



**HAINAN JINGLIANG HOLDINGS CO., LTD.**

**ANNUAL REPORT 2024**

**March 29, 2025**

HAINAN JINGLIANG HOLDINGS CO., LTD.  
ANNUAL REPORT 2024

Part I Important Notes

This Report is based on the full Annual Report of Hainan Jingliang Holdings Co., Ltd. (together with its consolidated subsidiaries, the “Company” , except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the Chinese and English versions, the Chinese version shall prevail.

All the Company’s Directors have attended the Board meeting for the review of this Report and its summary.

Independent auditor’s modified opinion:

☐ Applicable ☒ Not applicable

Board-approved final cash and/or stock dividend plan for ordinary shareholders during the Reporting Period

☒ Applicable ☐ Not applicable

Bonus issue from capital reserves

Applicable ☒ Not applicable

The Board has approved a final dividend plan as follows: Based on the 726,950,251 Shares on 31 December 2024, a cash dividend for RMB0.18 (tax inclusive) per 10 Shares is to distributed to the shareholders, with no bonus issue from either profit or capital serves.

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period:

Applicable ☒ Not applicable

Part II Key Corporate Information

1. Company Profile

|                                  |                         |            |               |
|----------------------------------|-------------------------|------------|---------------|
| Stock name                       | JLKG, JL-B              | Stock code | 000505、200505 |
| Stock exchange for stock listing | Shenzhen Stock Exchange |            |               |

| Contact information | Board Secretary   | Securities Representative   |
|---------------------|---|---|
| Name                | Guan Ying   | Gao Deqiu   |
| Office address      | 8/F, Tower B, Capital Agricultural Science and Innovation Mansion, Building No.1, Community No.8 , Xinning Street, Daxing District, Beijing | 8/F, Tower B, Capital Agricultural Science and Innovation Mansion, Building No.1, Community No.8 , Xinning Street, Daxing District, Beijing |
| Fax                 | 010-81219987  | 010-81219987  |
| Tel.                | 010-81219989  | 010-81219989  |
| E-mail address      | guanying@bjjllkg.cn   | gaodeqiu@bjjllkg.cn   |

## 2. Principal Activities or Products in the Reporting Period

### (1) Company's main business

The Company is principally engaged in oils and oilseeds processing and trading, as well as food processing. With regard to oils processing and trading, the Company refines, bottles, markets, imports and exports raw oils upon initial pressing. As for oilseeds, the Company presses, refines, bottles, markets, imports and exports oilseeds such as sesame, soybean, corn germ, sunflower seeds and peanuts. Food processing mainly refers to R&D, production and sales of snack food and bakery products.

### (2) Company's main products

The oils and oilseeds processing business is primarily under the brands of “Gu Chuan”, “Lv Bao”, “Gu Bi”, “Huo Niao”, etc., with the main products being soybean oil, corn oil, sunflower seed oil, peanut oil, rapeseed oil, flaxseed oil, olive oil, sesame oil and paste etc. The food processing business is primarily under the brands of “Xiao Wangzi”, “MS Dong”, “Jianqiang de Tudouzai” and “Gu Chuan” etc., with the main products being chips, pastries and bread.

### (3) Emerging Trend in the Industry

The major industry category of the Company is manufacturing,- processing industry of agricultural and slide-products according to the Results of Industry Classification of Listed Companies (code: C13), specifically, the industry belongs to is vegetable oil processing, while gross profit ration is relatively high for the food processing business. From the perspective of the vegetable oil processing industry, the minority oils such as sunflower seed oil, tea oil, corn oil and rice bran oil show rapid growth with the accelerated industrial integration and the increasing accumulation of differentiated competition. From the perspective of the food processing industry, there is great potential for industrial integration with the diversified consumption demand and the constantly enriched product categories, while there is only a handful of major brands in the industry.

#### (4) The Position of the Company in the Industry

The Company has varieties of greater influence brands. Among them, “Gu Chuan” has been awarded the most influential brand in Beijing several times, ranked 307th overall among the 2023 Top 500 Chinese Most valuable Brands World Brand Lab, which brand values totaled 310.62 billion Yuan. “Gu Bi” sesame oil has been awarded National Sesame Famous Oil Brand, silver award for Beijing International Catering and Food Expo, gold award for International Brand-name Product etc, with certain competition in the industry. “Gu Chuan”, “Lv Bao” and “Gu Bi” are time-honored brand in Beijing, “Xiao Wangzi” trademark and Zhejiang Xiaowangzi products have been identified as famous trademark and famous products in Zhejiang province for many years, with strong competitive in potato chips bulk and individual packaging segment, top-ranked one in puffed food industry. “Gu Chuan” bread is one of the major supplies in north China region of Kentucky Fried Chicken, maintaining a certain industry position in Northern bakery market.

### 3. Major Accounting Data and Financial Indicators

#### (1) Key Accounting Data and Financial Indicators of the Past Three Years

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

Unit: RMB

|   | 31 December 2024  | 31 December 2023  | Change of 31 December<br>2024 over 31 December<br>2023 (%) | 31 December 2022  |
|---|-------------------|-------------------|--|-------------------|
| Total assets  | 6,700,959,305.96  | 6,496,782,984.90  | 3.14%  | 6,105,144,167.96  |
| Equity attributable to the listed<br>company’s shareholders                                 | 3,143,289,575.69  | 3,167,503,541.44  | -0.76%   | 3,061,661,435.05  |
|   | 2024              | 2023              | 2024-over-2023<br>change (%)                               | 2022              |
| Operating revenue   | 11,434,843,516.27 | 11,901,009,211.63 | -3.92%   | 12,857,874,301.72 |
| Net profit attributable to the<br>listed company’s shareholders                             | 26,130,520.86     | 102,348,088.85    | -74.47%  | 141,411,141.28    |
| Net profit attributable to the<br>listed company’s shareholders<br>before exceptional items | 11,095,858.98     | 82,678,972.04     | -86.58%  | 124,297,168.33    |
| Net cash generated from/used in<br>operating activities                                     | -109,470,721.95   | 109,486,954.74    | -199.99%   | -533,230,947.03   |
| Basic earnings per share<br>(RMB/share)   | 0.04              | 0.14              | -71.43%  | 0.19              |
| Diluted earnings per share  | 0.04              | 0.14              | -71.43%  | 0.19              |



|                                       |       |       |        |       |
|---------------------------------------|-------|-------|--------|-------|
| (RMB/share)                           |       |       |        |       |
| Weighted average return on equity (%) | 0.83% | 3.29% | -2.46% | 4.73% |

## (2) Key Financial Data by Quarter

Unit: RMB

|   | Q1               | Q2               | Q3               | Q4               |
|---|------------------|------------------|------------------|------------------|
| Operating revenue   | 3,636,199,231.97 | 1,919,707,762.17 | 3,937,459,806.98 | 1,941,476,715.15 |
| Net profit attributable to the listed company's shareholders                          | 22,774,154.56    | 1,284,363.51     | 3,795,910.74     | -1,723,907.95    |
| Net profit attributable to the listed company's shareholders before exceptional items | 19,657,077.15    | -6,366,865.78    | 3,343,541.98     | -5,537,894.37    |
| Net cash generated from/used in operating activities                                  | 10,638,984.21    | -231,704,406.30  | 6,817,466.28     | 104,777,233.86   |

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

☐ Yes ☒ No

## 4. Share Capital and Shareholder Information at the Period End

(1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: Share

| Number of ordinary shareholders at the period-end                    | 52,981                   | Number of ordinary shareholders at the month-end prior to the disclosure of this Report | 52,377                              | Number of preferred shareholders with resumed voting rights at the period-end | 0                                  | Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report | 0 |
|--|--------------------------|---|-------------------------------------|---|------------------------------------|---|---|
| <b>Top 10 shareholders (not including through refinancing)</b>       |                          |   |                                     |   |                                    |   |   |
| Name of shareholder  | Nature of shareholder    | Shareholding percentage   | Total shares held at the period-end | Restricted shares held  | Shares in pledge, marked or frozen |   |   |
|  |                          |   |                                     |   | Status                             | Status  |   |
| BEIJING GRAIN GROUP CO., LTD.  | State-owned legal person | 39.68%  | 288,439,561                         | 0   | Not applicable                     |   | 0 |
| BEIJING STATE-OWNED CAPITAL OPERATION AND MANAGEMENT COMPANY LIMITED | State-owned legal person | 6.67%   | 48,510,460                          | 0   | Not applicable                     |   | 0 |

|   |                         |  |            |            |                |   |
|---|-------------------------|--|------------|------------|----------------|---|
| WANG YUECHENG   | Domestic natural person | 5.43%  | 39,459,887 | 39,459,887 | Not applicable | 0 |
| ZHAO JIN  | Domestic natural person | 0.65%  | 4,729,021  | 0          | Not applicable | 0 |
| ZHANG MIN   | Domestic natural person | 0.59%  | 4,300,100  | 0          | Not applicable | 0 |
| CHEN TIANHUA  | Domestic natural person | 0.29%  | 2,101,100  | 0          | Not applicable | 0 |
| TONG ZHENZHU  | Domestic natural person | 0.27%  | 1,975,700  | 0          | Not applicable | 0 |
| ZHANG XIAOXIA   | Domestic natural person | 0.27%  | 1,949,250  | 0          | Not applicable | 0 |
| KONG JIEHUA   | Domestic natural person | 0.19%  | 1,373,400  | 0          | Not applicable | 0 |
| ICBC CREDIT SUISSE AGRICULTURAL INDUSTRY STOCK FUND               | Other                   | 0.18%  | 1,340,076  | 0          | Not applicable | 0 |
| Related or acting-in-concert parties among the shareholders above |                         | ① Beijing State-Owned Capital Operation and Management Company Ltd. owns an indirect 100% share of Beijing Grain Group Co., Ltd., and Beijing Grain Group Co., Ltd. is the controlling shareholder of the Company (a 39.68% holding). ② During the reporting period, Wang Yuecheng resigned from his position as deputy general manager of the company but continues to work at the company's subsidiary, Zhejiang Xiaowangzi, with all his shares in the company locked. Apart from the aforementioned shareholder relationships, the company is unaware whether there are any affiliations or concerted actions among the top ten shareholders.  |            |            |                |   |
| Shareholders involved in securities margin trading (if any)       |                         | Shareholder Zhao Jin holds 4,729,021 shares in the Company through his account of collateral securities for margin trading in China Merchants Securities Co., Ltd. Shareholder Zhang Min holds 3,282,100 shares in the Company through the account of collateral securities for margin trading in Southwest Securities Co., Ltd. Shareholder Chen Tianhua holds 2,093,500 shares in the Company through the account of collateral securities for margin trading in Founder Securities Co., Ltd. Shareholder Tong Zhenzhu holds 1,975,700 shares in the Company through the account of collateral securities for margin trading in China Merchants Securities Co., Ltd. Shareholder Li Zhongwen 1,209,900 holds shares in the Company through the account of collateral securities for margin trading in Debon Securities Co., Ltd. |            |            |                |   |

Shareholders holding more than 5%, the top 10 shareholders and the top 10 unrestricted public shareholders participated in the securities lending and borrowing business.

☐ Applicable ☒ Not applicable

The top 10 shareholders and the top 10 unrestricted public shareholders experienced changes from the previous period due to securities lending and borrowing business.

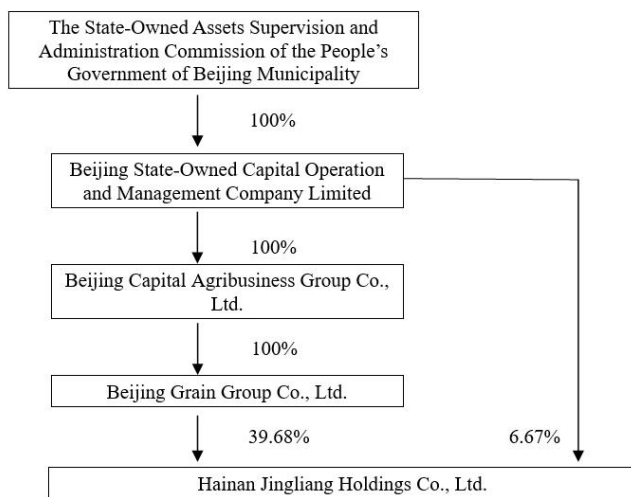
☐ Applicable ☒ Not applicable

## (2) Total Preferred Shareholders and Shareholdings of Top 10

☐ Applicable ☒ Not applicable

No preferred shareholders in the Reporting Period.

## (3) Ownership and Control Relations between the Actual Controller and the Company disclosed as box chart



## 5. Outstanding Bonds at the Date when the Report was Authorized for Issue

☒ Applicable ☐ Not applicable

## (1) Basic information of Bond

| Name of Bond   | Abbreviation of Bonds | Bond code | Issue Date     | Maturity Date | Bond Balance (in ten thousands Yuan) | Interest |
|--|-----------------------|-----------|----------------|---------------|--------------------------------------|----------|
| Hainan Jingliang Holdings Co., Ltd 2023 public issuance of corporate bonds for qualified investors (1 <sup>st</sup> issue) | 23Jingliang01         | 148434    | 21-22 Aug 2023 | 22 Aug 2026   | 30,000                               | 2.88%    |
| Interest payment of corporate bond in the reporting period   |                       | No        |                |               |                                      |          |

## (2) Updated follow-up rating and changes of rating on corporate bonds

Corporate credit rating is AA+ in the reporting period.

## (3) Major data and financial indicators at the ending of the reporting period for the last two years

Unit: ten thousands Yuan

| Item  | 2024      | 2023     | Increase/decrease year on year |
|---|-----------|----------|--------------------------------|
| Asset-liability ratio                                     | 47.61%    | 44.97%   | 2.64%                          |
| Net profit after deducting non-recurring gains and losses | -1,072.27 | 8,378.37 | -112.80%                       |
| EBITDA's total debt ratio                                 | 8.91%     | 18.20%   | -9.29%                         |
| Interest cover ratio                                      | 0.87      | 3.26     | -73.31%                        |

**Part III Significant Events**

The main reason for the year-on-year decline in company performance during the reporting period is:

The edible oil segment experienced the decline in product prices due to oversupply in the market and increased processing costs. Intense competition in the branded packaged oil market led to a drop in sales, resulting in the year-on-year reduction in profits for the edible oil business.

The food segment saw the decrease in product sales and gross profit margin due to market competition and the downturn in traditional distribution channels, impacting the segment's profit decline.

Additionally, to accurately reflect the company's financial status and asset value, in accordance with the Enterprise Accounting Standards, Shenzhen Stock Exchange Listing Rules, and the company's accounting policies, the company has provided for impairment losses on relevant assets that may incur losses and for estimated liabilities for potential losses in unresolved litigations.



天圆全会计师事务所

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## Auditor's Report

TIANYUANQUAN Certified Public Accountants LLP Audit Report No. [2025] 000397

**To:** Hainan Jingliang Holdings Co., Ltd.

### I. Audit Opinion

We have audited the financial statements of Hainan Jingliang Holdings Co., Ltd. (hereinafter referred to as Jingliang Holdings), including the consolidated and parent company balance sheets as of December 31, 2024, the consolidated and parent company income statements, cash flow statements, changes in equity statements, and the related financial statement notes for the year 2024.

In our opinion, the attached financial statements have been prepared in accordance with the Accounting Standards for Enterprises in all material respects and fairly present the financial position of Jingliang Holdings as of December 31, 2024, as well as the operating results and cash flows for the year 2024.

### II. Basis for Forming the Audit Opinion

We conducted our audit in accordance with the auditing standards for

Chinese Certified Public Accountants. The section titled “Responsibility of Certified Public Accountants for Auditing the Financial Statements” further elaborates our responsibilities under these standards. In accordance with the Code of Ethics for Professional Accountants in China, we remained independent of Jingliang Holdings and fulfilled our other professional responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **III. Key Audit Matters**

Key audit matters are those that, in our professional judgment, are the most significant in the audit of the financial statements for the period. These matters are addressed in the context of the audit of the financial statements as a whole, and in forming our audit opinion, we do not express an opinion on these matters individually.

#### **i. Revenue Recognition**

##### **1. Description of the Matter**

In 2024, as disclosed in the financial statements, note 5, item 43, the operating revenue of Jingliang Holdings in the consolidated income statement amounts to RMB 11,434,843,516.27, mainly derived from the processing, sales, and trading of oils and fats, as well as food processing

and sales. The occurrence and cutoff of revenue significantly impact Jingliang Holdings' operating results, making the recognition of revenue a key audit matter.

## 2. Audit Response

The key audit procedures performed were as follows:

(1) We reviewed and tested the entire sales and collections cycle of Jingliang Holdings and the associated internal controls, evaluating the design and operational effectiveness of those controls.

(2) We examined the revenue recognition accounting policies and methods employed by Jingliang Holdings and verified whether these were in compliance with the enterprise accounting standards.

(3) We performed analytical procedures on the operating revenue, analyzing the reasonableness of gross margin changes, and compared them to similar indicators from the previous period to identify and investigate significant fluctuations.

(4) We performed sampling and examined contracts, invoices, delivery notes, and other original documents related to revenue recognition.

(5) We conducted cutoff testing by reviewing documents for

revenue recognized before and after the balance sheet date to assess whether sales were recorded in the appropriate accounting periods.

(6) We performed confirmation procedures for accounts receivable and revenue, and conducted alternative tests for any samples without confirmations.

ii. Impairment of Goodwill

1. Description of the Matter

As of December 31, 2024, the goodwill reported on the consolidated balance sheet of Jingliang Holdings is RMB 191,394,422.51, arising from the acquisition of Zhejiang Xiao Wangzi Food Co., Ltd. (hereinafter referred to as "Zhejiang Xiao Wangzi") in 2015. The management tested the impairment of this goodwill based on the recoverable amount of the asset group, which is determined using the present value of expected future cash flows under the going concern assumption. Management determined that no impairment of goodwill was necessary. Key assumptions in the impairment testing include expected revenue growth rate, pre-tax operating margin, and discount rate, which involve significant accounting estimates and judgments. As there may be biases in the selection of assumptions and estimates, we have determined that the impairment of goodwill is a key audit matter.



## 2. Audit Response

The key audit procedures performed were as follows:

( 1 ) We reviewed and evaluated the internal controls related to the goodwill impairment test, including testing the key assumptions and parameters used, as well as the related internal controls.

( 2 ) We assessed the appropriateness of the impairment testing method used by management, analyzing key parameters like expected revenue growth rate, pre-tax operating margin, and discount rate, by reviewing historical data, interviewing management, and considering market conditions.

( 3 ) We tested the accuracy of the goodwill impairment test calculations.

( 4 ) We evaluated the accuracy of the forecasted realized data by comparing it with actual performance and assessed whether there was any bias in the impairment testing process by management.

( 5 ) For the goodwill impairment test report prepared by the third-party expert hired by the audited entity, in addition to the above-mentioned audit procedures (1) to (4), the audit project team also evaluates the competence, professional quality and objectivity of the

third-party expert and records the evaluation results in the audit working paper, including: obtaining the professional qualification of the third-party expert, such as the business license of the appraisal agency with securities and futures qualification, the qualification certificate of asset appraiser, etc.

#### **IV. Other Information**

The management of Jingliang Holdings (hereinafter referred to as "management") is responsible for the other information. The other information includes information included in the 2024 annual report of Jingliang Holdings but does not include the financial statements and our audit report.

We do not express any form of assurance on the other information in connection with our audit of the financial statements.

Our responsibility is to read the other information, considering whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit.

Based on the work we have performed, if we determine that there is a material misstatement in the other information, we are required to report that fact. In this regard, we have no matters to report.

## **V. Management and Governance's Responsibility for the Financial Statements**

The management of Jingliang Holdings is responsible for the preparation of the financial statements in accordance with the applicable accounting standards, ensuring that they fairly present the company's financial position and performance, and maintaining effective internal controls to ensure that the financial statements are free from material misstatement due to fraud or error.

When preparing the financial statements, management is responsible for evaluating the company's ability to continue as a going concern, disclosing any relevant matters (if applicable), and using the going concern assumption unless management intends to liquidate the company, cease operations, or has no other realistic alternative.

The governance level is responsible for overseeing the company's financial reporting process.

## **VI. Responsibility of Certified Public Accountants for Auditing the Financial Statements**

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatement due to fraud or error and to issue an audit report that includes an audit opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may be the result of fraud or error and are generally considered material if they are reasonably expected to be significant, either individually or in aggregate, to affect the economic decisions made by users of the financial statements on the basis of the financial statements.

In performing our audit work in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. At the same time, we also perform the following tasks:

(1) Identify and assess the risk of material misstatement of financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing an audit opinion. Because fraud may involve collusion, forgery, wilful omission, misrepresentation or overriding of internal controls, the risk of failing to detect material misstatement due to fraud is higher than the risk of failing to detect material misstatement due to error.

(2) Understand the internal controls related to the audit in order to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of the internal controls.

(3) evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.

(4) conclude on the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion is reached as to whether there are material uncertainties about the matters or circumstances that may give rise to material doubts about the ability of Jingliang Holdings to continue as a going concern. If we conclude that there is a material uncertainty, the auditing standards require us to bring the relevant disclosures in the financial statements to the attention of users of the statements in our audit report; If the disclosure is insufficient, we should issue a non-unqualified opinion. Our conclusions are based on information available as of the date of the auditor's report. However, future events or circumstances may cause Jingliang Holdings to be unable to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and evaluate whether the financial statements fairly reflect relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities in Jingliang Holdings to express an audit opinion on the financial statements. We are responsible

for directing, supervising and executing Group audits and take full responsibility for audit opinions.

We communicate with governance on matters such as the planned audit scope, timing, and significant audit findings, including communicating the internal control deficiencies identified by us in the audit that are of concern.

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|  |   |
|--|---|
| TIANYUANQUAN CERTIFIED<br>PUBLIC ACCOUNTANTS LLP | Chinese Certified Public<br>Accountant:<br><br>(Engagement partner) |
|  | Chinese Certified Public<br>Accountant:                             |
| Beijing, P.R.China                               | March 27, 2025  |

# Consolidated Balance Sheet

2024-12-31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items                                  | Note  | 31 December 2024 | 31 December 2023 |
|--|-------|------------------|------------------|
| Current Assets:                        |       |                  |                  |
| Monetary capital                       | V、 1  | 1,417,025,694.30 | 1,543,385,751.86 |
| Transactional financial assets         |       |                  |                  |
| Derivative financial assets            | V、 2  | 70,947,839.67    | 31,684,620.00    |
| Notes receivable                       |       |                  |                  |
| Accounts receivable                    | V、 3  | 91,439,895.13    | 115,780,372.55   |
| Receivables financing                  | V、 4  |                  | 2,502,308.90     |
| Prepayment                             | V、 5  | 198,722,011.47   | 87,352,234.48    |
| Other receivables                      | V、 6  | 455,148,011.66   | 303,099,589.59   |
| Including: Interest receivable         |       |                  |                  |
| Dividends receivable                   |       |                  |                  |
| Inventory                              | V、 7  | 2,357,805,420.92 | 2,041,860,143.11 |
| Contract assets                        |       |                  |                  |
| Held-for-sale assets                   |       |                  |                  |
| Non-current assets due within one year | V、 8  | 10,694,166.66    | 22,188,083.34    |
| Other current assets                   | V、 9  | 161,383,945.34   | 312,336,642.43   |
| Total current assets                   |       | 4,763,166,985.15 | 4,460,189,746.26 |
| Non-current assets:                    |       |                  |                  |
| Debt investment                        |       |                  |                  |
| Other debt investments                 |       |                  |                  |
| Long-term receivables                  |       |                  |                  |
| Long-term equity investment            | V、 10 | 267,505,468.02   | 254,922,645.41   |
| Other equity instruments investment    | V、 11 |                  | 20,000,000.00    |
| Other non-current financial assets     |       |                  |                  |
| Investment property                    | V、 12 | 18,277,387.65    | 20,045,503.77    |
| Fixed assets                           | V、 13 | 891,221,864.74   | 939,548,012.91   |
| Construction in process                | V、 14 | 50,058,378.98    | 59,094,902.29    |
| Productive biological assets           |       |                  |                  |
| Oil-and-gas assets                     |       |                  |                  |
| Right-of-use assets                    | V、 15 | 76,970,493.53    | 99,232,303.78    |
| Intangible assets                      | V、 16 | 395,680,430.82   | 412,676,845.93   |
| Development expenditure                |       |                  |                  |
| Goodwill                               | V、 17 | 191,394,422.51   | 191,394,422.51   |
| Long-term deferred expenses            | V、 18 | 17,403,238.18    | 17,655,736.82    |
| Deferred income tax assets             | V、 19 | 23,598,603.98    | 8,798,915.22     |
| Other non-current assets               | V、 20 | 5,682,032.40     | 13,223,950.00    |
| Total non-current assets               |       | 1,937,792,320.81 | 2,036,593,238.64 |
| Total assets                           |       | 6,700,959,305.96 | 6,496,782,984.90 |

Legal Representative :

Chief Financial Officer:

Head of Accounting Department:



# Consolidated Balance Sheet

2024-12-31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items   | Note | Ending Balance   | Beginning Balance |
|---|------|------------------|-------------------|
| Current liabilities:  |      |                  |                   |
| Short-term borrowings   | V、22 | 1,311,609,177.78 | 1,163,479,691.67  |
| Transactional financial liabilities   |      |                  |                   |
| Derivative financial liabilities  | V、23 | 30,979,464.00    | 15,805,393.88     |
| Notes payable   |      |                  |                   |
| Accounts payable  | V、24 | 127,879,265.40   | 82,474,823.84     |
| Account collected in advance  | V、25 | 1,122,982.13     | 1,075,801.34      |
| Contract liabilities  | V、26 | 522,267,254.98   | 411,033,219.08    |
| Employee payroll payable  | V、27 | 27,703,136.66    | 32,702,558.07     |
| Taxes payable   | V、28 | 19,999,374.52    | 11,577,392.47     |
| Other payables  | V、29 | 58,529,914.31    | 79,618,198.78     |
| Including: Interest payable   |      | 20,000,000.00    | 21,082,795.47     |
| Dividends payable   |      |                  | 3,213,302.88      |
| Held-for-sale liabilities   |      |                  |                   |
| Non-current liabilities due within one year   | V、30 | 543,665,629.94   | 175,940,949.28    |
| Other current liabilities   | V、31 | 97,380,074.75    | 60,439,400.68     |
| Total current liabilities   |      | 2,741,136,274.47 | 2,034,147,429.09  |
| Non-current liabilities:  |      |                  |                   |
| Long-term borrowings  | V、32 |                  | 400,000,000.00    |
| Bonds payable   | V、33 | 299,250,000.00   | 298,800,000.00    |
| Including: Preferred stock  |      |                  |                   |
| Perpetual capital bonds   |      |                  |                   |
| Lease liabilities   | V、34 | 50,700,060.93    | 73,241,742.57     |
| Long-term payables  |      |                  |                   |
| Long-term payable to employees  | V、35 | 5,627,134.00     | 5,677,134.00      |
| Estimated liabilities   | V、36 | 5,146,800.00     |                   |
| Deferred income   | V、37 | 56,731,497.62    | 62,503,256.67     |
| Deferred income tax liabilities   |      | 31,415,012.33    | 47,082,123.53     |
| Other non-current liabilities   |      |                  |                   |
| Total non-current liabilities   |      | 448,870,504.88   | 887,304,256.77    |
| Total liabilities   |      | 3,190,006,779.35 | 2,921,451,685.86  |
| Owners' equity (or Shareholders' equity):   |      |                  |                   |
| Paid-in capital   | V、38 | 726,950,251.00   | 726,950,251.00    |
| Other equity instruments  |      |                  |                   |
| Including: Preferred stock  |      |                  |                   |
| Perpetual capital bonds   |      |                  |                   |
| Capital reserves  | V、39 | 1,682,684,026.76 | 1,681,808,108.07  |
| Less: treasury stock  |      |                  |                   |
| Other comprehensive income  | V、40 | 1,763,043.44     | 1,369,980.92      |
| Special reserves  |      |                  |                   |
| Surplus reserves  | V、41 | 137,418,617.07   | 129,819,690.00    |
| Undistributed profit  | V、42 | 594,473,637.42   | 627,555,511.45    |
| Owner's Equity (or shareholder's equity) Attributable to Shareholders of the Parent Company |      | 3,143,289,575.69 | 3,167,503,541.44  |
| Minority equity   |      | 367,662,950.92   | 407,827,757.60    |
| Total owners' equity (or shareholders' equity)  |      | 3,510,952,526.61 | 3,575,331,299.04  |
| Total liabilities and owners' equity (or shareholders' equity)                              |      | 6,700,959,305.96 | 6,496,782,984.90  |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Balance Sheet of Parent Company

2024-12-31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items                                  | Notes  | 31 December 2024 | 31 December 2023 |
|--|--------|------------------|------------------|
| Current Assets:                        |        |                  |                  |
| Monetary capital                       |        | 343,402,502.17   | 23,743,255.81    |
| Transactional financial assets         |        |                  |                  |
| Derivative financial assets            |        |                  |                  |
| Notes receivable                       |        |                  |                  |
| Accounts receivable                    |        |                  |                  |
| Receivables financing                  |        |                  |                  |
| Prepayment                             |        |                  |                  |
| Other receivables                      | XVII、1 | 948,000,000.00   | 950,000,000.00   |
| Including: Interest receivable         |        |                  |                  |
| Dividends receivable                   |        | 18,000,000.00    |                  |
| Inventory                              |        |                  |                  |
| Contract assets                        |        |                  |                  |
| Held-for-sale assets                   |        |                  |                  |
| Non-current assets due within one year |        |                  |                  |
| Other current assets                   |        | 342,287.50       | 976,539.93       |
| Total current assets                   |        | 1,291,744,789.67 | 974,719,795.74   |
| Non-current assets:                    |        |                  |                  |
| Debt investment                        |        |                  |                  |
| Other debt investments                 |        |                  |                  |
| Long-term receivables                  |        |                  |                  |
| Long-term equity investment            | XVII、2 | 2,340,799,283.19 | 2,625,657,283.19 |
| Other equity instruments investment    |        |                  | 20,000,000.00    |
| Other non-current financial assets     |        |                  |                  |
| Investment property                    |        | 4,858,318.61     | 5,198,514.17     |
| Fixed assets                           |        | 5,533,490.67     | 5,955,832.27     |
| Construction in process                |        |                  |                  |
| Productive biological assets           |        |                  |                  |
| Oil-and-gas assets                     |        |                  |                  |
| Right-of-use assets                    |        |                  |                  |
| Intangible assets                      |        |                  |                  |
| Development expenditure                |        |                  |                  |
| Goodwill                               |        |                  |                  |
| Long-term deferred expenses            |        | 393,093.55       | 495,639.67       |
| Deferred income tax assets             |        |                  |                  |
| Other non-current assets               |        | 5,035,082.40     | 2,833,950.00     |
| Total non-current assets               |        | 2,356,619,268.42 | 2,660,141,219.30 |
| Total assets                           |        | 3,648,364,058.09 | 3,634,861,015.04 |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Balance Sheet of Parent Company

2024-12-31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Note | Ending Balance   | Beginning Balance |
|--|------|------------------|-------------------|
| Current liabilities:   |      |                  |                   |
| Short-term borrowings  |      |                  |                   |
| Transactional financial liabilities                            |      |                  |                   |
| Derivative financial liabilities                               |      |                  |                   |
| Notes payable  |      |                  |                   |
| Accounts payable   |      | 15,383.17        | 15,383.17         |
| Account collected in advance                                   |      |                  | 38,896.41         |
| Contract liabilities   |      |                  |                   |
| Employee payroll payable                                       |      | 151,075.75       | 157,166.68        |
| Taxes payable  |      | 89,545.33        | 1,016,682.06      |
| Other payables   |      | 21,267,504.53    | 32,458,140.29     |
| Including: Interest payable                                    |      | 20,000,000.00    | 21,082,795.47     |
| Dividends payable  |      |                  | 3,213,302.88      |
| Held-for-sale liabilities                                      |      |                  |                   |
| Non-current liabilities due within one year                    |      | 2,880,000.00     | 2,880,000.00      |
| Other current liabilities                                      |      |                  |                   |
| Total current liabilities                                      |      | 24,403,508.78    | 36,566,268.61     |
| Non-current liabilities:                                       |      |                  |                   |
| Long-term borrowings   |      |                  |                   |
| Bonds payable  |      | 299,250,000.00   | 298,800,000.00    |
| Including: Preferred stock                                     |      |                  |                   |
| Perpetual capital bonds  |      |                  |                   |
| Lease liabilities  |      |                  |                   |
| Long-term payables   |      |                  |                   |
| Long-term payable to employees                                 |      |                  |                   |
| Estimated liabilities  |      |                  |                   |
| Deferred income  |      |                  |                   |
| Deferred income tax liabilities                                |      |                  |                   |
| Other non-current liabilities                                  |      |                  |                   |
| Total non-current liabilities                                  |      | 299,250,000.00   | 298,800,000.00    |
| Total liabilities  |      | 323,653,508.78   | 335,366,268.61    |
| Owners' equity (or Shareholders' equity):                      |      |                  |                   |
| Paid-in capital  |      | 726,950,251.00   | 726,950,251.00    |
| Other equity instruments                                       |      |                  |                   |
| Including: Preferred stock                                     |      |                  |                   |
| Perpetual capital bonds  |      |                  |                   |
| Capital reserves   |      | 2,386,924,900.84 | 2,386,084,900.84  |
| Less: treasury stock   |      |                  |                   |
| Other comprehensive income                                     |      |                  |                   |
| Special reserves   |      |                  |                   |
| Surplus reserves   |      | 124,783,244.48   | 117,184,317.41    |
| Undistributed profit   |      | 86,052,152.99    | 69,275,277.18     |
| Total owners' equity (or shareholders' equity)                 |      | 3,324,710,549.31 | 3,299,494,746.43  |
| Total liabilities and owners' equity (or shareholders' equity) |      | 3,648,364,058.09 | 3,634,861,015.04  |

Legal Representative :

Chief Financial Officer:

Head of Accounting Department:

# Consolidated Income Statement

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Note | Amount for the current period | Amount for the prior period |
|--|------|-------------------------------|-----------------------------|
| I. Total operating income  | V、43 | 11,434,843,516.27             | 11,901,009,211.63           |
| Including: Operating income  |      | 11,434,843,516.27             | 11,901,009,211.63           |
| II. Total operating cost   | V、43 | 11,355,705,803.09             | 11,986,827,828.36           |
| Including: Operating cost  |      | 10,914,648,084.71             | 11,550,803,067.51           |
| Tax and surcharges   | V、44 | 30,945,038.63                 | 22,932,382.10               |
| Selling expenses   | V、45 | 140,518,419.42                | 134,700,286.27              |
| Administration expenses  | V、46 | 199,231,019.64                | 213,974,205.09              |
| Research and development expenses  | V、47 | 24,982,468.62                 | 20,897,961.71               |
| Financial expenses   | V、48 | 45,380,772.07                 | 43,519,925.68               |
| Including: interest expenses   |      | 60,492,426.83                 | 62,101,542.12               |
| Interest income  |      | 17,628,504.01                 | 18,201,145.42               |
| Add: Other income  | V、49 | 19,031,421.09                 | 13,332,777.37               |
| Income from investment (Losses shall be filled in with "-")  | V、50 | 12,546,903.92                 | 15,930,270.08               |
| Including: income from investment on joint venture and cooperative enterprise                          |      | 12,546,903.92                 | 11,368,728.43               |
| income from derecognition of financial assets measured at amortized cost                               |      |                               |                             |
| Income from net exposure hedging(Losses shall be filled in with "-")                                   |      |                               |                             |
| Income from changes in fair value (Losses shall be filled in with "-")                                 | V、51 | -116,999,895.87               | 228,219,839.09              |
| Credit impairment loss(Losses shall be filled in with "-")   | V、52 | 6,735,814.75                  | -5,127,786.33               |
| Income from assets impairment(Losses shall be filled in with "-")                                      | V、53 | -13,819,833.62                | -29,004,360.66              |
| Income from asset disposal (Losses shall be filled in with "-")  | V、54 | 63,830.72                     | 50,283.79                   |
| III. Operating profit (Losses shall be filled in with "-")   |      | -13,304,045.83                | 137,582,406.61              |
| Add: non-operating income  | V、55 | 11,249,072.43                 | 6,767,332.70                |
| Less: non-operating expenditure  | V、56 | 5,595,403.68                  | 4,017,245.94                |
| IV. Total profit (Total losses shall be filled in with "-")  |      | -7,650,377.08                 | 140,332,493.37              |
| Less: income tax expense   | V、57 | -11,962,291.26                | 36,879,647.08               |
| V. Net profit (Net loss shall be filled in with "-")   |      | 4,311,914.18                  | 103,452,846.29              |
| (I) Classified by operations continuity  |      |                               |                             |
| 1. Net profit from continuing operations (Net loss shall be filled in with "-")                        |      | 4,311,914.18                  | 103,452,846.29              |
| 2. Net profit from discontinuing operations (Net loss shall be filled in with "-")                     |      |                               |                             |
| (II) Classified by ownership attribution   |      |                               |                             |
| 1、Net profit attributable to shareholders of the parent company (Net loss shall be filled in with "-") |      | 26,130,520.86                 | 102,348,088.85              |
| 2、Minority interest income (Net loss shall be filled in with "-")                                      |      | -21,818,606.68                | 1,104,757.44                |
| VI. Net of tax from other comprehensive income   |      | 393,062.52                    | 364,260.42                  |
| (一) Net of tax from other comprehensive income attributable to shareholders of the parent company      |      | 393,062.52                    | 364,260.42                  |
| 1.Other comprehensive income that cannot be reclassified into the profit and loss                      |      |                               |                             |
| (1) Remeasure changes in defined benefit plans   |      |                               |                             |
| (2) Other comprehensive income that cannot be transferred to gains and losses under the equity method  |      |                               |                             |
| (3) Changes in fair value of other equity instrument investments                                       |      |                               |                             |
| (4) Changes in the fair value of the company's own credit risk   |      |                               |                             |
| (5) Others   |      |                               |                             |
| 2.Other comprehensive income that will be reclassified into the profit and loss                        |      | 393,062.52                    | 364,260.42                  |
| (1) Other comprehensive income that can be transferred to gains and losses under the equity method     |      |                               |                             |
| (2) Changes in fair value of other debt investments  |      |                               |                             |
| (3) Reclassification of financial assets included in other comprehensive income                        |      |                               |                             |
| (4) Provision for credit impairment of other debt investments  |      |                               |                             |
| (5) Cash flow hedge reserve  |      |                               |                             |
| (6) Balance arising from the translation of foreign currency   |      | 393,062.52                    | 364,260.42                  |
| (7) Others   |      |                               |                             |
| (二) Net of tax from other comprehensive income attributable to minority shareholder                    |      |                               |                             |
| VII. Total comprehensive income  |      | 4,704,976.70                  | 103,817,106.71              |
| (I) Total comprehensive income attributable to shareholders of the parent company                      |      | 26,523,583.38                 | 102,712,349.27              |
| (II)Total comprehensive income attributable to minority shareholder                                    |      | -21,818,606.68                | 1,104,757.44                |
| VIII. Earnings per share:  |      |                               |                             |
| (I) Basic earnings per share   |      | 0.04                          | 0.14                        |
| (II) Diluted earnings per share  |      | 0.04                          | 0.14                        |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Income Statement of Parent Company

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items   | Note   | Amount for the current period | Amount for the prior period |
|---|--------|-------------------------------|-----------------------------|
| I. Total operating income   | XVII、3 | 2,448,223.41                  | 12,240,221.13               |
| Less: Operating cost  | XVII、3 | 340,195.56                    | 341,162.52                  |
| Tax and surcharges  |        | 419,211.65                    | 438,568.29                  |
| Selling expenses  |        |                               |                             |
| Administration expenses   |        | 7,077,381.80                  | 11,424,000.59               |
| Research and development expenses   |        |                               |                             |
| Financial expenses  |        | -6,510,160.02                 | -15,865,978.76              |
| Including: interest expenses  |        | 9,090,000.00                  | 3,030,000.00                |
| Interest income   |        | 15,714,019.68                 | 18,899,353.45               |
| Add: Other income   |        | 619,000.43                    | 2,308.28                    |
| Income from investment (Losses shall be filled in with “-”)   | XVII、4 | 63,700,859.50                 | 300,509,614.85              |
| Including: income from investment on joint venture and cooperative enterprise                         |        |                               |                             |
| Income from derecognition of financial assets measured at amortized cost                              |        |                               |                             |
| Income from net exposure hedging(Losses shall be filled in with “-”)                                  |        |                               |                             |
| Income from changes in fair value (Losses shall be filled in with “-”)                                |        |                               |                             |
| Credit impairment loss(Losses shall be filled in with “-”)  |        |                               |                             |
| Income from assets impairment(Losses shall be filled in with “-”)                                     |        |                               |                             |
| Income from asset disposal (Losses shall be filled in with “-”)                                       |        |                               |                             |
| III. Operating profit (Losses shall be filled in with “-”)  |        | 65,441,454.35                 | 316,414,391.62              |
| Add: non-operating income   |        | 10,611,984.69                 | 61,300.00                   |
| Less: non-operating expenditure   |        | 64,168.34                     | 27,183.53                   |
| IV. Total profit (Total losses shall be filled in with “-”)   |        | 75,989,270.70                 | 316,448,508.09              |
| Less: income tax expense  |        |                               |                             |
| V. Net profit (Net loss shall be filled in with “-”)  |        | 75,989,270.70                 | 316,448,508.09              |
| 1. Net profit from continuing operations (Net loss shall be filled in with “-”)                       |        | 75,989,270.70                 | 316,448,508.09              |
| 2. Net profit from discontinuing operations (Net loss shall be filled in with “-”)                    |        |                               |                             |
| V. Net of tax from other comprehensive income   |        |                               |                             |
| 1.Other comprehensive income that cannot be reclassified into the profit and loss                     |        |                               |                             |
| (1) Remeasure changes in defined benefit plans  |        |                               |                             |
| (2) Other comprehensive income that cannot be transferred to gains and losses under the equity method |        |                               |                             |
| (3) Changes in fair value of other equity instrument investments                                      |        |                               |                             |
| (4) Changes in the fair value of the company's own credit risk  |        |                               |                             |
| (5) Others  |        |                               |                             |
| 2 .Other comprehensive income that will be reclassified into the profit and loss                      |        |                               |                             |
| (1) Other comprehensive income that can be transferred to gains and losses under the equity method    |        |                               |                             |
| (2) Changes in fair value of other debt investments   |        |                               |                             |
| (3) Reclassification of financial assets included in other comprehensive income                       |        |                               |                             |
| (4) Provision for credit impairment of other debt investments   |        |                               |                             |
| (5) Cash flow hedge reserve   |        |                               |                             |
| (6) Balance arising from the translation of foreign currency  |        |                               |                             |
| (7) Others  |        |                               |                             |
| VII. Total comprehensive income   |        | 75,989,270.70                 | 316,448,508.09              |
| VIII. Earnings per share:   |        |                               |                             |
| (I) Basic earnings per share  |        |                               |                             |
| (II) Diluted earnings per share   |        |                               |                             |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Consolidated Cash Flow Statement

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items   | Note | Amount for the<br>current period | Amount for the prior<br>period |
|---|------|----------------------------------|--------------------------------|
| <b>I. Cash Flows from Operating Activities:</b>   |      |                                  |                                |
| Cash Receipts from Sales of Goods or Rendering of Services  |      | 12,599,938,049.04                | 12,936,790,538.49              |
| Tax Refund Receipts   |      | 13,810,514.51                    | 7,998,752.68                   |
| Other Cash Receipts Concerning Operating Activities   | V、59 | 7,455,484,587.56                 | 2,317,880,715.49               |
| <b>Subtotal of Cash Inflows from Operating Activities</b>   |      | 20,069,233,151.11                | 15,262,670,006.66              |
| Cash Paid for Purchase of Goods and Accepting Services  |      | 12,272,299,857.43                | 12,244,383,908.50              |
| Cash Paid to and for Employees  |      | 341,197,234.02                   | 358,936,454.83                 |
| Taxes and Fees Paid   |      | 101,781,987.32                   | 186,585,834.21                 |
| Other Cash Paid Concerning Operating Activities   | V、59 | 7,463,424,794.29                 | 2,363,276,854.38               |
| <b>Subtotal of Cash Outflows from Operating Activities</b>  |      | 20,178,703,873.06                | 15,153,183,051.92              |
| Net Cash Flows from Operating Activities  |      | -109,470,721.95                  | 109,486,954.74                 |
| <b>II. Cash Flows from Investment Activities:</b>   |      |                                  |                                |
| Cash Receipts from Disinvestment  |      | 82,188,083.34                    | 784,491,129.71                 |
| Cash Receipts from Returns on Investments   |      | 156,138.88                       | 4,709,513.37                   |
| Net Cash from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets                  |      | 658,029.92                       | 63,176.00                      |
| Net Cash Received by Disposal of Subsidiaries and Other Business Units                                |      |                                  |                                |
| Other Cash Receipts Concerning Investment Activities  |      |                                  |                                |
| <b>Subtotal of Cash Inflows from Investment Activities</b>  |      | 83,002,252.14                    | 789,263,819.08                 |
| Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets |      | 47,507,672.28                    | 105,158,076.17                 |
| Cash Paid for Investments   |      |                                  | 200,000,000.00                 |
| Net Cash Paid for obtaining Subsidiaries and Other Business Units                                     |      |                                  |                                |
| Other Cash Paid Concerning Investment Activities  |      | 1,747,611.95                     | 9,772,907.10                   |
| <b>Subtotal of Cash Outflows from Investment Activities</b>   |      | 49,255,284.23                    | 314,930,983.27                 |
| Net Cash Flows from Investment Activities   |      | 33,746,967.91                    | 474,332,835.81                 |
| <b>III. Cash Flows from Financing Activities:</b>   |      |                                  |                                |
| Cash Receipts from Accepting Investment   |      |                                  | 3,500,000.00                   |
| Including: Cash Received by Subsidiaries Absorbing the Investment from Minority Shareholders          |      |                                  | 3,500,000.00                   |
| Cash Receipts from Borrowings   |      | 3,897,716,986.18                 | 3,359,242,053.12               |
| Other Cash Receipts Concerning Financing Activities   |      | 840,000.00                       | 3,090,000.00                   |
| <b>Subtotal of Cash Inflows from Financing Activities</b>   |      | 3,898,556,986.18                 | 3,365,832,053.12               |
| Cash Paid for Repayment of Debts  |      | 3,808,716,986.18                 | 2,795,921,695.12               |
| Cash Paid for Distribution of Dividends, Profits or Repayment of Interests                            |      | 128,096,325.56                   | 134,747,045.10                 |
| Including: Dividends and Profits Paid by Subsidiaries to Minority Shareholders                        |      | 18,346,200.00                    | 73,212,000.00                  |
| Other Cash Paid Concerning Financing Activities   |      | 15,224,400.00                    | 29,652,976.62                  |
| <b>Subtotal of Cash Outflows from Financing Activities</b>  |      | 3,952,037,711.74                 | 2,960,321,716.84               |
| <b>Net Cash Flows from Financing Activities</b>   |      | -53,480,725.56                   | 405,510,336.28                 |
| <b>IV. Exchange Rate Fluctuation Consequences on Cash and Cash Equivalents</b>                        |      | -15,914,853.58                   | -130,156.95                    |
| <b>V. Net Increase in Cash and Cash Equivalents</b>   |      | -145,119,333.18                  | 989,199,969.88                 |
| Add: Opening Balance of Cash and Cash Equivalents   |      | 1,540,639,079.95                 | 551,439,110.07                 |
| <b>VI. Closing Balance of Cash and Cash Equivalents</b>   |      | 1,395,519,746.77                 | 1,540,639,079.95               |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Cash Flow Statement of Parent Company

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items   | Note | Amount for the current period | Amount for the prior period |
|---|------|-------------------------------|-----------------------------|
| <b>I. Cash Flows from Operating Activities:</b>   |      |                               |                             |
| Cash Receipts from Sales of Goods or Rendering of Services  |      | 1,745,187.40                  | 12,124,704.99               |
| Tax Refund Receipts   |      |                               |                             |
| Other Cash Receipts Concerning Operating Activities   |      | 5,058,125.87                  | 875,745.92                  |
| <b>Subtotal of Cash Inflows from Operating Activities</b>   |      | 6,803,313.27                  | 13,000,450.91               |
| Cash Paid for Purchase of Goods and Accepting Services  |      | 932.98                        |                             |
| Cash Paid to and for Employees  |      | 2,305,621.57                  | 4,197,912.96                |
| Taxes and Fees Paid   |      | 1,067,505.83                  | 1,608,964.87                |
| Other Cash Paid Concerning Operating Activities   |      | 6,930,232.03                  | 9,750,891.74                |
| <b>Subtotal of Cash Outflows from Operating Activities</b>  |      | 10,304,292.41                 | 15,557,769.57               |
| Net Cash Flows from Operating Activities  |      | -3,500,979.14                 | -2,557,318.66               |
| <b>II. Cash Flows from Investment Activities:</b>   |      |                               |                             |
| Cash Receipts from Disinvestment  |      | 372,687,877.46                |                             |
| Cash Receipts from Returns on Investments   |      | 32,455,704.26                 | 470,462,392.63              |
| Net Cash from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets                  |      | 3,444.00                      | 3,920.00                    |
| Net Cash Received by Disposal of Subsidiaries and Other Business Units                                |      |                               |                             |
| Other Cash Receipts Concerning Investment Activities  |      |                               |                             |
| <b>Subtotal of Cash Inflows from Investment Activities</b>  |      | 405,147,025.72                | 470,466,312.63              |
| Cash Paid for Purchase and Construction of Fixed Assets, Intangible Assets and Other Long-term Assets |      | 2,573,332.40                  | 4,258,632.37                |
| Cash Paid for Investments   |      | 20,000,000.00                 | 757,500,000.00              |
| Net Cash Paid for obtaining Subsidiaries and Other Business Units                                     |      |                               |                             |
| Other Cash Paid Concerning Investment Activities  |      |                               |                             |
| <b>Subtotal of Cash Outflows from Investment Activities</b>   |      | 22,573,332.40                 | 761,758,632.37              |
| Net Cash Flows from Investment Activities   |      | 382,573,693.32                | -291,292,319.74             |
| <b>III. Cash Flows from Financing Activities:</b>   |      |                               |                             |
| Cash Receipts from Accepting Investment   |      |                               |                             |
| Including: Cash Received by Subsidiaries Absorbing the Investment from                                |      |                               | 298,650,000.00              |
| Cash Receipts from Borrowings   |      | 840,000.00                    | 3,090,000.00                |
| Other Cash Receipts Concerning Financing Activities   |      | 840,000.00                    | 301,740,000.00              |
| <b>Subtotal of Cash Inflows from Financing Activities</b>   |      |                               |                             |
| Cash Paid for Distribution of Dividends, Profits or Repayment of Interests                            |      | 60,253,467.82                 |                             |
| Other Cash Paid Concerning Financing Activities   |      |                               |                             |
| <b>Subtotal of Cash Outflows from Financing Activities</b>  |      | 60,253,467.82                 |                             |
| Net Cash Flows from Financing Activities  |      | -59,413,467.82                | 301,740,000.00              |
| <b>IV. Exchange Rate Fluctuation Consequences on Cash and Cash</b>                                    |      |                               |                             |
| <b>V. Net Increase in Cash and Cash Equivalents</b>   |      | 319,659,246.36                | 7,890,361.60                |
| Add: Opening Balance of Cash and Cash Equivalents   |      | 23,743,255.81                 | 15,852,894.21               |
| <b>VI. Closing Balance of Cash and Cash Equivalents</b>   |      | 343,402,502.17                | 23,743,255.81               |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Consolidated Statement of Changes in Equity

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Current Amount  |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
|--|---|--------------------------|----------------|--------|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|------------------|------------------------------|------------------|
|  | Shareholder's Equity attributable to the Parent Company |                          |                |        |                  |                      |                            |                 |                 |                      | Minority equity  | Total shareholders' equities |                  |
|  | Paid-in capital   | Other equity instruments |                |        | Capital reserve  | Less: treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit |                  |                              | Subtotal         |
|  |   | Preferred stock          | Perpetual bond | Others |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| I. Year-end balance of last year   | 726,950,251.00  |                          |                |        | 1,681,808,108.07 |                      | 1,369,980.92               |                 | 129,819,690.00  | 627,555,511.45       | 3,167,503,541.44 | 407,827,757.60               | 3,575,331,299.04 |
| Add: changes in accounting policies  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| Correction of prior period errors  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| Merger of enterprises under the same control   |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| Other  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| II. Balance at beginning of current year   | 726,950,251.00  |                          |                |        | 1,681,808,108.07 |                      | 1,369,980.92               |                 | 129,819,690.00  | 627,555,511.45       | 3,167,503,541.44 | 407,827,757.60               | 3,575,331,299.04 |
| III. Increases and decreases of current year<br>(Decrease shall be filled in with “-”) |   |                          |                |        | 875,918.69       |                      | 393,062.52                 |                 | 7,598,927.07    | -33,081,874.03       | -24,213,965.75   | -40,164,806.68               | -64,378,772.43   |
| (I) Total comprehensive income   |   |                          |                |        |                  |                      | 393,062.52                 |                 |                 | 26,130,520.86        | 26,523,583.38    | -21,818,606.68               | 4,704,976.70     |
| (II) Investment of shareholders and capital reduction                                  |   |                          |                |        | 875,918.69       |                      |                            |                 |                 |                      | 875,918.69       |                              | 875,918.69       |
| 1. Common equity invested by shareholders  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 2. Capital invested by other equity instruments holders                                |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 3. The amount of shares recorded into the shareholder's equity                         |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 4. Others  |   |                          |                |        | 875,918.69       |                      |                            |                 |                 |                      | 875,918.69       |                              | 875,918.69       |
| (III) Distribution of profits  |   |                          |                |        |                  |                      |                            |                 | 7,598,927.07    | -59,212,394.89       | -51,613,467.82   | -18,346,200.00               | -69,959,667.82   |
| 1. Withdrawal of surplus reserves  |   |                          |                |        |                  |                      |                            |                 | 7,598,927.07    | -7,598,927.07        |                  |                              |                  |
| 2. Distribution to shareholders  |   |                          |                |        |                  |                      |                            |                 |                 | -51,613,467.82       | -51,613,467.82   | -18,346,200.00               | -69,959,667.82   |
| 3. Others  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| (IV) Inner carrying-over of shareholders' equities                                     |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 1. Capital reserve converted into capital (or capital stock)                           |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 2. Surplus public accumulation converted into capital (or capital stock)               |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 3. Surplus public accumulation loss remedy   |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 4. Change in defined benefit plan carried forward to retained earnings                 |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 5. Other comprehensive income carried forward to retained earnings                     |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 6. Others  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| (V) Special reserve  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 1. Withdrawal for current period   |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| 2. Use for current period  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| (VI) Others  |   |                          |                |        |                  |                      |                            |                 |                 |                      |                  |                              |                  |
| IV. Closing balance of current year  | 726,950,251.00  |                          |                |        | 1,682,684,026.76 |                      | 1,763,043.44               |                 | 137,418,617.07  | 594,473,637.42       | 3,143,289,575.69 | 367,662,950.92               | 3,510,952,526.61 |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:



# Consolidated Statement of Changes in Equity

Year 2024

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Amount of Last Period                                   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
|--|---|--------------------------|--------|--|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|------------------|-----------------|------------------------------|
|  | Shareholder's Equity attributable to the Parent Company |                          |        |  |                  |                      |                            |                 |                 |                      |                  | Minority equity | Total shareholders' equities |
|  | Paid-in capital   | Other equity instruments |        |  | Capital reserve  | Less: treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Subtotal         |                 |                              |
| Preferred stock  |   | Perpetual bond           | Others |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| I. Year-end balance of last year   | 726,950,251.00  |                          |        |  | 1,678,678,350.95 |                      | 1,005,720.50               |                 | 122,122,436.98  | 532,904,675.62       | 3,061,661,435.05 | 401,048,412.23  | 3,462,709,847.28             |
| Add: changes in accounting policies  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| Correction of prior period errors  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| Merger of enterprises under the same control   |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| Other  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| II. Balance at beginning of current year   | 726,950,251.00  |                          |        |  | 1,678,678,350.95 |                      | 1,005,720.50               |                 | 122,122,436.98  | 532,904,675.62       | 3,061,661,435.05 | 401,048,412.23  | 3,462,709,847.28             |
| III. Increases and decreases of current year<br>(Decrease shall be filled in with “-”) |   |                          |        |  | 3,129,757.12     |                      | 364,260.42                 |                 | 7,697,253.02    | 94,650,835.83        | 105,842,106.39   | 6,779,345.37    | 112,621,451.76               |
| (I) Total comprehensive income   |   |                          |        |  |                  |                      | 364,260.42                 |                 |                 | 102,348,088.85       | 102,712,349.27   | 1,104,757.44    | 103,817,106.71               |
| (II) Investment of shareholders and capital reduction                                  |   |                          |        |  | 3,129,757.12     |                      |                            |                 |                 |                      | 3,129,757.12     | 78,886,587.93   | 82,016,345.05                |
| 1. Common equity invested by shareholders  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  | 117,698,300.00  | 117,698,300.00               |
| 2. Capital invested by other equity instruments holders                                |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 3. The amount of shares recorded into the shareholder's equity                         |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 4. Others  |   |                          |        |  | 3,129,757.12     |                      |                            |                 |                 |                      | 3,129,757.12     | -38,811,712.07  | -35,681,954.95               |
| (III) Distribution of profits  |   |                          |        |  |                  |                      |                            |                 | 7,697,253.02    | -7,697,253.02        |                  | -73,212,000.00  | -73,212,000.00               |
| 1. Withdrawal of surplus reserves  |   |                          |        |  |                  |                      |                            |                 | 7,697,253.02    | -7,697,253.02        |                  |                 |                              |
| 2. Distribution to shareholders  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  | -73,212,000.00  | -73,212,000.00               |
| 3. Others  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| (IV) Inner carrying-over of shareholders' equities                                     |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 1. Capital reserve converted into capital (or capital stock)                           |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 2. Surplus public accumulation converted into capital (or capital stock)               |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 3. Surplus public accumulation loss remedy   |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 4. Change in defined benefit plan carried forward to retained earnings                 |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 5. Other comprehensive income carried forward to retained earnings                     |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 6. Others  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| (V) Special reserve  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 1. Withdrawal for current period   |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| 2. Use for current period  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| (VI) Others  |   |                          |        |  |                  |                      |                            |                 |                 |                      |                  |                 |                              |
| IV. Closing balance of current year  | 726,950,251.00  |                          |        |  | 1,681,808,108.07 |                      | 1,369,980.92               |                 | 129,819,690.00  | 627,555,511.45       | 3,167,503,541.44 | 407,827,757.60  | 3,575,331,299.04             |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Statement of Changes in Equity of Parent Company

2024/12/31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Current Amount  |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
|--|-----------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|------------------|
|  | Paid-in capital | Other equity instruments |                |        | Capital reserve  | Less: treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Subtotal         |
|  |                 | Preferred stock          | Perpetual bond | Others |                  |                      |                            |                 |                 |                      |                  |
| I. Year-end balance of last year   | 726,950,251.00  |                          |                |        | 2,386,084,900.84 |                      |                            |                 | 117,184,317.41  | 69,275,277.18        | 3,299,494,746.43 |
| Add: changes in accounting policies  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| Correction of prior period errors  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| Other  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| II. Balance at beginning of current year   | 726,950,251.00  |                          |                |        | 2,386,084,900.84 |                      |                            |                 | 117,184,317.41  | 69,275,277.18        | 3,299,494,746.43 |
| III. Increases and decreases of current year<br>(Decrease shall be filled in with “-”) |                 |                          |                |        | 840,000.00       |                      |                            |                 | 7,598,927.07    | 16,776,875.81        | 25,215,802.88    |
| (I) Total comprehensive income   |                 |                          |                |        |                  |                      |                            |                 |                 | 75,989,270.70        | 75,989,270.70    |
| (II) Investment of shareholders and capital reduction                                  |                 |                          |                |        | 840,000.00       |                      |                            |                 |                 |                      | 840,000.00       |
| 1. Common equity invested by shareholders  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Capital invested by other equity instruments holders                                |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 3. The amount of shares recorded into the shareholder's equity                         |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 4. Others  |                 |                          |                |        | 840,000.00       |                      |                            |                 |                 |                      | 840,000.00       |
| (III) Distribution of profits  |                 |                          |                |        |                  |                      |                            |                 | 7,598,927.07    | -59,212,394.89       | -51,613,467.82   |
| 1. Withdrawal of surplus reserves  |                 |                          |                |        |                  |                      |                            |                 | 7,598,927.07    | -7,598,927.07        |                  |
| 2. Distribution to shareholders  |                 |                          |                |        |                  |                      |                            |                 |                 | -51,613,467.82       | -51,613,467.82   |
| 3. Others  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (IV) Inner carrying-over of shareholders' equities                                     |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 1. Capital reserve converted into capital (or capital                                  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Surplus public accumulation converted into capital (or capital stock)               |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 3. Surplus public accumulation loss remedy   |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 4. Change in defined benefit plan carried forward to retained earnings                 |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 5. Other comprehensive income carried forward to retained earnings                     |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 6. Others  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (V) Special reserve  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 1. Withdrawal for current period   |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Use for current period  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (VI) Others  |                 |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| IV. Closing balance of current year  | 726,950,251.00  |                          |                |        | 2,386,924,900.84 |                      |                            |                 | 124,783,244.48  | 86,052,152.99        | 3,324,710,549.31 |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# Statement of Changes in Equity of Parent Company

2024/12/31

Prepared by: Hainan Jingliang Holdings Co., Ltd.

Monetary Unit: RMB Yuan

| Items  | Amount of Last Period |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
|--|-----------------------|--------------------------|----------------|--------|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|------------------|
|  | Paid-in capital       | Other equity instruments |                |        | Capital reserve  | Less: treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Subtotal         |
|  |                       | Preferred stock          | Perpetual bond | Others |                  |                      |                            |                 |                 |                      |                  |
| I. Year-end balance of last year   | 726,950,251.00        |                          |                |        | 2,382,994,900.84 |                      |                            |                 | 109,487,064.39  | -239,475,977.89      | 2,979,956,238.34 |
| Add: changes in accounting policies  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| Correction of prior period errors  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| Other  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| II. Balance at beginning of current year   | 726,950,251.00        |                          |                |        | 2,382,994,900.84 |                      |                            |                 | 109,487,064.39  | -239,475,977.89      | 2,979,956,238.34 |
| III. Increases and decreases of current year<br>(Decrease shall be filled in with “-”) |                       |                          |                |        | 3,090,000.00     |                      |                            |                 | 7,697,253.02    | 308,751,255.07       | 319,538,508.09   |
| (I) Total comprehensive income   |                       |                          |                |        |                  |                      |                            |                 |                 | 316,448,508.09       | 316,448,508.09   |
| (II) Investment of shareholders and capital reduction                                  |                       |                          |                |        | 3,090,000.00     |                      |                            |                 |                 |                      | 3,090,000.00     |
| 1. Common equity invested by shareholders  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Capital invested by other equity instruments holders                                |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 3. The amount of shares recorded into the shareholder's equity                         |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 4. Others  |                       |                          |                |        | 3,090,000.00     |                      |                            |                 |                 |                      | 3,090,000.00     |
| (III) Distribution of profits  |                       |                          |                |        |                  |                      |                            |                 | 7,697,253.02    | -7,697,253.02        |                  |
| 1. Withdrawal of surplus reserves  |                       |                          |                |        |                  |                      |                            |                 | 7,697,253.02    | -7,697,253.02        |                  |
| 2. Distribution to shareholders  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 3. Others  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (IV) Inner carrying-over of shareholders' equities                                     |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 1. Capital reserve converted into capital (or capital                                  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Surplus public accumulation converted into capital (or capital stock)               |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 3. Surplus public accumulation loss remedy   |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 4. Change in defined benefit plan carried forward to retained earnings                 |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 5. Other comprehensive income carried forward to retained earnings                     |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 6. Others  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (V) Special reserve  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 1. Withdrawal for current period   |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| 2. Use for current period  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| (VI) Others  |                       |                          |                |        |                  |                      |                            |                 |                 |                      |                  |
| IV. Closing balance of current year  | 726,950,251.00        |                          |                |        | 2,386,084,900.84 |                      |                            |                 | 117,184,317.41  | 69,275,277.18        | 3,299,494,746.43 |

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

# **Hainan Jingliang Holdings Co., Ltd. 2024 Financial Statement Notes**

## **I. Basic Information of the Company**

### **1. Place of incorporation, form of organization and head office address**

Hainan Jingliang Holdings Co., Ltd. (hereinafter referred to as "the Company" or "Company" or "Jingliang Holdings") is established in accordance with the Hainan Provincial People's Government General Office QFBH (1992) No.1, approved by QY (1992) SGZ No. 6 Document of the People's Bank of Hainan Province and re-registered by Hainan Pearl River Enterprise Company on January 11, 1992. The Company issued 81,880,000 shares in total upon re-registration, of which 60,793,600 shares were converted from the net assets of the original company and 21,086,400 shares were newly issued. And the name of the Company is Hainan Pearl River Enterprise Co., Ltd. The business license registration number of the joint-stock company is 20128455-6, and the holding parent company Guangzhou Pearl River Enterprise Group holds 36,393,600 shares, accounting for 44.45%. Approved by ZGB (1992) No. 83 Document of the People's Bank of China in December 1992, the additional 21,086,400 shares were listed on the Shenzhen Stock Exchange for trading. The industry involved is real estate.

On March 25, 1993, in response to QGBH (1993) No.028 of Hainan Provincial Leading Group Office and SRYFZ (1993) No.099 of Shenzhen Special Economic Zone Branch of the People's Bank of China, the Company increased its share capital by converting the original share capital into 139,196,000 shares (according to distribution of 10, delivery of 5 and transfer of 2), with the controlling shareholder Guangzhou Pearl River Enterprises Group holding 48,969,120 shares accounting for 35.18% at the end of 1993.

In 1994, the share capital was increased by 10 to 10, and the total share capital was 278,392,000 shares after the increase. The controlling shareholder, Guangzhou Pearl River Enterprises Group, holds 97,938,240 shares, accounting for 35.18%.

In 1995, the issuance of 50,000,000 B Shares was approved by SZBF (1995) No.45 and SZBF (1995) No.12. The share capital of the Company was increased by 10:1.5

on the basis of the share capital after the additional B shares were issued, and the share capital of the Company after the increase was 377,650,800 shares. The holding parent company, Guangzhou Pearl River Enterprises Group, held 112,628,976 shares, accounting for 29.82% of the total.

In 1999, Guangzhou Pearl River Enterprises Group transferred all 112,628,976 shares to Beijing Wanfa Real Estate Development Co., Ltd. After the transfer of shares was completed in June 1999, Beijing Wanfa Real Estate Development Co., Ltd. held 112,628,976 shares of the Company, accounting for 29.82% of the total shares of the Company, and became the controlling shareholder of the Company.

On January 10, 2000, the name of the Company was changed to Hainan Pearl River Holding Co., Ltd. and the Business License for Enterprise Legal Person was renewed by Industrial & Commerce Administration Bureau of Hainan Province.

On August 17, 2006, the reform plan of the split share structure of the Company was implemented. The Company transferred 49,094,604 shares of capital stock to all shareholders at the ratio of 10 to 1.3. The original non-tradable shareholders transferred the increased shares to the tradable A-share holders. Beijing Wanfa Real Estate Development Co., Ltd. reimbursed the consideration shares of the non-tradable shareholders who have not expressly expressed their opinions. The converted total share capital was 426,745,404 shares, and the original controlling shareholder Beijing Wanfa Real Estate Development Co., Ltd. held 107,993,698 shares, accounting for 25.31%. Shareholders of non-tradable shares repaid 3,289,780 shares in consideration of the split share structure in 2007. Shareholders of non-tradable shares repaid 1,196,000 shares in consideration of the split share structure in 2009.

On 2 September 2016, Beijing Wanfa Real Estate Development Co., Ltd., the original controlling shareholder, transferred all of its 112,479,478 shares to Beijing Grain Group Co., Ltd. (hereinafter referred to as "Beijing Grain Group"). Upon completion of the share transfer in September 2016, Beijing Grain Group Co., Ltd. held 112,479,478 shares, accounting for 26.36% of the total shares of the Company. In November 2016, based on the confidence in the subject matter of the material asset restructuring and the future development of the Company, Beijing Grain Group Co., Ltd. decided to increase its shareholding through centralized bidding in the secondary market. After the increase, it held 123,561,963 shares of the

Company, accounting for 28.95% of the total number of shares, and became the largest shareholder of the Company.

The Company determined July 31, 2017 as the delivery date of material assets in accordance with the material assets restructuring plan and the delivery agreement. On September 14, 2017, approved pursuant to the resolution of the Second Extraordinary General Meeting of Shareholders of the Company on November 18, 2016 and the *Approval Reply of the China Securities Regulatory Commission dated July 28, 2017 On Approval of Hainan Pearl River Holding Co., Ltd. to Purchase Assets and Raise Supporting Funds from Beijing Grain Group Co., Ltd.* (ZJXX (2017) No.1391): 1) The Company purchased assets from the original shareholders of Beijing Grain Food Co., Ltd. (hereinafter referred to as Beijing Grain Food) by issuing 210,079,552 shares of the balance between the transaction price of the injected assets and the assets to be purchased (the difference between the transaction price of the injected assets and the assets to be purchased was RMB 1,699.5436 million yuan). The par value in the issuance was RMB 1.00 per share and the issuance price was RMB 8.09 per share; 2) The Company has issued 48,965,408 non-public shares of the Company to Beijing Grain Group for the purpose of purchasing the supporting funds raised from the assets of the issuance of shares. The par value per share of the Company was RMB1.00 and the issuance price was RMB8.82 per share. The shareholder Beijing Grain Group conducted subscription in monetary funds. Upon completion of the issue, the registered capital was RMB 685,790,364.00 and the share capital was RMB 685,790,364.00. Beijing Grain Group, which accounted for 42.06% of the total number of shares, became the largest shareholder of the Company.

On November 21, 2019, with the approval of Beijing Shounong Food Group Co., Ltd. (Beijing Shounong Food publish [2019] No. 212), *Approval on the Plan of Purchasing Assets by Cash and Issuing Shares of Hainan Jingliang Holdings Co., Ltd.* On April , 2020, with the approval of *Approval of Hainan Jingliang Holding Co., Ltd. Issuance Shares to Wang Yuecheng to Purchase Assets* by China Securities Regulatory Commission [2020] No. 610, the company shall not issue more than 41,159,887 new shares in private offering to raise funds supporting the purchase of assets through the issued shares. The Company and its subsidiary, Beijing Jingliang Food Co., Ltd., purchased the 25.1149% equity stake of Zhejiang Little Prince by cash and issuance of shares.

As of December 31, 2024, the company has issued 726,950,251.00 shares, and the company's share capital is 726,950,251.00 yuan; Uniform Social Credit Code: 914600002012845568; Registration authority: Hainan Market Supervision Administration; Company type: Limited Company (Listed, State-controlled); Registered address: F29, Dihao Building, Pearl River Square, Binhai Avenue, Haikou City; Legal representative: WangChunli.

## **2. The nature of the Company's business and its main business activities**

The Company belongs to manufacturing-agricultural and sideline food processing industry. Its main business activities mainly includes: food, beverages, oilseeds and by products, vegetable proteins and their products, organic fertilizers, microbial fertilizers, production and marketing of agricultural fertilizers; land consolidation, soil remediation; agricultural comprehensive planting development, animal husbandry and aquaculture, agricultural equipment production and marketing; computer network technology, investment in communication projects, research and development and application of high-tech products; investment and consultation of environmental protection projects; animation, graphic design; import and export trade in goods and technology; rental of own premises.

The Company and its subsidiaries are principally engaged in the processing, production and sales of oil and oilseeds, and processing and sales of foodstuffs.

## **3. The name of the parent company and the ultimate parent company**

The parent company of the company is Beijing Grain Group Co., Ltd., and the ultimate parent company is Beijing Capital Agribusiness Food Group Co., Ltd.

## **4. Business Cycle**

From 22 March 1988 to 20 September 2025

## **5. The approval institution and the approval date of the financial statements**

The financial statements have been approved by the Board of Directors of the Company in its resolution dated March 27, 2025.

## **II. Preparation Basis for Financial Statements**

### **1. Preparation Basis**

Based on the assumption of going concern and according to actual transaction events, the financial statements are prepared in accordance with the relevant provisions of Accounting Standard for Business Enterprises and the following stated Significant Accounting Policies and Estimates.

### **2. Going Concern**

The Company has a going concern capability for 12 months from the end of the reporting period and no material matters affecting the company's going concern capability were found. Therefore, the financial statements are presented on a going concern basis is reasonable.

## **III. Significant Accounting Policies and Estimates**

The Company and its subsidiaries are engaged in the processing, production and sales of oil and oilseeds, and processing and sales of foodstuffs. . According to the characteristics of actual production and operation and the provisions of relevant accounting standards for business enterprises, the Company and its subsidiaries have formulated a number of specific accounting policies and accounting estimates for transactions and events such as revenue recognition. For details, please refer to the descriptions in Note III, 27 "Revenue".

### **1. Statement of Compliance with Enterprise Accounting Standards**

The financial statements prepared by the company comply with the requirements of the Enterprise Accounting Standards and fairly and completely reflect the company's and consolidated financial position as of December 31, 2024, as well as the company's and consolidated operating results, changes in shareholders' equity, and cash flows for 2024.

Additionally, these financial statements are prepared with reference to the disclosure and reporting requirements outlined in the China Securities Regulatory Commission's "Regulations on the Preparation of Information Disclosure Reports for Publicly Issued Securities No. 15 - General Provisions on Financial Reports" (revised in 2023).



## 2. Accounting Period

The accounting period of the Company is divided into an annual period and an interim period. The accounting interim period refers to the reporting period shorter than a full accounting year. The fiscal year of the Company adopts the Gregorian calendar year, that is, from January 1 to December 31 of each year.

## 3. Business Cycle

The normal business cycle is the period from the time the Company purchases assets for processing to the time when cash or cash equivalents are realized. The Company uses 12 months as an business cycle and uses it as a liquidity classification standard for assets and liabilities.

## 4. Bookkeeping Standard Currency

RMB is the currency in the main economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries use RMB as the bookkeeping standard currency. The offshore subsidiaries of the Company determine USD as their bookkeeping standard currency based on the currencies in the main economic environment in which they operate. The currency used by the Company in preparing these financial statements is RMB.

## 5. Materiality Standards Determination Method and Selection Basis

The company follows the materiality principle when preparing and disclosing financial reports. If disclosure matters involve the judgment of materiality standards, the methods of determining materiality standards and selection basis are disclosed as follows:

| Disclosure matters involve the judgment of materiality standards                 | Methods of determining materiality standards and selection basis   |
|--|--|
| Impairment test made on individual accounts receivable with significant amounts. | Impairment test made on individual accounts receivables accounting over 10% as total provision for various types of bad debts receivablese, and amounts exceeding 5 million yuan |
| Significant bad debt reserve for accounts receivable recovered or reversed       | Individual item recovered or reversed accounting over 10% as total amounts for various types of receivables and exceeding 5 million yuan   |

| Disclosure matters involve the judgment of materiality standards | Methods of determining materiality standards and selection basis  |
|--|---|
| Significant receivables actually written off                     | Individual write-off amount accounting for over 10% as total amounts of various types of bad debts reserve for receivables, and amounts exceeding 5 million yuan        |
| Significant contractual liabilities with aging over one year     | Individual contractual liabilities with aging over one year accounting over 10% of total amount of contractual liabilities, and amounts exceeding 10 million yuan       |
| Significant project under construction                           | Projects with investments exceeding 5 million yuan  |
| Significant non-wholly owned subsidiaries                        | Non-wholly owned subsidiaries with individual entity revenue and net profit accounting 10% for items related to the Company's consolidated statements                   |
| Significant associated <i>enterprise</i> and joint-venture.      | Associated enterprise and joint-venture with net profit share recognized in the current period accounting 5% for items related to the Company's consolidated statements |

## 6. The Accounting Treatment of Business Combination under the Same Control and Different Control

Business Combination refers to the transaction or event in which two or more separate enterprises are merged to form one reporting entity. Business combination can be divided into business combination under the same control and business combination under different control.

### (1) Business combination under the same control

Enterprises participating in the combination are ultimately controlled by the same party or multiple parties before and after the combination, and the control is not temporary, so it is the business combination under the same control. In case of business combination under the same control, the party that obtains control of other enterprises participating in the combination on the combination date shall be the combination party, and the other enterprises participating in the combination shall be the merged party. The combination date refers to the date on which the combination party actually acquires control over the merged party.

The assets and liabilities acquired by the combination party are measured at the book value of the merged party at the date of consolidation, including goodwill that was

formed during acquisition by end controller . If the difference between the book value of the net assets acquired by the merging party and the book value of the merged consideration (or the total par value of the issued shares) paid by the merging party, and the capital reserve (share capital premium) shall be adjusted; If the capital reserve (equity premium) is insufficient to offset, the retained earnings shall be adjusted.

The direct expenses incurred by the merging party for the purpose of business combination shall be included in the profits and losses of the current period when they are incurred.

## **(2) Business combination under different control**

If the enterprises participating in the merger are not ultimately controlled by the same party or multiple parties before and after the merger, the enterprise merger is not under the same control. In case of business combination under different control, the party that obtains control of other enterprises participating in the combination on the date of purchase shall be the Purchaser, and the other enterprises participating in the combination shall be the Purchasee. Purchase date means the date on which the Purchaser actually acquires control of the Purchasee.

For business combination under different control, the merger cost includes the assets, liabilities and fair value of equity securities issued by the Purchaser in order to obtain the control over the Purchasee on the date of purchase, and the intermediary fees such as audit, legal service, appraisal and consultation and other management fees for the enterprise merger are used to record into the profits and losses of the current period when incurred. The transaction costs of equity or debt securities issued by the Purchaser as a merger consideration are included in the initial recognition amount of the equity or debt securities. Contingent consideration involved shall be included in the consolidation cost at its fair value at the purchase date, and the consolidation goodwill shall be adjusted accordingly if new or further evidence of the existence of circumstances at the purchase date appears within 12 months after the purchase date and the adjustment or consideration is required. The consolidation cost incurred by the Purchaser and the identifiable net assets acquired during the consolidation are measured at the fair value at the date of purchase. The difference between the merger costs and the fair value shares of the identifiable net assets of the Purchasee at the purchase date obtained in the merger is recognized as goodwill. If the combined cost is less than the fair value of the identifiable net assets of the Purchasee in the merger, first, the fair value of the

identifiable assets, liabilities and contingent liabilities of the Purchasee and the measurement of the consolidation cost shall be re-checked. If the consolidation cost is still smaller than the fair value share of the identifiable net assets of the Purchased obtained in the consolidation after the re-check, the difference shall be recorded into the profits and losses of the current period.

When the Purchaser acquires the deductible temporary difference of the Purchasee, if it fails to recognize the deferred income tax assets on the date of purchase because it does not meet the recognition conditions for the deferred income tax, and within 12 months of the date of purchase, new or further information is obtained indicating that the relevant circumstances at the purchase date already exist and the economic benefits from the temporary difference deductible by the purchaser on the purchase date are expected to be realized, the relevant deferred income tax assets shall be recognized, and the goodwill shall be reduced. If the goodwill is not sufficiently offset, the difference shall be recognized as the current profit or loss; In addition to the above circumstances, the deferred income tax assets related to the enterprise merger are recognized and included in the current profits and losses.

Through multi-transaction and step-by-step business combination under different control, according to the *Circular of the Ministry of Finance on Printing and Issuing the Interpretation of Accounting Standards for Business Enterprises No.5* (CK (2012) No.19) and Article 51 of the *Accounting Standards for Business Enterprises No.33-Consolidated Financial Statements* on the judgment criteria of "package deal" (see 7 (2) of Note III), it is determined whether the multiple transactions belong to the "package deal". In the case of a "package deal", the accounting treatment shall be performed with reference to the description in the preceding paragraphs of this section and Note III, 15 "Long-term Equity Investments"; If the transaction is not a "package deal", the accounting treatment shall be distinguished between the individual financial statements and the consolidated financial statements:

In the individual financial statements, the sum of the book value of the equity investment held by the Purchaser prior to the purchase date and the cost of the new investment at the purchase date shall be taken as the initial investment cost of the investment; Where the equity of the Purchased held before the date of purchase involves other comprehensive income, the other consolidated income associated with the investment is accounted for on the same basis as the assets or liabilities directly

disposed of by the Purchaser (i.e., except for the corresponding share in the change caused by the acquisition of the net liability or net assets of the defined benefit plan remeasured in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the Purchased held prior to the date of purchase is remeasured according to the fair value of the equity at the date of purchase, and the difference between the fair value and the carrying value is included in the investment income of the current period; Where the equity of the Purchasee held before the date of purchase involves other comprehensive income, other consolidated income related thereto shall be accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the Purchaser (i.e., except for the corresponding share in the change caused by the acquisition of the net liability or net asset of the defined benefit plan remeasured in accordance with the equity method, the rest is converted into the investment income of the current period to which the acquisition date belongs).

## **7. Criteria for the Judgment of Control and Methods for the Preparation of Consolidated Financial Statements**

### **(1) Criteria for the Judgment of Control**

The scope of consolidation of the consolidated financial statements is determined on a control basis. Control means that the Company has the authority over the Investee, enjoys a variable return by participating in the relevant activities of the Investee, and has the ability to use its authority over the Investee to influence the amount of such return. The scope of the merger includes the Company and all its subsidiaries. Subsidiary refers to the main body controlled by the Company.

The Company will re-evaluate the above control definitions once the relevant facts and circumstances change, which results in the change of the relevant elements.

### **(2) Preparation method of consolidated financial statement**

The Company begins to incorporate the net assets of the subsidiary and the actual control of the production and operation decisions into the scope of the merger from the date when the subsidiary is acquired; Cease to be included in the scope of the merger as of the date of loss of effective control. For the subsidiaries disposed of, the operating results and cash flows prior to the date of disposal have been appropriately included in the consolidated income statement and consolidated cash flow statement; For

subsidiaries disposed of in the current period, the opening amount of the consolidated balance sheet is not adjusted. The operating results and cash flows of subsidiaries increased by consolidation after purchase have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening and comparative amounts in the consolidated financial statements have not been adjusted for subsidiaries that are not under the same control. The operating results and cash flows of the subsidiaries increased by consolidation under the same control from the beginning of the consolidation period to the consolidation date have been appropriately included in the consolidated profit statement and consolidated cash flow statement, and the comparative amount of the consolidated financial statements has been adjusted at the same time.

In the preparation of the consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiaries are inconsistent with those adopted by the Company, necessary adjustments shall be made to the financial statements of the subsidiaries in accordance with the accounting policies and accounting periods of the Company. For subsidiaries acquired through business combination under different control, the financial statements shall be adjusted on the basis of the fair value of identifiable net assets at the date of purchase.

All significant transaction balances, transactions and unrealized profits within the Company are offset at the time of preparation of the consolidated financial statements.

The shareholders' equity and the portion of the net profit or loss of the subsidiary that is not owned by the Company for the current period are separately presented as minority shareholders' equity and minority shareholders' profit or loss in the consolidated financial statements under shareholders' equity and net profit. The shares of minority shareholders' equity in the net profits and losses of subsidiaries for the current period are shown as "minority shareholders' profits and losses" under the net profit item in the consolidated income statement. Losses shared by minority shareholders in a subsidiary exceed the minority shareholders' share in the shareholders' equity of the subsidiary at the beginning of the period, and still decrease by a number of shareholders' equity.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the residual equity shall be revalued according to its fair value at the date of loss of control. The sum of consideration obtained from the disposal of equity and the fair value of the remaining equity minus the difference

between the shares of the net assets of the original subsidiary that shall be continuously calculated from the purchase date according to the original shareholding proportion shall be included in the investment income of the current period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary, in the event of loss of control, the accounting treatment is performed on the same basis as the direct disposal of the relevant assets or liabilities by the Purchased (i.e. converted to current investment income, except for changes resulting from the re-measurement of the net liabilities or net assets of the Defined Benefit Plan in the original subsidiary). Thereafter, the residual equity shall be subsequently measured in accordance with the relevant provisions of Accounting Standards for Business Enterprises No.2-Long-term Equity Investment or Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, as detailed in Note III, 15-Long-term Equity Investment or Note III, 11-Financial Instruments.

If the Company disposes of the equity investment in subsidiaries step by step until it loses control through multiple transactions. It is necessary to distinguish whether the transactions that dispose of the equity investment in subsidiaries until it loses control belong to a package deal or not. The terms, conditions and economic impact of the transactions for the disposal of equity investments in subsidiaries are in accordance with one or more of the following circumstances and generally indicate that multiple transactions should be accounted for as a package deal: ① These transactions were entered into simultaneously or taking into account each other's influence; ② Only when these transactions are taken together can a complete business result be achieved; ③ The occurrence of one transaction depends on the occurrence of at least one other transaction; ④ It is not economical to consider a transaction alone, but it is economical to consider it in conjunction with other transactions. For transactions that are not part of the package deal, each transaction shall be accounted for in accordance with the principles applicable to the "partial disposal of long-term equity investments in subsidiaries without loss of control" (as detailed in 15 of Note III) and the "loss of control over existing subsidiaries as a result of the disposal of part of the equity investments or other reasons" (as detailed in the preceding paragraph), as appropriate. If the transactions involving the disposal of equity investments in subsidiaries until the loss of control belong to a package deal, the transactions shall be accounted for as a transaction involving the disposal of subsidiaries and the loss of control; However, the difference between each disposal price and the share of the subsidiary's net assets

corresponding to the disposal investment prior to the loss of control is recognized in the consolidated financial statements as other consolidated gains and transferred to the profit or loss for the current period of loss of control in the event of loss of control.

## **8. Classification of Joint Venture Arrangements and Accounting Treatment of Joint Operation**

A joint venture arrangement is an arrangement under the joint control of two or more participants. The Company divides the joint venture arrangement into joint operation and joint venture in accordance with the rights and obligations it enjoys in the joint venture arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Company's investment in the joint venture is accounted for using the equity method, and shall be treated in accordance with the accounting policy described in Note III, 15 "Long-term Equity Investment Accounted by the Equity Method".

The Company, as a joint venture party, recognizes the assets and liabilities held and assumed by the Company separately, and recognizes the assets and liabilities jointly held and assumed by the Company according to the shares of the Company; recognizes the revenue generated from the sale of the share of joint operating output enjoyed by the Company; recognizes revenue generated from the sale of output from joint operations on the basis of the Company's share; confirms the expenses incurred by the Company individually and the expenses incurred by the joint operation according to the shares of the Company.

When the Company invests or sells assets as a joint venture (such assets do not constitute business, the same below), or purchases assets from the joint venture, the Company recognizes only the portion of the profits and losses attributable to the other participants in the joint venture that arises from the transaction prior to the sale of such assets to a third party. Where such assets are impaired in accordance with the provisions of *Accounting Standards for Business Enterprises No.8-Impairment of Assets*, the Company shall fully recognize such losses in the case where the assets are cast or sold by the Company to joint operations; For the assets purchased by the Company from the joint operation, the Company recognizes the losses according to the shares it assumes.



## **9. Determining Standards for Cash and Cash Equivalent**

Cash and cash equivalents of the Company include cash on hand, deposits that can be readily withdrawn on demand. Cash equivalents are investments held by the Company with a short term (usually maturing within three months from the date of purchase), high liquidity, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **10. Foreign Currency Business and Translation of Foreign Currency Statements**

### **(1) Translation method for foreign currency transaction**

At the time of initial confirmation, the foreign currency transactions occurring in the Company shall be converted into the bookkeeping functional currency amount at the spot exchange rate on the trading day, but the foreign currency exchange business or transactions involving foreign currency exchange occurring in the Company shall be converted into the bookkeeping functional currency amount at the actual exchange rate.

### **(2) Translation method for foreign currency monetary items and foreign currency non-monetary item**

On the balance sheet date, the foreign currency monetary items are converted at the spot exchange rate on the balance sheet date, and the exchange difference arising therefrom shall be: ① The exchange difference arising from the special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization shall be handled in accordance with the principle of capitalization of borrowing costs; ② The exchange difference of the hedging instruments used for effective hedging of the net investment in overseas operations (the difference is included in other comprehensive income, and is not recognized as current profit or loss until the net investment is disposed of); ③ Except for the amortized cost, the exchange differences arising from the changes in the book balance of the available-for-sale monetary items in foreign currencies shall be included in the other comprehensive income, and shall be included in the profits and losses of the current period.

Where the preparation of the consolidated financial statements involves overseas operations, if there are foreign currency monetary items constituting net investment in overseas operations, the exchange differences arising from exchange rate changes shall be included in other comprehensive income; When disposing of overseas operations, the profits and losses shall be transferred to the current disposal period.

Non-monetary items in foreign currencies measured at historical cost shall still be measured at the bookkeeping amount in functional currency translated at the spot exchange rate on the transaction date. For non-monetary items in foreign currencies measured at fair value, the spot exchange rate at the date of fair value determination shall be adopted for conversion. The difference between the converted amount in functional currency and the amount in original functional currency shall be treated as the change in fair value (including the change in exchange rate), and shall be recorded into the profits and losses of the current period or recognized as other comprehensive income.

**(3) Translation method for financial statements in foreign currencies**

Where the preparation of the consolidated financial statements involves overseas operations, if there are foreign currency monetary items constituting net investment in overseas operations, the exchange differences arising from exchange rate changes shall be as "foreign currency report conversion difference" and be confirmed as other comprehensive income; When disposing of overseas operations, the profits and losses shall be transferred to the current disposal period.

The foreign currency financial statements of overseas operations shall be converted into RMB statements in the following ways: the assets and liabilities in the balance sheet shall be converted at the spot exchange rate on the balance sheet date; Except for "undistributed profits", other items of shareholders' equity shall be converted at the spot exchange rate at the time of occurrence. The income and expense items in the profit statement shall be converted at the average exchange rate of the current period on the date of transaction. The undistributed profit at the beginning of the period shall be the undistributed profit at the end of the period converted from the previous year; The undistributed profits at the end of the year shall be calculated and listed according to the converted profits distribution items; The difference between the converted asset items and the total amount of the liability items and shareholders' equity items shall be recognized as other comprehensive income as the translation difference in the foreign currency statements. In case of disposal of overseas operations and loss of control, the balance in translation of the foreign currency statements related to the overseas operations as shown below in the shareholders' equity items in the balance sheet shall be transferred to the profits and losses of the disposal period in whole or in proportion to the disposal of the overseas operations.

Cash flows in foreign currencies and cash flows of overseas subsidiaries shall be converted at the average exchange rate of the current period on the date of occurrence of the cash flows. The effect of exchange rate changes on cash shall be presented separately in the statement of cash flows as an reconciling item.

Opening amounts and prior-period actual amounts shall be shown on the basis of amounts translated from the prior-period financial statements.

When disposing of all the owner's equity of the Company's overseas operations or losing the control over overseas operations due to the disposal of part of the equity investment or for other reasons, if the following items of shareholders' equity in the balance sheet are shown below, the balance in translation of the foreign currency statement attributable to the owner's equity of the parent company related to the overseas operation shall be transferred to the profits and losses of the current disposal period.

In the event that the proportion of overseas business interests is reduced due to the disposal of part of the equity investment or for other reasons, but the control over overseas business operations is not lost, the balance in the translation of the foreign currency statements related to the disposal of part of overseas business operations shall be attributed to minority shareholders' interests and shall not be transferred to the profits and losses of the current period. When disposing of part of the equity of an overseas operation as an associated enterprise or a joint venture, the balance of the translation of the foreign currency statements related to the overseas operation shall be transferred into the profits and losses of the current disposal period in the proportion of the overseas operation disposed of.

## **11. Financial Instruments**

Financial instruments are the contracts that form the financial assets of one entity, and at the same time form the financial liabilities or equity instruments of other entities.

### **(1) Classification, confirmation and measurement of financial assets**

According to the business mode of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into: Financial assets measured at amortized cost. Financial assets measured at fair value with changes included in other comprehensive income. Financial assets that are

measured at fair value and whose movements are included in the current profits and losses.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value and whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses. For other types of financial assets, relevant transaction costs are included in the initial recognition amount. Accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not contain or take into account significant financing components shall be initially recognized by the Company in accordance with the amount of consideration that the Company is expected to be entitled to receive.

① Financial assets measured at amortized cost

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognized based on effective interest method. The Company measures these financial assets at fair value and their changes are included in other comprehensive income, but impairment loss or gain, exchange gain or loss and interest income calculated according to the effective interest rate method are included into the current profit and loss.

② Financial assets measured at fair value with changes included in other comprehensive income

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on effective interest method. The Company measures these financial assets at fair value and their changes are included in other comprehensive income, but impairment loss or gain,

exchange gain or loss and interest income calculated according to the effective interest rate method are included into the current profit and loss.

In addition, the Company designates some non tradable equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company shall record the relevant dividend income of such financial assets into the current profits and losses, and the change of fair value into other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained income and will not be included in current profits and losses.

③ Fair value through Profit and Loss Financial assets

The Company classifies the above financial assets measured at amortized cost and financial assets measured at fair value with changes included in other comprehensive income into financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company designated part of financial assets as financial assets measured at fair value with changes included in current profit and loss. For such financial assets, the Company adopts fair value for subsequent measurement, and the changes in fair value are included into the current profit and loss.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities upon initial recognition are classified as financial liabilities which are measured at fair value and whose changes are included in current profits and losses and other financial liabilities. For the financial liabilities measured at fair value with the changes included into the current profits and losses, the relevant transaction costs are directly included into the current profits and losses, and the relevant transaction costs of other financial liabilities are included in the initial recognition amount.

① Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value with changes included in current profits and losses, which include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated to be measured at fair value with changes included in current profits and losses at initial recognition.

Trading financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured according to their fair values. Except for those related to hedge accounting, changes in fair values are included in current profits and losses.

Financial liabilities designated to be measured at fair value with changes included in current profits and losses. Changes in the fair value of this liability caused by changes in the Company's own credit risk are included in other comprehensive income. When the liability is derecognized, the accumulated change in fair value caused by changes in its own credit risk included in other comprehensive income is transferred to retained earnings. Changes in fair value are accounted into current profits and losses. If the above-mentioned treatment of the impact of changes in the credit risk of these financial liabilities will cause or expand accounting mismatch in profits and losses, the Company will include all profits or losses of the financial liabilities (including the impact amount of changes in the credit risk of the enterprise itself) into the current profits and losses.

② Other financial liabilities

Except for financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost and subsequently measured at amortized cost. Gains or losses arising from termination of recognition or amortization are included in current profits and losses.

(3) Basis of Confirmation and Calculation of financial instruments

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

- ① The termination of the contractual right to receive cash flow from the financial asset.
- ② The financial asset has been transferred, and almost all risks and rewards related to the ownership of the financial asset have been transferred to the transferee.
- ③ The financial asset has been transferred. Although the enterprise has neither transferred nor retained almost all risks and rewards in the ownership of the financial asset, it has given up its control over the financial asset.

If the enterprise neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, and does not give up the control over the financial assets, the relevant financial assets shall be recognized according to the extent of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continuous involvement in the

transferred financial assets refers to the risk level faced by the enterprise due to the change in the value of the financial assets.

If the overall transfer of financial assets meets the conditions for termination of recognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated amount of changes in fair value originally included in other comprehensive income shall be included into the current profits and losses.

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets shall be apportioned according to its relative fair value between the derecognized part and the non derecognized part, and the difference between the sum of the consideration received due to the transfer and the accumulated change in fair value originally included in other comprehensive income that shall be apportioned to the derecognized part and the allocated aforesaid book amount shall be included into the current profits and losses.

For financial assets sold by the Company with recourse, or for endorsement and transfer of held financial assets, it is necessary to determine whether almost all risks and rewards in the ownership of the financial assets have been transferred. If almost all risks and rewards in the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards on the ownership of a financial asset are retained, the recognition of the financial asset shall not be terminated. If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, it shall continue to judge whether the enterprise retains control over the assets and carry out accounting treatment according to the principles mentioned in the preceding paragraphs.

#### (4) Termination of recognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been relieved, the Company terminates the recognition of the financial liability (or part thereof). The Company (the borrower) and the lender sign an agreement to replace the original financial liabilities by assuming new financial liabilities. If the contract terms of the new financial liabilities and the original financial liabilities are substantially different, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. If the Company makes any substantial modification to the contract terms of the original financial liability (or part thereof), the original

financial liability shall be derecognized and a new financial liability shall be recognized in accordance with the modified terms.

If financial liabilities (or part thereof) are derecognized, the Company shall include the difference between its book value and the consideration paid (including transferred non-cash assets or liabilities assumed) into the current profits and losses.

**(5) Offset of financial assets and financial liabilities**

When the Company has the legal right to offset the recognized amount of financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle the financial assets on a net basis or realize the financial assets and settle the financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at a net amount after mutual offset. In addition, financial assets and financial liabilities shall be listed separately in the balance sheet and shall not be offset against each other.

**(6) The fair value determination method of financial assets and financial liabilities**

Fair value refers to the price that market participants can receive from selling an asset or pay to transfer a liability in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the Company adopts quotations in the active market to determine their fair values. Quoted price in active market refers to the price easily obtained from exchanges, brokers, industry associations, pricing service agencies, etc. on a regular basis, and represents the price of market transactions actually occurred in fair trading. If there is no active market for financial instruments, the Company uses evaluation techniques to determine their fair values. Evaluation techniques include reference to prices used in recent market transactions by parties familiar with the situation and willing to trade, reference to current fair values of other financial instruments that are substantially the same, discounting cash flow technique, option pricing model, etc. In valuation, the Company adopts valuation techniques that are applicable under current circumstances and are supported by sufficient available data and other information, selects input values that are consistent with the characteristics of assets or liabilities considered by market participants in transactions related to assets or liabilities, and gives priority to the use of relevant observable input values as much as possible. If the relevant observable input value



cannot be obtained or it is not impracticable to obtain it, the non-input value shall be used.

#### **(7) Equity instruments**

Equity instruments refer to contracts that can prove ownership of the Company's residual equity in assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize changes in the fair value of equity instruments.

Dividends (including "interest" generated by instruments classified as equity instruments) distributed by the Company's equity instruments during their existence shall be treated as profit distribution.

### **12. Impairment of financial assets**

The financial assets of the Company that need to confirm the impairment loss are financial assets measured at amortized cost and debt instrument investment measured at fair value with changes included in other comprehensive income, mainly including notes receivable, accounts receivable, other receivables, debt investment, other debt investment, long-term receivables, etc. In addition, for some financial guarantee contracts, impairment reserves and credit impairment losses are also accrued in accordance with the accounting policies described in this part.

#### **(1) Recognition method of impairment provision**

On the basis of expected credit losses, the Company sets aside impairment reserves and recognizes credit impairment losses for the above items according to the applicable expected credit loss measurement method (general method or simplified method).

Credit loss refers to the difference between all contractual cash flows receivable according to the contract and all cash flows expected to be collected by the Company discounted according to the original actual interest rate, i.e. the present value of all cash shortages. Among them, for the financial assets that have been purchased or incurred credit impairment, the Company discounts them according to the actual interest rate adjusted by credit.

The general method of measuring expected credit loss refers to the Company's assessment of whether the credit risk of financial assets has increased significantly since

the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the Company will measure the loss reserve by an amount equivalent to the expected credit loss during the entire period. If the credit risk has not increased significantly since the initial recognition, the Company will measure the loss reserve according to the amount equivalent to the expected credit loss in the next 12 months. In assessing the expected credit loss, the Company takes into account all reasonable and evidence-based information, including forward-looking information.

For financial instruments with low credit risk on the balance sheet date, the Company measures the loss reserve based on the expected credit loss amount within the next 12 months or the entire duration according to whether the credit risk has increased significantly since the initial recognition.

(2) Criteria for judging whether credit risk has increased significantly since initial recognition

If the default probability of a certain financial asset in the expected duration determined at the balance sheet date is significantly higher than the default probability in the expected duration determined at the time of initial recognition, it indicates that the credit risk of the financial asset is significantly increased. Except for special circumstances, the Company uses the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in the entire duration to determine whether the credit risk has increased significantly since the initial recognition.

Generally, if the overdue period is more than 90 days, the Company will consider 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.

The Company will consider the following factors when evaluating whether the credit risk has increased significantly

- 1) Whether there is any significant change in the actual or expected operating results of the debtor;
- 2) Whether there is any significant adverse change in the regulatory, economic or technological environment of the debtor;
- 3) Whether there is any significant change in the value of the collateral or the quality of the guarantee or credit enhancement provided by the third party, which are expected to reduce the economic motivation of the debtor's repayment according to the time limit

stipulated in the contract or affect the probability of default;

- 4) Whether there is any significant change in the expected performance and repayment behavior of the debtor;
- 5) Whether there is any significant change in the Company's credit management methods for financial instruments, etc.

On the balance sheet date, if the Company judges that the financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since the initial recognition. If the default risk of a financial instrument is low, the borrower's ability to perform its contractual cash flow obligations in a short period of time is strong, and even if there are adverse changes in the economic situation and operating environment for a long period of time, it may not necessarily reduce the borrower's ability to perform its contractual cash obligations, then the financial instrument is considered to have low credit risk.

(3) Judgment criteria for financial assets with credit impairment:

When one or more events have an adverse impact on the expected future cash flow of a financial asset, the financial asset becomes a financial asset with credit impairment. The evidence of credit impairment of financial assets includes the following observable information:

- 1) The issuer or debtor has major financial difficulties;
- 2) The debtor violates the contract, such as default or overdue payment of interest or principal, etc.;
- 3) The creditor gives concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;
- 4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 5) The active market of the financial assets disappears due to the financial difficulties of the issuer or the debtor;
- 6) Purchase or generate a financial asset at a substantial discount, which reflects the fact that credit losses have occurred.

Credit impairment of financial assets may be caused by the combined action of multiple events, but may not be caused by separately identifiable events.

(4) Portfolio approach to evaluate expected credit risk based on portfolio

The Company evaluates credit risks for financial assets with significantly different credit risks, such as: Accounts receivable with related parties. Receivables in dispute

with the other party or involving litigation or arbitration. Receivables with obvious signs that the debtor is likely to be unable to perform the repayment obligation.

In addition to the financial assets with individual credit risk assessment, the Company divides the financial assets into different groups based on the common risk characteristics. The common credit risk characteristics adopted by the Company include: Credit risk shall be assessed on the basis of the aging portfolio, the receivables portfolio between the final controlling party and its subordinate units, the public maintenance fund and house selling fund portfolio deposited in the housing provident fund management center, the deposit/margin portfolio, and the petty cash ledger portfolio formed by the employee loan of the unit.

(5) Accounting treatment method for impairment of financial assets

At the end of the period, the Company calculates the estimated credit losses of various financial assets. If the estimated credit losses are greater than the book amount of its current impairment reserve, the difference is recognized as impairment loss. If it is less than the carrying amount of the current impairment reserve, the difference is recognized as impairment gain.

(6) Methods for determining the credit loss of various financial assets

① Notes receivable

The Company measures the loss reserve for bills receivable according to the expected credit loss amount equivalent to the entire duration. Based on the credit risk characteristics of bills receivable, they are divided into different portfolios:

| Item                       | Basis for determining portfolio   |
|----------------------------|---|
| Bank acceptance bills      | The acceptor is a bank with less credit risk  |
| Commercial acceptance bill | According to the acceptor's credit risk classification, it should be the same as the "receivable" portfolio classification. |

As for the notes receivables' classified as portfolio, the Company referred to the historical credit loss experience, combined with current situation and forecast for the future economic condition, calculating the expected credit loss. Through risk exposure at default and lifetime expected credit loss,

② Accounts receivable and other receivables

For receivables that do not contain significant financing components, the Company measures the loss reserve according to the expected credit loss amount equivalent to the entire duration.

For receivables that contain significant financing components, the Company measures the loss reserve based on whether the credit risk has increased significantly since the initial recognition, using the amount of expected credit loss within the next 12 months or the entire duration.

According to whether the credit risk of other receivables has increased significantly since the initial recognition, the Company measures impairment loss with an amount equivalent to the expected credit loss within the next 12 months or the entire duration.

In addition to the accounts receivable and other receivables that individually assess credit risk, they are divided into different portfolios based on their credit risk characteristics:

| Item        | Basis for determining portfolio |
|-------------|---------------------------------|
| Portfolio 1 | Credit portfolio                |

As for the receivables classified as portfolio, the Company referred to the historical credit loss experience, combined with current situation and forecast for the future economic condition, calculating the expected credit loss. Through cross reference table between the aging of receivables and lifetime expected credit loss. The aging of receivables is calculated on the date of recognition.

The portfolio of other receivable is recognized as follows:

| Item        | Basis for determining portfolio   |
|-------------|---|
| Portfolio 1 | Credit portfolio  |
| Portfolio 2 | Deposit/margin portfolio  |
| Portfolio 3 | The portfolio of reserve fund ledger formed by the Company's staff loan |

As for the other receivables classified as portfolio, the Company referred to the historical credit loss experience, combined with current situation and forecast for the future economic condition, calculating the expected credit loss. Through risk exposure at default and lifetime expected credit loss in the coming 12 months. For the other receivables classified as aging, is calculated on the date of recognition.

### **13. Inventory**

#### **(1) Classification of inventory**

Inventories mainly include raw materials, work in progress, finished goods, in transit materials inventory goods, reserve tanker storage commissioned processing, and manufacturing consignment, etc..

#### **(2) Valuation method for obtaining and issuing inventory**

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method.

#### **(3) Confirmation of net realizable value of inventories and method of accrual of falling price reserve**

Net Realizable Value refers to the amount of estimated selling price of inventories minus the estimated cost till completion, estimated expenses for selling activity and related taxes and fees in daily activities. When determining the net realizable value of inventories, solid evidence obtained shall be the basis, and the purpose of holding the inventories and the impact of events after the balance sheet date shall be considered.

On the balance sheet date, inventories shall be measured at lower of cost and net realizable value. When the net realizable value is lower than the cost, the provision for inventory devaluation shall be accrued. The provision for inventory devaluation shall be accrued based on the difference between the cost of a single inventory item and its net realizable value. The provision for inventory devaluation of a large number of inventories with low unit prices shall be based on the type of inventory; for inventories related to the product range produced and sold in same region, having the same or similar end use or purpose, and difficult to be separated from other items for measurement, their provision for inventory devaluation can be combined and accrued.

After the provision for inventory devaluation is accrued, if the factors cause the previous written-down inventory value have disappeared, and the situation results in the fact that the net realizable value of the inventories higher than the book value, the amount of the provision for inventory devaluation that has been accrued shall be reversed and included in the current period profit or loss.

#### **(4) The Company adopts perpetual inventory system as its inventory system.**

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

Low-value consumables are amortized by one-off amortization method when they are received; packaging materials are amortized by one-off amortization method when they are received.

## **14. Non-current assets or disposal groups held for sale**

### **(1) Recognition standards and accounting method treatment for Held-for-sale assets and disposal group**

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: a non-current asset or to-be-disposed portfolio can be sold immediately under the current conditions based on the practice of selling such asset or to-be-disposed portfolio in similar transactions; the Company has already decided on the sale plan and obtained confirmed purchase commitment; the sale is scheduled to be completed within one year. Among them, a Disposal Portfolio refers to a group of assets that will be disposed of as a whole through sale or other approaches in a transaction, and the liabilities directly associated with these assets transferred along with the assets in transaction. If the portfolio of assets or group of portfolios of assets is allocated goodwill acquired in business merger in accordance with *Accounting Standards for Business Enterprises No. 8 - Asset Impairment*, the Disposal Portfolio shall include the goodwill allocated to it.

In the event that the book value of a non-current asset or to-be-disposed portfolio that has been designated as held-for-sale category is higher than the net amount of fair value less sales expenses when the non-current asset or to-be-disposed portfolio is initially measured or measured on the balance sheet date, the book value shall be to the net amount of fair value minus sales expenses, and the written-down amount shall be recognized as asset impairment loss and included in current period profit or loss. The provision for impairment loss of the held-for-sale asset shall be accrued. For a Disposal Portfolio, the confirmed impairment loss shall deduct the book value of the goodwill in the Disposal Portfolio, then deduct the book value of the non-current assets determined by the measurement on a pro-rata basis in accordance with the applicable *Accounting Standards for Business Enterprises No. 42 held-for-sale non-current assets, Disposal Portfolio and Termination of Operations* (hereinafter referred to as the “Guide for Held-For-Sale”). In the event of an increase of the book value of the held-for-sale Disposal Portfolio minus sales expenses on the subsequent the balance sheet date, the amount

previously written down shall be recovered and be reversed within the mount of the asset impairment loss recognized in the non-current assets measured by the measurement “Guide for Held-For-Sale” after being classified as held for sale asset, the reversal amount shall be included in the current period profit or loss, and the book value of all non-current assets (except for goodwill) determined by the measurement on a pro-rata basis in accordance with the applicable “Guide for Held-For-Sale” shall be increased on a pro-rata basis. The book value of the goodwill that has been deducted and the impairment loss of the assets recognized before the classification of the held-for-sale non-current assets in accordance with the applicable “Guide for Held-For-Sale” shall not be reversed.

In terms of the held-for-sale non-current assets or non-current assets in Disposal Portfolio, there is no accrual or amortization for depreciation, and the interest from and other expenses from the liabilities in held-for-sale Disposal Portfolio shall still be recognized.

When a non-current asset or Disposal Portfolio no longer meets the conditions for Held-For-Sale category, non-current asset or Disposal Portfolio will no longer be classified as Held-For-Sale category by the Company or the non-current asset will be removed from the Held-For-Sale Disposal Portfolio, and be measured based on one of the following two values, whichever is lower: (1) The book value before being classified as held-for-sale category adjusted based on the depreciation, amortization or impairment that should have been confirmed if it is not classified as held-for-sale category; (2) recoverable amount.

(2) Standards for Determining and Methods for the Presentation of Discontinued Operations.

A component of an entity that either has been disposed of or is classified as held for sale and:

- a) represents a separate major line of business or geographical area of operations,
- b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- c) is a subsidiary acquired exclusively with a view to resale.

Net profit from continuing operation and Net profit from discontinued Operation are added under the Item Net Profit of the Profit and Loss Statement, a single amount in the statement of comprehensive income comprising the total of: i) the post-tax profit or



loss of continuing operation and discontinued operations. Profit and Loss from the discontinued operation shall listed as Discontinued Operation Profit and Loss, which comprises of the entire reporting period, not only recognized as the reporting period after the termination of the operation.

## **15. Long-term equity investment**

The long-term equity investment refers to in this part refers to the long-term equity investment that the Company has control, joint control or significant influence on the invested entity. The long-term equity investment of the Company that does not have control, joint control or significant impact on the investee shall be accounted as a financial asset measured at fair value with its changes included into the current profits and losses. Among them, if it is non-transactional, the Company may choose to designate it as a financial asset measured at fair value and its changes are included in the accounting of other comprehensive income at the time of initial recognition. For details of its accounting policies, please refer to Note III, 11 "Financial Instruments".

Joint control refers to the control that the Company shares with other party/parties for an arrangement in accordance with relevant agreements, and relevant activities of the arrangement can only be decided based on the consensus of all parties sharing the control rights before making a decision. Significant Influence refers to power of the Company to participate in the decision-making of the financial and operating policies of the investee, but the Company cannot control or jointly control the development of these policies with other parties.

### **(1) Determination of investment cost**

For a long-term equity investment obtained from a combination of businesses under the same control, the apportioned share of the book value in the final controller's consolidated financial statements on the combination date in accordance with the shareholders' equity shall be the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the cash paid, the non-cash assets transferred, and the book value of the debts assumed; if the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. Where the equity securities are issued as merger consideration, the apportioned share of the book value in the final controller's consolidated financial statements on the combination date in accordance with the shareholders' equity shall be the initial investment cost of the long-

term equity investment, and the total par value of the issued shares is taken as the share capital. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued; if the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. Where the equity of combined parties under the same control is obtained through multiple transactions and a business combination under the same control is formed finally, it shall be treated differentially based on whether it is a “package deal”: if it belongs to a “package deal”, all transactions will be treated as a transaction that obtains control. If it is not a “package deal”, the apportioned share of the book value in the final controller's consolidated financial statements on the combination date in accordance with the shareholders' equity shall be the initial investment cost of the long-term equity investment. The capital reserve shall be adjusted subject to the difference between the initial investment cost of the long-term equity investment and the sum of the book value of long-term equity investment before combination date and the book value of the new consideration for the new share on the combination date. If the capital reserve is insufficient for offsetting, the retained earnings shall be adjusted. The equity investments that are held prior to the combination date and are recognized with equity recognized or as available-for-sale financial asset as other comprehensive income will not be given accounting treatment for the moment.

For a long-term equity investment obtained from a combination of businesses not under the same control, the initial investment cost of the long-term equity investment shall be based on the combination cost on the purchase date. The combination cost includes the assets paid by purchaser, the liabilities incurred or assumed, and the sum of the fair value of issued equity securities. Where the equity of combined parties not under the same control is obtained through multiple transactions and a business combination under the same control is formed finally, it shall be treated differentially based on whether it is a “package deal”: if it belongs to a “package deal”, all transactions will be treated as a transaction that obtains control. If it is not a “package deal”, the initial investment cost of the long-term equity investment calculated by the cost method shall be calculated based on the sum of the book value of the equity investment in the original holder and the new investment cost. The original share holding that measured using equity method, the relevant other comprehensive income does temporarily not conduct accounting treatment.

Intermediary expenses such as for auditing, legal services, assessment and other related expenses incurred by a combining party or a purchaser for business combination shall be recognized in current period profit or loss when incurred.

The equity investments other than formed by business combination shall be initially measured at cost. The cost will be determined based on the following amount according to different methods of the acquisition of long-term equity investment: the purchase price in cash actually paid by the Company; the fair value of the equity securities issued by the Company, the value agreed in relevant investment contract or agreement; the fair value or original book value of the assets exchanged in non-monetary asset exchange transaction; the fair value of the long-term equity investment itself. Any expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investments shall also be included in the cost of investment. The cost of long-term equity investment for the additional investment that can exert significant influence on investee or implement joint control but does not constitute control shall be the sum of the fair value of the originally held equity investment recognized in accordance with the *Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments* and the cost for new investment.

(2) Follow-up measurement and confirmation methods for profit and loss

The Equity Method shall be used to account for long-term equity investments that have joint control over the invested entity (except for those constituting joint operators) or have significant impact on the invested entity. In addition, the company's financial statements use the Cost Method to account for long-term equity investments, which can control the long-term equity investment of the investee.

① Long-term equity investment based on Cost Method

When accounting with Cost Method, long-term equity investment is priced at the initial investment cost, and the cost of the long-term equity investment is adjusted by adding or recovering the investment. Except for the actual payment at the time of obtaining investment or the cash dividends or profits included in the consideration but not yet issued, the current investment income shall be recognized according to the cash dividends or profits declared by the investee.

② Long-term equity investment accounted for by Equity Method

When accounting with Equity Method, if the initial investment cost of a long-term equity investment is greater than the fair value share of the identifiable net assets of the investee when investing, and the initial investment cost of the long-term equity investment shall not be adjusted; if the initial investment cost is less than the fair value share of the identifiable net assets of the investee when investing, the difference shall be included in the current profit and loss, and the cost of the long-term equity investment shall be adjusted

When accounting with Equity Method, the investment income and other comprehensive income are recognized separately according to the shares of the net profit or loss and other comprehensive income that should be enjoyed or shared, and the book value of the long-term equity investment should be adjusted at the same time. The book value of long-term equity investment is reduced accordingly by calculating the share that should be enjoyed according to the profit or cash dividend declared by the investee. The book value of long-term equity investment shall be adjusted and included in the capital reserve for other changes in the owner's rights and interests of the invested entity other than the net profit and loss, other comprehensive income and profit distribution. When confirming the share of the net profit and loss of the investee, the net profit of the investee shall be adjusted and confirmed on the basis of the fair value of the identifiable assets of the investee at the time of investment. If the accounting policies and periods adopted by the invested entity are inconsistent with the Company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policies and periods of the Company, and the investment income and other comprehensive income shall be confirmed accordingly. For the transactions between the Company and the associates and joint ventures, the assets invested or sold do not constitute a business, and the unrealized gains and losses from internal transactions are offset against the portion of the Company that is attributable to the proportion of the shares, on this basis. investment profit and loss should be confirmed. However, the unrealized internal transaction losses incurred by the Company and the investee are not included in the impairment losses of the transferred assets. Where the assets invested by the Company into a joint venture or an associates constitute a business, if the investor obtains long-term equity investment but does not control, the fair value of the invested business shall be deemed as the initial investment cost of the new long-term equity investment, and the difference between the initial investment cost and the book value of the invested business is fully recognized in the current profits and losses. If the assets

sold by the Company to a joint venture or an associate that constitute a business, the difference between the consideration value obtained and the book value of the business shall be fully recognized in the profits and losses of the current period.

When confirming the net loss that incurred by the investee should be shared, the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment of the investee are reduced to zero. In addition, if the Company has an obligation to bear additional losses to the investee, the estimated liabilities shall be recognized according to the estimated obligations and included in the current investment losses. If the investee achieves net profit in the following period, the Company shall resume recognizing the share of income after making up for the unrecognized share of loss.

For the long-term equity investment in the joint ventures and associates held by the Company for the first time before the implementation of the new accounting standards, if there is a debit balance of equity investments related to the investment, the current profits and losses shall be accounted for by the straight-line amortization of the original remaining period.

### **(3) Acquisition of Minority Equity**

In the preparation of the consolidated financial statements, if the difference between the long-term equity investment added by purchasing minority shares and the net assets share that should be continuously calculated by the subsidiary company from the purchase date (or the consolidation date) is calculated according to the proportion of newly added shares, the retained earnings shall be adjusted; and if the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

### **(4) Disposal of long-term equity investment**

In the consolidated financial statements, the parent company partially of disposes of the long-term equity investment of the subsidiary without losing control, the difference of the corresponding net assets in the subsidiary between the disposal price and the disposal of the long-term equity investment is included in the shareholders' equity. it shall be treated in accordance with the relevant accounting policies described in “Notes on the preparation of consolidated financial statements” in Note III.7 .

For the disposal of long-term equity investment in other cases, the difference between the book value of the disposed equity and the actual acquisition price shall be included in the current profits and losses.

If the long-term equity investment is accounted for by equity method, the remaining equity after disposal is still accounted for by equity method, when disposing, the other comprehensive income which were originally included in shareholder's rights and interests shall be accounted for on the same basis as the assets or liabilities directly disposed of by the investee. The owner's equity recognized as a result of changes in the owner's equity of the investee other than net profit or loss, other comprehensive income and profit distribution, it should be carried forward to the current profit and loss

For the long-term equity investment accounted by Cost Method, the remaining equity is still accounted by Cost Method after disposal, other comprehensive income that recognized by equity method accounting or financial instrument recognition and measurement criteria accounting before obtaining control over the investee shall be accounted for on the same basis as the assets or liabilities directly disposed of by the investee, and shall be settled to the current profit and loss in proportion. Changes of the net assets of investee in the owner's equity other than net profit or loss, other comprehensive income and profit distribution 's that recognized by equity method shall be settled to the current profit and loss in proportion.

Where the Company loses control over the investee due to disposal of part of its equity investment, when preparing individual financial statements, if the remaining equity after disposal can exercise joint control or exert significant influence on the investee, it shall be accounted for by equity method instead, and the remaining equity shall be adjusted by accounting by equity method when it is deemed to be acquired. If the remaining equity after disposal cannot be jointly controlled or exerts significant influence on the investee, it shall be accounted for according to the relevant provisions of the financial instrument recognition and measurement criteria, and the difference between the fair value and the book value on the date of loss of control. It is included in the current profit and loss. Before the Company obtains control over the investee, other comprehensive income recognized by equity method accounting or financial instrument recognition and measurement criteria is used to directly dispose of the relevant assets with the investee, accounting treatment based on the same basis as the investee directly disposes of related assets or liabilities when the control of the investee

is lost, Accounting is treated on the same basis as the liabilities. Changes in the owner's equity other than net profit or loss, other comprehensive income and profit distribution of the investee's net assets recognized by the equity method are carried forward to the current profit or loss when the control of the investee is lost. Among them, the remaining equity after disposal is accounted for using the equity method. Where the remaining equity after disposal is accounted for by equity method, other comprehensive income and other owner's equity should be settled by proportion. If the remaining equity is accounted for using financial instrument recognition and measurement standard, all of other comprehensive income and other shareholder's equity should be settled.

If the Company loses its joint control or significant influence on the investee due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted for according to the financial instrument recognition and measurement criteria, and the difference between the fair value and the book value on the date of loss of joint control or significant influence is recognized in the current profit or loss. The other comprehensive income recognized in the original equity investment by the equity method is accounted for on the same basis as the investee's direct disposal of related assets or liabilities when the equity method is terminated, Owner's equity recognized as a result of changes in other owners' equity other than net profit or loss, other comprehensive income and profit distribution of the investee should be transferred to current investment income when terminating the equity method

The Company disposes of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control. If the above-mentioned transactions are part of a package transaction, the transactions are treated as a transaction dealing with the equity investment of the subsidiary and losing control. The difference between the book value of each long-term equity investment corresponding to the disposal price and the disposal of the equity before loss of control is first recognized as other comprehensive income, and when the control is lost, it is transferred to the current profit and loss of loss of control.

## **16. Investment Property**

Investment Property refers to property held for the purpose of earning rent or capital appreciation, or both, including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, and buildings that have been rented. Investment property is initially measured at cost. The expenses related to

investment property, if the economic benefits related to this asset are highly probable to flow into the company and the cost can be measured reliably, then the expense will account for as the cost of investment property. Other expenses are accounted for in profit and loss when incurred.

The Company adopts the cost model to conduct subsequent measurement of investment property and depreciation or amortization according to the policy consistent with the building or land use rights.

For details of the impairment test method and impairment provision method of property, please refer to Note III. 23 “Long-Term Asset Impairment”.

When the self-use property or inventory is converted into investment property or investment property is converted into self-use property, the book value before conversion is used as the recorded value after conversion.

When the use of investment property is changed to self-use, the investment property is converted into fixed assets or intangible assets from the date of change. When the use of self-use property changes to earn rent or capital appreciation, the fixed assets or intangible assets are converted into investment property from the date of change. In the case of investment property measured by the cost model when the conversion occurs, the book value before conversion is used as the entry value after conversion; if it is converted into investment property measured by the fair value model, the fair value of the conversion date is used as the entry value after conversion.

When an investment real estate is disposed of, or permanently withdrawn from use and is not expected to obtain economic benefits from its disposal, the confirmation of the investment real estate shall be terminated. Disposal income from the sale, transfer, retirement or damage of investment properties is charged to the current profit and loss after deducting its book value and related taxes and fees.

## **17. Fixed Assets**

Confirmation conditions for fixed assets

Fixed Assets refer to tangible assets held for the purpose of producing goods, providing labor services, renting or operating management, and having a service life of more than one fiscal year. Fixed assets are recognized only when the economic benefits associated with them are likely to flow into the Company and their costs can be reliably measured.



Fixed assets are initially measured at cost and taking into account the impact of projected abandonment costs.

Depreciation methods for various types of fixed assets

Fixed assets are depreciated over their useful lives using the straight-line method from the month following the scheduled availability. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

| Category             | Depreciation Method        | Depreciation period (Year) | Net salvage rate(%) | Annual depreciation rate (%) |
|----------------------|----------------------------|----------------------------|---------------------|------------------------------|
| Buildings            | straight-line depreciation | 8-50                       | 5                   | 1.90—11.88                   |
| Machinery equipment  | straight-line depreciation | 5-28                       | 4、5                 | 3.39—19.20                   |
| Transport facility   | straight-line depreciation | 5-10                       | 4、5                 | 9.50—19.20                   |
| Electronic equipment | straight-line depreciation | 3-10                       | 4、5                 | 9.50—32.00                   |
| Office equipment     | straight-line depreciation | 3-10                       | 4、5                 | 9.50—32.00                   |
| Other equipment      | straight-line depreciation | 5-28                       | 4、5                 | 3.39—19.20                   |

The estimated net residual value refers to the expected state after the estimated useful life of the fixed assets has expired and is at the end of its useful life. The amount currently obtained by the Company from the disposal of the assets after deducting the estimated disposal expenses.

Impairment test method and Impairment provision method for fixed assets

For details of Impairment test method and impairment provision method for fixed assets, please refer to Note III. 22 “Long-Term Asset Impairment”.

Recognition basis and valuation method of fixed assets acquired by finance lease

A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and its ownership may or may not be transferred. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the depreciation shall be calculated within the useful life of the leased asset; If it

is not reasonable to determine the ownership of the leased asset at the expiration of the lease term, depreciation shall be calculated within a relatively short period of the lease term and the service life of the leased assets.

#### Others

The subsequent expenses related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and their costs can be reliably measured, are included in the cost of fixed assets and the book value of the replaced part should be terminated. The subsequent expenditures other than mentioned as above are recognized in profit or loss in the period in which they are incurred.

The fixed asset is derecognized when the fixed asset is in disposal or is not expected to generate economic benefits by using or disposal. The difference between the disposal income from the sale, transfer, retirement or damage of the fixed assets less the carrying amount and related taxes is recognized in profit or loss for the current period.

The Company reviews the useful life, estimated net residual value and depreciation method of fixed assets at least at the end of the year, and changes as an accounting estimate if changes occur.

### **18. Construction in progress**

The cost of construction in progress is determined based on actual project expenditure, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the expected usable status, and other related expenses. Construction in progress is carried forward to fixed assets when it is ready for its intended use.

For details of the impairment test method and impairment provision method for construction in progress, please refer to Note III. 22 “Long-Term Asset Impairment”.

### **19. Borrowing Costs**

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of assets eligible for capitalization, capitalization is began when asset expenditures have occurred, borrowing costs have occurred, and the acquisition, construction or production activities necessary to bring the assets to the intended usable or saleable

state have begun. And capitalization is stopped when the assets under construction or production that meet the capitalization conditions are ready for their intended use or saleable status. The remaining borrowing costs are recognized as an expense in the period in which they are incurred.

The interest expenses actually incurred in the current period of special borrowings shall be capitalized after subtracting the interest income from the unused borrowing funds deposited into the bank or the investment income obtained from the temporary investment. For the general borrowings, according to the accumulated asset expenditures exceed the special borrowings. The capitalization amount is determined by multiplying the weighted average of which accumulated asset expenditure exceeds the asset expenditure of the special borrowing portion by the capitalization rate of the general borrowings used. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the exchange differences of foreign currency special borrowings are all capitalized; the exchange differences of foreign currency general borrowings are included in the current profit and loss.

Assets eligible for capitalization refer to assets such as fixed assets, investment property and inventories that require a substantial period of acquisition, construction or production activities to achieve the intended use or sale status.

If the assets eligible for capitalization are interrupted abnormally during the acquisition, construction or production process and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended until the acquisition, construction or production of the assets resumes.

## **20. Right-of-use assets**

Right-of-use assets of the Group mainly consist of buildings, power generation and transmission equipment, plant, machinery and equipment, motor vehicles, furniture and fixtures and others.

### **(1) Initial accountings**

At the commencement date of the lease, the Group recognizes the right to use the leased assets during the lease term as a right-of-use asset, including: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the beginning of the lease term, the amount of lease incentive already enjoyed shall be

deducted if there is a lease incentive; initial direct expenses incurred by the lessee; the costs that the lessee is expected to incur in order to dismantle and remove the leased asset, restore the leased asset to the site or restore the leased asset to the state agreed upon in the lease terms. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The company recognizes and measures the above costs under Item 4 in accordance with the *Accounting Standards for Enterprises No.13–Contingencies*.

(2) Subsequent accounting

The Company accursed the right-of-use assets according to the *Accounting Standards for Enterprises NO.4-Fixed Assets*. Commencement from the date of lease, the Company shall accrue the right-of-use assets. Generally the right-of-use assets are accrued at the start of the lease date, the expenses of depreciation accrued shall include into relevant asset cost or profit and loss in the current period based on the purpose of right-of-use assets. While recognizing the method of right-of-use assets, the Company shall make decisions on the economic benefit of forecast consumption mode related to the right-of-use assets, accrues the deprecation by straight-line method. When the Company recognize the depreciation period of right-of-use assets, maturity of lease period can be determined in a reasonable and well-grounded manner on the acquisition of the right-of-use assets, accursed the deprecation in its remaining service life. If the right-of-use lease assets could not be determined reasonably while the service life is mature, depreciation is applied with the short period of time between the lease term and the remaining useful life of the lease asset.

If there is impaired right-of-use assets, the Company shall accrue the subsequent deprecation based on the book value of right-of-use assets after deducting the loss of impairment.

The Company determined not to recognized the right-of-use assets and lease liabilities on the short-term lease (lease term not exceeding 12 months), and recognizes the relevant lease payment during the respective lease term in the current profit and loss or cost of assets relevant in straight line method. Impairment test method

and the provision method for diminution in value of right-of-use assets are detailed in Note III 23 “Long-Term Asset Impairment”

## **21. Intangible Assets**

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditure related to intangible assets is included in the cost of intangible assets if the relevant economic benefits are likely to flow to the Company and its costs can be measured reliably. However, the intangible assets acquired through business combination not involving enterprises under common control should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

The acquired land use rights are usually accounted for as intangible assets. The related land use rights and building construction costs of self-developed and constructed buildings are accounted for as intangible assets and fixed assets, respectively. In the case of purchased houses and buildings, the relevant price is distributed between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them are treated as fixed assets.

(1) Basis for determining the service life, the estimate thereof, and amortization methods and the procedures for reviewing their service life

When recognizing the service life of the intangible assets, being sourced from any contractual right or other statutory rights, its service life shall not exceed the life of contractual rights or other statutory rights. As for the intangible assets not specified either under the contract or legal regulations, the company combined various situations, such as employing relevant professional persons to undergo the justification or make comparison with the situation of the same industry and the historical experience of the Company, determining the future economic benefit service life which is brought by the intangible assets. If the efforts are made, but could not recognized reasonably that the intangible asset shall bring the economic benefit service life for the Company, then shall treat this as uncertain service life of the intangible asset.

Since the intangible assets with limited useful life are available for use, the original value minus the estimated net residual value and the accumulated amount of

impairment reserve shall be amortized by the straight-line method during their expected service life. Intangible assets with uncertain service life shall not be amortized.

Among them, the useful life and amortization method of intellectual property are as follows:

| Item            | Amortization period<br>(year) | Amortization method  |
|-----------------|-------------------------------|----------------------|
| Trademark       | 20                            | Straight-line method |
| Software        | 3-10                          | Straight-line method |
| Land-use rights | 50                            | Straight-line method |

At the end of the period, the useful life and amortization methods of intangible assets with limited useful life are reviewed, and if any change occurs, it is treated as a change of accounting estimate. In addition, the useful life of intangible assets with uncertain service life is also reviewed. If there is evidence that the period for which the intangible assets bring economic benefits to the enterprise is foreseeable, the useful life of intangible assets is estimated and amortized according to the amortization policy of intangible assets with limited useful life

## (2) Research and development expenditure

The company's expenditure for internal research and development project is divided into research phase expenditure and development phase expenditure.

Expenditures for the research phase shall be recognized in profit or loss when incurred.

Expenditures for the development phase that meet the following conditions shall be recognized as intangible assets, and expenditures in the development stage that fail to meet the following conditions are included in current profit and loss:

- It is technically feasible to complete the intangible asset to enable it to be used or sold.
- The intent to complete the intangible asset and use or sell it;
- The way in which intangible assets generate economic benefits, including the ability to prove that the products produced from the intangible assets having a market or the intangible assets having a market, and the intangible assets will be used internally, which can prove its usefulness;
- sufficient technical, financial resources and other resources for supporting the development of the intangible assets and the ability to use or sell the intangible assets.
- Expenditure attributable to the development phase of the intangible asset can be reliably measured.

If it is impossible to distinguish the expenditures between research phase and development phase, all research and development expenditures incurred will be included in the current profit and loss.

(3) Impairment test method and Impairment provision method for intangible assets

For details of the impairment test method and impairment provision method, please refer to Note III. 22 “Long-Term Asset Impairment”.

## **22. Long-term assets impairment**

For fixed assets, construction in progress, intangible assets with limited useful life, investment property measured by cost model, and non-current non-financial assets such as long-term equity investments in subsidiaries, joint ventures and associates, the Company determines whether there is any indication of impairment on the balance sheet date. If there is any indication of impairment, the recoverable amount is estimated and the impairment test is carried out. Goodwill, intangible assets with uncertain service life and intangible assets that not yet ready for use are tested for impairment annually, regardless of whether there is any indication of impairment.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its book value, the impairment provision is made based on the difference and is included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less the disposal expense and the present value of the estimated future cash flow of the asset. The fair value of assets is determined according to the sale agreement price in a fair transaction. If there is no sales agreement but there is an active market for the asset, the fair value is determined according to the buyer's bid for the asset; if there is neither sales agreement nor active market for assets, the fair value of assets shall be estimated based on the best information available. Asset disposal expenses include legal fee, taxes, transportation expenses and direct expenses incurred to make assets saleable. The present value of the estimated future cash flow of an asset is determined by the appropriate discount rate discounting and the estimated future cash flow generated by the asset during its continuous use and final disposal. The asset impairment provision is calculated and confirmed based on individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset is determined by the asset group which the asset belongs to. An asset group is the smallest portfolio of assets that can generate cash inflows independently.

The book value of the goodwill listed separately in the financial statements is amortized into asset groups or portfolios that are expected to benefit from the synergies of business combinations when impairment tests are conducted. The test results show that the recoverable amount of the asset group or portfolio containing the assessed goodwill is lower than its book value, the corresponding impairment losses should be confirmed. The amount of impairment loss is first deducted from the book value of the goodwill amortized to the asset group or portfolio, and then deducted proportionally from the book value of other assets according to the proportion of the book value of assets other than goodwill in the asset group or portfolio.

Once the above asset impairment loss is confirmed, it will not be reversed to the part where the value is restored in the future period.

### **23. Long-term Deferred Expenses**

The long-term deferred expenses are all expenses that have occurred but shall be borne by the reporting period and subsequent periods with amortization period of more than one year. The company's long-term deferred expenses mainly include lease of land use right and renovation costs of factory building. Long-term deferred expenses are amortized on a straight-line basis over the estimated benefit period. If the long-term amortized expense item cannot benefit the company in subsequent accounting periods, the amortized value of the item that has not yet been amortized will be transferred to the current profit or loss.

### **24. Employee Compensation**

The Company's employee compensation mainly includes short-term employee remuneration, Post-employment Benefits, Termination Benefits and benefits for other long-term employee. Among them:

Short-term employees remuneration mainly includes wages, bonuses, allowances and subsidies, employee welfare fees, medical insurance premiums, maternity insurance premiums, work injury insurance premiums, housing fund, labor union funds, employee education funds, and non-monetary benefits. The Company recognizes the actual short-term employee's remuneration as a liability in the accounting period in which employees provide services to the Company and recognizes them in profit or loss or related asset costs. Non-monetary benefits are measured at fair value.

Post-employment Benefits mainly include basic retirement security, unemployment insurance, and annuities. The Post-employment Benefit Scheme includes a Defined



Contribution Plan and a Defined Benefit Plan. If a Defined Contribution Plan is adopted, the corresponding amount of the deposit shall be included in the relevant asset cost or current profit and loss as incurred. (1) The Defined Contribution Plan is recognized as a liability based on a fixed fee paid to an independent fund and is included in the current profit and loss or related asset costs; (2) The Defined Benefit Plan is accounted for using the expected cumulative benefits unit method. Specifically, the Company will convert the welfare obligation arising from the Defined Benefit Plan into the final value of the departure time according to the formula determined by the expected cumulative benefits unit method; then it is attributed to the employee's in-service period and is included in the current profit and loss or related asset cost.

If the labor relationship with the employee is terminated before the employee's labor contract expires, or if the employee is encouraged to accept the reduction voluntarily, when cannot withdrawing unilaterally the dismissal benefits provided by the termination of the labor relationship plan or the reduction proposal, and when confirming the costs associated with the restructuring involving the payment of the dismissal benefits, whichever is earlier, the Company will recognize the employee compensation liabilities arising from the dismissal benefits, and included in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid within 12 months after the end of annual reporting period, they shall be treated in accordance with other long-term employee compensations.

The internal retirement plan for employees shall be treated in the same way as the above-mentioned dismissal benefits. The company will pay the internal retired staff the salary and the social insurance premiums from the employee's lay-off to normal retirement, and will include in the current profit and loss (dismissal benefits) when the conditions of the estimated liabilities are met.

If the other long-term employee benefits provided by the Company to the employees are in line with the Defined Contribution Plan, they shall be accounted for Defined Contribution Plan, and otherwise accounted for the Defined Benefit Plan.

## **25. Estimated liabilities**

When the obligations related to the contingencies meet the following conditions, they are recognized as contingent liabilities: (1) The obligation is the present obligation assumed by the Company; (2) The performance of this obligation is likely to result in

the outflow of economic benefits; (3) The amount of the obligation can be reliably measured.

On the balance sheet date, taking into account factors such as risks, uncertainties and time value of money related to contingencies, the estimated liabilities are measured in accordance with the best estimate of the expenditure required to perform the relevant current obligations.

If all or part of the expenses required to discharge the estimated liabilities are expected to be compensated by the third party, the compensation amount will be separately recognized as an asset when it is basically determined to be received, and the confirmed compensation amount does not exceed the book value of the estimated liabilities.

#### **(1) Loss Contract**

A loss contract is a contract in which the cost of fulfilling a contractual obligation will inevitably occur more than the expected economic benefit. If the contract to be executed becomes a loss contract, and the obligation arising from the loss contract satisfies the conditions for the recognition of the above-mentioned estimated liabilities, the portion of the contract's estimated loss that exceeds the recognized impairment loss (if any) of the contracted asset is recognized as the estimated liability.

#### **(2) Restructuring Obligations**

For restructuring plans that are detailed, formal, and have been announced to the public, the amount of the estimated liabilities are determined based on the direct expenses related to the reorganization, subject to the recognition conditions of the aforementioned estimated liabilities. For the restructuring obligation to the part of business sold, the obligation related to the reorganization is confirmed only when the company promises to sell part of the business (that is, when the binding sale agreement is signed).

## **26. Share-based Payments**

### **(1) Accounting Treatment of Share-based Payments**

A share-based payment is a transaction that grants an equity instrument or assumes a liability determined based on an equity instrument in order to obtain services from employees or other parties. Share-based Payments include equity-settled share payment and cash-settled share payment.

#### **① Equity-settled Share Payment**

The equity-settled share payment in exchange for the services from employee is measured at the fair value of the granting of employees' equity instruments at the grant date. If the fair value is vested in the completion of the waiting period of service or the fulfillment of the required performance conditions, during the waiting period, the amount of the fair value is calculated by the straight-line method into the relevant costs or expenses based on the best estimate of the number of vesting equity instruments; Or If the vesting right is granted immediately after the grant, the calculation of the amount of the fair value is included in the relevant cost or expense on the grant date, and the capital reserve is increased accordingly.

On each balance sheet date during the waiting period, the Company makes the best estimate based on the latest information on the changes in the number of employees with vesting rights and corrects the number of equity instruments that are expected to be vested. The impact of the above estimates shall be included in the current related costs or expenses, and the capital reserve is adjusted accordingly.

In the case of equity-settled share-based payments in exchange for other parties' services, if the fair value of other parties' services can be reliably measured, the fair value of other services shall be measured at the fair value on the date of acquisition; If the fair value of the other party's services cannot be measured reliably, the fair value shall be measured at the fair value of the equity instrument at the date the service is acquired, and is included in the relevant cost or expense, which increases the shareholders' equity accordingly.

## ② Cash-settled Share Payment

The cash-settled share payment is measured at the fair value of the liabilities determined by the Company based on shares or other equity instruments. If the vesting right is available immediately after the grant, the relevant costs or expenses shall be included on the date of grant, and the liabilities shall be increased accordingly; if vesting right is available after the service is completed within the waiting period or met the required performance conditions, based on the best estimate of the vesting rights on each balance sheet date of the waiting period, according to the fair value of the liabilities assumed by the company, the services obtained in the current period are included in the cost or expense, and the liabilities are increased accordingly.

The fair value of the liabilities shall be re-measured on each balance sheet date and settlement date before the settlement of the relevant liabilities, and the changes shall be recorded in the profit and loss of the current period.

**(2) Relevant Accounting Treatment of share-based payment plan's modification and termination**

When the Company modifies the share-based payment plan, if the modification increases the fair value of the equity instruments granted, the increase in the fair value of the equity instruments is recognized accordingly. The increase in the fair value of equity instruments refers to the difference between the fair value of the equity instruments before and after the modification. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not conducive to the employee, the service obtained shall continue to be accounted for, as if the change has never occurred, unless the Company cancels some or all of equity instruments.

During the waiting period, if the granted equity instrument is cancelled, the Company will cancel the granted equity instrument as an accelerated exercise, and the amount to be recognized in the remaining waiting period will be immediately included in the current profit and loss, and the capital reserve will be recognized. If the employee or other party can choose to meet the non-vesting conditions but fails to meet the waiting period, the Company will treat it as a cancellation of the equity instrument.

**(3) Accounting Treatment of Share Payment Transactions between the Company and its Shareholders or Actual Controllers**

In respect of the share-based payment transaction between the company and the shareholders or actual controllers of the company, If one of the settlement enterprise and the service receiving enterprise is in the company and the other is outside the company, it shall be accounted for in the consolidated financial statements of the company according to the following provisions:

① If the settlement enterprise settles with its own equity instrument, the share-based payment transaction shall be treated as equity-settled share-based payment; otherwise, it shall be treated as a cash-settled share-based payment.

If the settlement enterprise is an investor of a serviced enterprise, it shall be recognized as the long-term equity investment of the serviced enterprise according to the fair value of the equity instrument at the grant date or the fair value of the liability to be assumed, and the capital reserve (other capital reserve) or liabilities shall be recognized.

② If the serviced enterprise has no settlement obligation or grants its own employees the equity instruments, the share payment transaction shall be treated as equity-settled share payment; if the serviced enterprise has settlement obligation and grants its employees other than its own equity instruments, the share payment transaction shall be treated as a cash-settled share payment.

For the share based payment incurred between companies within the group, if the serviced enterprise and settlement enterprise are not the same, then the payment should be recognized and measured in their individual financial statements, they should be accounted for using the above principles

## **27. Revenue**

The term “revenue” refers to the gross inflow of economic benefits arising in the course of the ordinary activities of an enterprise, which may increase of the shareholder's equities and is irrelevant to the capital of the shareholder. When the company signs a contract, it evaluates the contract, identifies the individual performance obligations contained in the contract, and determines whether the individual performance obligations are performed within a certain period of time or at a certain point of time. When the company has fulfilled all the performance obligations in the contract, the revenue shall be recognized respectively according to the transaction price apportioned to the performance obligations. A contract with a customer generally explicitly states the goods or services that an entity promises to transfer to a customer. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Generally, the company recognizes the revenue from the sales of goods based on the transaction price apportioned to the single performance obligation when the customer obtains the control right of the relevant goods on the basis of comprehensively considering the following factors: the company has the right to receive payment in respect of the goods or services currently, that is, the customer has the obligation to pay for the goods currently; 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 physical goods of the commodity to the Customer or the Customer has obtained the qualification of physical goods right of the commodity. The consideration obtained by the Company in respect of the transfer of the commodity is

likely to be recovered; Other indications that the customer has taken control of the commodity.

For the performance obligations performed in a certain period of time, such as the services provided, the company adopts the input method to determine the appropriate performance progress, and recognizes the revenue according to the performance progress in that period of time. On the balance sheet date, the company shall recognize the current income according to the total transaction price of the contract multiplied by the progress of performance minus the accumulated recognized income. If one of the following conditions is satisfied, it is regarded as the performance obligation performed during a certain period of time: the Customer obtains and consumes the economic benefits arising from the performance of the Company at the same time of the performance of the Company; Customers can control the goods under construction during the performance of the contract; The products produced by the Company during the performance of the Contract are of irreplaceable use, and the Company shall be entitled to receive payment for the accumulated part of the completed performance so far during the whole term of the Contract. Otherwise, the Company recognizes revenue at the point when the Customer acquires control of the relevant goods or services.

Where the contract contains two or more performance obligations, an entity shall, on the commencement date of the contract, allocate the transaction price to each performance obligation identified in the contract on a relative standalone selling price basis. Except when an entity has observable evidence that the entire discount relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate a discount proportionately to all performance obligations in the contract. Stand-alone selling price refers to the price of the goods or services sold by the Company to the customer separately. If the stand-alone selling price cannot be directly observed, the Company shall take into account all relevant information reasonably available and estimate the stand-alone selling price by observable input values to the maximum extent

As for the sales with quality guarantee, except for it guarantees the product on sale of service meets the designated standards to the customer, providing a single separate service, this quality guaranteed composes the single performance obligation. Otherwise, the Company shall treat the accounting method on quality guarantee obligations in accordance with the Enterprise Accounting Standards No.13- Contingencies.

If the contract comprised of significant financing elements, the Company shall recognizes the amount of payables in cash to determine the trading price based on the assumption that the customer obtains the products or service control rights. The difference between the price stipulated in the contract or agreement and its contract consideration shall be amortized within the period of the contract or agreement. through the real interest method. As a practical expedient, an entity need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company justifies the trading identity is the major responsible person or on behalf based on whether it has the control right to the product or the service before transferring the products or service to the customer. As the major responsible person of the Company, shall recognizes the revenue based on the total consideration of the amount received or receivable. Otherwise, as the agent of the Company, shall recognizes the revenue based on the expected right of obtaining the commission or service charge, which is calculated as the total consideration on the amount received or receivable deducting the net amount payable to other related parties or recognizes on the amount of commission or proportion etc.

The Company received the amount of products sales or service in advance, shall recognizes it as liabilities in the first, then accounted as revenue upon fulfilling relevant performance obligations.

The Company has transferred the products or service to its clients and has rights to obtain the considerations (and this rights is obliged to other elements of passing time) listed as the contractual assets. Contractual assets are accrued the devaluation provision based on the expected credit loss. The Company has the unconditional rights (only depends on the passing of time) to its customer for obtaining the considerations, listed as item receivables. The consideration of amount received or receivable, which is obtained to its customer, shall transfer product or service obligation to them, listed as contractual liabilities.

The detailed accounting policies related to the major activities of obtaining the revenue of the Company

(1) Sales processing

The production and processing sales comprise mainly of sales of oils and oilseeds, food etc. The Company recognized the sales revenue when the amounts received or identification obtained upon sales, which has been submitted and signed by the customer.

## **(2) Trading Revenue**

If the Company obtained the product control rights from the third party and transferred to the client, assumed the significant obligations under the transaction of transferring the products to the client. i.e. inventory risk, and has rights to determine the price of the products oneself. The identity of the Company under the transaction is the major responsible person, recognizing the trading revenue based on the expected rights for obtaining the total consideration stipulated on the contract. The Company made commitment to arrange others to provide specific products, but has no control rights on this before providing the specific products to clients. The identity of the Company under the transaction is agent, recognizing the revenue on the commission obtained or service amount for arranging others to provide the specific products to clients.

## **28. Contract costs**

Contract cost comprises contract performance cost and contract acquisition cost.

The cost incurred by the company for the performance of the contract, which does not fall within the scope of other accounting standards for business enterprises other than the income standard and meets the following conditions at the same time, is recognized as an asset as the contract performance cost:

- (1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by the customer and other costs incurred solely as a result of the contract;
- (2) The cost increases the company's resources for fulfilling its performance obligations in the future;
- (3) The cost is expected to be recovered.

The assets are presented in inventory or other non-current assets according to whether the amortization period has exceeded one normal operating cycle at the time of its initial recognition.



If the incremental cost incurred by the company to obtain the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost. Incremental cost refers to the cost that will not occur if the company does not obtain the contract.

The assets related to the contract cost mentioned above shall be amortized at the time of performance of the obligation or according to the performance progress on the same basis as the income recognition of the commodity or service related to the asset and shall be recorded into the current profit and loss.

If the book value of the above assets related to the contract cost is higher than the difference between the residual consideration expected to be obtained by the company due to the transfer of the goods related to the assets and the estimated cost to be incurred for the transfer of the relevant goods, the excess part shall be set aside as an impairment provision and recognized as an impairment loss of the asset.

## **29. Government grants**

Government grant refers to the company's acquisition of monetary and non-monetary assets from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's rights and interests. Government grants include assets-related grants and revenue-related grants. The company defines the government grant obtained for the purchase and construction of long-term assets or for the formation of long-term assets in other ways as the government grant related to assets; the remaining government grant is defined as the government grant related to income. If the object of grants is not specified in government documents, the grants shall be divided into income-related government grants and assets-related government grants in the following ways: (1) If the government document clarifies the specific project for which the grant is targeted, the proportion of the expenditure amount of the assets to be formed and the amount of the expenditures included in the expenses in the budget of the specific project are divided, and the proportion of grant division needs to be reviewed on each balance sheet day and changed if necessary. (2) In government documents, if the purpose is expressed only in general terms and no specific project is specified, the grant shall be regarded as a government grant related to the income. Where a government grant is a monetary asset, it shall be measured according to the amount received or receivable. If the government grants are non-monetary assets, they shall be measured at the fair value; if the fair value cannot be obtained reliably, they shall be measured at the nominal amount.

Government grants measured in nominal amounts shall be recognized directly in current profits and losses.

The Company usually confirms and measures the government grant according to the amount when it is actually received. However, if there is conclusive evidence at the end of the period that the relevant conditions stipulated in the financial support policy can be met and the financial support funds are expected to be received, it shall be measured according to the amount receivable. Government grants measured in accordance with the amount receivable shall meet the following conditions at the same time: (1) The amount of the subvention receivable has been confirmed by the authorized government departments, or can be reasonably calculated according to the relevant provisions of the formally issued financial fund management measures, and there is no significant uncertainty in the amount expected; (2) According to the "Regulations on the Openness of Government Information" that the local financial department officially released and in accordance with the provisions of the "Regulations on the Openness of Government Information," the financial support project and its financial fund management measures should be inclusive (any eligible enterprise can apply for them), rather than being specifically tailored to specific companies; (3) The relevant grant approval has clearly promised the payment period, and the allocation of the payment is guaranteed by the corresponding budget, so it can be reasonably ensure that it can be received within the prescribed time limit; (4) Other relevant conditions (if any) to be met in accordance with the specific circumstances of the Company and the grants.

Government grants related to assets are recognized as deferred earnings and are divided into current profits and losses in a reasonable and systematic way during the service life of the assets concerned. The government grants related to revenue, which are used to compensate for the related cost or loss in the subsequent period, shall be recognized as deferred income, and shall be recognized in profit or loss in the period in which the related costs or losses are recognized; if it is used to compensate the related costs or losses that has occurred, it shall be directly recognized in the current profit and loss.

It includes government grants related to both assets and income, and different parts are separately classified for accounting treatment; if it is difficult to distinguish, the whole is classified as government grants related to income.

Government grants related to the daily activities of the Company shall be included in other income or cost deductions according to the nature of the economic business;

government subsidies unrelated to daily activities shall be included in the non-operating revenues and expenses.

When the recognized government grants need to be returned, if there are relevant deferred earnings balances, the book balance of related deferred earnings shall be deducted, and the excess part shall be included in the current profits and losses or the book value of assets shall be adjusted, otherwise, the book value of assets shall be directly included in the current profits and losses.

The company will obtain preferential policy loans discount in accordance with the finance will be allocated to the loan bank discount funds and the finance will be directly allocated to the company discount funds in two cases:

(1) If the finance department allocates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the policy preferential interest rate, the Company chooses to conduct accounting treatment according to the following methods: the loan amount actually received shall be taken as the entry value of the loan, and the relevant borrowing costs shall be calculated in accordance with the loan principal and the policy preferential interest rate.

(2) If the finance allocates the discount funds directly to the company, the company will offset the corresponding discount against the relevant borrowing costs.

### **30. Deferred tax assets/deferred tax liabilities**

#### **(1) Current Income Tax**

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured by the expected amount of income tax payable (or returned) in accordance with the provisions of the Tax Law. The amount of taxable income on which current income tax expenses are calculated is based on the corresponding adjustment of pre-tax accounting profits in the reporting period in accordance with the relevant tax laws.

#### **(2) Deferred Income Tax Assets and Deferred Income Tax Liabilities**

The difference between the book value of certain assets and liabilities and their tax basis, and the temporary difference between the book value of items that are not recognized as assets and liabilities but which can be determined as their tax basis according to the tax law, are confirmed by the balance sheet liability method.

Taxable temporary differences which related to the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the Company is able to control the turnaround time of temporary differences, and the temporary difference is unlikely to be reversed in the foreseeable future, the related deferred income tax liabilities shall not be recognized. Except for the above exceptions, the Company recognizes all other deferred income tax liabilities arising from taxable temporary differences.

Taxable temporary differences which related to the initial recognition of an asset or liability arising from a transaction that is neither a business combination nor an accounting profit or taxable income (or deductible loss), relevant deferred income tax liabilities shall not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the temporary difference is unlikely to be reversed in the foreseeable future, or the amount of taxable income used to offset the temporary difference is unlikely to be obtained in the future, the deferred income tax assets concerned shall not be recognized. Except for the above exceptions, the Company recognizes other deferred income tax assets that can offset temporary differences, subject to the amount of taxable income that is likely to be obtained to offset temporary differences.

For deductible losses and tax credits that can be carried forward in subsequent years, the corresponding deferred income tax assets are recognized to the extent that it is probable that the future taxable income shall be used to offset the deductible losses and tax credits.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rates in the period in which the related assets are recovered or the related liabilities are recovered in accordance with the tax laws.

On the balance sheet date, the book value of deferred income tax assets is reviewed. and the book value of deferred income tax assets is written down if it is likely that sufficient taxable income will not be available to offset the benefits of deferred income

tax assets in the future. When it is possible to obtain sufficient taxable income, the amount written down shall be reversed.

### **(3) Income tax expenses**

Income tax expenses include current income tax and deferred income tax.

In addition to recognizing that the current income tax and deferred income tax related to other transactions and matters directly included in shareholder's rights and interests shall be recognized in other comprehensive income or shareholder's rights and interests, and the book value of adjusted goodwill from deferred income tax resulting from the merger of enterprises, the other current income tax and deferred income tax expenses or gains shall be recognized in profit or loss for the current period.

### **(4) Offset of Income Tax**

When the company has legal rights to settle on a net basis, and intends to settle on a net basis or acquire assets and pay off liabilities at the same time, the company's current income tax assets and current income tax liabilities shall be presented on a net basis after the offset.

When it has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same tax payer or to different tax payers, but in the future, during each important period of deferred income tax assets and liabilities being reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis, or acquire assets and pay off liabilities simultaneously, the deferred the income tax assets and deferred income tax liabilities of the Company shall be presented on a net basis after offset.

## **31. Leasing**

On the commencement date of a contract, an enterprise shall assess whether the contract is a lease or includes a lease. Where a party to a contract transfers the right to control the use of one or more identified assets for a certain period of time in return for consideration, the contract is a lease or includes a lease. To determine whether the right to control the use of identified assets within a certain period of time under a contract has been transferred, an enterprise shall assess whether a client in the contract has the right to use almost all of the economic benefits arising from the use of the identified

assets during the period of use, and has the right to dominate the use of identified assets during this period of use.

Where a contract concurrently contains multiple separate leases, the lessee and lessor shall split the contract and conduct accounting treatment respectively for all separate leases.

Where the following conditions are concurrently met, use of the rights of identified assets shall constitute a separate lease in a contract:

①A lessee may earn profits from separate use of the assets or joint use with other resources readily available.

②There is no high dependence or high correlation between the assets and other assets in the contract.

Where a contract concurrently includes both leased and non-leased parts, the Company, as the lessee and lessor, shall split the leased and non-leased parts to conduct accounting treatment.

(1) The Company records operating lease business as a lessee.

The main types of leased assets of the company include houses and buildings, transportation equipment and land use rights etc.

1) Initial measurement

At the beginning of the lease period, the Company recognizes its right to use the leased assets during the lease period as a right-of-use asset, recognition of the present value of outstanding lease payments as lease liabilities, except short-term and low-value asset leases. In calculating the present value of the lease payment, the Company uses the interest rate included in the lease as the discount rate. Where the interest rate included in the lease cannot be determined, the Company uses the incremental borrowing rate as the discount rate

The lease period is the irrevocable period during which the Company is entitled to use the lease assets. Where the Company has the option to renew the lease, that is, the right to choose to renew the lease of the asset, and reasonably determines that the option will be exercised, The lease period also includes the period covered by the lease renewal option. The Company has the option to terminate the lease, that is, the right to terminate the lease of the asset, Provided that it is reasonably determined that the option will not

be exercised, the lease period includes the period covered by the option to terminate the lease. Where a material event or change within the control of the Company occurs and affects whether the Company reasonably determines that the appropriate option will be exercised... The Company will determine to exercise the option of renewing the lease, re-evaluation of the option to purchase or not to exercise the option to terminate the lease on its reasonability.

## **2) Subsequent measurement**

The Company adopts the straight-line method to depreciate the right to use assets. Where it is reasonable to determine that the leased assets are to be owned upon expiry of the lease term, the Company shall calculate the leased assets within the remaining useful life of the leased assets. If the ownership of the leased assets upon expiry of the lease term is unable to be reasonably determined, the Company shall accrue depreciation within a short period of time between the lease term and the remaining useful life of the leased assets. The interest expenses of the lease liabilities for each period of the lease term at the discount rate is recognized by the Company and shall be included into the current profit or loss. Variable lease payments that are not included in the leasehold liability measure are included in the current profit and loss at the time of actual incurrence.

After commencement of the lease period, when there is a change in the amount of substantial fixed payments and the amount due to which the guarantee balance is expected, changes in indices or ratios used to determine rental payments, where the assessment of purchase options, the renewal option or termination option or actual exercise of the option changes, the Company re-measures the lease liabilities according to the present value of the change in lease payments, and adjust the book value of the right to use assets accordingly. If the book value of the right to use assets has been reduced to zero, but the lease liability still needs to be further reduced, the Company will record the remaining amount in the current profit or loss.

## **3) Lease change**

Lease modification refers to the modification of the lease scope, lease consideration and lease term beyond the terms of the original contract, including increasing or terminating the right to use one or more leased assets, extending or shortening the lease term specified in the contract, etc.

If the lease changes and the following conditions are met, the Company will account for the lease change as a separate lease:

- ① The lease change expands the scope of the lease by adding the right to use one or more leased assets;
- ② The increased consideration is equivalent to the separate price for the extended portion of the lease, adjusted for the circumstances of the contract.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company redetermines the lease term and discounts the changed lease payment at the revised discount rate to remeasure the lease liability. In calculating the present value of the lease payment after the change, the Company uses the inherent interest rate of the lease during the remaining lease term as the discount rate; If the inherent interest rate of the lease for the remaining lease term cannot be determined, the Company's incremental borrowing rate on the effective date of the lease change shall be used as the discount rate.

The Company accounts for the impact of the above adjustment of lease liabilities in the following cases:

① If the lease change results in the reduction of the lease scope or the shortening of the lease term, the Company shall reduce the book value of the right of use assets to reflect the partial or complete termination of the lease. The Company recognises gains or losses related to partial or complete termination of the lease in profit or loss for the current period.

② For other lease changes, the company shall adjust the book value of the right to use assets accordingly

4) Short-term leases and leases of low value assets

The Company will consider a lease for a period not exceeding 12 months and excluding a purchase option as a short-term lease on the commencement date of the lease term; A lease with a lower value when a single leased asset is a new asset is identified as a low-value asset lease. Where the Company subleases or intends to sublease leased assets, the original lease is not deemed to be a low-value asset lease. The relevant asset cost or current profit or loss is recognised on a straight-line basis during each period of the lease term, and the contingent rent is recognised in current profit or loss when actually incurred



(2) The company records operating lease business as a lessor

The lease commencement date essentially transfers almost all the risks and rewards associated with the ownership of the leased asset to finance leases, and all other leases are operating leases

1) Operating lease

The rental income of operating lease shall be recognized as current profit and loss according to the straight-line method during each period of the lease period. The larger initial direct expenses are capitalized when occurring, and the profits and losses of the current period shall be recorded in stages on the same basis as the recognized rental income during the whole lease period; the smaller initial direct expenses shall be recorded in the profits and losses of the current period when occurring. Contingent rentals shall be included in current profits and losses when actually occurring.

2) Finance lease

At the beginning date of the lease term, the Company recognizes the financial lease payment receivable for the financial lease and terminates the recognition of the financial lease assets. When the Company makes the initial measurement of the financial lease receivable, the net lease investment is taken as the recorded value of the financial lease receivable. The net lease investment is the sum of the unsecured balance and the present value of the lease proceeds not yet received at the commencement date of the lease term, discounted at the intrinsic interest rate of the lease. The Company calculates and recognizes interest income for each period of the lease term based on the inherent interest rate of the lease.

The Company presents financial lease receivables as long-term receivables, and financial lease receivables received within one year (including one year) from the balance sheet date are presented as non-current assets maturing within one year.

## **32. . Other important accounting policies and accounting estimates**

(1) Hedge accounting

In order to avoid some risks, the Company hedges some financial instruments as hedging instruments. For the hedges meeting the specified conditions, the Company adopts the hedge accounting method for treatment. The hedging of the Company is fair value hedging.

At the beginning of hedging, the Company formally designates hedging instruments and hedged items, and prepares written documents on hedging relationship and risk management strategy and risk management objectives of the Company engaged in hedging. In addition, the Company will continuously evaluate the effectiveness of hedging at the beginning and after the hedging.

(2) Fair value hedging

If a hedging instrument is designated as a fair value hedge and meets the conditions, the profits or losses arising therefrom shall be included into the current profits and losses. If the hedging instrument hedges the non-trading equity instrument investment (or its components) that is measured at fair value and whose changes are included in other comprehensive income, the gains and losses generated by the hedging instrument are included in other comprehensive income. The profit or loss of the hedged item due to the hedged risk exposure shall be included into the current profits and losses, and the book value of the hedged item shall be adjusted at the same time. If the hedged item is measured at fair value, the gain or loss of the hedged item due to the hedged risk does not need to adjust the book value of the hedged item, and the relevant gains and losses are included into the current profits and losses or other comprehensive income.

When the Company cancels the designation of the hedging relationship, the hedging instrument has expired or been sold, the contract has been terminated or exercised, or no longer meets the conditions for the application of hedge accounting, the application of hedge accounting shall be terminated.

### 33. Changes in Significant Accounting Policies and Accounting Estimates

The Company did not have any significant changes in accounting policies and accounting estimates during the reporting period.

## IV. Taxes

### 1. Major types of taxes and tax rates

| Taxes | Tax basis  | Tax rate               |
|-------|--|------------------------|
| VAT   | The difference between the income from the sale of goods, taxable services and taxable | 1%、3%、5%、6%、9%、10%、13% |

| Taxes                              | Tax basis  | Tax rate        |
|------------------------------------|--|-----------------|
|                                    | services calculated in accordance with the provisions of the tax law is taxable value-added tax after deducting the input tax allowed to be deducted in the current period |                 |
| Urban Maintenance Construction Tax | It is calculated and levied according to the actual VAT paid   | 7%、5%           |
| Educational fee surcharge          | It is calculated and levied according to the actual VAT paid   | 3%              |
| Local Education Add-on             | It is calculated and levied according to the actual VAT paid   | 2%              |
| Corporate income tax               | According to the taxable income  | 25%、20%、17%、15% |
| Property tax                       | 70% of the original value of the property is the tax basis, and 30% is deducted according to the original value of the property; Rental income is used as the tax basis    | 12%、1.2%        |

If there are taxpayers with different enterprise income tax rates, the disclosure shall be explained:

| Name of the taxpayer  | Income tax rate |
|---|-----------------|
| Hangzhou Lin'an Chunmanyuan Agricultural Development Co., Ltd<br>Jingliang (Beijing) Food Marketing Management Co., Ltd | 20%             |
| Jingliang (Singapore) International Trade Co., Ltd  | 17%             |
| Beijing Guchuan Bread Food Co., Ltd   | 15%             |

## 2. Tax incentives

Beijing Guchuan Bread & Food Co., Ltd., a third-level subsidiary of the Company, is a high-tech enterprise, which enjoys the preferential tax policy of paying enterprise income tax at a rate of 15% in accordance with the relevant provisions of the Law of the People's Republic of China on the Administration of Tax Collection and Collection

and the Detailed Rules for the Implementation of the Law of the People's Republic of China on the Administration of Tax Collection, and the certificate number of the high-tech enterprise is GR202411003833, which is valid until October 29, 2027. According to Announcement No. 43 of 2023 of the Ministry of Finance and the State Administration of Taxation on the VAT Plus Deduction Policy for Advanced Manufacturing Enterprises, from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct the VAT payable by adding 5% of the deductible input tax in the current period.

The company's third-level subsidiary, Jingliang (Singapore) International Trade Co., Ltd., is taxed according to the territorial principle. Based on Singapore's tax exemption policy, the company is eligible for the following tax exemptions:

1. The first SGD 10,000 of taxable income is exempted by SGD 7,500. For the portion of taxable income between SGD 10,001 and SGD 200,000, a 95% exemption is granted. The portion exceeding SGD 200,000 is not eligible for exemption. The company will pay income tax at a 17% rate based on the taxable income after applying the exemptions.
2. For the 2024 Year of Assessment (YA), all taxable companies (regardless of whether they are tax residents) will receive a rebate equivalent to 50% of the corporate tax payable, with a total rebate amount of SGD 40,000.

Zhejiang Little Prince Food Co., Ltd., a third-level subsidiary of the Company, Hangzhou Lin'an Little Angel Food Co., Ltd., Linqing Little Prince Food Co., Ltd. and Liaoning Little Prince Food Co., Ltd., a third-level subsidiary of the Company, in accordance with the relevant provisions of the Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning the Preferential Policies of Enterprise Income Tax Related to the Employment of Disabled Persons (CS (2009) No. 70). An additional deduction of 100% of the wages paid to the disabled employee can be made in the calculation of taxable income.

Hangzhou Lin'an Little Angel Food Co., Ltd., a fourth-level subsidiary of the Company, is a welfare enterprise, and has been enjoying the preferential policy of VAT refund in the Notice on Promoting the Employment of Disabled Persons (CS [2016] No. 52) since May 2016.

The company's fourth-level subsidiary, Liaoning Little Prince Food Co., Ltd., is subject to the regulations in Article 13 of the Ministry of Finance and the State Administration of Taxation's "Notice on the Issuance of Supplementary Provisions on Several Specific Issues of Land Use Tax" (89 Guo Shui Di Zi No. 140). According to this regulation, "public lands such as municipal streets, squares, and greenbelts" are exempt from land use tax. When calculating the land use tax, the area used for green

space and roads can be subtracted from the total land area to determine the taxable area. The company's fourth-level subsidiary, Hangzhou Lin'an Little Angel Food Co., Ltd., benefits from a tax reduction according to the Zhejiang Provincial Local Taxation Bureau's Announcement (2014 No. 8). For companies where the average number of disabled employees in a tax year exceeds 25% (including 25%) of the total number of on-duty employees, and the actual number of disabled employees exceeds 10 (including 10), the company may, upon approval from the local tax department, enjoy a reduction in urban land use tax. The reduction is RMB 2,000 per person per year based on the annual average number of disabled employees, with the maximum reduction limited to the total amount of urban land use tax payable by the company for that year.

According to the Announcement on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 6 of 2023 of the State Administration of Taxation), the Company meets the conditions for the recognition of small and micro enterprises, and the preferential policies applicable in 2024 are as follows: "For the part of the annual taxable income of small and low-profit enterprises not exceeding 1 million yuan, the part of the annual taxable income of small and low-profit enterprises shall be included in the taxable income at a reduced rate of 25%, and the taxable income shall be included at 20% the rate of corporate income tax".

The company's second-level subsidiaries, Jingliang (Beijing) Food Marketing Management Co., Ltd., Jingliang (Yangpu) Grain and Oil Industry Co., Ltd., and fourth-level subsidiaries, Linqing Little Prince Food Co., Ltd. and Hangzhou Lin'an Chun Manyuan Agricultural Development Co., Ltd., are subject to the policies issued by the Ministry of Finance and the State Taxation Administration in the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Cai Shui [2023] No. 12). The company meets the criteria for recognition as a small or micro enterprise and will apply the following preferential policies for the 2024 fiscal year: "For small-scale VAT taxpayers, small and low-profit enterprises, and individual industrial and commercial households, the following taxes will be levied at half the normal rate: resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding securities transaction stamp duty), cultivated land occupation tax, education fee surcharge, and local education surcharge."

The company's third-level subsidiary, Beijing Tianweikang Oil Adjustment Center Co., Ltd., is subject to the policies outlined in the document "Announcement on Continuing the Implementation of Certain National Commodity Reserves Tax Preferential Policies" (Announcement No. 48, 2023) issued by the Beijing Municipal Finance Bureau and the State Taxation Administration. According to this document,

commodity reserve management companies and their directly affiliated warehouses are exempt from stamp duty on their business account books. They are also exempt from stamp duty on purchase and sale contracts signed during the course of their commodity reserve business. However, the stamp duty owed by other parties to the contract will be collected according to the law. Additionally, commodity reserve management companies and their directly affiliated warehouses are exempt from property tax and urban land use tax on real estate and land used for their commodity reserve business. This policy is effective from January 1, 2024, to December 31, 2027.

## V. Notes to Items in the Consolidated Financial Statements

Unless otherwise specified, the financial statements disclosed below refer to the financial statements as at the end of the period as at 31 December 2024, the term "at the beginning of the period" as at 31 December 2023, the term "current" as at 1 January to 31 December 2024 and the "previous period" as at 1 January to 31 December 2023, with the currency unit RMB yuan.

### 1. Monetary funds

| Projects   | Period-End Balance | Beginning Balance |
|--|--------------------|-------------------|
| Cash on hand   | 10,717.74          | 9,949.26          |
| Bank deposits  | 503,613,151.53     | 533,387,412.58    |
| Funds in other currencies                              | 72,691,131.78      | 119,931,760.14    |
| Deposit of financial company deposits                  | 840,710,693.25     | 890,056,629.88    |
| Total  | 1,417,025,694.30   | 1,543,385,751.86  |
| Among them: the total amount of money deposited abroad | 23,966,791.89      | 3,113,810.75      |

### 2. Derivative financial assets

| Project   | Period-End Balance | Beginning Balance |
|---|--------------------|-------------------|
| Floating profit and loss of hedging instruments | 70,947,839.67      | 31,684,620.00     |
| Total   | 70,947,839.67      | 31,684,620.00     |

### 3. Accounts receivable

#### (1) Disclosure by ageing

| Aging             | Period-End Balance | Beginning Balance |
|-------------------|--------------------|-------------------|
| Within 1 year     | 91,439,947.43      | 96,507,223.82     |
| 1 to 2 years      |                    | 762,767.27        |
| 2 to 3 years      | 752,867.27         | 18,497,856.00     |
| 3 to 4 years      |                    | 7,499,480.04      |
| 4 to 5 years      |                    |                   |
| More than 5 years | 328,259.50         | 328,259.50        |
| Total             | 92,521,074.20      | 123,595,586.63    |

#### (2) Classified disclosure according to the method of bad debt provision

| Category                                 | End of period |                |                         |                     |               |
|--|---------------|----------------|-------------------------|---------------------|---------------|
|  | Book Balance  |                | Provision for Bad Debts |                     | Book Value    |
|  | Amount        | Proportion (%) | Amount                  | Provision Ratio (%) |               |
| Provision for bad debts by item          | 328,259.50    | 0.35           | 328,259.50              | 100.00              |               |
| Portfolio by credit risk characteristics | 92,192,814.70 | 99.65          | 752,919.57              | 0.82                | 91,439,895.13 |
| Total                                    | 92,521,074.20 | —              | 1,081,179.07            | —                   | 91,439,895.13 |

(Continuing Table)

| Category                                 | Beginning period |                |                         |                     | Book Value     |
|--|------------------|----------------|-------------------------|---------------------|----------------|
|  | Book Balance     |                | Provision for Bad Debts |                     |                |
|  | Amount           | Proportion (%) | Amount                  | Provision Ratio (%) |                |
| Provision for bad debts by item          | 328,259.50       | 0.27           | 328,259.50              | 100.00              |                |
| Portfolio by credit risk characteristics | 123,267,327.13   | 99.73          | 7,486,954.58            | 6.07                | 115,780,372.55 |
| Total                                    | 123,595,586.63   | —              | 7,815,214.08            | —                   | 115,780,372.55 |

## (3) Bad debt provisions

| Category                | Beginning Balance | Change in the Period |                          |                     |               | Period-End Balance |
|-------------------------|-------------------|----------------------|--------------------------|---------------------|---------------|--------------------|
|                         |                   | Accrual              | repossession or reversal | resale or write-off | other changes |                    |
| Provision for bad debts | 328,259.50        |                      |                          |                     |               | 328,259.50         |
| Credit risk portfolio   | 7,486,954.58      | -6,734,035.01        |                          |                     |               | 752,919.57         |
| Total                   | 7,815,214.08      | -6,734,035.01        |                          |                     |               | 1,081,179.07       |

① Accounts receivable for which provision for bad debts is made separately at the end of the period

| Debtor's name                               |                     | Book balance | Provision for bad debts | Expected credit loss ratio (%) | Aging             | Provision Reason             |
|---|---------------------|--------------|-------------------------|--------------------------------|-------------------|------------------------------|
| Fujian Industrial Co., Ltd.                 | Jingxin Group       | 151,844.00   | 151,844.00              | 100.00                         | More than 5 years | Expected to be unrecoverable |
| Beijing Ping'an Commercial Development Ltd. | Guotai Tianzhu Co., | 1,809.60     | 1,809.60                | 100.00                         | More than 5 years | Expected to be unrecoverable |



| Debtor's name                                      | Book balance | Provision for bad debts | Expected credit loss ratio (%) | Aging             | Provision Reason             |
|--|--------------|-------------------------|--------------------------------|-------------------|------------------------------|
| Beijing Rongfalida Grain and Oil Trading Co., Ltd. | 163,143.00   | 163,143.00              | 100.00                         | More than 5 years | Expected to be unrecoverable |
| Beijing Guotai Ping An Department Store Co., Ltd.  | 10,862.90    | 10,862.90               | 100.00                         | More than 5 years | Expected to be unrecoverable |
| Beijing Shunyi Longhua Shopping Center             | 600.00       | 600.00                  | 100.00                         | More than 5 years | Expected to be unrecoverable |
| Total  | 328,259.50   | 328,259.50              | —                              | —                 | —                            |

## ② Items for Group-Based Provisioning of Bad Debt Allowances:

| Name                  | Period-End Balance  |                         |                   |
|-----------------------|---------------------|-------------------------|-------------------|
|                       | Accounts receivable | Provision for bad debts | Accrual ratio (%) |
| Credit Risk Portfolio | 92,192,814.70       | 752,919.57              | 0.82              |
| Total                 | 92,192,814.70       | 752,919.57              | 0.82              |

(Continuing Table)

| Name                  | Beginning Balance   |                         |                   |
|-----------------------|---------------------|-------------------------|-------------------|
|                       | Accounts receivable | Provision for bad debts | Accrual ratio (%) |
| Credit Risk Portfolio | 123,267,327.13      | 7,486,954.58            | 6.07              |
| Total                 | 123,267,327.13      | 7,486,954.58            | 6.07              |

(4) Accounts receivable and contract assets of the top five end-of-term balances collected by the debtor

| Debtor's name                       | Book balance  | Proportion of accounts receivable and contract assets combined (%) | Provision for bad debts |
|-------------------------------------|---------------|--|-------------------------|
| Hebei Luanping Huadu Food Co., Ltd. | 28,001,392.07 | 30.26  |                         |

| Debtor's name   | Book balance  | Proportion of accounts receivable and contract assets combined (%) | Provision for bad debts |
|---|---------------|--|-------------------------|
| Feed Branch of Beijing Sanyuan Seed Technology Co., Ltd.      | 6,108,044.61  | 6.60   |                         |
| Beijing Yangu Grain and Oil Purchase and Sales Co., Ltd.      | 5,648,805.64  | 6.11   |                         |
| China Grain and Oil Co., Ltd.                                 | 4,775,680.64  | 5.16   |                         |
| COFCO Donghai Grain and Oil Industry (Zhangjiagang) Co., Ltd. | 3,946,160.50  | 4.27   |                         |
| Total   | 48,480,083.46 | 52.40  |                         |

#### 4. Receivables financing

(1) Accounts receivable financing is listed by category

| Item             | Period-End Balance | Beginning Balance |
|------------------|--------------------|-------------------|
| Notes receivable |                    | 2,502,308.90      |
| Total            |                    | 2,502,308.90      |

(2) Receivables financing that the company has endorsed or discounted and which has not yet matured as of the balance sheet date.

| Item                  | Period-End Derecognized Amount | Period-End Non-Derecognized Amount |
|-----------------------|--------------------------------|------------------------------------|
| Bank Acceptance Bills | 1,376,500.00                   |                                    |
| Total                 | 1,376,500.00                   |                                    |

#### 5. Prepayments

(1) Prepayments Classified by Aging

| Aging         | Period-End Balance |                | Beginning Balance |                |
|---------------|--------------------|----------------|-------------------|----------------|
|               | Amount             | Percentage (%) | Amonut            | Percentage (%) |
| Within 1 year | 198,688,387.53     | 99.98          | 87,352,234.48     | 100.00         |
| 1 to 2 years  | 33,623.94          | 0.02           |                   |                |
| Total         | 198,722,011.47     | 100.00         | 87,352,234.48     | 100.00         |

(2) Prepayment status of the top five prepaid balances at the end of the period, grouped by prepayment object

| Debtor Name                                | Book Balance   | Percentage of Total Prepayments (%) | Bad Debt Provision |
|--|----------------|-------------------------------------|--------------------|
| Tianjin Lingang Customs, PRC               | 54,901,366.57  | 27.63                               |                    |
| Jiangsu Jianghai Grain and Oil Group Co.   | 25,112,689.62  | 12.64                               |                    |
| Shanghai Shounong Investment Holding Co.   | 18,949,338.60  | 9.54                                |                    |
| Bangji (Taixing) Grain and Oil Co.         | 16,805,108.43  | 8.46                                |                    |
| Bangji Zhengda (Tianjin) Grain and Oil Co. | 11,214,000.00  | 5.64                                |                    |
| Total                                      | 126,982,503.22 | 63.91                               |                    |

## 6. Other Receivables

| Item              | Period-End Balance | Beginning Balance |
|-------------------|--------------------|-------------------|
| Other Receivables | 455,148,011.66     | 303,099,589.59    |
| Total             | 455,148,011.66     | 303,099,589.59    |

### (1) Other Receivables

#### 1) By aging

| Aging         | Period-End Balance | Beginning Balance |
|---------------|--------------------|-------------------|
| Within 1 year | 433,032,730.72     | 301,234,542.67    |
| 1 to 2 years  | 20,961,921.58      | 641,412.67        |
| 2 to 3 years  | 435,859.37         | 144,888.00        |
| 3 to 4 years  | 86,000.00          | 459,888.00        |

| Aging        | Period-End Balance | Beginning Balance |
|--------------|--------------------|-------------------|
| 4 to 5 years | 12,500.00          | 88,638.00         |
| Over 5 years | 618,999.99         | 531,999.99        |
| Total        | 455,148,011.66     | 303,101,369.33    |

## 2) Classification by Nature of Receivables

| Nature of Receivable    | Period-End Balance | Beginning Balance |
|-------------------------|--------------------|-------------------|
| Deposits and Guarantees | 452,531,490.90     | 301,372,189.38    |
| Company Transactions    | 389,804.08         | 502,432.60        |
| Employee Receivables    | 784,435.04         | 840,868.84        |
| Tax Refund Receivables  | 1,370,551.74       |                   |
| Others                  | 71,729.90          | 385,878.51        |
| Total                   | 455,148,011.66     | 303,101,369.33    |

## 3) Bad Debt Provision by Method of Provisioning

| Category                               | Period-End Balance |                |                    |                               |                |
|--|--------------------|----------------|--------------------|-------------------------------|----------------|
|  | Book Balance       |                | Bad Debt Provision |                               | Book value     |
|  | Amount             | Percentage (%) | Amount             | Expected Credit Loss Rate (%) |                |
| Individually Provisions for Bad Debt   |                    |                |                    |                               |                |
| Group-Based Provisions for Credit Risk | 455,148,011.66     | 100.00         |                    |                               | 455,148,011.66 |
| Total                                  | 455,148,011.66     | —              |                    | —                             | 455,148,011.66 |

(Continuing Table)

| Category                               | Beginning Balance |                |                    |                              | Book value     |
|--|-------------------|----------------|--------------------|------------------------------|----------------|
|  | Book Balance      |                | Bad Debt Provision |                              |                |
|  | Amount            | Percentage (%) | Amount             | Expected Credit Loss Rate(%) |                |
| Individually Provisions for Bad Debt   |                   |                |                    |                              |                |
| Group-Based Provisions for Credit Risk | 303,101,369.33    | 100.00         | 1,779.74           |                              | 303,099,589.59 |
| Total                                  | 303,101,369.33    | —              | 1,779.74           | —                            | 303,099,589.59 |

## 4) Provision for Bad Debt Using the General Expected Credit Loss Model

| Bad Debt Provision                 | First Stage<br>12-Month<br>Expected Credit Loss | Second Stage<br>Lifetime Expected Credit Loss (No Impairment) | Third Stage<br>Lifetime Expected Credit Loss (Impairment Occurred) | Total     |
|------------------------------------|---|---|--|-----------|
| Opening Balance                    | 1,779.74  |   |  | 1,779.74  |
| Opening Balance in Current Period  | —   | —   | —  | —         |
| --Transferred to Second Stage      |   |   |  |           |
| --Transferred to Third Stage       |   |   |  |           |
| --Transferred Back to Second Stage |   |   |  |           |
| --Transferred Back to First Stage  |   |   |  |           |
| Accrual for the current period     | -1,779.74                                       |   |  | -1,779.74 |
| Current Period Reversal            |   |   |  |           |
| Current Period Write-Off           |   |   |  |           |
| Current Period Derecognition       |   |   |  |           |
| Other Changes                      |   |   |  |           |

| Bad Debt Provision | First Stage                   | Second Stage                                  | Third Stage   | Total |
|--------------------|-------------------------------|---|---|-------|
|                    | 12-Month Expected Credit Loss | Lifetime Expected Credit Loss (No Impairment) | Lifetime Expected Credit Loss (Impairment Occurred) |       |
| Closing Balance    |                               |   |   |       |

## 5) Bad Debt Provision Situation

| Category                             | Beginning Balance | Current Period Changes |                      |                            |               | Closing Balance |
|--------------------------------------|-------------------|------------------------|----------------------|----------------------------|---------------|-----------------|
|                                      |                   | Accrual                | Reversal or Transfer | Write-Off or Derecognition | Other Changes |                 |
| Individually Provisions for Bad Debt |                   |                        |                      |                            |               |                 |
| Credit Risk Portfolio                | 1,779.74          | -1,779.74              |                      |                            |               |                 |
| Group-Related                        |                   |                        |                      |                            |               |                 |
| Total                                | 1,779.74          | -1,779.74              |                      |                            |               |                 |

## 6) Top Five Other Receivables by Debtor Name

| Debtor Name                 | Receivable Nature | Book Balance   | Aging         | Percentage of Total Other Receivables (%) | Bad Debt Provision |
|-----------------------------|-------------------|----------------|---------------|---|--------------------|
| Haitong Futures Co., Ltd.   | Futures Margin    | 91,979,528.20  | Within 1 year | 20.21                                     |                    |
| Galaxy Futures Co., Ltd.    | Futures Margin    | 86,980,488.10  | Within 1 year | 19.11                                     |                    |
| CITIC Futures Co., Ltd.     | Futures Margin    | 79,101,705.40  | Within 1 year | 17.38                                     |                    |
| Zhongchu (Xiong'an) Grain   | Futures Margin    | 44,179,380.00  | Within 1 year | 9.71                                      |                    |
| Zhongtian Co., Ltd. Futures | Futures Margin    | 33,795,720.00  | Within 1 year | 7.42                                      |                    |
| Total                       | —                 | 336,036,821.70 | —             | 73.83                                     |                    |

## 7. Inventory

### (1) Inventory Classification

| Item  | Period-End Balance |  |                  |
|---|--------------------|--|------------------|
|   | Book Balance       | Provision for Inventory Impairment/Contract Fulfillment Cost Provision | Book Value       |
| Raw Materials                                       | 413,059,280.53     |  | 413,059,280.53   |
| Self-made Semi-finished Products & Work in Progress | 25,015.91          |  | 25,015.91        |
| Finished Goods                                      | 1,155,820,490.28   | 234,235.76   | 1,155,586,254.52 |
| Turnover Materials                                  | 5,044,840.04       |  | 5,044,840.04     |
| Goods in Transit                                    | 797,976,857.22     | 13,886,827.30  | 784,090,029.92   |
| Total   | 2,371,926,483.98   | 14,121,063.06  | 2,357,805,420.92 |

(Continuing Table)

| Item               | Beginning Balance |  |                  |
|--------------------|-------------------|--|------------------|
|                    | Book Balance      | Provision for Inventory Impairment/Contract Fulfillment Cost Provision | Book Value       |
| Raw Materials      | 324,815,755.86    | 82,063.38  | 324,733,692.48   |
| Finished Goods     | 1,122,785,703.06  | 1,743,754.31   | 1,121,041,948.75 |
| Turnover Materials | 5,049,542.63      |  | 5,049,542.63     |
| Goods in Transit   | 591,034,959.25    |  | 591,034,959.25   |
| Total              | 2,043,685,960.80  | 1,825,817.69   | 2,041,860,143.11 |

### (2) Inventory Falling Price Reserves and provision for impairment of contract performance costs

| Items            | Balance at Beginning of Year | Increased Amounts in the Current Period |        |
|------------------|------------------------------|---|--------|
|                  |                              | Accrual                                 | Others |
| Raw material     | 82,063.38                    |   |        |
| Stock Goods      | 1,743,754.31                 | 63,894.30                               |        |
| Goods in Transit |                              | 13,886,827.30                           |        |

| Items    | Balance at Beginning of Year | Increased Amounts in the Current Period |        |
|----------|------------------------------|---|--------|
|          |                              | Accrual                                 | Others |
| In total | 1,825,817.69                 | 13,950,721.60                           |        |

(Continued)

| Items            | Decreased Amounts in the Current Period |        | Balance at End of Period |
|------------------|---|--------|--------------------------|
|                  | Recover or Charge Off                   | Others |                          |
| Raw material     | 82,063.38                               |        |                          |
| Stock Goods      | 1,573,412.85                            |        | 234,235.76               |
| Goods in Transit |   |        | 13,886,827.30            |
| In total         | 1,655,476.23                            |        | 14,121,063.06            |

## (3) Stock Goods listed by major product type

| Items           | Closing Balance  |                        |                  |
|-----------------|------------------|------------------------|------------------|
|                 | Book Balance     | Falling Price Reserves | Book Value       |
| Grease and oils | 1,134,402,697.01 | 170,341.46             | 1,134,232,355.55 |
| Food            | 21,417,793.27    | 63,894.30              | 21,353,898.97    |
| Total           | 1,155,820,490.28 | 234,235.76             | 1,155,586,254.52 |

(Continued)

| Items           | Opening Balance  |                        |                  |
|-----------------|------------------|------------------------|------------------|
|                 | Book Balance     | Falling Price Reserves | Book Value       |
| Grease and oils | 1,097,527,087.36 | 1,598,094.34           | 1,095,928,993.02 |
| Food            | 25,258,615.70    | 145,659.97             | 25,112,955.73    |
| Total           | 1,122,785,703.06 | 1,743,754.31           | 1,121,041,948.75 |

## 8. Non-current Assets Due Within One Year

| Item                              | Period-End Balance | Beginning Balance |
|-----------------------------------|--------------------|-------------------|
| Term Deposits Due Within One Year | 10,694,166.66      | 22,188,083.34     |
| Total                             | 10,694,166.66      | 22,188,083.34     |



## 9. Other Current Assets

| Item                               | Period-End Balance | Beginning Balance |
|------------------------------------|--------------------|-------------------|
| VAT to be deducted                 | 75,132,953.17      | 57,549,582.61     |
| Prepaid Taxes                      | 6,584,449.99       | 16,226,031.95     |
| VAT to be certified                | 285,763.13         | 202,103.63        |
| Fair Value Changes of Hedged Items | 79,380,779.05      | 238,358,924.24    |
| Total                              | 161,383,945.34     | 312,336,642.43    |

## 10. Long-Term Equity Investments

### (1) Long-Term Equity Investment Classification

| Item                         | Beginning Balance | Current Increase | Current Decrease | Period-End Balance |
|------------------------------|-------------------|------------------|------------------|--------------------|
| Investment in Joint Ventures | 128,393,543.26    | 5,576,720.97     |                  | 133,970,264.23     |
| Investment in Associates     | 126,529,102.15    | 7,006,101.64     |                  | 133,535,203.79     |
| Total                        | 254,922,645.41    | 12,582,822.61    |                  | 267,505,468.02     |

### (2) Details of Joint Ventures and Associates

| Invested Entity                           | Investment Cost | Beginning Balance | Current Changes       |                    |                                 |                                       |
|---|-----------------|-------------------|-----------------------|--------------------|---------------------------------|---------------------------------------|
|   |                 |                   | Additional Investment | Reduced Investment | Equity Method Investment Income | Other Comprehensive Income Adjustment |
| Total                                     | 119,825,100.64  | 254,922,645.41    |                       |                    | 12,546,903.92                   |                                       |
| 1. Joint Ventures                         | 26,232,442.61   | 128,393,543.26    |                       |                    | 5,576,720.97                    |                                       |
| Beijing Zhengda Feedstuff Limited Company | 26,232,442.61   | 128,393,543.26    |                       |                    | 5,576,720.97                    |                                       |

| Invested Entity  | Investment Cost | Beginning Balance | Current Changes       |                    |                                 |                                       |
|--|-----------------|-------------------|-----------------------|--------------------|---------------------------------|---------------------------------------|
|  |                 |                   | Additional Investment | Reduced Investment | Equity Method Investment Income | Other Comprehensive Income Adjustment |
| 2. Associates  | 93,592,658.03   | 126,529,102.15    |                       |                    | 6,970,182.95                    |                                       |
| Zhongchu Grain (Tianjin) Storage & Logistics Co., Ltd. | 84,000,000.00   | 120,176,935.53    |                       |                    | 7,055,788.59                    |                                       |
| Jingliang Misi Catering Management (Beijing) Co., Ltd. | 9,592,658.03    | 6,352,166.62      |                       |                    | -85,605.64                      |                                       |

(Continuing Table)

| Investment Entity                                       | Current Changes      |  |                      |       | Period-End Balance | Impairment Provision Balance |
|---|----------------------|--|----------------------|-------|--------------------|------------------------------|
|   | Other Equity Changes | Declaration of Cash Dividends or Profits | Impairment Provision | Other |                    |                              |
| Total   | 35,918.69            |  |                      |       | 267,505,468.02     |                              |
| 1. Joint Venture  |                      |  |                      |       | 133,970,264.23     |                              |
| Beijing Zhengda Feedstuff Limited Company               |                      |  |                      |       | 133,970,264.23     |                              |
| 2. Associate  | 35,918.69            |  |                      |       | 133,535,203.79     |                              |
| Zhongchu Grain (Xiong'an) Storage & Logistics Co., Ltd. | 35,918.69            |  |                      |       | 127,268,642.81     |                              |
| Jingliang Misi Catering Management                      |                      |  |                      |       | 6,266,560.98       |                              |

| Investment Entity      | Current Changes      |  |                      |       | Period-End Balance | Impairment Provision Balance |
|------------------------|----------------------|--|----------------------|-------|--------------------|------------------------------|
|                        | Other Equity Changes | Declaration of Cash Dividends or Profits | Impairment Provision | Other |                    |                              |
| nt (Beijing) Co., Ltd. |                      |  |                      |       |                    |                              |

## 11. Other Equity Instruments Investment

### (1) Other Equity Instruments Investment Situation

| Item  | Beginning Balance | Current Changes        |                        |  |   |       |
|---|-------------------|------------------------|------------------------|--|---|-------|
|   |                   | Add itional Investment | Decrease in Investment | Gains Recognized in Other Comprehensive Income | Losses Recognized in Other Comprehensive Income | Other |
| Chongqing Longjinbao Network Technology Co., Ltd. | 20,000,000.00     |                        | 20,000,000.00          |  |   |       |
| Total   | 20,000,000.00     |                        | 20,000,000.00          |  |   |       |

(Continuing Table)

| Item                 | Period-End Balance | Dividend Income Recognized in Current Period | Cumulative Gains Recognized in Other Comprehensive Income | Cumulative Losses Recognized in Other Comprehensive Income | Reason for Designation as Fair Value through Other Comprehensive Income |
|----------------------|--------------------|--|---|--|---|
| Chongqing Longjinbao |                    |  |   |  |   |

| Item                         | Period-End Balance | Dividend Income Recognized in Current Period | Cumulative Gains Recognized in Other Comprehensive Income | Cumulative Losses Recognized in Other Comprehensive Income | Reason for Designation as Fair Value through Other Comprehensive Income |
|------------------------------|--------------------|--|---|--|---|
| Network Technology Co., Ltd. |                    |  |   |  |   |
| Total                        |                    |  |   |  |   |

## 12. Investment Properties

### (1) Investment Properties Measured at Cost

| Item  | Buildings and Structures | Land Use Rights | Construction in Progress | Total         |
|---|--------------------------|-----------------|--------------------------|---------------|
| I. Beginning Book Value                       |                          |                 |                          |               |
| 1. Beginning Balance                          | 62,845,234.00            | 576,510.00      |                          | 63,421,744.00 |
| 2. Current Period Increase                    |                          |                 |                          |               |
| 3. Current Period Decrease                    |                          |                 |                          |               |
| 4. Period-End Balance                         | 62,845,234.00            | 576,510.00      |                          | 63,421,744.00 |
| II. Accumulated Depreciation and Amortization |                          |                 |                          |               |
| 1. Beginning Balance                          | 32,579,939.08            | 208,504.45      |                          | 32,788,443.53 |
| 2. Current Period Increase                    | 1,756,585.92             | 11,530.20       |                          | 1,768,116.12  |
| —Depreciation or Amortization                 | 1,756,585.92             | 11,530.20       |                          | 1,768,116.12  |
| 3. Current Period Decrease                    |                          |                 |                          |               |
| 4. Period-End Balance                         | 34,336,525.00            | 220,034.65      |                          | 34,556,559.65 |
| III. Impairment Provision                     |                          |                 |                          |               |

| Item                       | Buildings and Structures | Land Use Rights | Construction in Progress | Total         |
|----------------------------|--------------------------|-----------------|--------------------------|---------------|
| 1. Beginning Balance       | 10,587,796.70            |                 |                          | 10,587,796.70 |
| 2. Current Period Increase |                          |                 |                          |               |
| 3. Current Period Decrease |                          |                 |                          |               |
| 4. Period-End Balance      | 10,587,796.70            |                 |                          | 10,587,796.70 |
| IV. Book Value             |                          |                 |                          |               |
| 1. Period-End Book Value   | 17,920,912.30            | 356,475.35      |                          | 18,277,387.65 |
| 2. Beginning Book Value    | 19,677,498.22            | 368,005.55      |                          | 20,045,503.77 |

### 13. Fixed Assets

| Item         | Period-End Book Value | Beginning Book Value |
|--------------|-----------------------|----------------------|
| Fixed Assets | 891,221,864.74        | 939,548,012.91       |
| Total        | 891,221,864.74        | 939,548,012.91       |

#### (1) Fixed Asset Situation

| Item                     | Buildings & Structures | Machinery & Equipment | Transportation Tools | Electronic Equipment | Office Equipment | Other Equipment | Total            |
|--------------------------|------------------------|-----------------------|----------------------|----------------------|------------------|-----------------|------------------|
| I. Original Cost         |                        |                       |                      |                      |                  |                 |                  |
| 1. Beginning Balance     | 1,064,558,047.21       | 795,460,322.57        | 20,074,431.07        | 14,133,767.59        | 7,545,793.53     | 1,385,077.43    | 1,903,157,439.40 |
| 2. Additions This Period | 4,559,814.18           | 46,136,811.24         | 934,392.34           | 659,072.10           | 407,971.45       |                 | 52,698,061.31    |
| — Purchase               | 2,953,357.01           | 24,695,577.75         | 934,392.34           | 659,072.10           | 331,865.26       |                 | 29,574,264.46    |
| — Transfers from         | 1,606,457.17           | 21,441,233.49         |                      |                      | 76,106.19        |                 | 23,123,796.85    |

| Item                             | Buildings & Structures | Machinery & Equipment | Transportation Tools | Electronic Equipment | Office Equipment | Other Equipment | Total            |
|----------------------------------|------------------------|-----------------------|----------------------|----------------------|------------------|-----------------|------------------|
| Construction in Progress         |                        |                       |                      |                      |                  |                 |                  |
| 3. Reductions This Period        |                        | 17,862,421.92         | 2,160,799.12         | 1,204,611.61         | 147,475.88       |                 | 21,375,308.53    |
| — Disposals or Scrap             |                        | 17,862,421.92         | 2,160,799.12         | 1,204,611.61         | 147,475.88       |                 | 21,375,308.53    |
| 4. Period-End Balance            | 1,069,117,861.39       | 823,734,711.89        | 18,848,024.29        | 13,588,228.08        | 7,806,289.10     | 1,385,077.43    | 1,934,480,192.18 |
| II. Depreciation or Amortization |                        |                       |                      |                      |                  |                 |                  |
| 1. Beginning Balance             | 440,697,875.26         | 487,687,828.69        | 11,852,350.93        | 9,595,147.99         | 4,305,164.06     | 350,995.94      | 954,489,362.87   |
| 2. Additions This Period         | 38,097,319.78          | 54,712,907.91         | 1,798,030.38         | 1,325,446.19         | 762,568.04       | 68,601.27       | 96,764,873.57    |

| Item                       | Buildings & Structures | Machinery & Equipment | Transportation Tools | Electronic Equipment | Office Equipment | Other Equipment | Total            |
|----------------------------|------------------------|-----------------------|----------------------|----------------------|------------------|-----------------|------------------|
| — Provision                | 38,097,319.78          | 54,712,907.91         | 1,798,030.38         | 1,325,446.19         | 762,568.04       | 68,601.27       | 96,764,873.57    |
| 3. Reductions This Period  |                        | 13,896,984.12         | 1,943,711.62         | 1,134,064.87         | 139,462.14       |                 | 17,114,222.75    |
| — Disposals or Scrap       |                        | 13,896,984.12         | 1,943,711.62         | 1,134,064.87         | 139,462.14       |                 | 17,114,222.75    |
| 4. Period-End Balance      | 478,795,195.04         | 528,503,752.48        | 11,706,669.69        | 9,786,529.31         | 4,928,269.96     | 419,597.21      | 1,034,140,013.69 |
| III. Impairment Provision  |                        |                       |                      |                      |                  |                 |                  |
| 1. Beginning Balance       | 9,047,959.13           | 72,104.49             |                      |                      |                  |                 | 9,120,063.62     |
| 2. Current Period Increase |                        |                       |                      |                      |                  |                 |                  |
| 3. Current                 |                        | 1,749.87              |                      |                      |                  |                 | 1,749.87         |



| Item                     | Buildings & Structures | Machinery & Equipment | Transportation Tools | Electronic Equipment | Office Equipment | Other Equipment | Total          |
|--------------------------|------------------------|-----------------------|----------------------|----------------------|------------------|-----------------|----------------|
| Period Decrease          |                        |                       |                      |                      |                  |                 |                |
| —                        |                        |                       |                      |                      |                  |                 |                |
| Disposal or Scrapping    |                        | 1,749.87              |                      |                      |                  |                 | 1,749.87       |
| 4. Period-End Balance    | 9,047,959.13           | 70,354.62             |                      |                      |                  |                 | 9,118,313.75   |
| IV. Book Value           |                        |                       |                      |                      |                  |                 |                |
| 1. Period-End Book Value | 581,274,707.22         | 295,160,604.79        | 7,141,354.60         | 3,801,698.77         | 2,878,019.14     | 965,480.22      | 891,221,864.74 |
| 2. Beginning Book Value  | 614,812,212.82         | 307,700,389.39        | 8,222,080.14         | 4,538,619.60         | 3,240,629.47     | 1,034,081.49    | 939,548,012.91 |

## 14. Construction in Progress

| Item                     | Period-End Book Value | Beginning Book Value |
|--------------------------|-----------------------|----------------------|
| Construction in Progress | 50,058,378.98         | 59,094,902.29        |
| Total                    | 50,058,378.98         | 59,094,902.29        |

### 1) Construction in Progress Situation

| Item   | Period-End Balance |                      |               | Beginning Balance |                      |               |
|--|--------------------|----------------------|---------------|-------------------|----------------------|---------------|
|  | Book Balance       | Impairment Provision | Book Value    | Book Balance      | Impairment Provision | Book Value    |
| Expanding Soybeans and Rumen Soybean Meal Project              | 14,863,819.29      |                      | 14,863,819.29 | 23,078,937.34     |                      | 23,078,937.34 |
| Jingliang Hainan Yangpu Oil Processing Project                 | 6,288,251.73       |                      | 6,288,251.73  | 434,369.04        |                      | 434,369.04    |
| Caofeidian Free Trade Zone Feed Processing Project             | 7,858,573.81       |                      | 7,858,573.81  | 7,773,303.43      |                      | 7,773,303.43  |
| Slope Stabilization Project at Factory No. 3                   | 6,996,706.06       |                      | 6,996,706.06  | 6,969,126.85      |                      | 6,969,126.85  |
| Rice Product Workshop Relocation Project                       | 2,749,716.18       |                      | 2,749,716.18  | 339,024.06        |                      | 339,024.06    |
| First Snack Factory Fried Chips Line 6 Flex Automation Project | 2,866,434.87       |                      | 2,866,434.87  |                   |                      | -             |

| Item  | Period-End Balance |                      |              | Beginning Balance |                      |              |
|---|--------------------|----------------------|--------------|-------------------|----------------------|--------------|
|   | Book Balance       | Impairment Provision | Book Value   | Book Balance      | Impairment Provision | Book Value   |
| Second Snack Factory Baked Chips Refining System Project                      | 1,750,171.23       |                      | 1,750,171.23 |                   |                      | -            |
| Snow Cake Workshop Category Expansion Investment Project                      | 1,347,952.96       |                      | 1,347,952.96 |                   |                      | -            |
| Second Snack Factory East Selection Baked Chips Expansion Project             | 1,166,784.33       |                      | 1,166,784.33 |                   |                      | -            |
| Odor Treatment Project  | -                  |                      | -            | 1,585,321.11      |                      | 1,585,321.11 |
| Baked Chips Production Line Project   | -                  |                      | -            | 8,392,300.91      |                      | 8,392,300.91 |
| Third Snack Factory Roasted Potato Packaging Automation Project No. 5         | -                  |                      | -            | 2,556,466.47      |                      | 2,556,466.47 |
| First Snack Factory Potato Chips Workshop Line 3 Packaging Automation Project | -                  |                      | -            | 2,497,033.51      |                      | 2,497,033.51 |
| First Snack Factory Potato Chips Workshop Line 4 Packaging Automation Project | -                  |                      | -            | 1,619,325.55      |                      | 1,619,325.55 |
| Third Snack Factory Roasted Potato Line 8 Furnace Renovation Project          | -                  |                      | -            | 1,240,093.10      |                      | 1,240,093.10 |
| Other Projects  | 4,169,968.52       |                      | 4,169,968.52 | 2,609,600.92      | -                    | 2,609,600.92 |

| Item  | Period-End Balance |                      |               | Beginning Balance |                      |               |
|-------|--------------------|----------------------|---------------|-------------------|----------------------|---------------|
|       | Book Balance       | Impairment Provision | Book Value    | Book Balance      | Impairment Provision | Book Value    |
| Total | 50,058,378.98      | -                    | 50,058,378.98 | 59,094,902.29     | -                    | 59,094,902.29 |

2) Major Changes in Construction in Progress This Period

| Project Name   | Budget Amount  | Beginning Balance | Increase This Period | Transfer to Fixed Assets | Period-End Balance |
|--|----------------|-------------------|----------------------|--------------------------|--------------------|
| Jingliang Hainan Yangpu Oil Processing Project               | 661,324,100.00 | 434,369.04        | 5,853,882.69         | -                        | 6,288,251.73       |
| Caofeidian Free Trade Zone Feed Processing Project           | 7,184,400.00   | 7,773,303.3       | 85,270.38            | -                        | 7,858,573.81       |
| Expanding Soybeans and Rumen Soybean Meal Processing Project | 49,429,300.00  | 23,078,937.34     | 2,925,761.95         | 11,140,880.00            | 14,863,819.29      |
| Slope Stabilization Project at Factory No. 3                 | 17,107,500.00  | 6,969,126.85      | 27,579.21            | -                        | 6,996,706.06       |
| Baked Chips Production Line Project                          | 9,700,000.00   | 8,392,300.91      | 247,133.62           | 8,639,434.53             |                    |
| Total  | —              | 46,648,037.57     | 9,139,627.85         | 19,780,314.53            | 36,007,350.89      |

(Continuing Table)

| Project Name   | Budge of Cumulative Investment (%) | Project Progress | Capitalized Interest Accumulated Amount | Current Period Capitalized Interest | Capitalization Rate (%) | Funding Source      |
|--|------------------------------------|------------------|---|-------------------------------------|-------------------------|---------------------|
| Jingliang Hainan Yangpu Oil Processing Project               | 0.95                               | 0.95%            |   |                                     |                         | Company Self-Funded |
| Caofeidian Free Trade Zone Feed Processing Project           | 109.38                             | 99.00%           |   |                                     |                         | Company Self-Funded |
| Expanding Soybeans and Rumen Soybean Meal Processing Project | 52.61                              | 95.00%           |   |                                     |                         | Company Self-Funded |
| Slope Stabilization Project at Factory No. 3                 | 40.90                              | 90.00%           |   |                                     |                         | Company Self-Funded |
| Baked Chips Production Line Project                          | 89.07                              | 100.00%          |   |                                     |                         | Company Self-Funded |
| Total  | _____                              | _____            |   |                                     | _____                   | _____               |

## 15. Right-of-Use Assets

### (1) Situation of Right-of-Use Assets

| Item                         | Buildings & Structures | Transportation Tools | Land Use Rights | Total          |
|------------------------------|------------------------|----------------------|-----------------|----------------|
| I. Original Cost             |                        |                      |                 |                |
| 1. Beginning Balance         | 121,031,786.76         | 607,367.22           | 5,648,400.00    | 127,287,553.98 |
| 2. Additions for the Period  | 2,416,490.86           |                      |                 | 2,416,490.86   |
| — Leased                     | 2,416,490.86           |                      |                 | 2,416,490.86   |
| 3. Reductions for the Period | 2,673,655.51           | 139,476.52           |                 | 2,813,132.03   |
| — Contract Expiry            | 2,673,655.51           | 139,476.52           |                 | 2,813,132.03   |
| 4. Ending Balance            | 120,774,622.11         | 467,890.70           | 5,648,400.00    | 126,890,912.81 |
| II. Accumulated Depreciation |                        |                      |                 |                |
| 1. Beginning Balance         | 26,870,944.28          | 167,593.92           | 1,016,712.00    | 28,055,250.20  |
| 2. Additions for the Period  | 24,477,123.22          | 88,209.89            | 112,968.00      | 24,678,301.11  |
| — Depreciation               | 24,477,123.22          | 88,209.89            | 112,968.00      | 24,678,301.11  |
| 3. Reductions for the Period | 2,673,655.51           | 139,476.52           |                 | 2,813,132.03   |
| — Disposal                   |                        | 68,954.81            |                 | 68,954.81      |
| — Other Transfers            | 2,673,655.51           | 70,521.71            |                 | 2,744,177.22   |
| 4. Ending Balance            | 48,674,411.99          | 116,327.29           | 1,129,680.00    | 49,920,419.28  |
| III. Impairment Provision    |                        |                      |                 |                |
| IV. Book value               |                        |                      |                 |                |
| 1. Ending Book Value         | 72,100,210.12          | 351,563.41           | 4,518,720.00    | 76,970,493.53  |
| 2. Beginning Book Value      | 94,160,842.48          | 439,773.30           | 4,631,688.00    | 99,232,303.78  |

## 16. Intangible Assets

### (1) Intangible Asset Situation

| Item                         | Software     | Land Use Rights | Trademark Rights | Total          |
|------------------------------|--------------|-----------------|------------------|----------------|
| I. Original Cost             |              |                 |                  |                |
| 1. Beginning Balance         | 5,370,415.44 | 415,718,033.78  | 154,841,200.00   | 575,929,649.22 |
| 2. Additions for the Period  | 17,735.85    |                 |                  | 17,735.85      |
| — Purchase                   | 17,735.85    |                 |                  | 17,735.85      |
| 3. Reductions for the Period |              |                 |                  |                |
| 4. Ending Balance            | 5,388,151.29 | 415,718,033.78  | 154,841,200.00   | 575,947,385.07 |
| II. Accumulated Amortization |              |                 |                  |                |
| 1. Beginning Balance         | 4,408,533.97 | 79,667,120.07   | 79,177,149.25    | 163,252,803.29 |
| 2. Additions for the Period  | 260,673.90   | 9,039,551.14    | 7,713,925.92     | 17,014,150.96  |
| — Amortization               | 260,673.90   | 9,039,551.14    | 7,713,925.92     | 17,014,150.96  |
| 3. Reductions for the Period |              |                 |                  |                |
| 4. Ending Balance            | 4,669,207.87 | 88,706,671.21   | 86,891,075.17    | 180,266,954.25 |
| III. Impairment Provision    |              |                 |                  |                |
| IV. Book Value               |              |                 |                  |                |
| 1. Ending Book Value         | 718,943.42   | 327,011,362.57  | 67,950,124.83    | 395,680,430.82 |
| 2. Beginning Book Value      | 961,881.47   | 336,050,913.71  | 75,664,050.75    | 412,676,845.93 |

## 17. Goodwill

### (1) Goodwill Original Value

| Invested Unit or Matter Forming Goodwill | Beginning Balance | Current Period Increase        |                            |       | Current Period Decrease |                            |       | Ending Balance |
|--|-------------------|--------------------------------|----------------------------|-------|-------------------------|----------------------------|-------|----------------|
|  |                   | Formed by Business Combination | Current Period Adjustments | Other | Disposal                | Current Period Adjustments | Other |                |
| Acquisition of Zhejiang                  | 191,394,422.51    |                                |                            |       |                         |                            |       | 191,394,422.51 |

| Invested Unit or Matter Forming Goodwill | Beginning Balance | Current Period Increase        |                            |       | Current Period Decrease |                            |       | Ending Balance |
|--|-------------------|--------------------------------|----------------------------|-------|-------------------------|----------------------------|-------|----------------|
|  |                   | Formed by Business Combination | Current Period Adjustments | Other | Disposal                | Current Period Adjustments | Other |                |
| g Xiao Wangzi Food Co., Ltd.             |                   |                                |                            |       |                         |                            |       |                |
| Total                                    | 191,394,422.51    |                                |                            |       |                         |                            |       | 191,394,422.51 |

## (2) Relevant Information of the Asset Group or Asset Group

## Combination Containing Goodwill

| Name   | Composition and Basis of the Asset Group or Combination  | Business Division and Basis   | Consistency with Previous Years |
|--|--|---|---------------------------------|
| Acquisition of Zhejiang Xiao Wangzi Food Co., Ltd. | The asset group contains assets related to goodwill, and its cash inflow is independent of other asset groups. | The asset is mainly used in food processing, belonging to the food processing division. | Yes                             |

## (3) Specific Determination Method for Recoverable Amount

The recoverable amount is determined based on the present value of future cash flows.

Unit: Ten thousand yuan

| Item                         | Book Value | Recoverable Amount | Impairment Amount | Forecast Period (Years) | Key Parameters for Forecast Period | Key Parameters for Stable Period | Basis for Determining Key Parameters for Stable Period |
|------------------------------|------------|--------------------|-------------------|-------------------------|------------------------------------|----------------------------------|--|
| Acquisition of Zhejiang Xiao | 73,155.35  | 80,196.79          |                   | 2025-2029               | Average revenue growth rate        | Stable period revenue growth     | Pre-tax discount rate calculate                        |



| Item                  | Book Value | Recoverable Amount | Impairment Amount | Forecast Period (Years) | Key Parameters for Forecast Period  | Key Parameters for Stable Period      | Basis for Determining Key Parameters for Stable Period   |
|-----------------------|------------|--------------------|-------------------|-------------------------|-------------------------------------|---------------------------------------|--|
| Wangzi Food Co., Ltd. |            |                    |                   |                         | 4.06%, pre-tax discount rate 13.68% | rate 0%, pre-tax discount rate 13.68% | d based on risk-free rate of return, market risk premium, risk coefficient, cost of equity capital, and tax rate |
| Total                 | 73,155.35  | 80,196.79          |                   | —                       | —                                   | —                                     | —  |

## 18. Long-Term Deferred Expenses

| Item                                  | Beginning Balance | Current Increase | Current Amortization | Ending Balance |
|---------------------------------------|-------------------|------------------|----------------------|----------------|
| Factory Renovation (Majuqiao)         | 12,865,755.89     |                  | 674,188.08           | 12,191,567.81  |
| Leased Asset Maintenance & Renovation | 2,085,375.43      |                  | 145,301.97           | 1,940,073.46   |
| Workshop Renovation Maintenance       | 760,612.42        | 187,952.08       | 214,982.69           | 733,581.81     |
| Building Renovation & Modification    | 1,943,993.08      | 1,005,903.41     | 411,881.39           | 2,538,015.10   |
| Total                                 | 17,655,736.82     | 1,193,855.49     | 1,446,354.13         | 17,403,238.18  |

## 19. Deferred Tax Assets/Deferred Tax Liabilities

### (1) Deferred Tax Assets Not Offset

| Item  | Ending Balance                   |                     | Beginning Balance                |                     |
|---|----------------------------------|---------------------|----------------------------------|---------------------|
|   | Deductible Temporary Differences | Deferred Tax Assets | Deductible Temporary Differences | Deferred Tax Assets |
| Asset Impairment Provision  | 14,200,339.20                    | 3,550,084.80        | 1,906,843.70                     | 476,710.92          |
| Deductible Temporary Differences                                  | 124,470,315.23                   | 31,117,578.79       | 190,924,419.06                   | 47,731,104.76       |
| Lease Liabilities   | 74,957,822.23                    | 18,739,455.57       | 95,982,927.96                    | 23,995,732.00       |
| Credit Impairment Losses  | 1,081,179.07                     | 270,294.77          | 7,816,993.82                     | 1,954,248.46        |
| Deferred Revenue  | 14,203,242.12                    | 3,550,810.53        | 12,600,638.84                    | 3,150,159.71        |
| Payable Employee Compensation                                     | 5,627,134.00                     | 1,406,783.50        | 5,677,134.00                     | 1,419,283.50        |
| Financial Instruments, Derivative Financial Instruments Valuation |                                  |                     | 12,433,441.20                    | 3,108,360.30        |
| Contract Rebates  | 823,272.82                       | 205,818.21          | 1,112,100.00                     | 278,025.00          |
| Expected Liabilities  | 5,146,800.00                     | 1,286,700.00        |                                  |                     |
| Total   | 240,510,104.67                   | 60,127,526.17       | 328,454,498.58                   | 82,113,624.65       |

## (2) Deferred Tax Liabilities Not Offset

| Item  | Ending Balance                |                          | Beginning Balance             |                          |
|---|-------------------------------|--------------------------|-------------------------------|--------------------------|
|   | Taxable Temporary Differences | Deferred Tax Liabilities | Taxable Temporary Differences | Deferred Tax Liabilities |
| Trading Financial Instruments, Derivative Financial Instruments Valuation | 73,663,915.05                 | 18,415,978.76            | 252,306,904.70                | 63,076,726.18            |
| Non-Same Control  | 125,660,049.32                | 31,415,012.33            | 135,119,584.58                | 33,779,896.15            |

| Item   | Ending Balance                |                          | Beginning Balance             |                          |
|--|-------------------------------|--------------------------|-------------------------------|--------------------------|
|  | Taxable Temporary Differences | Deferred Tax Liabilities | Taxable Temporary Differences | Deferred Tax Liabilities |
| Business Combination Asset Valuation Increment |                               |                          |                               |                          |
| Right-of-Use Assets                            | 72,451,773.67                 | 18,112,943.43            | 94,160,842.48                 | 23,540,210.63            |
| Total  | 271,775,738.04                | 67,943,934.52            | 481,587,331.76                | 120,396,832.96           |

## (3) Net Deferred Tax Assets or Liabilities After Offsetting

| Item                         | Ending Balance                        |  | Beginning Balance                     |  |
|------------------------------|---------------------------------------|--|---------------------------------------|--|
|                              | Deferred Tax Assets Offsetting Amount | Net Deferred Tax Assets (After Offsetting) | Deferred Tax Assets Offsetting Amount | Net Deferred Tax Assets (After Offsetting) |
| I. Deferred tax assets       | 36,528,922.19                         | 23,598,603.98                              | 73,314,709.43                         | 8,798,915.22                               |
| II. Deferred tax liabilities | 36,528,922.19                         | 31,415,012.33                              | 73,314,709.43                         | 47,082,123.53                              |

## (4) Unrecognized Deferred Tax Assets

| Item                             | Ending Balance | Beginning Balance |
|----------------------------------|----------------|-------------------|
| Deductible Temporary Differences | 19,626,834.31  | 19,626,834.31     |
| Deductible Losses                | 228,482,429.72 | 243,290,674.65    |
| Total                            | 248,109,264.03 | 262,917,508.96    |

## (5) Unrecognized Deferred Tax Asset Deductible Losses Maturity

| Year | Ending Balance | Beginning Balance | Remarks |
|------|----------------|-------------------|---------|
| 2024 | —              | 38,012,198.48     |         |
| 2025 | 25,114,592.05  | 25,114,592.05     |         |
| 2026 | 37,690,527.65  | 37,744,225.64     |         |

| Year  | Ending Balance | Beginning Balance | Remarks |
|-------|----------------|-------------------|---------|
| 2027  | 58,679,866.78  | 58,679,866.78     |         |
| 2028  | 83,739,791.70  | 83,739,791.70     |         |
| 2029  | 23,257,651.54  |                   |         |
| Total | 228,482,429.72 | 243,290,674.65    | ——      |

## 20. Other Non-Current Assets

| Item                              | Ending Balance |                      |              |
|-----------------------------------|----------------|----------------------|--------------|
|                                   | Book balance   | Impairment Provision | Book Value   |
| Prepaid Long-Term Asset Purchases | 5,682,032.40   |                      | 5,682,032.40 |
| Total                             | 5,682,032.40   |                      | 5,682,032.40 |

(Continuing Table)

| Item                              | Beginning Balance |              |               |
|-----------------------------------|-------------------|--------------|---------------|
|                                   | Book balance      | Book balance | Book Value    |
| Prepaid Long-Term Asset Purchases | 2,833,950.00      |              | 2,833,950.00  |
| Three-Year Term Deposits          | 10,390,000.00     |              | 10,390,000.00 |
| Total                             | 13,223,950.00     |              | 13,223,950.00 |

## 21. Assets with restricted ownership or right of use

| Item                  | Ending-period |               |                   |                       |
|-----------------------|---------------|---------------|-------------------|-----------------------|
|                       | Book balance  | Book value    | Type              | Restriction Situation |
| Cash                  | 21,505,947.53 | 21,505,947.53 | Guarantee Deposit | Guarantee Deposit     |
| Fixed Assets          | 21,719,189.02 | 4,580,904.04  | Legal Freeze      | Legal Freeze          |
| Investment Properties | 19,594,735.46 | 4,858,318.61  | Legal Freeze      | Legal Freeze          |
| Total                 | 62,819,872.01 | 30,945,170.18 | ——                | ——                    |

(Continuing Table)

| Item | Beginning-period |              |                   |                       |
|------|------------------|--------------|-------------------|-----------------------|
|      | Book balance     | Book value   | Type              | Restriction Situation |
| Cash | 2,746,671.91     | 2,746,671.91 | Guarantee Deposit | Guarantee Deposit     |

| Item                  | Beginning-period |               |              |                       |
|-----------------------|------------------|---------------|--------------|-----------------------|
|                       | Book balance     | Book value    | Type         | Restriction Situation |
| Fixed Assets          | 21,719,189.02    | 4,994,664.88  | Legal Freeze | Legal Freeze          |
| Investment Properties | 19,594,735.46    | 5,198,514.17  | Legal Freeze | Legal Freeze          |
| Total                 | 44,060,596.39    | 12,939,850.96 | ——           | ——                    |

## 22. Short-Term Borrowings

### (1) Short-term borrowings by category

| Item         | Ending Balance   | Beginning Balance |
|--------------|------------------|-------------------|
| Credit Loans | 1,311,609,177.78 | 1,163,479,691.67  |
| Total        | 1,311,609,177.78 | 1,163,479,691.67  |

## 23. Derivative Financial Liabilities

| Item                                      | Ending Balance | Beginning Balance |
|---|----------------|-------------------|
| Fair Value Changes in Hedging Instruments | 30,979,464.00  | 15,805,393.88     |
| Total                                     | 30,979,464.00  | 15,805,393.88     |

## 24. Accounts Payable

### (1) Breakdown of Accounts Payable

| Item                    | Ending Balance | Beginning Balance |
|-------------------------|----------------|-------------------|
| Payable for Materials   | 116,601,554.59 | 67,912,958.96     |
| Payable for Engineering | 1,765,477.00   | 3,013,449.11      |
| Payable for Equipment   | 1,964,645.00   | 3,002,660.91      |
| Consulting Service Fee  | 496,573.78     | 3,283,467.22      |
| Leasing Fee             | 3,694,464.27   | 650,000.00        |
| Storage Fee             | 2,016,713.57   | 2,752,000.00      |
| Other                   | 1,339,837.19   | 1,860,287.64      |

| Item  | Ending Balance | Beginning Balance |
|-------|----------------|-------------------|
| Total | 127,879,265.40 | 82,474,823.84     |

## 25. Advances from Customers

### (1) Breakdown of Advances

| Item         | Ending Balance | Beginning Balance |
|--------------|----------------|-------------------|
| Prepaid Rent | 1,122,982.13   | 1,075,801.34      |
| Total        | 1,122,982.13   | 1,075,801.34      |

## 26. Contract Liabilities

### (1) Breakdown of Contract Liabilities

| Item         | Ending Balance | Beginning Balance |
|--------------|----------------|-------------------|
| Loan         | 522,256,930.34 | 411,012,990.81    |
| Service Fees | 9,900.99       | 19,801.98         |
| Other        | 423.65         | 426.29            |
| Total        | 522,267,254.98 | 411,033,219.08    |

## 27. Employee Compensation Payable

### (1) Breakdown of Employee Compensation Payable

| Item                         | Beginning Balance | Increase       | Decrease       | Ending Balance |
|------------------------------|-------------------|----------------|----------------|----------------|
| I. Short-Term Compensation   | 30,758,435.00     | 302,691,530.71 | 308,244,258.38 | 25,205,707.33  |
| II. Post-Employment Benefits | 1,944,123.07      | 38,547,511.04  | 37,994,204.78  | 2,497,429.33   |
| III. Termination Benefits    |                   | 425,495.04     | 425,495.04     |                |
| IV. Other                    |                   | 15,043.98      | 15,043.98      |                |
| Total                        | 32,702,558.07     | 341,679,580.77 | 346,679,002.18 | 27,703,136.66  |

## (2) Breakdown of Short-Term Compensation

| Item                               | Beginning Balance | Increase       | Decrease       | Ending Balance |
|------------------------------------|-------------------|----------------|----------------|----------------|
| I 、 Salary, Bonuses, Allowances    | 26,776,551.56     | 243,833,825.05 | 249,584,256.61 | 21,026,120.00  |
| II、 Employee Welfare Fees          | 18,700.00         | 7,317,864.97   | 7,289,164.97   | 47,400.00      |
| III 、 Social Insurance Fees        | 932,905.62        | 21,436,022.12  | 21,267,275.98  | 1,101,651.76   |
| - Medical Insurance                | 863,418.27        | 19,578,579.16  | 19,453,146.45  | 988,850.98     |
| - Maternity Insurance              | 15,835.63         | 231,947.37     | 230,297.32     | 17,485.68      |
| - Work Injury Insurance            | 53,651.72         | 1,625,495.59   | 1,583,832.21   | 95,315.10      |
| IV 、 Housing Provident Fund        | 114,997.49        | 17,099,800.61  | 17,085,929.35  | 128,868.75     |
| V、 Union and Employee Education    | 2,695,150.33      | 5,535,683.65   | 5,553,455.67   | 2,677,378.31   |
| VI 、 Other Short-Term Compensation | 220,130.00        | 7,468,334.31   | 7,464,175.80   | 224,288.51     |
| Total                              | 30,758,435.00     | 302,691,530.71 | 308,244,258.38 | 25,205,707.33  |

## (3) Breakdown of Post-Employment Benefit Plans

| Item                           | Beginning Balance | Increase      | Decrease       | Ending Balance |
|--------------------------------|-------------------|---------------|----------------|----------------|
| I. Basic Pension Insurance     | 1,848,825.70      | 33,074.395.45 | 32,529,050.69  | 2,394,170.46   |
| II. Unemployment Insurance     | 49,574.79         | 1,079,594.38  | 1,072,702.35   | 56,466.82      |
| III. Corporate Pension Payment | 45,722.58         | 4,393,521.21  | 4,392. 451. 74 | 46,792.05      |
| Total                          | 1,944,123.07      | 38,547,511.04 | 37,994,204.78  | 2,497,429.33   |

**28. Taxes Payable**

| Item  | Ending Balance | Beginning Balance |
|---|----------------|-------------------|
| Value Added Tax   | 6,437,878.04   | 1,535,814.90      |
| Corporate Income Tax                                    | 2,742,466.65   | 4,643,368.25      |
| City Maintenance and Construction Tax                   | 361,760.50     | 184,732.38        |
| Property Tax  | 7,464,168.71   | 2,317,671.84      |
| Land Use Tax  | 996,814.98     | 985,671.07        |
| Personal Income Tax                                     | 1,515,360.06   | 1,655,912.41      |
| Education Fee Surcharge (including Local Education Fee) | 296,495.58     | 99,058.19         |
| Other Taxes   | 184,430.00     | 155,163.43        |
| Total   | 19,999,374.52  | 11,577,392.47     |

**29. Other Payables**

| Item              | Ending Balance | Beginning Balance |
|-------------------|----------------|-------------------|
| Interest Payable  | 20,000,000.00  | 21,082,795.47     |
| Dividends Payable |                | 3,213,302.88      |
| Other Payables    | 38,529,914.31  | 55,322,100.43     |
| Total             | 38,529,914.31  | 79,618,198.78     |

**(1) Interest Payable**

| Item                           | Ending Balance | Beginning Balance |
|--------------------------------|----------------|-------------------|
| Interest on Intercompany Loans | 20,000,000.00  | 21,082,795.47     |
| Total                          | 20,000,000.00  | 21,082,795.47     |

**(2) Dividends Payable**

| Item  | Ending Balance | Beginning Balance |
|-------|----------------|-------------------|
| Other |                | 3,213,302.88      |
| Total |                | 3,213,302.88      |

**(3) Other Payables**



## 1) Breakdown of Other Payables by Nature

| Item                             | Ending Balance | Beginning Balance |
|----------------------------------|----------------|-------------------|
| Related Party Transactions       | 3,669,472.80   | 3,687,264.48      |
| Deposits and Guarantees          | 26,389,861.74  | 27,614,619.18     |
| Interunit Transactions           | 2,527,587.55   | 9,684,592.82      |
| Personal Transactions            | 651,768.84     | 3,731,133.46      |
| Employee Insurance               | 1,892,167.70   | 3,688,119.63      |
| Storage Fees                     | 1,595,833.71   | 2,832,948.18      |
| Loss on Divestment of Hebei Oils |                | 1,747,611.95      |
| Others                           | 1,803,221.97   | 2,335,810.73      |
| Total                            | 38,529,914.31  | 55,322,100.43     |

## 30. Non-current Liabilities Due Within One Year

| Item  | Ending Balance | Beginning Balance |
|---|----------------|-------------------|
| Long-term Loans Due Within One Year             | 529,000,000.00 | 150,000,000.00    |
| Lease Liabilities Due Within One Year           | 11,512,646.62  | 22,741,185.39     |
| Interest on Long-term Loans Due Within One Year | 272,983.32     | 319,763.89        |
| Interest on Bonds Due Within One Year           | 2,880,000.00   | 2,880,000.00      |
| Total   | 543,665,629.94 | 175,940,949.28    |

## 31. Other Current Liabilities

| Item                                | Ending Balance | Beginning Balance |
|-------------------------------------|----------------|-------------------|
| Sales Tax Payable to be Written Off | 53,414,020.52  | 45,928,019.48     |
| Fair Value Changes on Hedging Items | 43,966,054.23  | 14,511,381.20     |
| Total                               | 97,380,074.75  | 60,439,400.68     |

## 32. Long-term Loans

| Item         | Ending Book Value | Amount Due Within One Year | Ending Balance |
|--------------|-------------------|----------------------------|----------------|
| Credit Loans | 529,000,000.00    | 529,000,000.00             |                |
| Total        | 529,000,000.00    | 529,000,000.00             |                |

(Continuing Table)

| Item         | Beginning Book Value | Amount Due Within One Year | Beginning Balance |
|--------------|----------------------|----------------------------|-------------------|
| Credit Loans | 550,000,000.00       | 150,000,000.00             | 400,000,000.00    |
| Total        | 550,000,000.00       | 150,000,000.00             | 400,000,000.00    |

### 33. Bonds Payable

#### (1) Bonds Payable

| Item            | Ending Balance | Beginning Balance |
|-----------------|----------------|-------------------|
| Corporate Bonds | 299,250,000.00 | 298,800,000.00    |
| Total           | 299,250,000.00 | 298,800,000.00    |

#### (2) Details of Bonds Payable (Excluding Preferred Stocks, Perpetual Bonds, and Other Financial Instruments

Classified as Financial Liabilities)

| Bond Name                                  | Face Value     | Coupon Rate (%) | Issue Date     | Bond Term  | Issue Amount   | Beginning Book Value | Amount Due Within One Year |
|--|----------------|-----------------|----------------|------------|----------------|----------------------|----------------------------|
| 23<br>Jingliang<br>01<br>Corporate<br>Bond | 300,000,000.00 | 2.88            | 2023.8.21-8.22 | 3<br>years | 300,000,000.00 | 298,800,000.00       |                            |
| Total                                      | ——             | ——              | ——             | ——         | 300,000,000.00 | 298,800,000.00       |                            |

(Continuing Table)

| Bond Name                                  | Amount Issued This Period | Interest Accrued (Face Value) | Amortization of Premium/Discount | Repayment This Period | Ending Book Value | Amount Due Within One Year | Default Status |
|--|---------------------------|-------------------------------|----------------------------------|-----------------------|-------------------|----------------------------|----------------|
| 23<br>Jingliang<br>01<br>Corporate<br>Bond |                           | 8,640,000.00                  | -450,000.00                      | 8,640,000.00          | 299,250,000.00    |                            |                |
| Total                                      |                           | 8,640,000.00                  | -450,000.00                      | 8,640,000.00          | 299,250,000.00    |                            | ——             |

**34. Lease Liabilities**

| Item  | Ending Balance | Beginning Balance |
|---|----------------|-------------------|
| Lease Payment Amount  | 66,639,136.63  | 103,803,204.86    |
| Less: Unrecognized Financing Costs                          | 4,426,429.08   | 7,820,276.90      |
| Reclassified to Non-current Liabilities Due Within One Year | 11,512,646.62  | 22,741,185.39     |
| Net Lease Liabilities                                       | 50,700,060.93  | 73,241,742.57     |

**35. Long-term Employee Benefits Payable**

## (1) Table of Long-term Employee Benefits Payable

| Item                     | Ending Balance | Beginning Balance |
|--------------------------|----------------|-------------------|
| Other Long-term Benefits | 5,627,134.00   | 5,677,134.00      |
| Total                    | 5,627,134.00   | 5,677,134.00      |

**36. Provisions**

| Item               | Ending Balance | Beginning Balance | Reason for Formation           |
|--------------------|----------------|-------------------|--------------------------------|
| Pending Litigation | 5,146,800.00   |                   | Zhejiang Little Prince lawsuit |
| Total              | 5,146,800.00   |                   | ——                             |

**37. Deferred Income**

| Item               | Beginning Balance | Increase This Period | Decrease This Period | Ending Balance | Reason for Formation |
|--------------------|-------------------|----------------------|----------------------|----------------|----------------------|
| Government Subsidy | 62,503,256.67     | 101,200.00           | 5,872,959.05         | 56,731,497.62  |                      |
| Total              | 62,503,256.67     | 101,200.00           | 5,872,959.05         | 56,731,497.62  | ——                   |

Details of Government Subsidies:

| Subsidy Project  | Beginning Balance | Current Period New Subsidy Amount | Transferred to Other Income | Transferred to Non-operating Income |
|--|-------------------|-----------------------------------|-----------------------------|-------------------------------------|
| Tianjin Binhai New Area Industrial Transformation and Park Construction Fund                       | 1,425,925.73      |                                   | 222,222.24                  |                                     |
| "Tianjin Lingang Industrial Area Management Committee" Infrastructure Subsidy                      | 46,096,611.13     |                                   | 1,277,504.16                |                                     |
| Beijing Grain and Materials Reserves Bureau "Oil Tank Expansion and Winterization Project" Subsidy | 2,272,477.03      |                                   | 250,180.92                  |                                     |
| Edible Oil Green Cleaning Production Equipment Subsidy   | 111,999.68        |                                   | 56,000.04                   |                                     |
| Grain and Oil "Moderate Processing" Key Technology Research Project Fixed Asset Formation          | 544,871.72        |                                   | 77,838.84                   |                                     |
| Beijing Grain and Materials Reserves Bureau 2024 Grain Warehouse Facility Repair Fund              |                   | 101,200.00                        |                             |                                     |
| Relocation Compensation  | 3,078,110.50      |                                   | 3,078,110.50                |                                     |
| Infrastructure Investment Special Subsidy  | 8,973,260.88      |                                   | 911,102.35                  |                                     |
| Total  | 62,503,256.67     | 101,200.00                        | 5,872,959.05                |                                     |

(Continuing Table)

| Subsidy Project  | Current Period Refund Amount | Other Changes | Year-End Balance | Refund Reason | Asset related / income related |
|--|------------------------------|---------------|------------------|---------------|--------------------------------|
| Tianjin Binhai New Area Industrial Transformation and Park Construction Fund                       |                              |               | 1,175,744.81     |               | Assets related                 |
| "Tianjin Lingang Industrial Area Management Committee" Infrastructure Subsidy                      |                              |               | 44,819,106.97    |               | Assets related                 |
| Beijing Grain and Materials Reserves Bureau "Oil Tank Expansion and Winterization Project" Subsidy |                              |               | 2,050,254.79     |               | Assets related                 |
| Edible Oil Green Cleaning Production Equipment Subsidy   |                              |               | 55,999.64        |               | Assets related                 |
| Grain and Oil "Moderate Processing" Key Technology Research Project Fixed Asset Formation          |                              |               | 467,032.88       |               | Assets related                 |
| Beijing Grain and Materials Reserves Bureau 2024 Grain Warehouse Facility Repair Fund              |                              |               | 101,200.00       |               | Assets related                 |
| Relocation Compensation  |                              |               |                  |               | Assets related                 |
| Infrastructure Investment Special Subsidy  |                              |               | 8,062,158.53     |               | Assets related                 |
| Total  |                              |               | 56,731,497.62    |               |                                |

**38. Share Capital**

| Shareholder Name | Beginning Balance | Changes This Period (+, -) |              |                                      |       |          | Ending Balance |
|------------------|-------------------|----------------------------|--------------|--------------------------------------|-------|----------|----------------|
|                  |                   | Issuance of New Shares     | Bonus Shares | Capital Reserve Conversion to Shares | Other | Subtotal |                |
| Total Shares     | 726,950,251.00    |                            |              |                                      |       |          | 726,950,251.00 |

**39. Capital Surplus**

| Item                            | Beginning Balance | Increase This Period | Decrease This Period | Ending Balance   |
|---------------------------------|-------------------|----------------------|----------------------|------------------|
| Capital (Share Capital) Premium | 1,435,204,343.74  |                      |                      | 1,435,204,343.74 |
| Other Capital Surplus           | 246,603,764.33    | 875,918.69           |                      | 247,479,683.02   |
| Total                           | 1,681,808,108.07  | 875,918.69           |                      | 1,682,684,026.76 |

**40. Other Comprehensive Income**

| Item   | Beginning Balance | Current Period Amount |  |   |                           |
|--|-------------------|-----------------------|--|---|---------------------------|
|  |                   | Tax Before Period     | Less: Amount Transferred from Other Comprehensive Income to Profit or Loss | Less: Amount Transferred from Other Comprehensive Income to Retained Earnings | Less: Income Tax Expenses |
| 1. Other Comprehensive Income Not Reclassifiable to Profit or Loss |                   |                       |  |   |                           |
| 2. Other Comprehensive Income Reclassifiable                       | 1,369,980.92      | 393,062.52            |  |   |                           |



| Item                                     | Beginning Balance | Current Period Amount |  |   |                           |
|--|-------------------|-----------------------|--|---|---------------------------|
|  |                   | Tax Before Period     | Less: Amount Transferred from Other Comprehensive Income to Profit or Loss | Less: Amount Transferred from Other Comprehensive Income to Retained Earnings | Less: Income Tax Expenses |
| to Profit or Loss                        |                   |                       |  |   |                           |
| Foreign Currency Translation Differences | 1,369,980.92      | 393,062.52            |  |   |                           |
| Total other comprehensive income         | 1,369,980.92      | 393,062.52            |  |   |                           |

(Continuing Table)

| Item   | Current Period Amount            |   |  | Ending Balance |
|--|----------------------------------|---|--|----------------|
|  | Income Tax Effect for the Period | After-Tax Amount Attributable to the Parent Company | After-Tax Amount Attributable to Minority Shareholders |                |
| I. Other Comprehensive Income that will not be reclassified to profit or loss. |                                  |   |  |                |
| II. Other Comprehensive Income that will be reclassified to profit or loss.    | 393,062.52                       | 393,062.52  |  | 1,763,043.44   |
| Foreign Currency Translation Differences                                       | 393,062.52                       | 393,062.52  |  | 1,763,043.44   |
| Total Other Comprehensive Income   | 393,062.52                       | 393,062.52  |  | 1,763,043.44   |

**41. Surplus Reserves**

| Item                          | Beginning Balance | Increase     | Decrease | Ending Balance |
|-------------------------------|-------------------|--------------|----------|----------------|
| Statutory Surplus Reserve     | 92,184,862.07     | 7,598,927.07 |          | 99,783,789.14  |
| Discretionary Surplus Reserve | 37,634,827.93     |              |          | 37,634,827.93  |
| Total                         | 129,819,690.00    | 7,598,927.07 |          | 137,418,617.07 |

**42. Undistributed Profits**

| Item   | Current Amount | Previous Amount |
|--|----------------|-----------------|
| Adjusted Undistributed Profit at Beginning of the Period       | 627,555,511.45 | 532,904,675.62  |
| Adjusted Undistributed Profit at Ending of the Period          | 627,555,511.45 | 532,904,675.62  |
| Plus: Net Profit Attributable to Parent Company for the Period | 26,130,520.86  | 102,348,088.85  |
| Less: Statutory Surplus Reserve                                | 7,598,927.07   | 7,697,253.02    |
| Dividends Payable on Common Stock                              | 51,613,467.82  |                 |
| Ending Undistributed Profit                                    | 594,473,637.42 | 627,555,511.45  |

**43. Operating Revenue and Operating Costs****(1) Operating Revenue and Operating Costs**

| Item             | Current Period Amount |                   | Previous Period Amount |                   |
|------------------|-----------------------|-------------------|------------------------|-------------------|
|                  | Revenue               | Cost              | Revenue                | Cost              |
| Main Businesses  | 11,335,771,143.52     | 10,902,532,360.75 | 11,844,929,514.32      | 11,501,631,237.44 |
| Other Businesses | 99,072,372.75         | 12,115,723.96     | 56,079,697.31          | 49,171,830.07     |
| Total            | 11,434,843,516.27     | 10,914,648,084.71 | 11,901,009,211.63      | 11,550,803,067.51 |

**(2) Breakdown of Operating Revenue and Costs**

| By Contract Classification          | Revenue           | Cost              |
|-------------------------------------|-------------------|-------------------|
| The type of product                 |                   |                   |
| -Oil                                | 10,486,763,113.09 | 10,234,876,135.34 |
| -Food                               | 849,008,030.43    | 667,656,225.41    |
| -Other                              | 99,072,372.75     | 12,115,723.96     |
| By Operating Region                 |                   |                   |
| - North                             | 6,148,377,682.00  | 5,942,593,232.22  |
| - East                              | 2,386,082,402.44  | 2,208,260,161.96  |
| -Northeast                          | 1,301,161,999.37  | 1,263,704,875.87  |
| -Southeast                          | 6,878,594.13      | 6,802,120.15      |
| -South                              | 589,317,442.57    | 582,980,307.74    |
| -Southwest                          | 516,011,751.31    | 514,563,396.67    |
| -Others                             | 487,013,644.45    | 395,743,990.10    |
| By Timing of Recognition of Revenue |                   |                   |
| - At a specific point in time       | 11,434,843,516.27 | 10,914,648,084.71 |
| The classification by sales channel |                   |                   |
| - Direct sales                      | 6,612,218,955.25  | 6,321,276,580.05  |
| - Distributors                      | 4,723,552,188.27  | 4,581,255,780.70  |
| - Others                            | 99,072,372.75     | 12,115,723.96     |
| Total                               | 11,434,843,516.27 | 10,914,648,084.71 |

## (3) Explanation of Performance Obligations

| Item                               | Performance Obligation Fulfillment Time | Key Payment Terms         | Nature of Goods Committed to Transfer  | Primary Obligation Responsible Party | Amount Expected to be Returned to Customers | Type of Quality Guarantee Provided & Related Obligations |
|------------------------------------|---|---------------------------|--|--------------------------------------|---|--|
| Oils and Fats, and Food Processing | Upon delivery                           | Primarily advance payment | Mainly sales of oils, fats, and snacks | Yes                                  | None  | Statutory warranty                                       |

| Item             | Performance Obligation Fulfillment Time | Key Payment Terms | Nature of Goods Committed to Transfer | Primary Obligation Responsible Party | Amount Expected to be Returned to Customers | Type of Quality Guarantee Provided & Related Obligations |
|------------------|---|-------------------|---------------------------------------|--------------------------------------|---|--|
| ing Sales, Trade |   | t before delivery |                                       |                                      |   |  |

**Note:** In terms of settlement methods, the company and its distributors primarily use the advance payment before delivery method. For some long-term cooperative and creditworthy distributors, the company provides a certain credit limit. Some direct sales customers and supermarkets settle according to the contractual agreed payment period.

#### (4) Explanation of Remaining Performance Obligations

| Item  | Amount         |
|---|----------------|
| Revenue corresponding to signed contracts that have not yet been fulfilled or completed by the end of this reporting period | 308,429,732.04 |
| —Expected revenue to be recognized in 2025  | 308,429,732.04 |

## 44. Taxes and Surcharges

| Item                                   | Current Period Amount | Previous Period Amount |
|--|-----------------------|------------------------|
| Urban Construction and Maintenance Tax | 3,636,611.72          | 3,395,501.76           |
| Property Tax                           | 13,097,397.94         | 7,295,069.14           |
| Land Use Tax                           | 2,446,590.59          | 2,290,615.80           |
| Education Fee Surcharge                | 2,741,190.20          | 2,456,291.23           |

| Item                         | Current Period Amount | Previous Period Amount |
|------------------------------|-----------------------|------------------------|
| Vehicle and Vessel Usage Tax | 38,109.50             | 41,512.47              |
| Environmental Protection Tax | 66,365.17             | 30,843.03              |
| Stamp Duty                   | 8,918,488.40          | 7,421,881.18           |
| Other Taxes and Fees         | 285.11                | 667.49                 |
| Total                        | 30,945,038.63         | 22,932,382.10          |

#### 45. Sales Expenses

| Item                            | Current Period Amount | Previous Period Amount |
|---------------------------------|-----------------------|------------------------|
| Employee Compensation           | 70,273,163.60         | 64,636,913.79          |
| Warehousing and Storage Fees    | 19,229,919.38         | 16,512,288.34          |
| Depreciation Expense            | 16,866,196.27         | 16,173,229.17          |
| Promotion Expenses              | 14,968,467.76         | 18,442,554.57          |
| Material Consumption and Losses | 4,558,864.92          | 2,485,434.87           |
| Travel Expenses                 | 4,214,616.80          | 6,415,908.18           |
| Lease Expenses                  | 2,174,672.28          | 1,239,720.46           |
| Office Expenses                 | 1,484,310.25          | 1,617,807.11           |
| Repair Expenses                 | 1,444,300.03          | 2,090,173.34           |
| Utilities                       | 1,229,238.36          | 1,280,862.67           |
| Vehicle Expenses                | 871,730.11            | 909,465.03             |
| Business Reception Expenses     | 509,618.37            | 315,369.36             |
| Insurance Expenses              | 364,354.71            | 445,587.43             |
| Packaging Expenses              | 341,091.01            | 364,375.51             |
| Inspection and Testing Expenses | 206,603.46            | 264,296.91             |
| Loading and Unloading Expenses  | 118,856.33            | 320,767.29             |
| Labor Protection Expenses       | 93,474.09             | 131,844.93             |
| Other Expenses                  | 1,568,941.69          | 1,053,687.31           |
| Total                           | 140,518,419.42        | 134,700,286.27         |

**46. Administrative Expenses**

| Item                              | Current Period Amount | Previous Period Amount |
|-----------------------------------|-----------------------|------------------------|
| Employee Compensation             | 127,972,209.14        | 137,027,182.45         |
| Depreciation Expense              | 16,226,625.52         | 17,485,332.22          |
| Amortization of Intangible Assets | 14,323,916.32         | 14,787,451.81          |
| Office Expenses                   | 7,395,582.62          | 4,897,271.51           |
| Lease Expenses                    | 5,977,264.11          | 3,211,730.12           |
| Fees for Engaging Intermediaries  | 6,438,726.56          | 7,625,327.29           |
| Repair Expenses                   | 4,034,279.79          | 6,467,541.44           |
| Security and Protection Expenses  | 1,401,532.72          | 1,772,654.96           |
| Travel Expenses                   | 1,258,181.33          | 1,198,460.18           |
| Information and Network Expenses  | 1,147,485.11          | 1,423,703.10           |
| Insurance Expenses                | 1,135,356.00          | 1,407,380.46           |
| Business Reception Expenses       | 1,101,072.91          | 934,893.63             |
| Environmental Protection Expenses | 913,233.20            | 942,076.90             |
| Amortization of Prepaid Expenses  | 887,684.08            | 1,610,265.81           |
| Director's Expenses               | 299,999.88            | 299,999.88             |
| Vehicle Expenses                  | 690,796.45            | 2,184,227.98           |
| Material Consumption              | 560,692.04            | 657,054.96             |
| Labor Protection Expenses         | 103,200.04            | 413,741.50             |
| Conference Expenses               | 64,892.64             | 89,343.12              |
| Court Expenses                    | 505,290.56            |                        |
| Other Expenses                    | 6,792,998.62          | 9,538,565.77           |
| Total                             | 199,231,019.64        | 213,974,205.09         |

**47. Research and Development Expenses**

| Item           | Current Period Amount | Previous Period Amount |
|----------------|-----------------------|------------------------|
| Salary         | 13,594,553.19         | 10,986,790.95          |
| Material Costs | 5,544,119.46          | 3,839,190.78           |

| Item                          | Current Period Amount | Previous Period Amount |
|-------------------------------|-----------------------|------------------------|
| Material Consumption          | 1,268,715.98          | 2,565,948.18           |
| Depreciation and Amortization | 1,289,462.62          | 590,080.30             |
| Fuel and Power Costs          | 779,758.88            | 670,315.44             |
| Travel Expenses               | 72,184.10             | 103,961.21             |
| Equipment Costs               | 14,946.90             | 105,418.94             |
| Design Fees                   | -                     | 566,037.74             |
| Other                         | 2,418,727.49          | 1,470,218.17           |
| Total                         | 24,982,468.62         | 20,897,961.71          |

#### 48. Financial Expenses

| Item                  | Current Period Amount | Previous Period Amount |
|-----------------------|-----------------------|------------------------|
| Interest Expenses     | 60,492,426.83         | 62,101,542.12          |
| Less: Interest Income | 17,628,504.01         | 18,201,145.42          |
| Fees and Charges      | 1,740,795.52          | 1,119,817.26           |
| Exchange Losses       | 980,593.83            | 922,278.26             |
| Less: Exchange Gains  | 204,540.10            | 2,424,915.08           |
| Other                 |                       | 2,348.54               |
| Total                 | 45,380,772.07         | 43,519,925.68          |

#### 49. Other Income

| Item                                      | Current Period Amount | Previous Period Amount |
|---|-----------------------|------------------------|
| Government subsidy                        | 18,808,559.96         | 13,150,019.76          |
| Individual income tax handling fee refund | 222,588.13            | 181,917.61             |
| Other                                     | 273.00                | 840.00                 |
| Total                                     | 19,031,421.09         | 13,332,777.37          |

**50. Investment Income**

| Investment Income   | Current Period Amount | Previous Period Amount |
|---|-----------------------|------------------------|
| Equity Method Investment Income                                 | 12,546,903.92         | 11,368,728.43          |
| Investment Income from Disposal of Long-Term Equity Investments |                       | 3,987,862.90           |
| Investment Income from Trading Financial Assets                 |                       | 211,777.70             |
| Investment Income from Disposal of Trading Financial Assets     |                       | 374,460.84             |
| Other   |                       | -12,559.79             |
| Total   | 12,546,903.92         | 15,930,270.08          |

**51. Fair Value Change Gains**

| Source of Fair Value Change Gains                                   | Current Period Amount | Previous Period Amount |
|---|-----------------------|------------------------|
| Trading Financial Assets  | -116,999,895.87       | 228,219,839.09         |
| Of which: Fair Value Change of Hedging Instruments and Hedged Items | -116,999,895.87       | 228,219,839.09         |
| Total   | -116,999,895.87       | 228,219,839.09         |

**52. Credit Impairment Losses**

| Item                                   | Current Period Amount | Previous Period Amount |
|--|-----------------------|------------------------|
| Bad Debt Losses on Accounts Receivable | 6,734,035.01          | -5,126,006.59          |
| Bad Debt Losses on Other Receivables   | 1,779.74              | -1,779.74              |
| Total                                  | 6,735,814.75          | -5,127,786.33          |

**53. Asset Impairment Losses**

| Item                      | Current Period Amount | Previous Period Amount |
|---------------------------|-----------------------|------------------------|
| Inventory Write-down Loss | -13,819,833.62        | -29,004,360.66         |



| Item  | Current Period Amount | Previous Period Amount |
|-------|-----------------------|------------------------|
| Total | -13,819,833.62        | -29,004,360.66         |

#### 54. Gains on Asset Disposal

| Item                                 | Current Period Amount | Previous Period Amount | Amount Included in Non-Recurring Gains and Losses |
|--------------------------------------|-----------------------|------------------------|---|
| Profit from Disposal of Fixed Assets | 63,830.72             | 50,283.79              | 63,830.72   |
| Total                                | 63,830.72             | 50,283.79              | 63,830.72   |

#### 55. Non-Operating Income

| Item   | Current Period Amount | Previous Period Amount | Amount Included in Non-Operating Gains and Losses |
|--|-----------------------|------------------------|---|
| Non-Current Asset Destruction or Scrap Gain          | 131,658.82            | 16,682.16              | 131,658.82  |
| Fines, Penalties, Late Fees, and Compensation Income | 53,728.00             | 6,143,722.18           | 53,728.00   |
| Payables Not Due for Payment                         | 9,952,534.05          | 251,522.70             | 9,952,534.05                                      |
| Scrap Disposal Income                                | 60,218.08             | 119,317.42             | 60,218.08   |
| Other  | 1,050,933.48          | 236,088.24             | 1,050,933.48                                      |
| Total  | 11,249,072.43         | 6,767,332.70           | 11,249,072.43                                     |

#### 56. Non-Operating Expenses

| Item  | Current Period Amount | Previous Period Amount | Amount Included in Non-Operating Gains and Losses |
|---|-----------------------|------------------------|---|
| Non-Current Asset Destruction or Scrap Loss | 163,623.76            | 318,231.18             | 163,623.76  |

| Item                             | Current Period Amount | Previous Period Amount | Amount Included in Non-Operating Gains and Losses |
|----------------------------------|-----------------------|------------------------|---|
| Public Welfare Donations         |                       | 50,000.00              |   |
| Late Fees                        | 9,166.34              |                        | 9,166.34  |
| Inventory Loss                   | 7,970.33              |                        | 7,970.33  |
| Penalties, Compensation,         | 336,961.15            | 3,438,439.46           | 336,961.15  |
| Litigation Compensation Expenses | 5,000,000.00          |                        | 5,000,000.00                                      |
| Other                            | 77,682.10             | 210,575.30             | 77,682.10   |
| Total                            | 5,595,403.68          | 4,017,245.94           | 5,595,403.68                                      |

## 57. Income Tax Expense

### (1) Income Tax Expense Table

| Item                           | Current Period Amount | Previous Period Amount |
|--------------------------------|-----------------------|------------------------|
| Current Income Tax Expense     | 18,504,508.70         | 30,811,845.54          |
| Deferred Income Tax Adjustment | -30,466,799.96        | 6,067,801.54           |
| Total                          | -11,962,291.26        | 36,879,647.08          |

### (2) Reconciliation of Accounting Profit and Income Tax Expense

| Item  | Current Period Amount |
|---|-----------------------|
| Total Profit  | -7,650,377.08         |
| Income Tax Expense Calculated at Statutory/Applicable Tax Rate                              | -1,912,594.27         |
| Effect of Different Tax Rates for Subsidiaries  | -767,027.17           |
| Effect of Adjustments to Prior Period Income Tax  | 200,845.33            |
| Effect of Non-Taxable Income  | -1,831,011.83         |
| Effect of Non-Deductible Costs, Expenses, and Losses  | 568,136.98            |
| Effect of Using Unrecognized Deferred Tax Assets on Deductible Losses from Previous Periods | -9,487,494.50         |

| Item  | Current Period Amount |
|---|-----------------------|
| Effect of Unrecognized Deferred Tax Assets on Deductible Losses in the Current Period | 4,879,462.21          |
| Effect of R&D Expenses and Disability Employment Deduction                            | -4,721,969.93         |
| Effect of Impairment Loss Reversal or Write-off                                       | -3,693.00             |
| Effect of Small Enterprise Tax Preferences  | 4,695.08              |
| Effect of Non-Taxable Investment Income   | 3,799,341.99          |
| Effect of Reversal of Deferred Tax Assets Recognized in the Previous Period           | 893.59                |
| Effect of Accelerated Depreciation of Fixed Assets                                    | -2,341,718.53         |
| Effect of Singapore Policy Tax Exemption  | -210,525.66           |
| Other   | -139,631.55           |
| Income Tax Expense  | -11,962,291.26        |

## 58. Other Comprehensive Income

Please refer to Note "V. 40. Other Comprehensive Income" for detailed information.

## 59. Cash Flow Statement Items

### (1) Cash Related to Operating Activities

#### 1) Cash Received from Other Operating Activities

| Item                               | Current Period Amount | Previous Period Amount |
|------------------------------------|-----------------------|------------------------|
| Related Party Transactions         | 10,190,180.58         | 26,969,822.02          |
| Deposits and Guarantees            | 4,775,548,384.38      | 2,178,381,623.73       |
| Other Unit Transactions            | 68,187,505.79         | 89,136,407.24          |
| Interest Income                    | 13,207,645.63         | 13,316,019.01          |
| Non-Operating Income & Other Gains | 8,810,598.64          | 6,418,418.92           |
| Collections for Others             | 2,549,941,162.71      |                        |
| Other                              | 29,599,109.83         | 3,658,424.57           |
| Total                              | 7,455,484,587.56      | 2,317,880,715.49       |

#### 2) Cash Paid for Other Operating Activities

| Item                       | Current Period Amount | Previous Period Amount |
|----------------------------|-----------------------|------------------------|
| Expense Payments           | 74,785,966.59         | 104,347,063.80         |
| Other Unit Transactions    | 46,871,640.12         | 57,986,662.42          |
| Related Party Transactions | 15,379,839.85         | 11,939,808.97          |
| Petty Cash                 | 90,000.00             | 138,317.53             |
| Deposits and Guarantees    | 4,692,659,820.38      | 2,180,753,383.10       |
| Collections for Others     | 2,549,941,162.71      |                        |
| Other                      | 83,696,364.64         | 8,111,618.56           |
| Total                      | 7,463,424,794.29      | 2,363,276,854.38       |

## (2) Cash Related to Investing Activities

## 1) Cash Paid for Other Investing Activities

| Item                                | Current Period Amount | Previous Period Amount |
|-------------------------------------|-----------------------|------------------------|
| Hebei Oilseed Investment Withdrawal | 1,747,611.95          | 9,772,907.10           |
| Total                               | 1,747,611.95          | 9,772,907.10           |

## (3) Cash Related to Financing Activities

## 1) Cash Received from Other Financing Activities

| Item   | Current Period Amount | Previous Period Amount |
|--|-----------------------|------------------------|
| Capital Contribution from Shunong Group for Research Subsidies | 840,000.00            | 3,090,000.00           |
| Total  | 840,000.00            | 3,090,000.00           |

## 2) Cash Paid for Other Financing Activities

| Item           | Current Period Amount | Previous Period Amount |
|----------------|-----------------------|------------------------|
| Lease Payments | 15,224,400.00         | 29,652,976.62          |
| Total          | 15,224,400.00         | 29,652,976.62          |

3) Changes in Liabilities Arising from Financing Activities

| Item                  | Beginning Balance | Period-Increase  |                  | Period-Decrease  |                  | Ending Balance   |
|-----------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|                       |                   | Cash Changes     | Non-Cash Changes | Cash Changes     | Non-Cash Changes |                  |
| Short-Term Borrowings | 1,163,479,691.67  | 1,830,000,000.00 | 28,973,783.36    | 1,710,844,297.25 |                  | 1,311,609,177.78 |
| Long-Term Borrowings  | 550,319,763.89    | 130,000,000.00   | 15,074,800.00    | 166,121,580.57   |                  | 529,272,983.32   |
| Bonds Payable         | 301,680,000.00    |                  | 9,090,000.00     | 8,640,000.00     |                  | 302,130,000.00   |
| Lease Liabilities     | 95,982,927.96     |                  | 5,985,537.34     | 13,994,289.87    | 25,761,467.88    | 62,212,707.55    |
| Dividends Payable     |                   |                  | 51,613,467.82    | 51,613,467.82    |                  |                  |
| Total                 | 2,111,462,383.52  | 1,960,000,000.00 | 110,737,588.52   | 1,951,213,635.51 | 25,761,467.88    | 2,205,224,868.65 |

**Note:** The amounts listed above include the amounts reclassified to non-current liabilities due within one year.

## 60. Supplementary Information for the Cash Flow Statement

### (1) Supplemental Information to the Cash Flow Statement

| Supplemental Information  | Current period  | Previous period |
|---|-----------------|-----------------|
| 1. Adjusting Net Profit to Operating Activities' Cash Flow:                               | ——              | ——              |
| Net profit  | 4,311,914.18    | 103,452,846.29  |
| Add: Asset impairment loss  | 13,819,833.62   | 29,004,360.66   |
| Credit impairment loss  | -6,735,814.75   | 5,127,786.33    |
| Depreciation of fixed assets, oil and gas assets, and biological assets                   | 98,532,989.69   | 95,114,999.37   |
| Depreciation of right-of-use assets   | 24,678,301.11   | 24,780,097.22   |
| Amortization of intangible assets   | 14,407,936.72   | 14,871,472.21   |
| Amortization of long-term prepaid expenses  | 1,446,354.13    | 1,646,475.12    |
| Loss (or gain) on disposal of fixed assets, intangible assets, and other long-term assets | -63,830.72      | -50,283.79      |
| Loss on retirement of fixed assets (income is listed with a "-" sign)                     | 31,964.94       | 301,549.02      |
| Fair value change loss (Gain is marked with "-".) (columns)                               | 116,999,895.87  | -228,219,839.09 |
| Finance expenses (income is indicated with a "-")   | 77,015,661.77   | 64,730,900.89   |
| Investment losses (gains are listed with a "-" sign)                                      | -12,546,903.92  | -15,930,270.08  |
| Deferred tax assets decreased (increased with a "-" sign) (Fill in the columns)           | -14,799,688.76  | 5,390,848.71    |
| Deferred tax liabilities increased (decreased by "-") (Fill in the columns)               | -15,667,111.20  | 676,952.83      |
| Decrease in inventories (increase by "-")   | -329,668,276.06 | -253,552,786.31 |
| Decrease in operating receivables (increase with "-") (Fill in the columns)               | -76,364,386.07  | 368,727,261.20  |

| Supplemental Information   | Current period   | Previous period  |
|--|------------------|------------------|
| Increase in operating payables<br>(decrease by "-".)<br>Fill in the columns)                                 | -4,869,562.50    | -106,585,415.84  |
| Net cash flow from operating activities  | -109,470,721.95  | 109,486,954.74   |
| 2. Significant investment and financing<br>activities that do not involve cash receipts<br>and expenditures: | —                | —                |
| 3. Net change in cash and cash<br>equivalents:   | —                | —                |
| The closing balance of cash  | 1,395,519,746.77 | 1,540,639,079.95 |
| Less: The opening balance of cash  | 1,540,639,079.95 | 551,439,110.07   |
| Net increase in cash and cash<br>equivalents   | -145,119,333.18  | 989,199,969.88   |

## (2) Composition of Cash and Cash Equivalents

| Item   | Ending balance   | Beginning balance |
|--|------------------|-------------------|
| I. Cash  | 1,395,519,746.77 | 1,540,639,079.5   |
| Cash in hand                                       | 10,717.74        | 9,949.26          |
| Bank deposits available for<br>immediate use:      | 1,325,403,161.84 | 1,423,321,137.06  |
| Other funds available for<br>immediate use:        | 70,105,867.19    | 117,307,993.63    |
| II. Cash equivalents                               |                  |                   |
| III. Closing cash and cash equivalents<br>balances | 1,395,519,746.77 | 1,540,639,079.95  |

## 61. Monetary items in foreign currencies

## (1) Monetary items in foreign currency

| Item              | Closing Foreign<br>Currency Balance | Translation<br>Exchange<br>Rate | Translation at the end<br>of the period |
|-------------------|-------------------------------------|---------------------------------|---|
| Monetary funds    | —                                   | —                               | 87,168,294.60                           |
| Including: USD    | 12,126,244.31                       | 7.1884                          | 87,168,294.60                           |
| Other receivables | —                                   | —                               | 16,141,102.93                           |
| Including: USD    | 2,245,437.50                        | 7.1884                          | 16,141,102.93                           |

**62. Lease****(1) Tenant information**

| Item   | Amount        |
|--|---------------|
| Interest expense on lease liabilities  | 1,256,958.15  |
| Simplified short-term lease charges including cost of related assets or current profit or loss | 4,407,568.51  |
| Total lease-related cash outflows  | 19,590,203.65 |

**(2) Operating lease as lessor**

| Item          | Lease income  | Including: income related to variable lease payments that are not included in lease receipts |
|---------------|---------------|--|
| Rental income | 56,609,024.03 |  |
| Total         | 56,609,024.03 |  |

**VI. R&D expenditure****1. Listed by nature of fees**

| Item                                  | Amount incurred in the current period | Amount incurred in the previous period |
|---------------------------------------|---------------------------------------|--|
| Salary                                | 13,594,553.19                         | 10,986,790.95                          |
| Material cost                         | 5,544,119.46                          | 3,839,190.78                           |
| Material consumption                  | 1,268,715.98                          | 2,565,948.18                           |
| Depreciation and amortization expense | 1,289,462.62                          | 590,080.30                             |
| Fuel power cost                       | 779,758.88                            | 670,315.44                             |
| Travel costs                          | 72,184.10                             | 103,961.21                             |
| Equipment cost                        | 14,946.90                             | 105,418.94                             |
| Design fee                            | -                                     | 566,037.74                             |
| Others                                | 2,418,727.49                          | 1,470,218.17                           |
| Total                                 | 24,982,468.62                         | 20,897,961.71                          |



| Item                                    | Amount incurred in the<br>current period | Amount incurred in the<br>previous period |
|---|--|---|
| Among them: expensed<br>R&D expenditure | 24,982,468.62                            | 20,897,961.71                             |
| Capitalize R&D<br>expenditures          |  |   |

## **VII. Change in the scope of consolidation**

There was no change in the scope of consolidation during the reporting period.

## VIII. Interests in Other Entities

### 1. Equity Interests in Subsidiaries

#### (1) Composition of the Corporate Group

| Subsidiary Name                                      | Primary Business Location | Registered Capital (in Ten Thousand Yuan) | Registered Location | Business Nature                 | Shareholding ratio (%) |                       | Acquisition Method  |
|--|---------------------------|---|---------------------|---------------------------------|------------------------|-----------------------|---------------------|
|  |                           |   |                     |                                 | Direct Shareholding    | Indirect Shareholding |                     |
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd. | Tianjin                   | 56,000.00                                 | Tianjin             | Agricultural product processing |                        | 70.00                 | Same control merger |
| Beijing Jingliang Oil Co., Ltd.                      | Beijing                   | 5,000.00                                  | Beijing             | Grain and oil trade             |                        | 100.00                | Same control merger |
| Beijing Guchuan Oil Co., Ltd.                        | Beijing                   | 12,558.46                                 | Beijing             | Grain and oil trade             |                        | 100.00                | Same control merger |
| Beijing Aisen Lvobao Oil Co., Ltd.                   | Beijing                   | 5,050.00                                  | Beijing             | Agricultural product processing |                        | 100.00                | Same control merger |
| Beijing Tianweikang Oil Marketing Center Co., Ltd.   | Beijing                   | 500.00                                    | Beijing             | Warehousing                     |                        | 100.00                | Same control merger |
| Beijing Guchuan Bread Food Co., Ltd.                 | Beijing                   | 5,550.00                                  | Beijing             | Food processing                 |                        | 100.00                | Same control merger |

| Subsidiary Name  | Primary Business Location | Registered Capital (in Ten Thousand Yuan) | Registered Location | Business Nature                 | Shareholding ratio (%) |                       | Acquisition Method       |
|--|---------------------------|---|---------------------|---------------------------------|------------------------|-----------------------|--------------------------|
|  |                           |   |                     |                                 | Direct Shareholding    | Indirect Shareholding |                          |
| Zhejiang Little Prince Food Co., Ltd.                          | Hangzhou                  | 5,156.00                                  | Hangzhou            | Food processing                 | 17.6794                | 77.2072               | Non-same control merger  |
| Hangzhou Lin'an Little Angel Food Co., Ltd.                    | Hangzhou                  | 4,900.00                                  | Hangzhou            | Food processing                 | 17.6794                | 77.2072               | Non-same control merger  |
| Liaoning Little Prince Food Co., Ltd.                          | Liaoning                  | 3,000.00                                  | Liaoning            | Food processing                 | 17.6794                | 77.2072               | Non-same control merger  |
| Linqing Little Prince Food Co., Ltd.                           | Linqing                   | 2,132.50                                  | Linqing             | Food processing                 | 17.6794                | 77.2072               | Non-same control merger  |
| Hangzhou Lin'an Chunmanyuan Agricultural Development Co., Ltd. | Hangzhou                  | 600.00                                    | Hangzhou            | Food processing                 | 17.6794                | 77.2072               | Non-same control merger  |
| Jingliang (Singapore) International Trade Co., Ltd.            | Singapore                 | 643.35                                    | Singapore           | Grain trade                     |                        | 100.00                | Investment establishment |
| Beijing Jingliang Guyuan Oil Co., Ltd                          | Beijing                   | 5,000.00                                  | Beijing             | Grain and oil trade             |                        | 100.00                | Investment establishment |
| Beijing Jing Grain Products Co., Ltd                           | Beijing                   | 105,658.96                                | Beijing             | Investment management           | 100.00                 |                       | Same control merger      |
| Jingliang (Caofeidian) Agricultural Development Co., Ltd       | Tangshan                  | 5,000.00                                  | Tangshan            | Agriculture                     | 51.00                  |                       | Investment establishment |
| Jingliang (Yueyang) Grain and Oil Industry Co., Ltd            | Hunan                     | 68,000.00                                 | Hunan               | Agricultural product processing | 65.00                  |                       | Investment establishment |

|  |          |           |          |                                 |        |  |                          |
|--|----------|-----------|----------|---------------------------------|--------|--|--------------------------|
| Jingliang (Caofeidian) Agricultural Development Co., Ltd | Tangshan | 5,000.00  | Tangshan | Agriculture                     | 51.00  |  | Investment establishment |
| Jingliang (Beijing) Food Marketing Management Co., Ltd   | Beijing  | 800.00    | Beijing  | Commercial services             | 100.00 |  | Investment establishment |
| Jingliang (Yangpu) Grain and Oil Industry Co., Ltd       | Hainan   | 50,000.00 | Hainan   | Agricultural product processing | 65.00  |  | Investment establishment |

(2) Important Non-Wholly-Owned Subsidiaries

| Subsidiary Name                                     | Minority Shareholding | Loss Attributable to Minority Shareholders in Current Period | Dividends Declared to Minority Shareholders | Minority Shareholders' Equity at Period End |
|---|-----------------------|--|---|---|
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd | 30.00%                | -24,424,203.49   | 13,232,800.00                               | 184,609,420.21                              |
| Zhejiang Little Prince Food Co., Ltd                | 5.11%                 | 14,479,832.00  | 22,792,800.00                               | 189,816,315.97                              |

(3) Main Financial Information of Important Non-Wholly-Owned Subsidiaries

| Subsidiary Name                                     | Ending Balance   |                    |                  |                     |                         |                   |
|---|------------------|--------------------|------------------|---------------------|-------------------------|-------------------|
|   | Current Assets   | Non-current Assets | Total Assets     | Current Liabilities | Non-current Liabilities | Total Liabilities |
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd | 1,860,100,669.62 | 685,396,396.29     | 2,545,497,065.91 | 1,882,087,225.29    | 48,045,106.57           | 1,930,132,331.86  |
| Zhejiang Little Prince Food Co., Ltd                | 530,330,845.53   | 310,413,253.53     | 840,744,099.06   | 83,362,355.35       | 18,836,092.53           | 102,198,447.88    |

(Continuing Table)

| Subsidiary Name                                     | Beginning Balance |                    |                  |                     |                         |                   |
|---|-------------------|--------------------|------------------|---------------------|-------------------------|-------------------|
|   | Current Assets    | Non-current Assets | Total Assets     | Current Liabilities | Non-current Liabilities | Total Liabilities |
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd | 1,690,703,873.13  | 715,120,631.78     | 2,405,824,504.91 | 1,401,536,126.49    | 263,400,299.40          | 1,664,936,425.89  |
| Zhejiang Little Prince Food Co., Ltd                | 556,236,641.71    | 333,141,896.19     | 889,378,537.90   | 103,727,129.38      | 17,728,505.38           | 121,455,634.76    |

(Continuing Table)

| Subsidiary Name                                     | Current Period   |                |                            |                                     |
|---|------------------|----------------|----------------------------|-------------------------------------|
|   | Operating Income | Net Profit     | Total Comprehensive Income | Cash Flow from Operating Activities |
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd | 4,610,312,602.62 | -81,414,144.97 | -81,414,144.97             | -227,746,332.44                     |
| Zhejiang Little Prince Food Co., Ltd                | 726,127,696.17   | 70,622,748.04  | 70,622,748.04              | 30,154,130.18                       |

(Continuing Table)

| Subsidiary Name                                     | Previous Period  |                |                            |                                     |
|---|------------------|----------------|----------------------------|-------------------------------------|
|   | Operating Income | Net Profit     | Total Comprehensive Income | Cash Flow from Operating Activities |
| Jingliang (Tianjin) Grain and Oil Industry Co., Ltd | 5,567,060,384.67 | 9,084,326.55   | 9,084,326.55               | 341,687,731.49                      |
| Zhejiang Little Prince Food Co., Ltd                | 801,501,276.72   | 100,934,836.53 | 100,934,836.53             | 47,904,799.55                       |

## 2. Equity Interests in Joint Ventures or Associates

### (1) Important Joint Ventures or Associates

| Joint Venture or Associate Name                            | Primary Business Location | Registered Location | Business Nature         | Shareholding ratio (%) |                       | Accounting Treatment Method for Investment in Joint Venture or Associate |
|--|---------------------------|---------------------|-------------------------|------------------------|-----------------------|--|
|  |                           |                     |                         | Direct Shareholding    | Indirect Shareholding |  |
| Beijing Zhengda Feedstuff Limited Company                  | Beijing                   | Beijing             | Manufacturing           |                        | 50.00                 | Equity method  |
| Zhongchu Grain (Tianjin) Warehouse and Logistics Co., Ltd. | Tianjin                   | Tianjin             | Warehousing & Transport |                        | 30.00                 | Equity method  |

### (2) Main Financial Information of Important Joint Ventures

| Item           | Period End Balance / Current Period Amount | Beginning Period Balance / Previous Period Amount |
|----------------|--|---|
|                | Beijing Zhengda Feedstuff Limited Company  | Beijing Zhengda Feedstuff Limited Company         |
| Current Assets | 327,856,522.69                             | 319,779,538.52                                    |

| Item  | Period End Balance /<br>Current Period Amount   | Beginning Period<br>Balance / Previous<br>Period Amount |
|---|---|---|
|   | Beijing Zhengda<br>Feedstuff Limited<br>Company | Beijing Zhengda<br>Feedstuff Limited<br>Company         |
| Cash and Cash Equivalents                     | 13,344,582.35                                   | 12,804,613.72   |
| Non-Current Assets                            | 21,750,027.11                                   | 19,900,378.39   |
| Total Assets                                  | 349,606,549.80                                  | 339,679,916.91  |
| Current Liabilities                           | 56,698,809.23                                   | 58,198,209.39   |
| Non-Current Liabilities                       | 24,967,212.11                                   | 24,694,621.01   |
| Total Liabilities                             | 81,666,021.34                                   | 82,892,830.40   |
| Minority Interest                             |   |   |
| Equity Attributable to Parent<br>Shareholders | 267,940,528.46                                  | 256,787,086.51  |
| Share of Net Assets<br>Attributable to Parent | 133,970,264.23                                  | 128,393,543.26  |
| Book Value of Investment in<br>Joint Venture  | 133,970,264.23                                  | 128,393,543.26  |
| Operating Revenue                             | 298,495,469.15                                  | 333,814,764.22  |
| Financial Expenses                            | -9,914,634.19                                   | -8,260,978.56   |
| Income Tax Expenses                           | 3,775,596.96                                    | 4,783,324.60  |
| Net Profit                                    | 11,054,824.97                                   | 13,840,755.05   |
| Dividends Received from<br>Joint Venture      |   |   |

## (3) Main Financial Information of Important Associates

| Item                    | Period End Balance /<br>Current Period Amount                    | Beginning Period<br>Balance / Previous<br>Period Amount          |
|-------------------------|--|--|
|                         | Zhongchu Grain<br>(Tianjin) Warehouse<br>and Logistics Co., Ltd. | Zhongchu Grain<br>(Tianjin) Warehouse<br>and Logistics Co., Ltd. |
| Current Assets          | 107,422,998.85   | 59,019,697.43  |
| Non-Current Assets      | 929,833,741.73   | 886,062,609.97   |
| Total Assets            | 1,037,256,740.58   | 945,082,307.40   |
| Current Liabilities     | 42,972,048.52  | 33,964,613.24  |
| Non-Current Liabilities | 570,055,882.68   | 506,182,569.64   |
| Total Liabilities       | 613,027,931.20   | 540,147,182.88   |



| Item  | Period End Balance /<br>Current Period Amount                    | Beginning Period<br>Balance / Previous<br>Period Amount          |
|---|--|--|
|   | Zhongchu Grain<br>(Tianjin) Warehouse<br>and Logistics Co., Ltd. | Zhongchu Grain<br>(Tianjin) Warehouse<br>and Logistics Co., Ltd. |
| Minority Interest   |  |  |
| Equity Attributable to Parent<br>Shareholders   | 424,228,809.38   | 404,935,124.52   |
| Share of Net Assets<br>Attributable to Parent   | 127,268,642.81   | 121,480,537.36   |
| Book Value of Investment in<br>Associate  | 127,268,642.81   | 121,480,537.36   |
| The fair value of equity<br>investments in associates with<br>publicly quoted prices. |  |  |
| Operating Revenue   | 97,832,532.36  | 48,403,561.21  |
| Net Profit  | 19,173,955.86  | 15,567,021.54  |
| Total Comprehensive Income  | 19,173,955.86  | 15,567,021.54  |
| Dividends Received from<br>Associate  |  |  |

## (4) Summary Financial Information of Non-Significant Joint

## Ventures and Associates

| Item  | Period End Balance / Current<br>Period Amount |              |
|---|---|--------------|
| Associates:   |   |              |
| Total Book Value of Investments   | 6,266,560.98                                  | 6,352,166.62 |
| The total amount calculated based on the<br>shareholding ratio for the following items. | ---   | ---          |
| -- Net Profit   | -85,605.64                                    | -89,502.20   |
| -- Total Comprehensive Income   | -85,605.64                                    | -89,502.20   |

## IX. Government Grants

### 1. Liabilities Related to Government Grants

| Financial Statement Item | Beginning Balance | New Grant Amount for the Period | Amount Recorded in Non-operating Income for the Period | Transferred to Other Income for the Period | Other Changes for the Period | Ending Balance | Asset/Income Related |
|--------------------------|-------------------|---------------------------------|--|--|------------------------------|----------------|----------------------|
| Deferred Revenue         | 62,503,256.67     | 101,200.00                      |  | 5,872,959.05                               |                              | 56,731,497.62  | Related to assets    |
| Total                    | 62,503,256.67     | 101,200.00                      |  | 5,872,959.05                               |                              | 56,731,497.62  | —                    |

### 2. Government Grants Recorded in Current Profit or Loss

#### Item

| Item  | Current Period Amount | Previous Period Amount | Reported Item |
|---|-----------------------|------------------------|---------------|
| VAT Immediate Refund  | 7,385,224.08          | 7,349,068.91           | Other income  |
| Relocation Compensation   | 3,078,110.50          | 384,763.82             | Other income  |
| Import Soybean Financial Subsidy  | 2,165,900.00          | 400,000.00             | Other income  |
| Infrastructure Support Subsidy for Enterprises in the Construction Phase of the Tianjin Lingang | 1,277,504.16          | 1,277,504.16           | Other income  |

| Item  | Current Period Amount | Previous Period Amount | Reported Item |
|---|-----------------------|------------------------|---------------|
| Industrial Zone Administrative Committee  |                       |                        |               |
| Subsidy for Infrastructure Construction Equipment   | 767,281.55            | 767,281.55             | Other income  |
| Job Stabilization Subsidy   | 611,411.81            | 229,425.94             | Other income  |
| Government Support for Debt Financing Reward  | 600,000.00            |                        | Other income  |
| First Upgrade to Standard in the Economic Development Zone Reward   | 300,000.00            | -                      | Other income  |
| Quality Award Subsidy (Market Regulatory Bureau)  | 300,000.00            | -                      | Other income  |
| 2024 Grain Production and Marketing Cooperation Project Subsidy   | 298,800.00            | -                      | Other income  |
| Beijing Grain and Material Reserve Bureau "Oil Tank Expansion and Winterization Renovation Project" Subsidy | 250,180.92            | 250,180.91             | Other income  |
| Tianjin Binhai New Area Industrial Technology Reform and  | 222,222.24            | 222,222.24             | Other income  |

*Hainan Jingliang Holdings Co., Ltd. 2024 Financial Statement Notes*

| Item   | Current Period Amount | Previous Period Amount | Reported Item |
|--|-----------------------|------------------------|---------------|
| Park Construction Funds and Scientific and Technological Expenditures                              |                       |                        |               |
| 2024 Grain Production and Marketing Cooperation Project Subsidy                                    | 206,100.00            | –                      | Other income  |
| Subsidy for Tax Incentive Policies for Key Groups (January to November)                            | 200,200.00            | –                      | Other income  |
| Key Sub-Brand Reward Fund  | 200,000.00            | –                      | Other income  |
| Grain and Reserve Bureau Allocated Grain Storage Facility Maintenance Fund                         | 149,880.00            | –                      | Other income  |
| Subsidy for Expanding Potato Chip Production Line Project  | 143,820.80            | 83,895.47              | Other income  |
| Disability-Related Subsidies   | 210,972.16            | 295,659.73             | Other income  |
| Subsidy for the Technical Renovation of the New 8,000 Tons Corn-based Food Production Line Project |                       | 470,000.00             | Other income  |
| Development Zone   |                       | 261,643.00             | Other income  |

| Item  | Current Period Amount | Previous Period Amount | Reported Item |
|---|-----------------------|------------------------|---------------|
| Expansion Support Bonus   |                       |                        |               |
| Information Technology Monitoring Equipment   |                       | 200,686.32             | Other income  |
| Tieling City Mayor's Quality Award Bonus  |                       | 200,000.00             | Other income  |
| 2023 Industry Revitalization Zone Policy Subsidy  |                       | 150,000.00             | Other income  |
| 2021-2022 Urban Land Use Tax Refund   |                       | 101,200.00             | Other income  |
| Tianjin Port Free Trade Zone Development and Reform Bureau 2020 Tianjin Smart Manufacturing Special Fund (District Level Portion) |                       | 100,000.00             | Other income  |
| Others  | 440,951.74            | 406,487.71             | Other income  |
| Total   | 18,808,559.96         | 13,150,019.76          |               |

## X. Risks Related to Financial Instruments

### 1. Risks of Financial Instruments

The company's main financial instruments include equity investments, debt investments, loans, accounts receivable, accounts payable, etc. The primary purpose of these financial instruments is to finance the company's operations. The company has various other financial assets and liabilities directly arising from operations, such as accounts receivable and accounts payable.

The primary risks associated with the company's financial instruments are credit risk, liquidity risk, and market risk.

# (1) Classification of Financial Instruments

## 1) Book Value of Various Financial Assets as of the Balance Sheet Date

### a. December 31, 2024

| Financial Asset Item                   | Measured at Amortized Cost | Measured at Fair Value Through Profit or Loss | Measured at Fair Value Through Other Comprehensive Income | Total            |
|--|----------------------------|---|---|------------------|
| Cash and Cash Equivalents              | 1,417,025,694.30           |   |   | 1,417,025,694.30 |
| Derivative Financial Assets            |                            | 70,947,839.67                                 |   | 70,947,839.67    |
| Accounts Receivable                    | 91,439,895.13              |   |   | 91,439,895.13    |
| Other Receivables                      | 455,148,011.66             |   |   | 455,148,011.66   |
| Non-Current Assets Due Within One Year | 10,694,166.66              |   |   | 10,694,166.66    |
| Other Current Assets                   |                            | 79,380,779.05                                 |   | 79,380,779.05    |

### b. December 31, 2023

| Financial Asset Item        | Measured at Amortized Cost | Measured at Fair Value Through Profit or Loss | Measured at Fair Value Through Other Comprehensive Income | Total            |
|-----------------------------|----------------------------|---|---|------------------|
| Cash and Cash Equivalents   | 1,543,385,751.86           |   |   | 1,543,385,751.86 |
| Derivative Financial Assets |                            | 31,684,620.00                                 |   | 31,684,620.00    |
| Accounts Receivable         | 115,780,372.55             |   |   | 115,780,372.55   |

| Financial Asset Item                   | Measured at Amortized Cost | Measured at Fair Value Through Profit or Loss | Measured at Fair Value Through Other Comprehensive Income | Total          |
|--|----------------------------|---|---|----------------|
| Receivables Financing                  | 2,502,308.90               |   |   | 2,502,308.90   |
| Other Receivables                      | 303,099,589.59             |   |   | 303,099,589.59 |
| Other Equity Instruments               |                            |   | 20,000,000.00   | 20,000,000.00  |
| Non-Current Assets Due Within One Year | 22,188,083.34              |   |   | 22,188,083.34  |
| Other Current Assets                   |                            | 238,358,924.24                                |   | 238,358,924.24 |
| Other Non-Current Assets               | 10,390,000.00              |   |   | 10,390,000.00  |

## 2) Book Value of Various Financial Liabilities as of the Balance Sheet Date

## a. December 31, 2024

| Financial Liability Item                    | Measured at Fair Value Through Profit or Loss | Other Financial Liabilities | Total            |
|---|---|-----------------------------|------------------|
| Short-term Borrowings                       |   | 1,311,609,177.78            | 1,311,609,177.78 |
| Derivative Financial Liabilities            | 30,979,464.00                                 |                             | 30,979,464.00    |
| Accounts Payable                            |   | 127,879,265.40              | 127,879,265.40   |
| Other Payables                              |   | 58,555,373.51               | 58,555,373.51    |
| Long-term Borrowings                        |   |                             |                  |
| Non-Current Liabilities Due Within One Year |   | 532,152,983.32              | 532,152,983.32   |

## b. December 31, 2023

| Financial Liability Item                    | Measured at Fair Value Through Profit or Loss | Other Financial Liabilities | Total            |
|---|---|-----------------------------|------------------|
| Short-term Borrowings                       |   | 1,163,479,691.67            | 1,163,479,691.67 |
| Derivative Financial Liabilities            | 15,805,393.88                                 |                             | 15,805,393.88    |
| Bills Payable                               |   | 82,474,823.84               | 82,474,823.84    |
| Accounts Payable                            |   | 79,618,198.78               | 79,618,198.78    |
| Other Payables                              |   | 400,000,000.00              | 400,000,000.00   |
| Long-term Borrowings                        |   | 298,800,000.00              | 298,800,000.00   |
| Non-Current Liabilities Due Within One Year |   | 153,199,763.89              | 153,199,763.89   |

## (2) Credit Risk

As of December 31, 2024, the maximum credit risk exposure that could cause financial loss to the company mainly arises from the possibility that the counterparty may fail to fulfill its obligations, leading to losses in the company's financial assets. Specifically, this includes:

The book value of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects its risk exposure, but not the maximum risk exposure. The maximum risk exposure will change as the fair value fluctuates in the future.

To mitigate credit risk, the company has established relevant policies to control credit risk exposure, including evaluating the creditworthiness of customers based on factors such as their financial condition, the possibility of obtaining third-party guarantees, credit history, and current market conditions. The company sets appropriate credit periods and implements other monitoring procedures to ensure necessary actions are taken to recover overdue receivables. Furthermore, the company reviews the recovery status of each receivable as of each balance sheet date to ensure adequate provisions for bad debts are made for uncollectible amounts. Therefore, the management believes the credit risk undertaken by the company has been significantly reduced.

The company's liquidity funds are held in banks with high credit ratings, thus the credit risk associated with liquidity funds is low.

## (3) Liquidity Risk



When managing liquidity risk, the company maintains what the management considers to be sufficient cash and cash equivalents, which are monitored to meet the company's operational needs and reduce the impact of cash flow fluctuations. The management monitors the use of bank borrowings and ensures compliance with loan agreements.

An analysis of the maturity of financial liabilities based on the undiscounted contract cash flows:

| Item  | December 31, 2024 |                |              |                  |
|---|-------------------|----------------|--------------|------------------|
|   | Within 1 year     | 1 to 5 Years   | Over 5 Years | Total            |
| Short-term borrowings                       | 1,311,609,177.78  |                |              | 1,311,609,177.78 |
| Derivative financial liabilities            | 30,979,464.00     |                |              | 30,979,464.00    |
| Accounts payable                            | 124,440,132.93    | 3,439,132.47   |              | 127,879,265.40   |
| Other payables                              | 58,555,373.51     |                |              | 58,555,373.51    |
| Long-term borrowings                        |                   |                |              |                  |
| Bonds payable                               |                   | 299,250,000.00 |              |                  |
| Non-current liabilities due within one year | 532,152,983.32    |                |              |                  |

(Continuing Table)

| Item                             | December 31, 2023 |              |              |                  |
|----------------------------------|-------------------|--------------|--------------|------------------|
|                                  | Within 1 year     | 1 to 5 Years | Over 5 Years | Total            |
| Short-term borrowings            | 1,163,479,691.67  |              |              | 1,163,479,691.67 |
| Derivative financial liabilities | 15,805,393.88     |              |              | 15,805,393.88    |
| Accounts payable                 | 82,474,823.84     |              |              | 82,474,823.84    |
| Other payables                   | 79,618,198.78     |              |              | 79,618,198.78    |

| Item  | December 31, 2023 |                |              |                |
|---|-------------------|----------------|--------------|----------------|
|   | Within 1 year     | 1 to 5 Years   | Over 5 Years | Total          |
| Long-term borrowings                        |                   | 400,000,000.00 |              | 400,000,000.00 |
| Bonds payable                               |                   | 298,800,000.00 |              | 298,800,000.00 |
| Non-current liabilities due within one year | 153,199,763.89    |                |              | 153,199,763.89 |

#### (4) Market Risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk mainly includes interest rate risk, exchange rate risk, and other price risks such as equity instrument investment price risk.

##### 1) Interest Rate Risk

The company's interest rate risk primarily arises from bank borrowings and other financial liabilities. Floating rate financial liabilities expose the company to cash flow interest rate risk, while fixed rate financial liabilities expose the company to fair value interest rate risk. The company determines the relative proportions of fixed and floating rate contracts based on the current market environment.

As of December 31, 2024, the company's interest-bearing debt includes floating-rate contracts in RMB amounting to ¥1,110,000,000.00 and fixed-rate contracts in RMB amounting to ¥1,029,859,177.78.

##### 2) Exchange Rate Risk

The company is exposed to foreign exchange risk primarily due to its business activities (when income and expenses are settled in currencies other than the company's functional currency) and its net investment in foreign subsidiaries. The company faces foreign exchange risk mainly related to the US dollar. Except for certain subsidiaries purchasing and selling goods in US dollars, the company's other major business activities are denominated in RMB. As of December 31, 2024, except for the assets or liabilities denominated in USD as outlined below, the company's assets and liabilities are denominated in RMB. The foreign exchange risk associated with these foreign currency-denominated assets and liabilities may affect the company's operating performance.

| Item                      | Ending Balance | Beginning Balance |
|---------------------------|----------------|-------------------|
| Cash and Cash Equivalents | 87,168,294.60  | 132,735,270.36    |
| Other Receivables         | 16,141,102.93  | 60,753,187.26     |

The company uses sensitivity analysis techniques to assess the potential impact of reasonable and possible changes in risk variables on the current period's profit or loss or shareholders' equity. Since risk variables rarely change in isolation and the correlation between variables significantly affects the final impact of a change in a specific risk variable, the following content is based on the assumption that changes in each variable are independent.

Under the assumption that foreign currency assets and liabilities remain relatively stable, and other variables remain unchanged, the potential reasonable changes in exchange rates could have the following after-tax impact on profit or loss and equity for the current period:

| Item                      | Ending Foreign Currency Balance | Exchange Rate | Ending Converted RMB Balance |
|---------------------------|---------------------------------|---------------|------------------------------|
| Cash and Cash Equivalents | —                               | —             | 87,168,294.60                |
| - USD                     | 12,126,244.31                   | 7.1884        | 87,168,294.60                |
| Other Receivables         | —                               | —             | 16,141,102.93                |
| - USD                     | 2,245,437.50                    | 7.1884        | 16,141,102.93                |

(Continuing Table)

| Item                    | Current Period                        |   |   |
|-------------------------|---------------------------------------|---|---|
|                         | USD Exchange Rate Increase/(Decrease) | Gross Profit/Net Profit Increase/(Decrease) | Total Profit/Net Profit Increase/(Decrease) |
| RMB Depreciation vs USD | 5%                                    | 5,165,469.88                                | 5,165,469.88                                |
| RMB Appreciation vs USD | -5%                                   | -5,165,469.88                               | -5,165,469.88                               |

## 2. Hedging

### (1) Company's Hedging Activities for Risk Management

| Item            | Relevant Risk Management Strategies and Goals  | Qualitative and Quantitative Information on Hedged Risk   | Hedged Project and Economic Relationship with Hedging Instruments  | Effectiveness of Expected Risk Management Goal    | Impact of Hedging Activity on Risk Exposure |
|-----------------|--|---|--|---|---|
| Oilseed Hedging | Use of futures contracts for hedging purposes to avoid market price volatility, achieving stable operations. | Hedged risk is price volatility risk, mainly arising from basis risk, substitute risk, supply-demand risk, etc. | Hedged project and related hedging instruments change in fair value in opposite direction to the change in market prices or correlated economic variables. | Expected risk management goal is mostly achieved. | Effectively mitigates risk exposure.        |

- (2) The company engages in qualifying hedging activities and applies hedge accounting

| Item   | Carrying value related to the hedged items and hedging instruments | Cumulative fair value hedge adjustments included in the carrying value of the recognized hedged items | Source of hedge effectiveness and ineffectiveness                | The impact of hedge accounting on the company's financial statements |
|--|--|---|--|--|
| Types of hedging risks                           |  |   |  |  |
| Commodity price risk - Other current assets      | 79,380,779.05  | 79,380,779.05   | The correlation between the hedged items and hedging instruments | —<br>98,071,812.06   |
| Commodity price risk - Other current liabilities | 8,572,177.28   | 8,572,177.28  |  |  |
| Exchange rate risk - Other current liabilities   | 35,393,876.95  | 35,393,876.95   |  |  |
| Hedge category                                   |  |   |  |  |

| Item   | Carrying value related to the hedged items and hedging instruments | Cumulative fair value hedge adjustments included in the carrying value of the recognized hedged items | Source of hedge effectiveness and ineffectiveness                | The impact of hedge accounting on the company's financial statements |
|--|--|---|--|--|
| Fair value hedge -<br>Derivative financial assets      | 10,291,362.72  |   | The correlation between the hedged items and hedging instruments | -<br>98,071,812.06   |
| Fair value hedge -<br>Derivative financial assets      | 35,393,876.95  |   |  |  |
| Fair value hedge -<br>Derivative financial liabilities | 30,979,464.00  |   |  |  |

- (3) The company engages in hedging activities for risk management and expects to achieve the risk management objectives but has not applied hedge accounting.

| Item                    | Reason for not applying hedge accounting  | Impact on the financial statements |
|-------------------------|---|------------------------------------|
| Commodity futures hedge | Due to market reasons, some hedging activities did not achieve the intended risk hedging objectives | 26,208,622.84                      |

### 3. Transfer of Financial Assets

#### (1) Transfer Methods Classification

| Transfer Method  | Transferred Financial Asset Nature | Transferred Financial Asset Amount | Derecognition Status | Derecognition Basis for Judgment         |
|------------------|------------------------------------|------------------------------------|----------------------|--|
| Bill Endorsement | Accounts Receivable Financing      | 1,376,500.00                       | Derecognized         | Transferred almost all risks and rewards |

| Transfer Method | Transferred Financial Asset Nature | Transferred Financial Asset Amount | Derecognition Status | Derecognition Basis for Judgment |
|-----------------|------------------------------------|------------------------------------|----------------------|----------------------------------|
| Total           | ——                                 | 1,376,500.00                       | ——                   | ——                               |

## (2) Derecognized Financial Assets due to Transfer

| Item                          | Transfer Method  | Derecognized Financial Asset Amount | Gain or Loss Related to Derecognition |
|-------------------------------|------------------|-------------------------------------|---------------------------------------|
| Accounts Receivable Financing | Bill Endorsement | 1,376,500.00                        |                                       |
| Total                         | ——               | 1,376,500.00                        |                                       |

## XI. Fair Value Disclosures

### 1. Fair Value Measurement of Assets and Liabilities at Period

End

| Item   | Ending Fair Value              |                                |                                |               |
|--|--------------------------------|--------------------------------|--------------------------------|---------------|
|  | Level 1 Fair Value Measurement | Level 2 Fair Value Measurement | Level 3 Fair Value Measurement | Total         |
| I. Assets Measured at Fair Value on a Continuing Basis                     |                                |                                |                                |               |
| (A) Trading Financial Assets   | 70,947,839.67                  |                                |                                | 70,947,839.67 |
| 1. Financial Assets Measured at Fair Value with Changes in Profit and Loss | 70,947,839.67                  |                                |                                | 70,947,839.67 |
| ( 1 ) Debt Instruments   |                                |                                |                                |               |
| ( 2 ) Equity Instruments   |                                |                                |                                |               |
| ( 3 ) Derivative Financial Assets  | 70,947,839.67                  |                                |                                | 70,947,839.67 |

| Item  | Ending Fair Value              |                                |                                |               |
|---|--------------------------------|--------------------------------|--------------------------------|---------------|
|   | Level 1 Fair Value Measurement | Level 2 Fair Value Measurement | Level 3 Fair Value Measurement | Total         |
| 2. Financial Assets Designated at Fair Value with Changes in Profit and Loss      |                                |                                |                                |               |
| ( 1 ) Debt Instruments  |                                |                                |                                |               |
| ( 2 ) Equity Instruments  |                                |                                |                                |               |
| ( B ) Other Debt Investments  |                                |                                |                                |               |
| ( C ) Other Equity Instruments  |                                |                                |                                |               |
| ( D ) Investment Properties   |                                |                                |                                |               |
| ( E ) Biological Assets   |                                |                                |                                |               |
| Total Assets Measured at Fair Value on a Continuing Basis                         | 70,947,839.67                  |                                |                                | 70,947,839.67 |
| ( F ) Trading Financial Liabilities   | 30,979,464.00                  |                                |                                | 30,979,464.00 |
| Financial Liabilities Measured at Fair Value with Changes in Profit and Loss      | 30,979,464.00                  |                                |                                | 30,979,464.00 |
| - Issued Trading Bonds  |                                |                                |                                |               |
| - Derivative Financial Liabilities  | 30,979,464.00                  |                                |                                | 30,979,464.00 |
| - Other   |                                |                                |                                |               |
| 2. Financial Liabilities Designated at Fair Value with Changes in Profit and Loss |                                |                                |                                |               |
| Total Liabilities Measured at Fair Value on a Continuing Basis                    | 30,979,464.00                  |                                |                                | 30,979,464.00 |

## 2. Determination Basis for Market Price of Level 1 Fair Value Measurement Items on a Continuing and Non-Continuing Basis

The Company's Level 1 fair value measurement is based on the public contract quotations of the futures exchange.

## XII. Related Parties and Related Transactions

### 1. Parent Company Information

| Parent Company Name           | Registered Location | Business Nature       | Registered Capital | Parent Company's Shareholding Percentage in the Company (%) | Parent Company's Voting Rights Percentage in the Company (%) |
|-------------------------------|---------------------|-----------------------|--------------------|---|--|
| Beijing Grain Group Co., Ltd. | Beijing, China      | Investment Management | 900 million RMB    | 39.68   | 39.68  |

The ultimate controlling party of the company is Beijing State-owned Capital Operation and Management Co., Ltd.

### 2. Subsidiary Information

The information about the subsidiaries of the company is detailed in Note 8, Item 1, "Equity in Subsidiaries."



### 3. Joint Ventures and Associates Information

The information about the significant joint ventures or associates of the company is detailed in Note 8, Item 2, "Equity in Joint Ventures or Associates."

### 4. Other Related Parties

| Other Related Party Name   | Relationship with the Company                     |
|--|---|
| Beijing Guchuan Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Shanghai Shounong Investment Holding Co., Ltd.                             | Controlled by the same ultimate controlling party |
| Beijing Sugar Industry Tobacco Group Co., Ltd. Sugar Business Division     | Controlled by the same ultimate controlling party |
| Beijing Grain Group Co., Ltd.  | Controlled by the same ultimate controlling party |
| Beijing Shounong Development Co., Ltd.                                     | Controlled by the same ultimate controlling party |
| Beijing Huayu Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Century Chestnut Garden Ecological Agriculture Co., Ltd.           | Controlled by the same ultimate controlling party |
| Beijing Changyang Farm Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Nanjiao Agricultural Production and Operation Management Co., Ltd. | Controlled by the same ultimate controlling party |
| Beijing Ailafa Food Co., Ltd.  | Controlled by the same ultimate controlling party |
| Beijing Jingtang Shengshi Meilihua Trading Co., Ltd.                       | Controlled by the same ultimate controlling party |
| Beijing Beishui Yongxing Aquatic Products Sales Co., Ltd.                  | Controlled by the same ultimate controlling party |
| Beijing Ershang Jinghua Tea Industry Co., Ltd.                             | Controlled by the same ultimate controlling party |
| Beijing Liubiju Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Ershang Moqi Zhonghong Food Co., Ltd.                              | Controlled by the same ultimate controlling party |
| Beijing Caishu Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Yanqi Yueshengzhai Halal Food Co., Ltd.                            | Controlled by the same ultimate controlling party |
| Beijing Ershang Dahongmen Wurou Lian Food Co., Ltd.                        | Controlled by the same ultimate controlling party |

| Other Related Party Name   | Relationship with the Company                     |
|--|---|
| Beijing Ershang Muxiangyuan Halal Meat Products Co., Ltd.              | Controlled by the same ultimate controlling party |
| Beijing Shounong Diandao Network E-Commerce Co., Ltd.                  | Controlled by the same ultimate controlling party |
| Beijing Shuangtong Huihe Agricultural Technology Development Co., Ltd. | Controlled by the same ultimate controlling party |
| Beijing Heiliu Animal Husbandry Technology Co., Ltd. Food Center       | Controlled by the same ultimate controlling party |
| Heilongjiang Province Gannan County Shuanghe Rice Industry Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Ershang Meat Products Group Co., Ltd.                          | Controlled by the same ultimate controlling party |
| Shandong Fukuan Bioengineering Co., Ltd.                               | Controlled by the same ultimate controlling party |
| Beijing Jingliang Dongfang Grain and Oil Trading Co., Ltd.             | Controlled by the same ultimate controlling party |
| Beijing Sanyuan Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Yueshengzhai Halal Food Co., Ltd.                              | Controlled by the same ultimate controlling party |
| Beijing Guchuan Rice Industry Co., Ltd.                                | Controlled by the same ultimate controlling party |
| Beijing Heiliu Animal Husbandry Technology Co., Ltd.                   | Controlled by the same ultimate controlling party |
| Beijing Shounong Grain Storage Co., Ltd.                               | Controlled by the same ultimate controlling party |
| Beijing Grain Science Research Institute Co., Ltd.                     | Controlled by the same ultimate controlling party |
| Beijing Wang Zhihé Food Co., Ltd.                                      | Controlled by the same ultimate controlling party |
| Beijing Food Supply Bureau No. 34 Supply Department Co., Ltd.          | Controlled by the same ultimate controlling party |
| Beijing Shounong Food Emergency Guarantee Center Co., Ltd.             | Controlled by the same ultimate controlling party |
| Beijing Shounong Xiangshan Conference Center Co., Ltd.                 | Controlled by the same ultimate controlling party |
| Beijing Wuhuan Shuntong Supply Chain Management Co., Ltd.              | Controlled by the same ultimate controlling party |
| Beijing Shounong Commercial Chain Co., Ltd.                            | Controlled by the same ultimate controlling party |
| Hebei Anping Dahongmen Food Co., Ltd.                                  | Controlled by the same ultimate controlling party |
| Kaifeng Dahongmen Meat Products Co., Ltd.                              | Controlled by the same ultimate controlling party |
| Beijing Jingliang Biotechnology Group Co., Ltd.                        | Controlled by the same ultimate controlling party |

| Other Related Party Name   | Relationship with the Company                     |
|--|---|
| Beijing Xing Shishang Trading Co., Ltd.                                    | Controlled by the same ultimate controlling party |
| Beijing Shounong Food Group Co., Ltd.                                      | Controlled by the same ultimate controlling party |
| Hebei Luanping Huadu Food Co., Ltd.  | Controlled by the same ultimate controlling party |
| Beijing Cailanzi Group Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Shoucheng Shanshui Real Estate Co., Ltd.                           | Controlled by the same ultimate controlling party |
| Beijing Baijia Yi Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Hebei Sanyuan Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Beifang Jingtang Yangjiu Sales Co., Ltd.                           | Controlled by the same ultimate controlling party |
| Beijing Haijun Xing Aquatic Products Food Co., Ltd.                        | Controlled by the same ultimate controlling party |
| Beijing Liubiju Food Co., Ltd. Huairou Brewing Factory                     | Controlled by the same ultimate controlling party |
| Beijing Lanfeng Vegetable Distribution Co., Ltd.                           | Controlled by the same ultimate controlling party |
| Tianjin Xincheng Kangda Pharmaceutical Co., Ltd.                           | Controlled by the same ultimate controlling party |
| Beijing Jingliang Taiyu Real Estate Co., Ltd.                              | Controlled by the same ultimate controlling party |
| Beijing Zhangxin Grain Storage Co., Ltd.                                   | Controlled by the same ultimate controlling party |
| Beijing Haidian Xijiao Grain and Oil Supply Station Co., Ltd.              | Controlled by the same ultimate controlling party |
| Beijing Jingmen Liangshi State-Owned Assets Operation Management Co., Ltd. | Controlled by the same ultimate controlling party |
| Beijing Sanyadian Grain Storage Warehouse Co., Ltd.                        | Controlled by the same ultimate controlling party |
| Beijing Jingdu Jingu Grain Purchase and Sales Co., Ltd.                    | Controlled by the same ultimate controlling party |
| Beijing Taoshan Grain Storage Co., Ltd.                                    | Controlled by the same ultimate controlling party |
| Beijing Longqing Xiadu Military Food Supply Co., Ltd.                      | Controlled by the same ultimate controlling party |
| Beijing Shounong Food Group Finance Co., Ltd.                              | Controlled by the same ultimate controlling party |
| Beijing Shenghua Sihé Asset Management Co., Ltd.                           | Controlled by the same ultimate controlling party |
| Beijing Desheng Hotel Co., Ltd.  | Controlled by the same ultimate controlling party |

| Other Related Party Name   | Relationship with the Company                     |
|--|---|
| Beijing Shounong Consumption Assistance and Double Innovation Center Co., Ltd. | Controlled by the same ultimate controlling party |
| Beijing Shounong Commercial Chain Co., Ltd. Yanqing Branch                     | Controlled by the same ultimate controlling party |
| Beijing Shounong Xiangshan Commercial Co., Ltd.                                | Controlled by the same ultimate controlling party |
| Beijing Beijiao Farm Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Yanqing Farm Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Jingtang Dingsheng Trading Co., Ltd.                                   | Controlled by the same ultimate controlling party |
| Beijing Jingliang E-Commerce Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Sanyuan Seed Industry Technology Co., Ltd. Feed Branch                 | Controlled by the same ultimate controlling party |
| Hebei Shounong Modern Agricultural Technology Co., Ltd.                        | Controlled by the same ultimate controlling party |
| Beijing Huazhong Material Co., Ltd.  | Controlled by the same ultimate controlling party |
| Wang Zhihé (Fujian) Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Shounong Animal Husbandry Development Co., Ltd.                        | Controlled by the same ultimate controlling party |
| Beijing Shounong Animal Husbandry Development Co., Ltd.                        | Controlled by the same ultimate controlling party |
| Beijing Grain Co., Ltd.  | Controlled by the same ultimate controlling party |
| Beijing Shounong Animal Husbandry Development Co., Ltd. Xingtai Branch         | Controlled by the same ultimate controlling party |
| Beijing Runyu Real Estate Development Co., Ltd.                                | Controlled by the same ultimate controlling party |
| Beijing Taiyu Property Management Co., Ltd.                                    | Controlled by the same ultimate controlling party |
| Beijing Xinderun Hotel Management Co., Ltd. Fresh Supermarket First Branch     | Controlled by the same ultimate controlling party |
| Beijing Jingliang Green Valley Trading Co., Ltd.                               | Controlled by the same ultimate controlling party |
| Beijing Liubiju Huairou Food Co., Ltd.   | Controlled by the same ultimate controlling party |
| Beijing Dahongmen Grain Storage Warehouse Co., Ltd.                            | Controlled by the same ultimate controlling party |
| Beijing Nanyuan Vegetable Oil Plant Co., Ltd.                                  | Controlled by the same ultimate controlling party |
| Beijing Grain Group Co., Ltd.  | Controlled by the same ultimate controlling party |

| Other Related Party Name                               | Relationship with the Company                     |
|--|---|
| Beijing Ershang Group Co., Ltd. Kangtai Culture Branch | Controlled by the same ultimate controlling party |

## 5. Related Party Transactions

(1) Purchase and Sale of Goods, Provision and Receipt of Services

Purchase of Goods/Receipt of Services:

| Related Party                                  | Related Transaction Content | Current Period Amount (CNY) | Approved Transaction Limit (CNY) | Exceeded Transaction Limit (Yes/No) | Previous Period Amount (CNY) |
|--|-----------------------------|-----------------------------|----------------------------------|-------------------------------------|------------------------------|
| Beijing Guchuan Food Co., Ltd.                 | Purchase of goods           | 14,450,217.76               | 1,800.00                         | No                                  | 14,292,852.94                |
| Shanghai Shounong Investment Holding Co., Ltd. | Purchase of goods           | 55,530,880.00               | 1,200.00                         | Yes                                 | 539,708,185.60               |
| Other related units                            | Purchase of goods           | 4,274,096.76                |                                  | Yes                                 | 5,247,471.99                 |
| Other related units                            | Receipt of services         | 116,255.16                  | 580.00                           | No                                  | 720,000.00                   |

Sale of Goods/Provision of Services:

| Related Party   | Related Transaction Content | Current Period Amount (CNY) | Previous Period Amount (CNY) |
|---|-----------------------------|-----------------------------|------------------------------|
| Shanghai Shounong Investment Holding Co., Ltd.          | Sale of goods               | 311,641,692.68              | 431,726,713.75               |
| Hebei Shounong Modern Agricultural Technology Co., Ltd. | Sale of goods               | 17,871,902.07               | 18,014,186.33                |

| Related Party  | Related Transaction Content | Current Period Amount (CNY) | Previous Period Amount (CNY) |
|--|-----------------------------|-----------------------------|------------------------------|
| Hebei Luanping Huadu Food Co., Ltd.  | Sale of goods               | 88,182,730.21               | 41,460,731.02                |
| Beijing Sanyuan Seed Industry Technology Co., Ltd. Feed Branch                 | Sale of goods               | 58,393,255.17               | 57,986,292.75                |
| Beijing Wang Zhihé Food Co., Ltd.  | Sale of goods               | 13,829,319.37               | 22,972,286.89                |
| Beijing Shounong Consumption Assistance and Double Innovation Center Co., Ltd. | Sale of goods               | 8,722,272.45                | 10,551,761.44                |
| Beijing Shounong Animal Husbandry Development Co., Ltd.                        | Sale of goods               | 5,980,427.56                |                              |
| Beijing Jingliang Dongfang Grain and Oil Trading Co., Ltd.                     | Sale of goods               | 2,936,536.67                | 4,599,856.82                 |
| Beijing Food Supply Bureau No. 34 Supply Department Co., Ltd.                  | Sale of goods               | 2,546,073.08                | 2,470,489.49                 |
| Beijing Wuhuan Shuntong Supply Chain Management Co., Ltd.                      | Sale of goods               | 2,141,115.90                | 1,655,185.55                 |
| Beijing Zhangxin Grain Storage Co., Ltd.                                       | Sale of goods               | 1,953,412.40                | 1,873,412.84                 |
| Beijing Baijia Yi Food Co., Ltd.   | Sale of goods               | 1,907,018.32                | 2,949,855.06                 |
| Beijing Jingdu Jingu Grain Purchase and Sales Co., Ltd.                        | Sale of goods               | 1,736,146.78                | 1,582,317.43                 |
| Beijing Shounong Animal Husbandry Development Co., Ltd. Xingtai Branch         | Sale of goods               | 1,820,322.38                |                              |
| Beijing Guchuan Rice Industry Co., Ltd.  | Sale of goods               | 1,377,817.45                | 76,715.60                    |
| Beijing Haidian Xijiao Grain and Oil Supply Station Co., Ltd.                  | Sale of goods               | 1,324,036.68                | 3,683,775.23                 |
| Hebei Anping Dahongmen Food Co., Ltd.  | Sale of goods               | 753,718.30                  | 990,192.64                   |
| Beijing Shounong Development Co., Ltd.   | Sale of goods               | 585,779.12                  | 630,970.43                   |
| Beijing Lanfeng Vegetable Distribution Co., Ltd.                               | Sale of goods               | 505,685.23                  | 434,845.88                   |
| Beijing Shounong Xiangshan Conference Center Co., Ltd.                         | Sale of goods               | 342,868.31                  | 85,412.85                    |
| Beijing Longqing Xiadu Military Food Supply Co., Ltd.                          | Sale of goods               | 277,431.20                  | 409,541.28                   |
| Beijing Guchuan Food Co., Ltd.   | Sale of goods               | 251,753.39                  | 467,677.57                   |
| Beijing Ailafa Food Co., Ltd.  | Sale of goods               | 233,097.82                  | 262,055.00                   |

| Related Party                                  | Related Transaction Content | Current Period Amount (CNY) | Previous Period Amount (CNY) |
|--|-----------------------------|-----------------------------|------------------------------|
| Other related units                            | Sale of goods               | 1,202,072.47                | 10772507.16                  |
| Shanghai Shounong Investment Holding Co., Ltd. | Provision of services       | 3,837,338.61                | 16,755,090.46                |
| Beijing Shounong Food Group Co., Ltd.          | Provision of services       | 1,646,403.21                | 11,438,400.93                |
| Other related units                            | Provision of services       | 49,397.36                   |                              |

Explanation of the purchase and sale of goods, provision, and receipt of services: The transaction prices are based on the prices charged for the same or similar business activities between unrelated parties.

## (2) Related Lease Transactions

As Lessor:

| Lessee Name                            | Lease Asset Type | Lease Income Recognized in Current Period (CNY) | Lease Income Recognized in Previous Period (CNY) |
|--|------------------|---|--|
| Beijing Jingliang E-Commerce Co., Ltd. | Vehicles         | 22,530.27                                       | 22,530.26  |
| Beijing Grain Group Co., Ltd.          | Properties       | 53,333,333.34                                   |  |

As Lessee:

| Lessor Name  | Lease Asset Type | Simplified Short-Term Lease and Low-Value Asset Rent (CNY) |                              | Lease Payments Not Included in Lease Liability Measurement (CNY) |                              |
|--|------------------|--|------------------------------|--|------------------------------|
|  |                  | Current Period Amount (CNY)                                | Previous Period Amount (CNY) | Current Period Amount (CNY)                                      | Previous Period Amount (CNY) |
| Beijing Grain Group Co., Ltd.                              | Properties       | 196,300.00   | 792,986.42                   |  |                              |
| Beijing Shounong Food Emergency Guarantee Center Co., Ltd. | Properties       | 2,528,669.72   | 2,408,256.88                 |  |                              |

| Lessor Name   | Lease Asset Type | Simplified Short-Term Lease and Low-Value Asset Rent (CNY) |                              | Lease Payments Not Included in Lease Liability Measurement (CNY) |                              |
|---|------------------|--|------------------------------|--|------------------------------|
|   |                  | Current Period Amount (CNY)                                | Previous Period Amount (CNY) | Current Period Amount (CNY)                                      | Previous Period Amount (CNY) |
| Beijing Dahongmen Grain Storage Warehouse Co., Ltd. | Properties       |  | 417,672.07                   |  |                              |
| Beijing Nanyuan Vegetable Oil Plant Co., Ltd.       | Properties       |  | 323,809.52                   |  |                              |
| Beijing Grain Science Research Institute Co., Ltd.  | Properties       |  |                              |  |                              |

(Continuing Table)

| Lessor Name  | Rent Paid (CNY)       |                        | Lease Liability Interest Expense (CNY) |                        | Increase in Right-of-Use Assets (CNY) |                        |
|--|-----------------------|------------------------|--|------------------------|---------------------------------------|------------------------|
|  | Current Period Amount | Previous Period Amount | Current Period Amount                  | Previous Period Amount | Current Period Amount                 | Previous Period Amount |
| Beijing Grain Group Co., Ltd.                              |                       |                        |  |                        |                                       |                        |
| Beijing Shouning Food Emergency Guarantee Center Co., Ltd. | 2,756,250.00          | 2,625,000.00           |  |                        |                                       |                        |



| Lessor Name   | Rent Paid (CNY)       |                        | Lease Liability Interest Expense (CNY) |                        | Increase in Right-of-Use Assets (CNY) |                        |
|---|-----------------------|------------------------|--|------------------------|---------------------------------------|------------------------|
|   | Current Period Amount | Previous Period Amount | Current Period Amount                  | Previous Period Amount | Current Period Amount                 | Previous Period Amount |
| Beijing Dahongmen Grain Storage Warehouse Co., Ltd. |                       | 438,555.67             |  |                        |                                       |                        |
| Beijing Nanyuan Vegetable Oil Plant Co., Ltd.       |                       | 340,000.00             |  |                        |                                       |                        |
| Beijing Grain Science Research Institute Co., Ltd.  | 14,040,000.00         | 28,080,000.00          | 1,150,310.75                           | 3,970,789.04           |                                       | 117,043,974.80         |

## (3) Key Management Personnel Remuneration

| Item                                  | Current Period Amount | Previous Period Amount |
|---------------------------------------|-----------------------|------------------------|
| Key Management Personnel Remuneration | 8,495,700.00          | 10,745,600.00          |

## (4) Other Related Party Transactions:

| Related Party  | Related Transaction Content | Current Period Amount (CNY) | Previous Period Amount (CNY) |
|--|-----------------------------|-----------------------------|------------------------------|
| Beijing Shounong Food Group Financial Co., Ltd.            | Interest Income             | 7,046,721.43                | 5,553,229.60                 |
| Beijing Shounong Food Group Financial Co., Ltd.            | Interest Expense            | 2,610,416.67                |                              |
| Beijing Guchuan Food Co., Ltd.                             | Trademark Usage Fee         | 1,946,502.22                | 2,168,860.67                 |
| Beijing Guchuan Rice Industry Co., Ltd.                    | Trademark Usage Fee         | 200,353.23                  | 148,171.96                   |
| Beijing Jingliang Dongfang Grain and Oil Trading Co., Ltd. | Trademark Usage Fee         | 1,439.81                    | 1,205.83                     |

## 6. Receivables and Payables from Related Parties and Unsettled Items

### (1) Receivables

| Project Name        | Related Party                                      | Ending Balance (CNY) |                    | Beginning Balance (CNY) |                    |
|---------------------|--|----------------------|--------------------|-------------------------|--------------------|
|                     |  | Book Balance         | Bad Debt Provision | Book Balance            | Bad Debt Provision |
| Cash                | Beijing Shounong Food Group Financial Co., Ltd.    | 840,710,693.25       |                    | 890,056,629.88          |                    |
| Prepayments         | Shanghai Shounong Investment Holding Co., Ltd.     | 18,949,338.60        |                    |                         |                    |
| Accounts Receivable | Hebei Luanping Huadu Food Co., Ltd.                | 28,001,392.07        |                    | 3,619,958.60            |                    |
| Accounts Receivable | Beijing Sanyuan Seed Industry Technology Co., Ltd. | 6,108,044.61         |                    | 2,271,574.62            |                    |

*Hainan Jingliang Holdings Co., Ltd. 2024 Financial Statement Notes*

| Project Name        | Related Party   | Ending Balance (CNY) |                     | Beginning Balance (CNY) |                     |
|---------------------|---|----------------------|---------------------|-------------------------|---------------------|
|                     |   | Book Balance         | Bad Debt Provisi on | Book Balance            | Bad Debt Provisi on |
|                     | Feed Branch   |                      |                     |                         |                     |
| Accounts Receivable | Hebei Shounong Modern Agricultural Technology Co., Ltd.                 | 1,945,602.36         |                     | 1,047,816.96            |                     |
| Accounts Receivable | Beijing Shounong Consumption Assistance and Innovation Center Co., Ltd. | 371,250.00           |                     | 399,500.00              |                     |
| Accounts Receivable | Beijing Shounong Animal Husbandry Development Co., Ltd. Xingtai Branch  | 332,181.38           |                     |                         |                     |
| Accounts Receivable | Beijing Jingliang Dongfang Grain and Oil Trading Co., Ltd.              | 319,534.75           |                     | 212,077.75              |                     |
| Accounts Receivable | Beijing Baijia Yi Food Co., Ltd.  | 160,250.00           |                     | 228,000.00              |                     |
| Accounts Receivable | Hebei Anping Dahongmen Food Co., Ltd.                                   | 156,000.00           |                     | 86,000.00               |                     |
| Accounts Receivable | Beijing Zhangxin Grain  | 119,717.50           |                     | 99,000.00               |                     |

*Hainan Jingliang Holdings Co., Ltd. 2024 Financial Statement Notes*

| Project Name        | Related Party   | Ending Balance (CNY) |                     | Beginning Balance (CNY) |                     |
|---------------------|---|----------------------|---------------------|-------------------------|---------------------|
|                     |   | Book Balance         | Bad Debt Provisi on | Book Balance            | Bad Debt Provisi on |
|                     | Storage Co., Ltd.   |                      |                     |                         |                     |
| Accounts Receivable | Beijing Lanfeng Vegetable Distribution Co., Ltd.              | 26,000.00            |                     | 36,765.00               |                     |
| Accounts Receivable | Beijing Guchuan Food Co., Ltd.                                | 24,012.00            |                     |                         |                     |
| Accounts Receivable | Beijing Ershang Meat Products Group Co., Ltd.                 | 17,075.00            |                     | 13,200.00               |                     |
| Accounts Receivable | Beijing Shounong Didao Network E-Commerce Co., Ltd.           | 10,468.00            |                     | 53,886.00               |                     |
| Accounts Receivable | Shanghai Shounong Investment Holding Co., Ltd.                |                      |                     | 677,093.11              |                     |
| Accounts Receivable | Beijing Sanyuan Food Co., Ltd.                                |                      |                     | 112,290.00              |                     |
| Accounts Receivable | Beijing Food Supply Bureau No. 34 Supply Department Co., Ltd. |                      |                     | 67,680.00               |                     |
| Accounts Receivable | Kaifeng Dahongmen Meat  |                      |                     | 64,500.00               |                     |

| Project Name        | Related Party  | Ending Balance (CNY) |                    | Beginning Balance (CNY) |                    |
|---------------------|--|----------------------|--------------------|-------------------------|--------------------|
|                     |  | Book Balance         | Bad Debt Provision | Book Balance            | Bad Debt Provision |
|                     | Products Co., Ltd.                                       |                      |                    |                         |                    |
| Accounts Receivable | Beijing Ershang Dahongmen Five Meat Union Food Co., Ltd. |                      |                    | 477.00                  |                    |
| Other Receivables   | Beijing Guchuan Rice Industry Co., Ltd.                  |                      |                    | 50,000.00               |                    |

## (2) Payables

| Project Name     | Related Party  | Ending Balance (CNY) | Beginning Balance (CNY) |
|------------------|--|----------------------|-------------------------|
| Accounts Payable | Shanghai Shounong Investment Holding Co., Ltd.               | 845,410.83           |                         |
| Accounts Payable | Beijing Guchuan Food Co., Ltd.                               | 275,504.58           | 464,000.00              |
| Accounts Payable | Beijing Shounong Grain Reserve Co., Ltd.                     |                      | 720,000.00              |
| Accounts Payable | Beijing Shounong Development Co., Ltd.                       |                      | 559,500.00              |
| Accounts Payable | Beijing Sugar and Wine Group Co., Ltd.                       |                      | 3,763.10                |
| Accounts Payable | Beijing Ershang Meat Products Group Co., Ltd.                |                      | 3,633.06                |
| Accounts Payable | Beijing Nanjiao Agricultural Production Management Co., Ltd. |                      | 410.00                  |
| Accounts Payable | Beijing Ershang Dahongmen Five Meat Union Food Co., Ltd.     |                      | 96.79                   |
| Other Payables   | Beijing Ershang Group Co., Ltd. Kangtai Culture Division     |                      | 210.00                  |
| Other Payables   | Beijing Grain Group Co., Ltd.                                | 3,652,500.00         | 3,456,200.00            |
| Other Payables   | Beijing Jingliang E-Commerce Co., Ltd.                       | 16,972.80            | 42,432.00               |

| Project Name              | Related Party  | Ending Balance (CNY) | Beginning Balance (CNY) |
|---------------------------|--|----------------------|-------------------------|
| Other Payables            | Shanghai Shounong Investment Holding Co., Ltd.                                     |                      | 188,422.48              |
| Contract Liabilities      | Beijing Shuangtong Huihe Agricultural Science and Technology Development Co., Ltd. |                      | 2,201.83                |
| Contract Liabilities      | Shanghai Shounong Investment Holding Co., Ltd.                                     | 13,947,007.52        | 7,259,750.24            |
| Other Current Liabilities | Beijing Shuangtong Huihe Agricultural Science and Technology Development Co., Ltd. |                      | 198.17                  |
| Other Current Liabilities | Shanghai Shounong Investment Holding Co., Ltd.                                     |                      | 653,377.52              |

### XIII. Share-based Payments

The company does not have any share-based payments that need to be disclosed.

### XIV. Commitments and Contingencies

(1) As of the end of this reporting period, the company and its subsidiaries have an approved guarantee quota of 6.368 billion yuan. The actual guarantees used by the company and its subsidiaries amount to 1.105 billion yuan, which accounts for 35.16% of the company's latest audited net assets attributable to the parent company. All these guarantees are between the company and its subsidiaries. The company and its subsidiaries do not provide guarantees for entities outside the consolidated financial statements.

(2) The company's subsidiary, Zhejiang Little Prince Food Co., Ltd. (hereinafter referred to as "Zhejiang Little Prince"), received a civil judgment from the Jinan Intermediate People's Court of Shandong Province recently, with the case number (2024) Lu 01 Zhi Min Chu 709 (hereinafter referred to as the "First Instance Judgment"). According to the first instance judgment, Zhejiang Little Prince is required to compensate the plaintiff, Zhejiang Wangwang Food Co., Ltd., for economic losses and reasonable expenses totaling 20 million yuan. Zhejiang Little Prince has filed an appeal within the legal timeframe. The first instance judgment has not yet taken effect, and the second instance appeal is currently under review.

(3) The company's wholly-owned subsidiary, Beijing Jingliang Oils Co., Ltd. (hereinafter referred to as "Jingliang Oils"), purchased 6,608 tons of sesame from

MARS FARMER LIMITED, a company based in Hong Kong (Chinese name: 火星农夫公司), with the country of origin being Senegal. The contract amount was 8,130,360 USD, and the full payment has been made. The goods arrived at the port by the end of December 2024, and the company conducted an inspection of some of the arrived goods, finding discrepancies with the items. The company has developed a litigation plan that involves both civil and criminal legal actions in mainland China and Hong Kong, and is actively advancing related work, making some progress. The company will do its utmost to recover the losses and protect its legal rights according to the law.

## XV. Subsequent Events

### 1. Profit Distribution

|   |   |
|---|---|
| The proposed dividend per 10 shares (RMB)                 | 0.18  |
| The dividend per 10 shares as approved and declared (RMB) | 0.18  |
| Profit Distribution Plan                                  | The company held the 17th meeting of the 10th board of directors on March 27, 2025, reviewed and approved the "2024 Profit Distribution Plan", and agreed to distribute a cash dividend of 0.18 yuan (tax included) to all shareholders for every 10 shares based on the total share capital of 726,950,251.00 shares on December 31, 2024, and the proposed cash dividend is 13,085,104.52 yuan, accounting for 50.08% of the net profit attributable to shareholders of the listed company in the consolidated statements. There will be no bonus shares for this profit distribution, and no capital reserve will be used to increase share capital. |

## XVI. Other Important Matters

### 1. Pension Plans

Pension Plan Overview: The companies under the group, including Beijing Jingliang Food Co., Ltd., Jingliang (Tianjin) Grain and Oil Industry Co., Ltd., Beijing Guchuan Oil Co., Ltd., Beijing Aisen Greenbao Oil Co., Ltd., Beijing Jingliang Oils Co., Ltd., Beijing Guchuan Bread and Food Co., Ltd., and Beijing Tianweikang Oil Adjustment Center Co., Ltd., participate in the pension plan of Beijing Shounong Food Group Co., Ltd. Each company has established its own implementation rules for the pension plan. The pension plan is named "Ping An Jinxiu Life Corporate Pension Plan."

The trustee and account manager are both Ping An Pension Insurance Co., Ltd., and the custodian is CITIC Bank Co., Ltd.

## 2. Segment Information

### (1) Basis for Determining Reportable Segments and Accounting Policies

Based on the company's internal organizational structure, management requirements, and internal reporting system, the company's business operations are divided into segments such as food processing, oilseeds and oil-related operations. The company's management regularly evaluates the operating results of these segments to allocate resources and assess their performance. The segment reporting information is disclosed based on the accounting policies and measurement standards used by the management to report to the board, and these measurement bases are consistent with those used in the preparation of the financial statements.

### (2) Financial Information of Reportable Segments

| Item              | Food Processing (CNY) | Oilseeds and Oils (CNY) | Inter-Segment Eliminations (CNY) | Total (CNY)       |
|-------------------|-----------------------|-------------------------|----------------------------------|-------------------|
| Operating Revenue | 842,874,899.61        | 10,493,582,736.28       | 686,492.37                       | 11,335,771,143.52 |
| Operating Cost    | 661,521,207.80        | 10,241,676,574.52       | 665,421.57                       | 10,902,532,360.75 |
| Total Assets      | 934,160,300.88        | 6,118,873,372.05        | 352,074,366.97                   | 6,699,681,163.33  |
| Total Liabilities | 121,752,012.07        | 3,420,329,134.25        | 352,074,366.97                   | 3,190,032,238.55  |



## XVII. Notes to the Financial Statements of the Parent Company

### 1. Other Receivables

| Item                | Ending Balance | Beginning Balance |
|---------------------|----------------|-------------------|
| Interest Receivable |                |                   |
| Dividend Receivable | 18,000,000.00  |                   |
| Other Receivables   | 930,000,000.00 | 950,000,000.00    |
| Total               | 948,000,000.00 | 950,000,000.00    |

#### (1) Other Receivables

##### 1) Receivables by Age

| Age           | Ending Balance | Beginning Balance |
|---------------|----------------|-------------------|
| Within 1 Year | 930,000,000.00 | 800,000,000.00    |
| 1 to 2 Years  |                | 29,000,000.00     |
| 2 to 3 Years  |                | 121,000,000.00    |
| Total         | 930,000,000.00 | 950,000,000.00    |

##### 2) Receivables by Nature

| Nature                    | Ending Balance | Beginning Balance |
|---------------------------|----------------|-------------------|
| Inter-company Receivables | 930,000,000.00 | 950,000,000.00    |
| Total                     | 930,000,000.00 | 950,000,000.00    |

##### 3) Bad Debt Provision

| Category            | End of Period |           |                         |                               |            |
|---------------------|---------------|-----------|-------------------------|-------------------------------|------------|
|                     | Book Value    |           | Provision for Bad Debts |                               | Book Value |
|                     | Amount        | Ratio (%) | Amount                  | Expected Credit Loss Rate (%) |            |
| Individual Bad Debt |               |           |                         |                               |            |

| Category  | End of Period  |           |                         |                               |                |
|---|----------------|-----------|-------------------------|-------------------------------|----------------|
|   | Book Value     |           | Provision for Bad Debts |                               | Book Value     |
|   | Amount         | Ratio (%) | Amount                  | Expected Credit Loss Rate (%) |                |
| Provision for Other Receivables   |                |           |                         |                               |                |
| Bad Debt Provision for Other Receivables Grouped by Credit Risk Characteristics | 930,000,000.00 | 100.00    |                         |                               | 930,000,000.00 |
| Total   | 930,000,000.00 | —         |                         | —                             | 930,000,000.00 |

(Continuing Table)

| Category  | Beginning of Period |           |                         |                               |                |
|---|---------------------|-----------|-------------------------|-------------------------------|----------------|
|   | Book Value          |           | Provision for Bad Debts |                               | Book Value     |
|   | Amount              | Ratio (%) | Amount                  | Expected Credit Loss Rate (%) |                |
| Other receivables for which provision for bad debts is made individually                                  |                     |           |                         |                               |                |
| Other receivables for which provision for bad debts is made based on credit risk characteristics grouping | 950,000,000.00      | 100.00    |                         |                               | 950,000,000.00 |
| Total   | 950,000,000.00      | —         |                         | —                             | 950,000,000.00 |

## 4) Receivables by Debtor Top 5 Receivables by Debtor at End of Period:

| Debtor Name                      | Receivable Nature | Book Value     | Age            | Proportion of Total Other Receivables (%) | Bad Debt Provision |
|----------------------------------|-------------------|----------------|----------------|---|--------------------|
| Beijing Jingliang Food Co., Ltd. | Loan              | 930,000,000.00 | Within 3 Years | 100.00                                    |                    |
| Total                            | —                 | 930,000,000.00 | —              | 100.00                                    |                    |

## 2. Long-term Equity Investments

## (3) The situation of Long-term Equity Investments

## ① Long-term Equity Investment Classification:

| Project                    | Beginning Balance | Current Period Increase | Current Period Decrease | Ending Balance   |
|----------------------------|-------------------|-------------------------|-------------------------|------------------|
| Investment in Subsidiaries | 2,625,657,283.19  |                         | 284,858,000.00          | 2,340,799,283.19 |
| Total                      | 2,625,657,283.19  |                         | 284,858,000.00          | 2,340,799,283.19 |

## ② Subsidiary Details

| Invested Unit          | Beginning Balance | Current Period Increase | Current Period Decrease | Ending Balance   | Impairment Provision for the Period | Ending Impairment Provision |
|------------------------|-------------------|-------------------------|-------------------------|------------------|-------------------------------------|-----------------------------|
| Beijing Jingliang Food | 2,336,639,964.05  |                         | 284,858,000.00          | 2,051,781,964.05 |                                     |                             |

| Invested Unit   | Beginning Balance | Current Period Increase | Current Period Decrease | Ending Balance   | Impairment Provision for the Period | Ending Impairment Provision |
|---|-------------------|-------------------------|-------------------------|------------------|-------------------------------------|-----------------------------|
| Co., Ltd.   |                   |                         |                         |                  |                                     |                             |
| Zhejiang Little Prince Food Co., Ltd.                     | 249,017,319.14    |                         |                         | 249,017,319.14   |                                     |                             |
| Jingliang (Yangpu) Grain and Oil Industry Co., Ltd.       | 6,500,000.00      |                         |                         | 6,500,000.00     |                                     |                             |
| Jingliang (Caofeidian) Agricultural Development Co., Ltd. | 25,500,000.00     |                         |                         | 25,500,000.00    |                                     |                             |
| Jingliang (Beijing) Food Marketing Management Co., Ltd.   | 8,000,000.00      |                         |                         | 8,000,000.00     |                                     |                             |
| Total   | 2,625,657,283.19  |                         | 284,858,000.00          | 2,340,799,283.19 |                                     |                             |

### 3. Operating Revenue and Operating Costs

#### 1) Operating Revenue and Costs

| Item           | Current Period |            | Previous Period |            |
|----------------|----------------|------------|-----------------|------------|
|                | Revenue        | Cost       | Revenue         | Cost       |
| Other Business | 2,448,223.41   | 340,195.56 | 12,240,221.13   | 341,162.52 |
| Total          | 2,448,223.41   | 340,195.56 | 12,240,221.13   | 341,162.52 |

#### 4. Investment Income

| Source   | Current Period Amount | Previous Period Amount |
|--|-----------------------|------------------------|
| Investment income from long-term equity investments accounted for using the cost method. | 35,870,982.04         | 300,509,614.85         |
| Investment income generated from the disposal of long-term equity investments.           | 27,829,877.46         |                        |
| Total  | 63,700,859.50         | 300,509,614.85         |

### XVIII. Supplementary Information

#### 1. Non-recurring Gain and Loss Details

| Item  | Amount       | Description |
|---|--------------|-------------|
| Non-current asset disposal gains and losses, including the reversal of asset impairment provisions  | 31,865.78    |             |
| Government subsidies recognized in the current period but not closely related to normal business operations, and those that have a continuous impact on the company's profit and loss   | 8,762,599.21 |             |
| Fair value changes of financial assets and liabilities held by non-financial enterprises, as well as gains and losses from the disposal of financial assets and liabilities, excluding effective hedging activities related to the company's normal business operations |              |             |
| Occupation fees for funds collected from non-financial enterprises  |              |             |
| Profit or loss on entrusting others to invest or manage assets  |              |             |
| Profit or loss from external entrusted loans  |              |             |
| Loss of assets due to force majeure, such as natural disasters  |              |             |

| Item   | Amount        | Description |
|--|---------------|-------------|
| Reversal of impairment charges for receivables that are tested separately for impairment   |               |             |
| The investment cost of the subsidiary, associate and joint venture is less than the income generated by the fair value of the investee's identifiable net assets when the investment is obtained |               |             |
| Net profit or loss for the period from the beginning of the period to the date of consolidation of subsidiaries arising from a business combination under the same control                       |               |             |
| Gains or losses on the exchange of non-monetary assets   |               |             |
| Debt restructuring gains and losses  |               |             |
| One-time expenses incurred by the enterprise due to the cessation of relevant business activities, such as expenses for the placement of employees, etc  |               |             |
| One-time impact on profit or loss for the current period due to adjustments to laws and regulations such as taxation and accounting  |               |             |
| Share-based payment expenses recognized at one time due to cancellation or modification of the equity incentive plan   |               |             |
| For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee remuneration payable after the vesting date  |               |             |
| Gains and losses arising from changes in the fair value of investment real estate that are subsequently measured using the fair value model  |               |             |
| Proceeds from transactions where the price of the transaction is clearly unfair  |               |             |
| Profit or loss arising from contingencies unrelated to the normal operation of the company   |               |             |
| Custody fee income obtained from entrusted operations  | 1,646,403.21  |             |
| Other non-operating income and expenses other than those listed above  | 5,685,633.69  |             |
| Other profit or loss items that meet the definition of non-recurring profit or loss  |               |             |
| Less: Income tax impact  | 621,365.26    |             |
| Impact of Minority Interest (After-Tax)  | 470,474.75    |             |
| Total  | 15,034,661.88 | —           |

2. Return on Equity and Earnings per Share

| Report Period Profit   | Weighted Average<br>Return on Equity<br>(%) | Earnings Per Share |                |
|--|---|--------------------|----------------|
|  |   | Basic EPS          | Diluted<br>EPS |
| Net profit attributable to ordinary<br>shareholders of the company   | 0.83  | 0.04               | 0.04           |
| Deducting non-recurring gains and<br>losses, net profit attributable to<br>ordinary shareholders of the<br>company | 0.35  | 0.02               | 0.02           |

Hainan Jingliang Holdings Co., Ltd.

March 29, 2025