548,345.35	-574,411.34	1,430,282.78	-223,409.89
Net profit of				

discontinuing operation				
Other comprehensive income				
Total comprehensive income	-548,345.35	-574,411.34	1,430,282.78	-223,409.89
Dividends received from associated enterprise in the year				

Other explanation

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

Unit: CNY/RMB

	Ending balance/Current Period	Opening balance/Last Period
Joint venture:		
Amount based on share-holding ratio		
Associated enterprise:		
Total book value of investment	13,915,582.16	13,949,747.57
Amount based on share-holding ratio		
--Net profit	-34,165.41	224,696.61
--Total comprehensive income	-34,165.41	224,696.61

Other explanation

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

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

Unit: CNY/RMB

Joint venture/Associated enterprise	Cumulative un-recognized losses	Un-recognized losses not recognized in the Period (or net profit enjoyed in the Period)	Cumulative un-recognized losses at period-end
Changzhou Shenbao Chacang E-business Co., Ltd.	9,515,140.28		9,515,140.28
Shenzhen Shichumingmen Catering Management Co., Ltd.	4,815,325.70		4,815,325.70

Other explanation

(7) Unconfirmed commitment with joint venture investment concerned

(8) Intangible liability with joint venture or affiliates investment concerned

4. Major conduct joint operation

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

Share-holding ratio or shares enjoyed different from voting right ratio:

If the co-runs entity is the separate entity, basis of the co-runs classification:

Other explanation

5. Structured body excluding in consolidate financial statement

Explanation:

6. Other

X. Disclosure of risks relating to financial instruments

Our business operation makes the Company exposed to various financial risks: credit risk, liquidity risk and market risk (mainly refers to exchange rate risk, interest risk and other price risk).

The Company disperses the risk of financial instruments through appropriate diversified investment and business portfolio, and reduces the risk concentrating on a single industry, specific region or specific counter party by formulating corresponding risk management policies.

1. Credit risk

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

Credit risks of the Company arises mainly from monetary funds, note receivable, account receivable, other receivable, debt investments, financial guarantee contracts, the debt instrument investments measured at fair value and with its variation reckoned in current gain/loss that are not included in the scope of impairment assessment and derivative financial assets, etc. As at the balance sheet date, the carrying value of the financial assets represented its maximum exposure to credit risk;

Monetary funds of the Company are mainly the bank deposits placed with reputable state-owned banks and other larger and medium-sized listed banks with high credit ratings, we believes that it is not exposed to significant credit risks and will hardly incur significant losses due to the bank defaults.

Furthermore, for bill receivable, account receivables and other account receivables, the Company establishes relevant policies to control exposure of credit risk. The Company appraises customers' credit quality based on their financial position, possibility to obtain guarantee from third parties, credit history and other factors such as

prevailing market conditions, and set corresponding credit terms. Customers' credit history would be regularly monitored by the Company. For those customers who have bad credit history, the Company will call collection in written form, shorten credit term or cancel credit term to ensure its overall credit risk is under control.

As of 30 June 2022, the account receivable from top five customers accounted for 23.14% of the Company's total account receivable.

The maximum credit risk exposure equals to the carrying value of each financial asset in balance sheet (including derivative financial instrument). The Company has not provided any guarantee which would otherwise make the Company exposed to credit risk except for the financial guarantee carried in Note "X. Related party and related transaction"

2. Liquidity risk

Liquidity risk refers to the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets.

It is the Company's policy to ensure that sufficient cash is available to meet debt obligations as they fall due. Liquidity risk is centrally controlled by the Company's finance department. By monitoring cash balances, readily realizable marketable securities, and rolling forecasts of cash flows for the next 12 months, the finance department ensures that the company has sufficient funds to service its debts under all reasonable forecasts. In addition, it continues to monitor whether borrowing agreement is complied with, and seeks for commitment from major financial institutions for provision of sufficient back-up fund, so as to satisfy capital requirement in a short and long term.

3. Market risk

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

(1) Interest risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

Interest-bearing financial instruments with fixed rates and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed interest rate instruments to floating interest rate instruments according to the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments through regular review and monitoring. When necessary, the Company will use interest rate swap instruments to hedge interest rate risk.

(2) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company continuously monitors the foreign currency transactions and the scale of foreign currency assets and liabilities to minimize foreign exchange risks. In addition, the company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risks. During the current period and the previous period, the Company did not sign any forward foreign exchange contracts or currency swap contracts.

(3) Other price risk

Other price risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

Other price risk of the Company arises mainly from investment in various types of equity instruments and is exposed to the risks of changes in the prices of equity instruments.

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

Unit: CNY/RMB

Item	Ending fair value			
	First-order	Second-order	Third-order	Total
I. Sustaining measured by fair value	--	--	--	--
(i) Trading financial assets	1,142,988.73		71,205,396.28	72,348,385.01
1. Financial assets measured by fair value and with variation reckoned into current gains/losses	1,142,988.73		71,205,396.28	72,348,385.01
(2) Equity instrument investment	1,142,988.73			1,142,988.73
(2) Other			71,205,396.28	71,205,396.28
Total assets continuously measured at fair value	81,142,988.73		71,262,896.28	152,405,885.01
II. Non-persistent measure	--	--	--	--

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

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

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

5. Adjustment information and sensitivity analysis of unobservable parameters for the fair value measure sustaining and non-persistent on third-order

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

7. Changes of valuation technique in the Period

8. Financial assets and liability not measured by fair value

9. Other

XII. Related party and related transactions

1. Parent company

Parent company	Registration place	Business nature	Registered capital	Ratio of shareholding on the Company	Ratio of voting right on the Company
Shenzhen Food Materials Group Co., Ltd	Shenzhen	Investing in industry, development, operation and management of the own property	5000 million Yuan	63.79%	63.79%

Explanation on parent company of the enterprise

Ultimate controller of the Enterprise is Shenzhen Municipal People's Government State-owned Assets Supervision & Administration Commission.

Other explanation:

2. Subsidiary

Subsidiary of the Company found more in Note IX-Equity in other entity

3. Joint venture and associated enterprise

Important joint venture and associated enterprise of the Company found more in the in Note V-22- Long-term equity investment

Other cooperative enterprise and joint venture that have related transaction with the Company in the Period or occurred in previous period:

Joint venture/Associated enterprise	Relationship with the Enterprise
Other explanation	

4. Other related party

Other related party	Relationship with the Enterprise
Shenzhen Agricultural Products Group Co., Ltd	Holding subsidiary of parent company
Shenzhen Shenliang Cold Transport Co., Ltd.	Holding subsidiaries of the Company's associates
Shenzhen Investment Holdings Co., Ltd.	Former shareholder of the Company, Controlled by the same ultimate controlling party
Shenzhen Investment Management Co., Ltd.	Former shareholder of the Company, Controlled by the same ultimate controlling party
Yao Jicheng	Minority shareholder of controlling subsidiary
Zhanjiang Haitian Aquatic Feed Co., Ltd.	Subsidiary of the shareholders of the Company, Controlled by the same ultimate controlling party
Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	Holding subsidiary of parent company
Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Guangxi Higreen Agricultural Products International Logistics Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Kitchen Co., Ltd	Holding subsidiary of parent company
Shenzhen Zhenchu Supply Chain Co., Ltd.	Holding subsidiary of parent company
Shenzhen Medical Materials Co., Ltd.	Holding subsidiary of parent company
Shenzhen Shennong Land Co., Ltd.	Holding subsidiary of parent company
Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	Wholly-owned subsidiary of parent company

Other explanation

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

Unit: CNY/RMB

Related party	Related transaction content	Current Period	Approved transaction limit	Whether more than the transaction limit (Y/N)	Last Period
---------------	-----------------------------	----------------	----------------------------	-----------------------------------------------	-------------

Shenzhen Shenliang Cold Transport Co., Ltd.	Warehousing Services/Transportation services	114,204.50	114,204.50	Y	25,982.95
Shenzhen Shenyuan Data Technology Co., Ltd.	Information software development	1,332,904.42	1,332,904.42	Y	18,675,417.45
Shenzhen Food Materials Group Co., Ltd	Management service fee				20,809.52

Goods sold/labor service providing

Unit: CNY/RMB

Related party	Related transaction content	Current period	Last period
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	Grain and oil sales, tea sales, cleaning services	18,984.00	11,320.74
Shenzhen Agricultural Products Group Co., Ltd	Grain and oil sales	13,870.00	
Shenzhen Shenliang Cold Transport Co., Ltd.	Grain and oil sales, warehousing services, tea sales	5,046.48	125,643.48
Shenzhen Shennong Kitchen Co., Ltd	Grain and oil sales, tea sales	555,498.00	251,262.00
Shenzhen Shenyuan Data Tech. Co., Ltd	Grain and oil sales	20,080.40	
Shenzhen Food Materials Group Co., Ltd	Grain and oil sales, asset management, tea sales	1,465,053.67	62,894.66
Shenzhen Zhenchu Supply Chain Co., Ltd.	Grain and oil sales, transportation services	11,179,507.33	

Explanation on goods purchasing, labor service providing and receiving

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

Trusteeship management/contract:

Unit: CNY/RMB

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
---------------------------	-----------------------------	-------------------------	----------------	---------------	----------------------------------------------------	--------------------------------------------------------------

Related managed/contract:

Entrusted management/outsourcing:

Unit: CNY/RMB

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
---------------------------	-----------------------------	-------------------------	----------------	---------------	----------------------------------------------------	--------------------------------------------------------------

Related management/ outsourcing:

(3) Related lease

As a lessor for the Company:

Unit: CNY/RMB

Lessee	Assets type	Lease income recognized in the Period	Lease income recognized last Period
Shenzhen Shenyuan Data Tech. Co., Ltd	Operating site	275,094.00	
Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.	Office space	135,996.00	

As lessee:

Unit: CNY/RMB

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

Explanation on related lease

(4) Related guarantee

As guarantor

Unit: CNY/RMB

Secured party	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee has been fulfilled
Changzhou Shenbao Chacang E-business Co., Ltd.	3,500,000.00	December 20, 2011		No

As secured party

Unit: CNY/RMB

Guarantor	Guarantee amount	Guarantee start date	Guarantee expiry date	Whether the guarantee
-----------	------------------	----------------------	-----------------------	-----------------------

				has been fulfilled
--	--	--	--	--------------------

Explanation on related guarantee

(5) Related party's borrowed funds

Unit: CNY/RMB

Related party	Borrowing amount	Starting date	Maturity date	Note
Borrowing				
Lending				

(6) Related party's assets transfer and debt reorganization

Unit: CNY/RMB

Related party	Related transaction content	Current Period	Last Period
---------------	-----------------------------	----------------	-------------

(7) Remuneration of key manager

Unit: CNY/RMB

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

(8) Other related transaction

6. Receivable and payable of related party

(1) Receivable item

Unit: CNY/RMB

Item	Related party	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable					
	Shenzhen Shenliang Cold Transport Co., Ltd.	104,263.95	1,149.36	116,476.25	1,149.36
	Shenzhen Shennong Kitchen Co., Ltd	143,430.00	1,152.08	115,208.00	1,152.08
	Shenzhen Food Materials Group Co., Ltd	19,856.00	286.32	28,632.00	286.32
	Shenzhen Agricultural Products Group Co., Ltd	2,790.00			

	Guangxi Higreen Agricultural Products International Logistics Co., Ltd.			18,624.00	186.24
	Huizhou Higreen Agricultural Products International Logistics Co., Ltd.	18,624.00		37,248.00	372.48
	Shenzhen Shennong Land Co., Ltd.			14,744.00	147.44
	Shenzhen Medical Materials Co., Ltd.			2,328.00	23.28
	Shenzhen Zhenchu Supply Chain Co., Ltd.	4,795,268.91	58,748.80	5,874,880.36	58,748.80
	Shenzhen Shenyuan Data Tech. Co., Ltd			5,940.00	59.40
Other account receivable					
	Shenzhen Shenliang Cold Transport Co., Ltd.	10,000.00			
	Shenzhen Higreen International Agricultural Products Logistic Management Co., Ltd	50,000.00		50,000.00	
	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd	5,520.00	5,520.00	5,520.00	5,520.00
	Shenzhen Shenyuan Data Tech. Co., Ltd	57,000.00	300.00	30,000.00	300.00
	Changzhou Shenbao Chacang E-business Co.,	24,608,742.46	22,187,644.18	24,608,742.46	22,187,644.18

	ltd.				
	Shenzhen Shichumingmen Catering Management Co., Ltd.	2,092,477.67	990,192.72	2,092,477.67	990,192.72
	Shenzhen Investment Holdings Co., Ltd.	415,644.52		415,644.52	
	Shenzhen Food Materials Group Co., Ltd	1,001,000.00		1,000.00	
	Yao Jicheng	46,985.88	480.00	48,000.00	480.00

(2) Payable item

Unit: CNY/RMB

Item	Related party	Ending book balance	Opening book balance
Dividend payable			
	Shenzhen Investment Management Co., Ltd.	2,690,970.14	2,690,970.14
Accounts payable			
	Shenzhen Shenyuan Data Tech. Co., Ltd	485,080.53	
Other account payable			
	Shenzhen Shenliang Cold Transport Co., Ltd.	2,790.00	102,790.00
	Shenzhen Food Materials Group Co., Ltd	146,173,941.72	146,162,941.72
	Zhanjiang Changshan (Shenzhen) Ecological Aquaculture Co., Ltd		8,030,954.17
	Shenzhen Duoxi Equity Investment Fund Management Co., Ltd.		41,486.00
	Shenzhen Shichumingmen Catering Management Co., Ltd.		209,275.00
	Shenzhen Investment Management Co., Ltd.		3,510,297.20
	Shenzhen Shenyuan Data Tech. Co., Ltd	561,200.00	2,000,330.53
	Zhanjiang Haitian Aquatic Feed Co., Ltd.	20,000.00	

7. Related party commitment

8. Other

XIII. Share-based payment

1. Overall situation of share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4. Modification and termination of share-based payment

Nil

5. Other

XIV. Commitment or contingency

1. Important commitments

Important commitments on balance sheet date

The Company has no important commitments that need to disclosed up to 30 June 2022.

2. Contingency

(1) Contingency on balance sheet date

1.1 Lawsuits

(1) The sales and purchase contract disput between Hualian Company and Zhuhai Doumen Huabi Trading Co., Ltd

Concerning the Hualian Company (plaintiff) bring a suit against Zhuhai Huabi (defendant), the People's Court of Shenzhen Luohu District has made the first instance effective judgment in 2007: 1. The defendant should repay the plaintiff payment for goods of 2,396,300 yuan; 2. The defendant should pay the plaintiff liquidated damages of 239,600 yuan; 3. Court acceptance fee of 33,200 yuan should be borne by the defendant.

In 2005, Zhuhai Huabi stopped production and its legal representative was arrested by the public security organs.

It was found that Zhuhai Huabi had been cancelled.

As of the date of the audit report, Hualian Company has set aside 100.00% of bad debt reserves for the receivables of 2,396,300 yuan from Zhuhai Huabi.

(2) Disputes over import agency contract among SZCG, Hualian Company and Guangzhou Jinhe Feed Co., Ltd., Huang Xianning

In the case of the plaintiff SZCG and Hualian Company versus the defendant Guangzhou Jinhe and Huang Xianning over the import and export agency contract disputes, the Futian District People's Court made the first-instance judgment in 2015: 1. The defendant Guangzhou Jinhe should pay a total of 10,237,400 yuan to SZCG and Hualian Company within 10 days from the effective date of the judgment; 2. If it fails to perform its pecuniary obligations within the period specified by the judgment, it shall pay double the interest on the debt for the delayed in performance in accordance with Article 253 of the Civil Procedure Law of the People's Republic of China; 3. The case acceptance fee of 83,200 yuan shall be borne by Guangzhou Jinhe.

As Guangzhou Jinhe dissatisfied with the above-mentioned first-instance judgment, it appealed to the Shenzhen Intermediate People's Court. On March 30, 2017, the Shenzhen Intermediate People's Court issued a second-instance judgment, which rejected the appeal of Guangzhou Jinhe and upheld the original judgment. Subsequently, SZCG and Hualian Company applied to the Court of first instance for the enforcement.

As of the date of the audit report, the case is currently still being executed, and the other party has not paid any money. SZCG has made a provision for bad debts at a rate of 100.00% for the receivable payment of 10,455,600 yuan from Guangzhou Jinhe.

According to the "Letter of Commitment from Shenzhen Fude State Capital Operation Co., Ltd. on the Pending Litigation of Shenzhen Cereals Group Co., Ltd.", Shenzhen Fude State Capital Operation Co., Ltd. (now renamed Shenzhen Food Materials Group Co., Ltd.) will bear the compensation or losses caused by the lawsuit on its behalf for any claims, compensation, losses or expenditures caused by the disputes over import agency contract among SZCG and its holding subsidiaries with Guangzhou Jinhe and Huang Xianning.

(3) Contract disputes between Hualian Company and Foshan Shunde Huaxing Feed Factory

In August and October 2007, Hualian Company sold products to Huaxing Feed Factory and received commercial acceptance bills totaling 2,958,600 yuan. Due to the company's failure to repay the overdue payment, Hualian Company filed a lawsuit with the Shunde District People's Court of Foshan City on October 29, 2007, requesting Huaxing Feed Factory to repay the payment and pay the corresponding interest. From June to July 2011, a total of 1,638,900 yuan of the company's bankruptcy assets was recovered. As of the date of the audit report, Hualian Company had a receivable payment of 1,319,700 yuan from Huaxing Feed Factory. This amount has been withdrawn bad debt reserves by 100.00%.

(4) Mung bean business disputes between SZCG and Jilin Tongyu County Shengda Company

On August 26, 2010, the Shenzhen Futian District People's Court accepted the case of the plaintiff SZCG versus the defendant Shengda Company over an entrustment contract dispute. Upon mediation, both parties reached a mediation agreement voluntarily: 1. It's confirmed that the defendant Shengda Company still owes the plaintiff SZCG the repurchase payment of 7.492 million yuan and the repurchase payment interest of 2.8 million yuan before September 3, 2009. 2. The defendant Shengda Company should pay the first installment of 1 million yuan to the plaintiff SZCG before October 30, 2010, and should pay 1 million yuan at the end of each month from November 2010 to March 2011, and should pay 492,000 yuan before the end of April, 2011, totaling 6,492,000 yuan. 3. If the defendant Shengda Company can pay the above amount in full and on schedule, it does not need to pay the remaining principal of 1 million yuan and the interest of 2.8 million yuan. If any of the above sums are not paid in full and on schedule, the plaintiff may apply to the court for enforcement of all the claims set out in the first item above.

After the mediation agreement came into effect, Shengda Company did not fully fulfill its repayment obligations, and SZCG has applied for compulsory execution. As of the date of the audit report, the book receivables amounted to 5,602,500 yuan, and the execution of the remaining amounts was highly uncertain, the Company has fully made provisions for bad debts of 5,602,500 yuan for this payment.

(5) Contract disputes of the Company's subsidiaries, Shenbao Rock Tea, Jufangyong Holdings, Mount Wuyi Jiuxing Tea Co., Ltd., Fujian Wuyishan Yuxing Tea Co., Ltd., Xingjiu Tea Co., Ltd., and Chen Yuxing, Chen Guopeng

On December 3, 2018, due to the separation contract dispute, based on the arbitration clause in the original Formal Agreement Regarding the Separation of Fujian Wuyishan Shenbao Yuxing Tea Co., Ltd., the arbitration applicants Shenbao Rock Tea and Jufangyong Holdings filed an arbitration with the Shenzhen Court of International Arbitration with Jiuxing Company, Yuxing Company, Xingjiu Tea Co., Ltd., Chen Yuxing, and Chen Guopeng as the respondents, requesting: 1. To rule that the respondent Jiujiuxing Company should pay 5,272,900 yuan and liquidated damages of 1,581,900 yuan to the applicant Shenbao Rock Tea, totaling 6,854,800 yuan; 2. To rule that the respondents Yuxing Company, Xingjiu Company, Chen Yuxing, and Chen Guopeng shall be jointly and severally liable for the above-mentioned receivables and liquidated damages to the applicant Rock Tea; 3. To rule that the respondent Yijiuxing Company shall pledge 19 designated trademarks to the applicant Jufangyong Holdings, and cooperate with the corresponding registration procedures for trademark pledge; 4. To rule that all the respondents shall bear the attorney's fee of 190,000 yuan paid by the applicant for this case, the preservation fee and other expenses incurred in this arbitration (the applicant reserves the right to pursue the remaining attorney's fees); 5. To rule that the respondents shall bear all arbitration fees in this case.

On April 18, 2019, the Shenzhen Court of International Arbitration held a hearing for the arbitration case. On May 20, 2021, the Shenzhen Court of International Arbitration issued a ruling that: 1. Wuyishan Jiuxing Tea Co., Ltd. should compensate Jufangyong Company and Shenbao Rock Tea Company for losses of receivables and

liquidated damages of 4,798,369.95 yuan; 2. Fujian Wuyishan Yuxing Tea Co., Ltd., Xingjiu Tea Co., Ltd., Chen Yuxing, and Chen Guopeng shall be jointly and severally liable for the above payment obligations of Wuyishan Jiuxing Tea Co., Ltd.; 3. The arbitration fee in this case of 104,953 yuan shall be paid by the five respondents to the two applicants; 4. Two arbitrators' expenses of 4,000 yuan shall be paid directly by the five respondents to the two applicants.

After the arbitration award came into effect, because the respondents refused to repay, the applicants applied to the court for enforcement. On August 5, 2021, the two parties signed an enforcement of settlement agreement. The respondents should pay receivables, liquidated damages, attorney's fees, and arbitration fees to the applicants, totaling 5,097,322.95 yuan, payment shall be made in 18 installments, with the respondents paying 1.6 million yuan in the first installment and paying 200,000 yuan per month thereafter, and the final payment is 297,322.95 yuan (i.e., the payment will be completed before January 31, 2023).

As of the date of the audit report, the applicants received a total of 3.8 million yuan.

(6) Sales contract disputes between Hualian Company and Dalian Liangshuntong Supply Chain Management Co., Ltd.

1) In the case of the plaintiff Liangshuntong Company versus the defendant Hualian Company over a sales contract dispute ([2019] Yue 0304 Min Chu No. 49562), the Futian District People's Court made a first-instance civil judgment on July 3, 2020 that: 1. The plaintiff Liangshun Tongtong Company shall pay Hualian Company 595,800 yuan within ten days from the effective date of this judgment; 2. Reject the claims of Liangshuntong Company; 3. Reject other counterclaims of Hualian Company; 4. The plaintiff Liangshuntong Company shall prepay the litigation fee of 208,900 yuan, which shall be borne by the plaintiff, and the defendant Hualian Company shall prepay the counterclaim acceptance fee of 113,000 yuan, of which 1,800 yuan shall be borne by the plaintiff and 111,200 yuan shall be borne by the defendant. After receiving the judgment, the plaintiff Liangshuntong refused to accept it and appealed to the Shenzhen Intermediate People's Court. The Shenzhen Intermediate People's Court made a final ruling on October 29, 2021, and the ruling is as follows: rejecting the appeal and upholding the original judgment. Hualian Company filed an enforcement application with Shenzhen Futian People's Court in December 2021. In May 2022, Futian People's Court issued the Execution Ruling (2021) Yue 0304 Zhi No.37136, since the person subject to execution currently has no property available for execution, it ruled that the enforcement procedures should be terminated; where the applicant for execution finds the person subject to execution has property available for execution, the applicant can apply for execution again.

2) In the case of the plaintiff Hualian Company versus the defendant Liangshuntong Company over a contract dispute (Case No. [2020] Yue 0304 Min Chu No. 2824), the Futian District People's Court delivered the Civil Judgment of the first instance on December 31, 2020, ruling that 1. The defendant Liangshuntong Company shall pay Hualian Company advance fees of 461,900 yuan and capital cost of 4,030,000 yuan within ten days from the effective date of the judgment; 2. Liangshuntong Company shall pay the capital occupation fee (based on 461,900 yuan, with an annual interest rate of 10.00%, calculating from December 11, 2019 to the date of paying off the full

amount) to Hualian Company within ten days from the effective date of the judgment; 3. Case acceptance fee of 42,700 yuan shall be borne by the defendant Liangshuntong Company. Liangshuntong appealed to the Shenzhen Intermediate People's Court on January 22, 2021. The Shenzhen Intermediate People's Court made a final ruling on November 9, 2021, and the ruling is as follows: rejecting the appeal and upholding the original judgment. Hualian Company filed an enforcement application with Shenzhen Futian People's Court in December 2021. In May 2022, Futian People's Court issued the Execution Ruling (2021) Yue 0304 Zhi No. 37314, since the person subject to execution currently has no property available for execution, it ruled that the enforcement procedures should be terminated; where the applicant for execution finds the person subject to execution has property available for execution, the applicant can apply for execution again.

(7) Disputes over construction engineering contract between Heilongjiang Hongxinglong Farms & Land Reclamation Shenxin Grain Industrial Park Co., Ltd. and Heilongjiang Zhishengda Construction Engineering Co., Ltd.

In April 2020, Zhishengda Company filed a lawsuit with Hongxinglong People's Court of Heilongjiang Province with Hongxinglong as the defendant, requesting: 1. To confirm that the "Letter on Rectification of Completed Projects and Cancellation of Not Constructed Projects" issued by Hongxinglong on April 7, 2020 does not have the effect of terminating the contract, the rescission contract made by it is invalid, and judge that the defendant Hongxinglong should continue to perform the contract (the project cost required to perform the contract is 5,137,800 yuan). 2. The litigation fee and other legal costs shall be borne by Hongxinglong.

On July 29, 2020, Hongxinglong filed a counterclaim with the first-instance court, requesting the court: 1. To confirm the validity of the cancellation of the construction contract between Hongxinglong and Zhishengda in accordance with the law. 2. To rule that the Zhishengda should pay Hongxinglong liquidated damages of 1,003,200 yuan, of which liquidated damages for overdue completion of the project of 253,200 yuan, repair costs for unqualified project quality of about 240,000 yuan (the specific amount is to be determined by a third party), liquidated damages for project manager's absence from the construction site without permission of 500,000 yuan, liquidated damages for the migrant worker's collective petitions of 10,000 yuan. 3. The counterclaim fee and appraisal fee shall be borne by Zhishengda.

On March 16, 2021, the third-party appraisal agency applied by Zhishengda Company conducted an on-site survey and conducted on-site appraisal for the engineering quantities. In July 2021, Hongxinglong went to the Heilongjiang Farms & Land Reclamation Intermediate People's Court to determine the third-party appraisal agency (Heilongjiang Yage Construction Engineering Management Consulting Co., Ltd., now renamed Zhongyun Project Management Co., Ltd.) to appraise the cost of project restoration. On September 22, Hongxinglong paid 20,000 yuan for the appraisal. On October 27, 2021, Zhongyun Project Management Co., Ltd. came to the site for appraisal. On March 9, 2022, the first-instance trial was held, and the lawyers of both parties conducted cross-examination, but the third-party appraiser did not appear in court due to the impact of the pandemic, so it is

planned to choose another day for the trial. On May 19, 2022, Heilongjiang Zhishengda Construction Engineering Co., Ltd. submitted the Application for Clear Claims, which increased the amount of claims by 1,252,101.36 yuan on the basis of the original request of 5,424,480.86 yuan.

(8) Contract disputes between Hangzhou Jufangyong Commercial and Trading Co., Ltd. and Hangzhou Xingfu Feixiang Commercial and Trading Co., Ltd.

In July 2020, the plaintiff Hangzhou Jufangyong Commercial and Trading Co., Ltd. filed a lawsuit with Xiaoshan Primary People's Court, Hangzhou against Hangzhou Xingfu Feixiang Commercial and Trading Co., Ltd. as the defendant, requesting to order: 1. The defendant to pay a total of 2,454,700 yuan for cooperative use fees and water and electricity fees 2. The defendant to pay the western restaurant's cooperative use fee of 699,700 yuan and water and electricity fees (according to the actual amount) from July 1, 2019 to September 10, 2019; 3. The defendant to pay liquidated damages of 515,300 yuan; 4. The defendant to pay liquidated damages (from April 16, 2020 to the date of repayment, with a base of 3,154,400 yuan and a monthly interest rate of 2%); 5. The defendant to bear the litigation costs in this case.

Xiaoshan Primary People's Court, Hangzhou ruled that Hangzhou Xingfu Feixiang Commercial and Trading Co., Ltd. entered bankruptcy proceedings and appointed an administrator, in August 2020, it ruled to suspend the trial of the case, requiring the plaintiff to declare its claims directly to the administrator. On December 23, 2020, the Xiaoshan Primary People's Court resumed the hearing of the case, the administrator issued a claim confirmation sheet and calculation details, confirming the plaintiff's claim principal of 2,422,494.80 yuan and interest of 166,000.00 yuan, totaling 2,588,494.80 yuan.

(9) Disputes over sales contract between Hangzhou Jufangyong Holdings Co., Ltd. and Hangzhou Jufangyong Commercial and Trading Co., Ltd.,

On September 7, 2021, the plaintiff Hangzhou Jufangyong Holdings Co., Ltd. Sued Hangzhou Jufangyong Commercial and Trading Co., Ltd. as the defendant to the Hangzhou Binjiang District People's Court, requesting to order: 1. The defendant to immediately pay the payment of 2,816,266.50 yuan; 2. The defendant to bear the litigation costs in this case.

On October 29, 2021, Hangzhou Jufangyong Holdings Co., Ltd. and Hangzhou Jufangyong Commercial and Trading Co., Ltd. reached a pre-litigation mediation, and Hangzhou Jufangyong Commercial and Trading Co., Ltd. paid 2.816 million yuan to Hangzhou Jufangyong Holdings Co., Ltd., and paid off before November 30, 2021.

On December 8, 2021, Hangzhou Binjiang District People's Court issued a civil ruling paper, ruling that the mediation agreement reached by Hangzhou Jufangyong Holdings Co., Ltd. and Hangzhou Jufangyong Commercial and Trading Co., Ltd. on October 29, 2021 is valid, and the parties shall consciously perform their obligations in accordance with the provisions of the mediation agreement. If one party refuses to perform or fails

to perform all of its obligations, the other party can apply to the people's court for enforcement.

On December 29, 2021, Hangzhou Binjiang District People's Court accepted the enforcement application of Hangzhou Jufangyong Holdings Co., Ltd.

On March 4, 2022, Hangzhou Jufangyong Holdings Co., Ltd. submitted an application for "transfer of enforcement to bankruptcy" to Hangzhou Intermediate People's Court.

(10) Disputes over private lending between Shenzhen Shenshenbao Tea Culture Commercial Management Co., Ltd. and Shenzhen Shi Chu Ming Men Catering Management Co., Ltd.

On May 31, 2021, the plaintiff Shenzhen Shenshenbao Tea Culture Commercial Management Co., Ltd. filed a lawsuit with Shenzhen Nanshan District People's Court against Shenzhen Shi Chu Ming Men Catering Management Co., Ltd. as the defendant, requesting to order: 1. The defendant to return the principal of 1,183,000 yuan borrowed from the plaintiff; 2. The defendant to pay the interest on borrowings of 171,250.68 yuan to the plaintiff; 3. The defendant to bear the litigation costs in this case.

On December 1, 2021, the court made a judgment in support of all the claims of Shenzhen Shenshenbao Tea Culture Company.

On January 20, 2022, Nanshan Court accepted the enforcement application of Shenzhen Shenshenbao Tea Culture Company.

On April 27, 2022, Nanshan District People's Court ruled that the enforcement procedures should be terminated. Where the applicant for execution finds the person subject to execution has property available for execution, the applicant can apply for execution again.

On April 28, 2022, Shenzhen Shi Chu Ming Men Catering Management Co., Ltd. submitted an application for bankruptcy review of enforcement case to the Nanshan District People's Court.

(11) Disputes over special operating contract between Shanghai Baoyan Catering Co., Ltd. and Hangzhou Fuhaitang Catering Management Chain Co., Ltd.

On July 22, 2021, the plaintiff Shanghai Baoyan Catering Co., Ltd. filed a lawsuit with Hangzhou Binjiang District People's Court against Hangzhou Fuhaitang Catering Management Chain Co., Ltd. as the defendant, requesting: 1. To cancel the Regional Agency Authorized Operating Agreement signed by the plaintiff and the defendant; 2. The defendant to return the regional agency cooperation fee of 1,880,000 yuan and the cooperation deposit of 80,000 yuan to the plaintiff, a total of 1,960,000 yuan; 3. The defendant to pay the liquidated damages of 100,000 yuan to the plaintiff; 4. The defendant to pay the attorney fee of 50,000 yuan to the plaintiff; 5. The defendant to bear the litigation fee in this case.

The Hangzhou Binjiang District People's Court issued a subpoena on February 11, 2022, confirming that the case

number was (2021) Zhe 0108 Min Chu No. 5890, and the court date set for March 17, 2022.

On May 18, 2022, Hangzhou Binjiang District People's Court made a first-instance judgment, ruling that Hangzhou Fuhaitang Catering Management Chain Co., Ltd. should return Shanghai Baoyan Catering Co., Ltd. the agency cooperation fund of 880,000 yuan and bear the litigation fee of 12,580 yuan, and Shanghai Baoyan Catering Co., Ltd. bear litigation fee of 13,050 yuan. Both Hangzhou Fuhaitang Catering Management Chain Co., Ltd. and Shanghai Baoyan Catering Co., Ltd. refused to accept the first-instance judgment and appealed to the Hangzhou Intermediate Court. The date of the court case has not yet been determined.

(12) Sales contract disputes between Shuangyashan Shenliang Grain Base Co., Ltd. and Shanghai Zexi Industrial Co., Ltd.

On October 18, 2021, the plaintiff Shuangyashan Shenliang Grain Base Co., Ltd. filed a lawsuit with the Shanghai Putuo District People's Court with Shanghai Zexi Industrial Co., Ltd. as the defendant, requesting: 1. The defendant to immediately issue and deliver a special VAT invoice amounting 25.2 million yuan for the payment of goods to the plaintiff; if the defendant cannot issue the invoice, it shall need to compensate the plaintiff for the tax deduction loss of 2,899,115.04 yuan; 2. The defendant to compensate the plaintiff for the failure of the defendant to issue invoices, resulting in the plaintiff paying a late fee of 137,376.63 yuan to the tax bureau; 3. The defendant to compensate the plaintiff for travel expenses loss of 10,860.61 yuan; 4. The defendant to bear the litigation costs of this case. A court date has not yet been set.

Shanghai Zexi raised an objection to jurisdiction, on January 17, 2022, Shanghai Putuo District People's Court made a civil ruling (2021) Hu 0107 Min Chu No. 31846: rejecting the objection to jurisdiction raised by the other party. Shanghai Zexi refused to accept the ruling, and appealed to the Shanghai No. 2 Intermediate People's Court. On March 22, 2022, Shanghai No. 2 Intermediate People's Court issued a civil ruling (2022) Hu 02 Min Xia Zhong No. 176: the appeal was rejected and the original ruling was upheld.

(13) Sales contract disputes between Shuangyashan Shenliang Grain Base Co., Ltd. and Tongliao Fada Grain Purchase and Storage Co., Ltd.

On November 26, 2021, the plaintiff Tongliao Fada Grain Purchase and Storage Co., Ltd. filed a lawsuit with Keerqin District People's Court of Tongliao City, Inner Mongolia Autonomous Region, with Shuangyashan Company as the defendant, requesting: 1. To cancel the six purchase contracts signed with Shuangyashan Company; 2. Shuangyashan Company to return the corn purchase payment of 25.2 million yuan; 3. Shuangyashan Company to pay the interest on occupation of funds of 4,713,603.11 yuan (tentatively until November 1, 2021); 4. Shuangyashan Company to bear the litigation costs of this case.

Shuangyashan Company filed an objection to jurisdiction with Keerqin District People's Court of Tongliao City, Inner Mongolia Autonomous Region. On March 24, 2022, Keerqin District People's Court of Tongliao City, Inner Mongolia Autonomous Region made a ruling that Shuangyashan Company's objection to jurisdiction was

established, and the case was transferred to the People's Court of Baoqing County, Shuangyashan City, Heilongjiang Province. On April 1, 2022, Tongliao Fada Grain Purchase and Storage Co., Ltd. filed an appeal with Tongliao Intermediate People's Court, requesting to revoke the ruling on the objection to jurisdiction.

(14) Project construction contract disputes between Wuhan Jiangxia Yijian Construction Engineering Co., Ltd. and Wuhan Jiacheng Biological Products Co., Ltd.

1) On January 10, 2022, the plaintiff Wuhan Jiangxia Yijian Construction Engineering Co., Ltd. filed a lawsuit with Jiangxia District People's Court of Wuhan City against Wuhan Jiacheng Biological Products Co., Ltd. as the defendant, requesting: 1. The defendant to immediately pay the project money of 4,421,888.97 yuan owed to the plaintiff; 2. The defendant to pay liquidated damages (based on the arrears of the project payment of 4,421,888.97 yuan, and calculated at an annual interest rate of 15.4% from October 10, 2019 to the date of payment, and temporarily calculated to be 1,514,927 yuan until December 30, 2021) for the delayed payment of the project payment to the plaintiff. The above two items add up to 5,936,815 yuan. 3. The defendant to bear all expenses of the case, including litigation fee, appraisal fee, and preservation fee.

The plaintiff applied for property preservation (the preservation amount was more than 5.9 million yuan), and the Jiangxia District Court ruled to freeze all bank accounts of Wuhan Jiacheng Biological Products Co., Ltd.

The Jiangxia District People's Court of Wuhan City set the court date as February 28, 2022, and the case number is (2022) E 0115 Min Chu No. 182.

2) On February 25, 2022, the counterclaim plaintiff Wuhan Jiacheng Biological Products Co., Ltd. filed a counterclaim against Wuhan Jiangxia Yijian Construction Engineering Co., Ltd. as the counterclaim defendant, requesting: 1. To confirm that the Hubei Province Construction Project Contract, with the project cost of 25,965,136.97 yuan, signed by the plaintiff and the defendant on July 4, 2017 for the Jiacheng Bio-Industrial Park Construction Project (Phase I) is invalid; 2. To order the defendant of the counterclaim to submit the complete completion data and completion report to the plaintiff of the counterclaim and assist in handling the completion acceptance of the project and the relevant procedures for archiving and filing the engineering data in the urban construction archives; 3. To compensate for the losses (from April 1, 2018 to October 25, 2019, calculated at 1,000 yuan per day; from October 26, 2019 to the date of acceptance and delivery of project, with 21,543,248 yuan as the base, calculated according to the quoted interest rate of the loan market for the same period announced by the National Interbank Funding Center, and it's about 2.3 million yuan calculated to the date of indictment) caused to the plaintiff due to the delayed delivery of the Wuhan Jiacheng Bio-Industrial Park Construction Project (Phase I); 4. To bear the litigation fees, preservation fees and other expenses for the counterclaim.

On July 6, 2022, Jiangxia District People's Court of Wuhan City made a judgment:

1. The defendant, Wuhan Jiacheng Biotechnology Co., Ltd., shall pay 4,421,888.97 yuan to the plaintiff, Wuhan Jiangxia Yijian Construction Engineering Co., Ltd., within ten days after this judgment takes effect;

2. The defendant, Wuhan Jiacheng Biotechnology Co., Ltd., shall pay the plaintiff, Wuhan Jiangxia No.1 Construction Engineering Co., Ltd., liquidated damages (based on 4,421,888.97 yuan, calculating from September 19, 2020 to the completion of the performance by 1.3 times LPR) within ten days after this judgment takes effect ;
3. The plaintiff, Wuhan Jiangxia Yijian Construction Engineering Co., Ltd., shall have priority to be compensated for the discount or auction price of the above-mentioned projects undertaken by it within the scope of item 1 and item 2 of the above judgment;
4. The counterclaim defendant, Wuhan Jiangxia Yijian Construction Engineering Co., Ltd., shall submit complete completion materials and completion reports to the counterclaim plaintiff, Wuhan Jiacheng Biotechnology Co., Ltd., within ten days after the judgment takes effect, and assist in the completion acceptance of the project and the related procedures for filing engineering data in the Urban Construction Archives;
5. Reject other claims of the plaintiff Wuhan Jiangxia Yijian Construction Engineering Co., Ltd.;
6. Reject other claims of the counterclaim plaintiff Wuhan Jiacheng Biotechnology Co., Ltd..

Where the payment obligation is not fulfilled within the period as specified in this judgment, the debt interest during the period of delayed performance shall be doubled in accordance with Article 260 of the Civil Procedure Law of the People's Republic of China.

The litigation fee is 53,358 yuan, the counterclaim acceptance fee is 12,600 yuan, and the preservation fee is 5,000 yuan, totaling 70,958 yuan. The plaintiff, Wuhan Jiangxia Yijian Construction Engineering Co., Ltd., shall pay 2,000 yuan, and the defendant, Wuhan Jiacheng Biotechnology Co., Ltd., shall pay 68,958 yuan.

On July 16, 2022, Wuhan Jiacheng Biotechnology Co., Ltd. appealed to the Wuhan Intermediate People's Court.

(15) Disputes over loan contract between Changzhou Shenbao Tea-Shop E-commerce Co., Ltd. and Shenzhen Agricultural Products Financing Guarantee Co., Ltd.

On July 15, 2016, the Agricultural Products Guarantee Company submitted a Civil Complaint to Shenzhen Futian District People's Court, requesting to order: 1. Changzhou Company to repay the loan principal of 5,000,000.00 yuan and the interest of 389,968.52 yuan, and the penalty interest of 3,200,271.79 yuan (The penalty interest is temporarily calculated until June 30, 2016, and actually calculated to the date when the loan is fully paid); 2. Changzhou Company to pay compensation of 100,000.00 yuan (5,000,000 yuan × 2%); totaling 8,690,240.31 yuan; 3. Shenzhen Shenbao Industrial Co., Ltd. (hereinafter referred to as "Shenbao Company") to be jointly and severally liable for the loan of 5,000,000.00 yuan.

Shenzhen Futian District People's Court issued a first-instance judgment on May 31, 2017, ruling that Changzhou Company should repay the loan principal of 5 million yuan and interest of 353,871.28 yuan, and interest penalty

(interest penalty is based on 5 million yuan as the principal, calculated from September 7, 2013 to the date of actual repayment at an annual rate of 21.6%. If the repayment is made in installments, the interest of corresponding part will be calculated to the date of each repayment) to the plaintiff Agricultural Products Guarantee Company within 10 days from the effective date of the judgment, and Changzhou Company shall bear the lawyer's fee of 71,911 yuan and the preservation fee of 5,000 yuan; the judgment rejected the request of the Agricultural Products Guarantee Company's request Shenbao Company to bear joint and several liability.

Agricultural Products Guarantee Company refused to accept the first-instance judgment and filed an appeal to the Shenzhen Intermediate People's Court. On May 10, 2019, the Shenzhen Intermediate People's Court served the civil judgment (final judgment), and the Shenzhen Intermediate Court made some changes to the first-instance judgment, ruling that Shenbao Company (now renamed Shenzhen Cereals Holdings Co., Ltd.) shall be jointly and severally liable for the debts of Changzhou Company within the range of 3.5 million yuan; Shenbao Company (now renamed as Shenzhen Cereals Holdings Co., Ltd.) has the right to recover from Changzhou Company after paying off the debts on its behalf.

In May 2021, Agricultural Products Guarantee Company applied to Futian District Court of the first instance for compulsory execution of 5,193,443 yuan. According to the request of the court, Changzhou Company declared the property status to the court. Agricultural Products Guarantee Company reached a voluntary settlement with Changzhou Company and SZCH. On October 20, 2021, Futian Court issued an enforcement ruling to terminate the enforcement of the case.

(16) Hangzhou International Airport Co., Ltd. filed a lawsuit against Hangzhou Jufangyong Trading Co., Ltd. concerning housing leasing contract disputes

Hangzhou International Airport Co., Ltd. filed a lawsuit with the Xiaoshan Primary People's Court, Hangzhou, Zhejiang against Hangzhou Jufangyong Trading Co., Ltd. as the defendant, requesting: 1. to order the defendant to pay the remaining outstanding payment from April 2019 to September 10, 2019 in total of 1,064,613.34 yuan. 2. to order the defendant to pay overdue liquidated damages of 4,908,976.281 yuan (tentatively until December 31, 2021) due to overdue payment of rent and other expenses. 3. to order the defendant to pay 455,880 yuan of liquidated damages for termination of contract. 4. to order the defendant to pay the housing occupancy and use fees from September 11, 2019 to November 11, 2019, totaling 486,552.6733 yuan; 5. to order the defendant to bear the litigation fee of this case. (The above item 1 to item 5 amount to 6,916,022.29 yuan temporarily).

Xiaoshan Primary People's Court issued a civil judgment on April 6, 2022, ruling that Hangzhou Jufangyong Trading Company should pay Hangzhou International Airport Co., Ltd. rent, property fees, POS machine rental fees, liquidated damages, and housing occupancy and use fees, totaling approximately 2,007,046 yuan, and bear the litigation fee of 13,038 yuan. Hangzhou International Airport Co., Ltd. should bear the litigation fee of 17,038 yuan.

On April 20, 2022, Hangzhou Jufangyong Trading Co., Ltd. filed an appeal to the Hangzhou Intermediate People's Court. On June 14, 2022, the court held a hearing on the case, and as of the date of the audit report, no judgment has been made.

(17) Hangzhou International Airport Co., Ltd. filed a lawsuit against Hangzhou Jufangyong Holdings Co., Ltd. and Hangzhou Jufangyong Trading Co., Ltd. concerning housing lease contract disputes

On December 1, 2021, Hangzhou International Airport Co., Ltd. filed a lawsuit with Xiaoshan Primary People's Court against Hangzhou Jufangyong Holding Co., Ltd. and Hangzhou Jufangyong Trading Co., Ltd. as defendants, requesting: 1. to order the two defendants to pay the outstanding payments 62,486.66 yuan; 2. to order Hangzhou Jufangyong Holdings Co., Ltd. To pay overdue liquidated damages of 265,255.87 yuan (tentatively until December 31, 2021); 3. to order Hangzhou Jufangyong Holdings Co., Ltd. To pay 1,372,500 yuan of liquidated damages for termination of contract; 4. to order Hangzhou Jufangyong Holdings Co., Ltd. to pay a total of 362,422.67 yuan for the housing occupancy and use fees; 5. to order Hangzhou Jufangyong Holdings Co., Ltd. to pay the plaintiff a loss of 50,189.90 yuan for the difference in rent; 6. to order the two defendants to bear the litigation fee and preservation fee of this case. (The above item 1 to item 5 amount to 2,112,855.10 yuan)

On April 13, 2022, Hangzhou Jufangyong Holdings Co., Ltd. filed a counterclaim, requesting: 1. Hangzhou International Airport Co., Ltd. to refund the full performance bond of 457,500 yuan; 2. Hangzhou International Airport Co., Ltd. To pay liquidated damages of 457,500 yuan; 3. Hangzhou International Airport Co., Ltd. to bear the litigation fee. (The above item 1 and item 2 amount to 915,000 yuan)

Xiaoshan Primary People's Court held a hearing on the case on April 28, 2022, and no judgment has been made yet.

(18) Xu Anwu filed a lawsuit against Dongguan Shenliang Logistics Co., Ltd., Gansu Installation and Construction Group Co., Ltd., Guangdong Dianbai Building Group Co., Ltd., and Xu Jianqiang concerning construction project subcontract disputes

On March 17, 2021, the plaintiff Xu Anwu filed a lawsuit with the First People's Court of Dongguan, Guangdong Province against Dongguan Shenliang Logistics Co., Ltd., Gansu Installation and Construction Group Co., Ltd., Guangdong Dianbai Building Group Co., Ltd., and Xu Jianqiang as defendants, requesting: 1. the four defendants to immediately pay the plaintiff the construction cost of 10,445,000 yuan; 2. the litigation fee in this case shall be borne by the four defendants.

On May 19, 2021, Gansu Installation and Construction Group Co., Ltd. filed a counterclaim against Xu Anwu as the counterclaim defendant, requesting: 1. Xu Anwu to immediately return the overpaid 2,566,974.25 yuan to Gansu Installation and Construction Group Co., Ltd.; 2. the litigation fee in this case shall be borne by Xu Anwu.

The case was heard on July 14, and on April 22, 2022, the First People's Court of Dongguan, Guangdong Province made a judgment, rejecting all the plaintiff's claims against Dongguan Shenliang Logistics Co., Ltd.

Gansu Installation and Construction Group Co., Ltd. appealed to the Dongguan Intermediate People's Court, Guangdong Province. On July 4, 2022, the Intermediate People's Court of Dongguan City, Guangdong Province notified that the court investigation of this case is scheduled to be conducted on the Internet on August 5, 2022.

1.2 Guarantee

(1) The Company and subsidiary of the Company -SZCG provide a guarantee to its subsidiary - International Food

The Company and Subsidiary of the Company -SZCG provide a guarantee to International Food for the application of loans, amount of guarantee is 625.1480 million yuan. As of June 30, 2022, the loan is not yet due for repayment.

(2) Subsidiary of the Company -SZCG provide a guarantee to its subsidiary -Dongguan Logistics

Subsidiary of the Company -SZCG provide a guarantee to Dongguan Logistics for the application of loans, amount of guarantee is 99.2121 million yuan. As of June 30, 2022, the loan is not yet due for repayment.

(3) Associated guarantees and restricted assets

Restricted assets found more in the Note VII (81), associated guarantee found more in Note XII (5)

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

The Company has no important contingency that need to disclose.

3. Other

XV. Events after balance sheet date

1. Important non adjustment matters

Unit: CNY/RMB

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

2. Profit distribution

Unit: CNY/RMB

3. Sales return

4. Description of other balance sheet events after the date

XVI. Other important events

1. Previous accounting errors collection

(1) Retrospective restatement

Unit: CNY/RMB

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

(2) Prospective application

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

2. Debt restructuring

3. Assets exchange

(1) Exchange of non-monetary assets

(2) Other assets exchange

4. Pension plan

5. Discontinuing operation

Unit: CNY/RMB

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

Other explanation

6. Segment

(1) Recognition basis and accounting policy for reportable segment

(2) Financial information for reportable segment

Unit: CNY/RMB

Item		Offset between segment	Total

(3) The Company has no segment, or unable to disclose total assets and liability of the segment, explain reasons

(4) Other explanation

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

8. Other

XVII. Principal notes of financial statements of parent company

1. Account receivable

(1) Account receivable classify by category

Unit: CNY/RMB

Category	Ending balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Account receivable with bad debt provision accrual on a single basis	28,453.08	0.08%	28,453.08	100.00%		28,453.08	0.02%	28,453.08	100.00%	
Including:										
Account receivable with single minor amount but with bad debts provision accrued on a single basis	28,453.08	0.08%	28,453.08	100.00%		28,453.08	0.02%	28,453.08	100.00%	
Account receivable with bad debt provision accrual	33,810,852.62	99.92%	4,426.30	0.01%	33,806,426.32	135,682,852.60	99.98%	4,426.30	0.01%	135,678,426.30

on portfolio										
Including:										
Combination of sales receivables	8,852.60	0.03%	4,426.30	50.00%	4,426.30	8,852.60	0.01%	4,426.30	50.00%	4,426.30
Specific object combinations	33,802,000.02	99.89%			33,802,000.02	135,674,000.00	99.97%			135,674,000.00
Total	33,839,305.70	100.00%	32,879.38	0.10%	33,806,426.32	135,711,305.68	100.00%	32,879.38	0.02%	135,678,426.30

Bad debt provision accrual on single basis: 28,453.08 yuan

Unit: CNY/RMB

Name	Ending balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes
Other accrual on single basis	28,453.08	28,453.08	100.00%	Slightly possibly taken back
Total	28,453.08	28,453.08		--

Bad debt provision accrual on portfolio: 4,426.30 yuan

Unit: CNY/RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Combination of sales receivables	8,852.60	4,426.30	50.00%
Specific object combinations	33,802,000.02		
Total	33,810,852.62	4,426.30	

Explanation on portfolio determines:

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 receivables to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

Unit: CNY/RMB

Account age	Ending balance
Within one year (including 1-year)	33,802,000.02
Over 3 years	37,305.68
4-5 years	8,852.60
Over 5 years	28,453.08
Total	33,839,305.70

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

Bad debt provision accrual in the period:

Unit: CNY/RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written off	Other	
Other accrual on single basis	28,453.08					28,453.08
Sales Receivables Portfolio	4,426.30					4,426.30
Total	32,879.38					32,879.38

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

Unit: CNY/RMB

Enterprise	Amount collected or reversal	Collection way
------------	------------------------------	----------------

(3) Account receivable actually written-off in the period

Unit: CNY/RMB

Item	Amount written-off
------	--------------------

Including major account receivable written-off:

Unit: CNY/RMB

Enterprise	Nature	Amount written-off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
------------	--------	--------------------	--------------------	--------------------------	---------------------------------------

Explanation on account receivable written-off:

(4) Top 5 account receivables at ending balance by arrears party

Unit: CNY/RMB

Enterprise	Ending balance of accounts receivable	Proportion in total receivables at ending balance	Bad debt preparation ending balance
------------	---------------------------------------	---------------------------------------------------	-------------------------------------

5) Account receivables derecognized due to the transfer of financial assets

6) Amount of assets and liabilities that formed the by transferring of account receivable and continue to be involved

Other explanation

2. Other account receivable

Unit: CNY/RMB

Item	Ending balance	Opening balance
Dividend receivable	540,000,000.00	540,000,000.00
Other account receivable	623,766,691.58	443,939,717.84
Total	1,163,766,691.58	983,939,717.84

(1) Interest receivable

1) Category of interest receivable

Unit: CNY/RMB

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

2) Important overdue interest

Unit: CNY/RMB

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

Other explanation

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category of dividend receivable

Unit: CNY/RMB

Item (or the invested entity)	Ending balance	Opening balance
SZCG	540,000,000.00	540,000,000.00
Total	540,000,000.00	540,000,000.00

2) Important dividend receivable with account age over one year

Unit: CNY/RMB

Item (or the invested entity)	Ending balance	Account age	Reasons for not collection	Whether impairment occurs and its judgment basis
-------------------------------	----------------	-------------	----------------------------	--------------------------------------------------

3) Accrual of bad debt provision

Applicable Not applicable

Other explanation

(3) Other account receivable

1) By nature

Unit: CNY/RMB

Nature	Ending book balance	Opening book balance
Margin and deposit	232,405.63	168,234.34
Current payments and others	651,379,020.99	471,616,218.54
Total	651,611,426.62	471,784,452.88

2) Accrual of bad debt provision

Unit: CNY/RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2022	213,468.15		27,631,266.89	27,844,735.04
Balance of Jan. 1, 2022 in the period				
Balance on Jun. 30, 2022	213,468.15		27,631,266.89	27,844,735.04

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

Applicable Not applicable

By account age

Unit: CNY/RMB

Account age	Ending balance
Within one year (including 1-year)	274,612,558.69
2-3 years	351,504,462.58
Over 3 years	25,494,405.35
4-5 years	436,664.33
Over 5 years	25,057,741.02
Total	651,611,426.62

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

Bad debt provision accrual in the period:

Unit: CNY/RMB

Category	Opening balance	Amount changed in the period				Ending balance
		Accrual	Collected or reversal	Written off	Other	
Bad debt provision accrual on single basis	27,631,266.89					27,631,266.89
Bad debt	213,468.15					213,468.15

provision accrual on portfolio						
Total	27,844,735.04					27,844,735.04

Including major amount with bad debt provision reverse or collected in the period: nil

Unit: CNY/RMB

Enterprise	Amount reversal or collected	Collection way
------------	------------------------------	----------------

4) Other account receivable actually written-off in the period

Unit: CNY/RMB

Item	Amount written-off
------	--------------------

Including important other account receivable written-off:

Unit: CNY/RMB

Enterprise	Nature	Amount written-off	Written-off causes	Procedure of written-off	Resulted by related transaction (Y/N)
------------	--------	--------------------	--------------------	--------------------------	---------------------------------------

Explanation on other account receivable written-off:

5) Top 5 other receivables at ending balance by arrears party

Unit: CNY/RMB

Enterprise	Nature	Ending balance	Account age	Ratio in total ending balance of other account receivables	Bad debt preparation ending balance
First	Other internal funds	170,911,385.40	Within one year, 1-2 years	26.23%	
Second	Other internal funds	121,514,328.41	Within one year, 1-2 years	18.65%	
Three	Other internal funds	120,726,391.40	Within one year, 1-2 years	18.53%	
Fourth	Other internal funds	85,049,378.94	Within one year	13.05%	
Fifth	Other internal funds	83,605,194.12	Within one year	12.83%	
Total		581,806,678.27		89.29%	

6) Other account receivables related to Government subsidy

Unit: CNY/RMB

Enterprise	Government subsidy	Ending balance	Ending account age	Time, amount and basis for collection predicted
------------	--------------------	----------------	--------------------	-------------------------------------------------

7) Other receivables derecognized due to the transfer of financial assets

8) Amount of assets and liabilities that formed the by transferring of other receivable and continue to be involved

Other explanation:

3. Long-term equity investment

Unit: CNY/RMB

Item	Ending balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	4,029,519,425.09	5,500,000.00	4,024,019,425.09	4,054,019,425.09	5,500,000.00	4,048,519,425.09
Investment for associates and joint venture	2,927,628.53	2,927,628.53		2,927,628.53	2,927,628.53	
Total	4,032,447,053.62	8,427,628.53	4,024,019,425.09	4,056,947,053.62	8,427,628.53	4,048,519,425.09

(1) Investment for subsidiary

Unit: CNY/RMB

The invested entity	Opening balance(book value)	Current changes (+, -)				Ending balance(book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
Shenbao Industry & Trade							5,500,000.00
Shenliang Food	80,520,842.36					80,520,842.36	
Shenbao Huacheng	168,551,781.80	54,676,764.11				223,228,545.91	
Huizhou Shenbao	60,000,000.00					60,000,000.00	
Shenbao Technology	54,676,764.11		54,676,764.11				
Shenbao Investment	50,000,000.00					50,000,000.00	
SZCG	3,291,415.036.82					3,291,415.036.82	
Dongguan	321,680,000.				-	297,180,000.	

Logistics	00				24,500,000.00		
Wuhan Jiacheng	21,675,000.00					21,675,000.00	
Total	4,048,519,425.09	54,676,764.11	54,676,764.11		24,500,000.00	4,024,019,425.09	5,500,000.00

(2) Investment for associates and joint venture

Unit: CNY/RMB

Investment company	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											
Shenzhen Shenbao (Liaoyuan) Industrial Company											57,628.53
Shenzhen Shenbao (Xinmin) Foods Co., Ltd											2,870,000.00
Changzhou Shenbao											

Chacang E-business Co., Ltd.											
Subtotal											2,927,628.53
Total											2,927,628.53

(3) Other explanation

4. Operating revenue and operating cost

Unit: CNY/RMB

Item	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Main business	94,652,563.62	235,795.14	78,409,527.17	235,795.14
Other business	80,008.26			
Total	94,732,571.88	235,795.14	78,409,527.17	235,795.14

Information relating to revenue:

Unit: CNY/RMB

Category	Branch 1	Branch 2		Total
Product Types				
Including:				
Classification by business area				
Including:				
Market or customer type				
Including:				
Contract Types				
Including:				
Classification by time of goods transfer				
Including:				
Classification by				

contract duration				
Including:				
Classification by sales channel				
Including:				
Total				

Information relating to performance obligations:

Nil

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, 0.00yuan of revenue is expected to be recognized in 0 yuan of revenue is expected to be recognized in 0, and 0.00 yuan of revenue is expected to be recognized in 0.

Other explanation:

5. Investment income

Unit: CNY/RMB

Item	Current period	Last period
Investment income during the period of tradable financial assets hold		116,111.11
Financial income	2,279,175.50	
Dividends		451,054.95
Total	2,279,175.50	567,166.06

6. Other

XVIII. Supplementary information

1. Current non-recurring gains/losses

Applicable Not applicable

Unit: CNY/RMB

Item	Amount	Note
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	8,046,293.93	

standards)		
Profit and loss of assets delegation on others' investment or management	221,889.46	
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	3,573,445.74	
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test	127,286.00	
Other non-operating income and expenditure except for the aforementioned items	1,065,883.45	
Less: impact on income tax	2,637,117.23	
Impact on minority interests	2,187.17	
Total	10,395,494.18	--

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. ROE and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profits belong to common stock stockholders of the Company	5.00%	0.2061	0.2061
Net profits belong to common stock stockholders of the Company after deducting nonrecurring gains and losses	4.78%	0.1971	0.1971

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

Unit: CNY/RMB

	Net profit		Net assets	
	Current period	Last period	Ending balance	Opening balance
Chinese GAAP	237,527,782.93	243,846,874.76	4,579,686,071.77	4,630,292,102.34
Items and amount adjusted by IAS:				
Adjustment for other payable fund of stock market regulation			1,067,000.00	1,067,000.00
IAS	237,527,782.93	243,846,874.76	4,580,753,071.77	4,631,359,102.34

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

Applicable Not applicable

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

4. Other