

# **Shenzhen Tellus Holding Co., Ltd.**

## **2025 Semi-Annual Report**

**August 2025**

## **Section I Important Notes, Contents, and Interpretations**

**The Board of Directors, the Board of Supervisors, and directors, supervisors, and senior executives of the Company guarantee that the present semi-annual report is true, accurate, and complete without false records, misleading statements, or major omissions, and undertake the joint and several legal liabilities arising therefrom.**

**Fu Chunlong, head of the Company, Huang Tianyang, the person in charge of accounting and person in charge of the accounting firm (accountant in charge), declare to guarantee the truthfulness, accuracy, and completeness of the financial report in this semi-annual report.**

**All directors of the Company have attended the meeting of the Board of Directors to review the semi-annual report.**

**The Company has no plans to distribute cash dividends, issue bonus shares, and convert reserved funds into share capital.**

## Contents

<b>Section I Important Notes, Contents, and Interpretations .....</b>	<b>2</b>
<b>Section II Company Profile and Major Financial Indicators .....</b>	<b>6</b>
<b>Section III Management Discussion and Analysis .....</b>	<b>9</b>
<b>Section IV Corporate Governance, Environment, and Society .....</b>	<b>23</b>
<b>Section V Important Matters .....</b>	<b>24</b>
<b>Section VI Changes in Shares and Shareholders .....</b>	<b>36</b>
<b>Section VII Bond-related Information .....</b>	<b>41</b>
<b>Section VIII Financial Report .....</b>	<b>42</b>
<b>Section IX Other Submitted Data .....</b>	<b>177</b>

## **Documents for Inspection**

(I) Financial statements signed and sealed by the head of the Company, the person in charge of accounting, and the person in charge of the accounting firm (accountant in charge).

(II) Originals of all company documents and announcements that have been publicly disclosed during the reporting period.

(III) The above documents for future reference shall be kept at the Secretariat Office of the Board of Directors of the Company.

## Interpretations

Term	Refer(s) to	Interpretation
CSRC	Refer(s) to	China Securities Regulatory Commission
SZSE	Refer(s) to	Shenzhen Stock Exchange
CSDC Shenzhen Branch	Refer(s) to	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
Company, the Company, and Tellus Holding	Refer(s) to	Shenzhen Tellus Holding Co., Ltd.
Reporting period, this/the reporting period	Refer(s) to	The first half of 2025
Shenzhen SASAC	Refer(s) to	State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government
SDG Group, and controlling shareholder	Refer(s) to	Shenzhen Special Economic Zone Development Group Co., Ltd.
SIHC	Refer(s) to	Shenzhen Investment Holdings Co., Ltd.
Shenzhen Jewelry, SJIS	Refer(s) to	Shenzhen Jewelry Industry Service Co., Ltd.
Guorun, Guorun Gold	Refer(s) to	Guorun Gold Shenzhen Co., Ltd.
Tellus Treasury	Refer(s) to	Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.
Shanghai Fanyue	Refer(s) to	Shanghai Fanyue Diamond Co., Ltd.
Zhongtian Company	Refer(s) to	Shenzhen Zhongtian Industry Co., Ltd.
Tellus Shuibei Jewelry	Refer(s) to	Shenzhen Tellus Shuibei Jewelry Co., Ltd.
SDG Huari	Refer(s) to	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.
Huari Company	Refer(s) to	Shenzhen Huari Automobile Sales and Service Co., Ltd.
Tellus Jewelry Building, Jewelry Building	Refer(s) to	Tellus Shuibei Jewelry Building
Tellus Gold and Diamond Building, Gold and Diamond Building	Refer(s) to	Tellus Gold and Diamond Trading Building

## Section II Company Profile and Major Financial Indicators

### I. Company Profile

Stock abbreviation	Tellus A, Tellus B	Stock code	000025, 200025
Stock abbreviation before change (if any)	N/A		
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Tellus Holding Co., Ltd.		
Chinese abbreviation (if any)	Tellus A		
English name of the Company (if any)	Shenzhen Tellus Holding Co.,Ltd.		
Abbreviation of English name (if any)	N/A		
Legal representative of the Company	Fu Chunlong		

### II. Contact Persons and Contact Information

	Secretary of the Board of Directors	Securities affairs representative
Name	Qi Peng	Liu Menglei
Address	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen
Tel.	(0755)83989390	(0755)88394183
Fax	(0755)83989386	(0755)83989386
E-mail	ir@tellus.cn	liuml@tellus.cn

### III. Other Information

#### 1. Contact information

Whether the Company's registered address, office address, and postal code, company website, e-mail, etc., changed during the reporting period

☐ Applicable ☒ Not applicable

There were no changes to the Company's registered address, office address, postal code, website, e-mail, etc. during the reporting period. Please refer to the 2024 Annual Report for details.

#### 2. Information disclosure and designated location

Whether the information disclosure and designated location changed during the reporting period

☐ Applicable ☒ Not applicable

The names and websites of the stock exchange websites and media on which the Company disclosed the semi-annual report and the designated location of the Company's semi-annual report remained unchanged during the reporting period. For more

information, please refer to the 2024 Annual Report.

### 3. Other relevant information

Whether other relevant information changed during the reporting period

☐ Applicable ☒ Not applicable

## IV. Major Accounting Data and Financial Indicators

Does the Company need to retrospectively adjust or restate the accounting data for previous years?

☐ Yes ☒ No

	Reporting period	Same period of the previous year	Increase/decrease in the reporting period over the same period of the previous year
Operating revenue (RMB)	878,272,629.94	1,580,023,748.85	-44.41%
Net profit attributable to shareholders of the listed company (RMB)	84,013,429.35	76,662,479.69	9.59%
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (RMB)	76,473,401.54	70,454,786.31	8.54%
Net cash flows from operating activities (RMB)	154,806,331.67	107,309,488.92	44.26%
Basic earnings per share (RMB/share)	0.1949	0.1778	9.62%
Diluted earnings per share (RMB/share)	0.1949	0.1778	9.62%
Weighted average return on net assets	4.77%	4.66%	0.11%
	End of the reporting period	End of the previous year	Increase/decrease at the end of the reporting period as compared with the end of the previous year
Total assets (RMB)	2,725,442,964.28	2,594,459,237.89	5.05%
Net assets attributable to shareholders of the listed company (RMB)	1,767,792,226.91	1,726,884,629.56	2.37%

## V. Discrepancy of Accounting Data under the Domestic and Foreign Accounting Standards

### 1. Discrepancy in net profit and net assets in the financial reports disclosed simultaneously according to International Accounting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

There was no discrepancy in net profit and net assets in the financial reports disclosed by the Company following International Accounting Standards and Chinese Accounting Standards in the reporting period.

### 2. Discrepancy in net profit and net assets in the financial reports disclosed simultaneously according to foreign accounting standards and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

There was no discrepancy in net profit and net assets in the financial reports disclosed by the Company following foreign

accounting standards and Chinese Accounting Standards in the reporting period.

## VI. Non-Recurring Profit or Loss Items and Amounts

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Note
Profit or loss of non-current assets disposal (including the write-off part of the provision for impairment of assets)	-6,079.20	
Government subsidies included in the current profit or loss (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted per defined criteria, with a continuous influence on the Company's profits and losses)	1,056,727.69	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	4,675,868.00	
Other non-operating revenue and expenses than the above items	3,352,382.93	
Less: Effect on income tax	2,218,656.63	
Effect on minority interests (after-tax)	-679,785.02	
Total	7,540,027.81	

Specific conditions of other profits or losses conforming to the definition of non-recurring profit or loss:

☐ Applicable ☒ Not applicable

The Company has no other profits or losses conforming to the definition of non-recurring profit or loss.

Explanation on defining the non-recurring profits or losses set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss* as recurring profits or losses

☒ Applicable ☐ Not applicable

Item	Amount involved (RMB)	Reason
Effective hedging	-14,224,744.55	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> as recurring profit or loss items: effective hedging related to the normal operations of non-financial enterprises; profits or losses from changes in the fair value of financial assets and financial liabilities held; and profits or losses from the disposal of financial assets and financial liabilities.
Refund of handling fees for individual income tax	50,320.31	According to the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> , the refund of handling fees for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.



## Section III Management Discussion and Analysis

### I. Main Business of the Company During the Reporting Period

(I) The Company's main business during the reporting period included jewelry trading, gold, and property platforms.

1. Jewelry trading: The Company undertook the establishment of the Shenzhen International Jewelry & Jade Exchange. By building a jewelry transaction digital trading system that combines online and offline activities, with complete functions and services such as display, trading, bidding auction, evaluation, financing, and information release, the Company set up trade channels from overseas upstream resources to domestic wholesale terminal merchants, gradually becoming an influential comprehensive service provider in the international jewelry and jade trading industry and helping Shenzhen build an international jewelry and jade industry center.

2. Gold: With product innovation as the core, the Company built an omnichannel operation system for the coordinated development of B-end and C-end operations. For B-end activities, the Company provided fast, low-cost, and demand-oriented product services through efficient operation, supply chain integration, and financial advantages. For C-end activities, the Company created an influential differentiated brand through IP co-branding, agile development, diversified marketing promotion, and product quality system construction.

3. Property platforms: The Company is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park in the Shuibei area. The Tellus Jewelry Building and Tellus Gold and Diamond Building, invested by the Company, have been put into operation successively, maintaining a high occupancy rate. In addition, the Company holds a significant amount of property resources in areas such as Luohu and Futian in Shenzhen. While maintaining the stability of its existing leasing business, the Company actively promotes the improvement of property quality. It will promote the transition of its old properties from traditional simple leasing to commercial property operation, with a focus on enhancing and exploring the added value of its property brands. This initiative aims to establish innovative industrial projects that align with the overall strategic layout of the city, the district, and the Company.

(II) Description of the main business models of the jewelry business

1. Sales model

The Company adopts both wholesale and retail as the main sales models for gold and jewelry. Additionally, it provides supporting services such as customs clearance agency services, and safe deposit box leasing. The sales revenue composition of the jewelry business in H1 2025 is as follows:

Sales model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross profit rate
Wholesale	31,952.93	30,747.71	3.77%
Retail sales	38,044.58	37,628.72	1.09%
Other services	822.64	241.67	70.62%
Total	70,820.15	68,618.10	3.11%

## 2. Production model

At present, the Company's gold and related products mainly use a commissioned processing model, while diamonds, colored gemstones, and other products do not involve processing. The production model composition in H1 2025 is as follows:

Production model	Amount (RMB 10,000)	Proportion
Finished products through the commissioned processing	57,296.52	100.00%

## 3. Purchase model

Gold and related products: The Company purchases gold raw materials from Shanghai Gold Exchange or other qualified organizations or leases them from banks.

Other jewelry and jade: The Company purchases such products from overseas jewelry and jade suppliers and handles tax-paying import procedures through Shenzhen Jewelry.

The purchase model composition in H1 2025 is as follows:

Purchase model	Raw materials	Purchase quantity	Purchase amount
		(kg)	(RMB 10,000)
Spot trading	Gold	912.94	60,047.08
Spot trading	Silver	15.50	10.29
Rental business	Gold	83.00	5,376.06
Total		1,011.43	65,433.43

## 4. Operation of physical stores during the reporting period

S/N	Name	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)	Address
1	Guorun Direct-sales Store (Tellus)	768.22	763.90	Atrium of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen City
2	Counter and Side Hall of Guorun Direct-sales Store (Tellus) on Basement Level 1	5,122.36	5,086.56	B1-046 and B1-023, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen City

## 5. Online sales during the reporting period

S/N	Name	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)
1	Taobao and Tmall platform stores	6192.24	6202.73
2	JD platform stores	5470.67	5401.43
3	Alibaba platform stores	4494.89	4345.99
4	Pinduoduo platform stores	5159.65	5103.75
5	Jingya platform stores	10452.46	10388.93
6	WeChat platform stores	521.38	517.76
7	Dewu platform stores	0.19	0.12
8	Douyin platform stores	0.07	0.03

## 6. Inventory of jewelry business during the reporting period

As of June 30, 2025, the inventory balance of the Company's jewelry business was RMB 65,098,057.50, of which the amount measured at fair value was RMB 64,651,775.39, corresponding to hedged items with commodity futures contracts and T+D contracts as hedging instruments and the value of gold leased from banks.

The Company shall abide by the disclosure requirements for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3—Industry Information Disclosure*.

## II. Analysis of Core Competitiveness

### (I) Location advantage

The Company, located in Shuibei, the core cluster area of Shenzhen's jewelry industry, is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park. Shuibei accounts for more than 75% of China's gold and jewelry market share. Within the one-square-kilometer core area of the Shuibei market, tens of thousands of gold and jewelry enterprises are gathered. According to the data from the Shenzhen Gold & Jewelry Association, the annual physical pick-up volume of gold and platinum in Shenzhen accounts for about 70% of the physical sales volume at Shanghai Gold Exchange, and the physical consumption of diamonds accounts for about 80% of the import value at Shanghai Diamond Exchange. In terms of brand concentration, Luohu District is home to over 40 leading jewelry enterprises and 29 "China Famous Trademarks" in the jewelry sector,

accounting for 30% of the national total. The district has also successfully supported the stock exchange listings of jewelry companies, including Chow Tai Seng and DR Group. Shuibei has formed a complete industrial chain, covering design and R&D, production and manufacturing, exhibition and trading, brand operation, headquarters office operation, inspection and testing, and talent training.

The location advantage of the Shuibei area is significant. The concentration of numerous jewelry suppliers and established businesses facilitates the Company's import-export operations and exhibition and marketing activities. The market influence and centralized trade information in Shuibei provide a favorable business environment and development platform, enabling the Company to promptly capture market feedback and respond quickly to market changes. Shenzhen's "20+8" Industrial Cluster Development Plan emphasizes the future focus on developing modern fashion industrial clusters. The government's strong support for the jewelry industry provides substantial backing for the Company, helping reduce operating costs, enhance profitability, and achieve sustainable development.

## **(II) Resource advantage**

By leveraging its state-owned enterprise background and harnessing industrial synergies, the Company deeply integrates resources from both the supply and demand sides of the jewelry industry. This endows the Company with a certain advantage in coordinating upstream resources. The Company has established direct partnerships with domestic and international gold and jewelry suppliers and processors, engaging in collaborative discussions with organizations such as the Turkish Jewellery Exporters' Association, the Republic of Sakha (Yakutia) delegation from Russia, and Myanmar Gems and Pearl Enterprise to develop domestic and international exhibition and trading business.

Through years of dedicated efforts, the Company has accumulated significant industry resources and influence. It maintains close collaborations with authoritative testing and appraisal institutions in the industry such as the National Gemstone Testing Center, National Center of Quality Supervision and Inspection on Gold and Silver Jewelry (Nanjing), National Center of Quality Supervision and Inspection on Gold and Silver Jewelry (Tianjin), and HJTC, actively participates in and organizes industry activities, and sets industry standards to continuously expand its industry reputation and impact. The group standard—*Quality Evaluation of Seawater Pearls*—jointly drafted by the Company passed the expert review on March 22, 2025, and was approved and released by the Shenzhen Standards Promotion Council in June 2025. The Company has deeply embedded itself in the supply chain business to offer professional full-industry supply chain services and has cooperated with renowned jewelry enterprises in the industry to further expand its business scale.

The Company's property platforms have brought stable business revenue and cash flow, laying a solid foundation for the Company's long-term development. The Tellus Jewelry Building and the Tellus Gold and Diamond Building have been put into use one after another. They maintain a high occupancy rate. Furthermore,

the Company plans to continuously unlock the commercial value of its traditional properties through quality upgrades and old property renewal initiatives.

### (III) Management advantage

In terms of digitalization, the Company has achieved significant technological advancements. It has vigorously promoted the digital transformation of its trading platform, organized and prioritized functional modules, and continuously adjusted its construction strategy to respond promptly to changes and meet business needs. The Company has improved and enhanced the platform's capabilities in online transactions, data analysis, and intelligent supervision, gradually applying these features in its supply chain operations to effectively serve jewelry industry clients and support the growth of micro-, small-, and medium-sized enterprises (MSMEs) within the sector.

In terms of risk control, the Company has formulated strict internal business control processes such as supplier access standards, a customer evaluation system, and a procurement price comparison system to realize multi-level risk control over capital, information, and logistics. At the same time, it has continuously optimized business processes and internal control systems during business operations, and carried out research and innovation on new categories and new business models under the premise of controllable risks. By leveraging information system development and system data analysis, the Company has enhanced its business risk early warning capabilities.

In terms of internal management, the Company takes scientific management as the driving force and guarantee for development. From the perspective of promoting operation via management, it is business-oriented and combines its actual situation to introduce a leading business model, improve the 4S control system, consolidate a closed loop of strategic management, and smoothly implement its plans.

In terms of talent development, the Company conducts an integrated "testing-training-practice" training mode for middle and senior management. With the mode focusing on accurate diagnosis, system empowerment, and practical transformation, it assists the management team in improving leadership and execution, thereby creating a strong management engine to support business strategies.

## III. Analysis of Main Business

### Overview

See "I. Main Business of the Company During the Reporting Period" for relevant content.

Year-on-year (YoY) changes in main financial data

Unit: RMB

	Reporting period	Same period of the previous year	YoY increase/decrease	Reasons for change
Operating revenue	878,272,629.94	1,580,023,748.85	-44.41%	Decrease in gold business volume this year

Operating cost	736,664,626.44	1,451,925,990.76	-49.26%	Decrease as gold business volume decreases
Selling expenses	6,551,375.74	10,655,583.07	-38.52%	Decrease as gold business volume decreases
Administrative expenses	25,702,432.63	23,758,940.40	8.18%	
Financial expenses	2,287,888.06	3,685,893.43	-37.93%	Mainly due to the decrease in interest expenses on gold business financing
Income tax expenses	25,372,160.83	19,663,631.30	29.03%	Mainly due to the increase in total profit compared to the same period last year
R&D investment	2,045,320.23	1,353,032.80	51.17%	Mainly due to the increase in R&D investment in informatization development of subsidiaries
Net cash flows from operating activities	154,806,331.67	107,309,488.92	44.26%	Mainly due to the decrease in gold business stocks
Net cash flows from investing activities	-233,644,957.72	-136,462,605.64	-71.22%	Mainly due to the decrease in on-maturity redemptions related to money management during this reporting period, compared to the same period last year
Net cash flows from financing activities	-13,048,507.32	24,828,865.44	-152.55%	Mainly due to the increase in dividend distribution during this reporting period
Net increase in cash and cash equivalents	-91,887,133.37	-4,323,672.93	-2,025.21%	Mainly due to the increase in dividend distribution and the decrease in on-maturity redemptions related to money management during this reporting period

Significant changes in the Company's profit composition or source during this reporting period

☐ Applicable ☒ Not applicable

No significant changes in the Company's profit composition or source during this reporting period

Operating revenue composition

Unit: RMB

	Reporting period		Same period of the previous year		YoY increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	878,272,629.94	100%	1,580,023,748.85	100%	-44.41%
By industry					
Wholesale and retail of jewelry	708,201,538.25	80.64%	1,441,734,815.25	91.25%	-50.88%
Property lease and service	170,071,091.69	19.36%	138,078,049.35	8.74%	23.17%
Others	0.00	0.00%	210,884.25	0.01%	-100.00%
By product					
Wholesale and retail of jewelry	708,201,538.25	80.64%	1,441,734,815.25	91.25%	-50.88%
Property lease and service	170,071,091.69	19.36%	138,078,049.35	8.74%	23.17%

Others	0.00	0.00%	210,884.25	0.01%	-100.00%
By region					
South China	577,029,206.44	65.70%	1,017,725,204.81	64.41%	-43.30%
East China	105,033,882.43	11.96%	89,258,835.53	5.65%	17.67%
North China	48,267,352.47	5.50%	426,593,372.53	27.00%	-88.69%
Central China	134,032,831.63	15.26%	37,329,652.67	2.36%	259.05%
Other regions	13,909,356.97	1.58%	9,116,683.31	0.58%	52.57%

Situation of industries, products, or regions with operating revenues or operating profits accounting for more than 10% of that of the Company

☒Applicable ☐ Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit rate	YoY increase/decrease in operating revenue	YoY increase/decrease in operating costs	YoY increase/decrease in gross margin
By industry						
Wholesale and retail of jewelry	708,201,538.25	686,181,047.02	3.11%	-50.88%	-51.35%	0.94%
Property lease and service	170,071,091.69	50,483,579.42	70.32%	23.17%	21.64%	0.37%
By product						
Wholesale and retail of jewelry	708,201,538.25	686,181,047.02	3.11%	-50.88%	-51.35%	0.94%
Property lease and service	170,071,091.69	50,483,579.42	70.32%	23.17%	21.64%	0.37%
By region						
South China	577,029,206.44	439,154,616.68	23.89%	-43.29%	-51.06%	12.08%
East China	105,033,882.43	104,027,905.36	0.96%	17.67%	18.53%	-0.71%
North China	48,267,352.47	46,598,537.67	3.46%	-88.69%	-88.94%	2.20%
Central China	134,032,831.63	133,101,093.39	0.70%	259.05%	262.84%	-1.04%
Other regions	13,909,356.97	13,782,473.34	0.91%	52.57%	54.62%	-1.31%

The main business data adjusted at the end of the reporting period will be taken for the recent one period if the Company's statistical caliber of main business data is adjusted during the reporting period

☐ Applicable ☒ Not applicable

#### IV. Analysis of Non-main Business

☒Applicable ☐ Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation	Sustainable or not
Income from investment	6,028,215.73	5.63%	Wealth management income and investment income with the recognition of the equity method of shareholding enterprises	No
Profits or losses of changes in fair value	-2,801,386.05	-2.62%	Changes in fair value of unexpired wealth management products, gold leasing business, and hedging tools	No
Non-operating revenue	3,456,068.88	3.23%	Change fees for businesses to change contracts, and the liquidated damages for early cancellation of leases	No

Non-operating expenses	103,685.95	0.10%	Liquidated damages paid	No
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## V. Analysis of Assets and Liabilities

### 1. Major changes in asset composition

Unit: RMB

	End of the reporting period		As of the end of the previous year		Proportion increase/decrease	Explanation of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash at bank and on hand	277,967,745.51	10.20%	377,971,359.69	14.57%	-4.37%	
Accounts receivable	96,524,408.17	3.54%	46,564,067.14	1.79%	1.75%	
Inventories	65,098,057.50	2.39%	127,432,191.55	4.91%	-2.52%	
Investment properties	1,080,852,577.15	39.66%	1,099,772,133.10	42.39%	-2.73%	
Long-term equity investments	97,002,094.11	3.56%	85,091,833.20	3.28%	0.28%	
Fixed assets	66,418,841.10	2.44%	70,763,683.25	2.73%	-0.29%	
Projects under construction	2,678,672.06	0.10%	3,332,141.19	0.13%	-0.03%	
Right-of-use assets	72,469,255.87	2.66%	78,558,005.50	3.03%	-0.37%	
Short-term borrowings	142,951,444.41	5.25%	120,101,444.43	4.63%	0.62%	
Contract liabilities	3,359,542.00	0.12%	4,009,504.59	0.15%	-0.03%	
Lease liabilities	72,273,602.70	2.65%	76,541,985.55	2.95%	-0.30%	

### 2. Primary overseas assets

☐ Applicable ☒ Not applicable

### 3. Assets and liabilities at fair value

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning balance	Profits or losses from changes in fair value during this period	Accumulated changes in fair value included in equity	Impairment accrued in this period	Purchase amount in this period	Sales amount in this period	Other changes	Ending balance
Financial assets								



1. Trading financial assets (excluding derivative financial assets)	165,630,834.06	-604,036.00			293,000,000.00	261,000,000.00		197,026,798.06
2. Derivative financial assets	292,078.00	-183,918.00						108,160.00
3. Other debt investments	84,724,128.76	2,284,998.60			137,250,282.42			224,259,409.78
Subtotal of financial assets	250,647,040.82	1,497,044.60			430,250,282.42	261,000,000.00		421,394,367.84
Hedged items	114,856,873.15	404,150.95	0.00	0.00	650,496,400.31	727,893,569.58	0.00	37,863,854.83
Total of the above	365,503,913.97	1,901,195.55	0.00	0.00	1,080,746,682.73	988,893,569.58	0.00	459,258,222.67
Financial liabilities	46,660.00	2,651,520.00	0.00	0.00	62,799,920.00	2,050,410.00	24,561.57	63,472,251.57

Other changes: Interest accrued by the Company's borrowing business.

Whether major changes occurred to the measurement attributes of the main assets of the Company within the reporting period

☐ Yes ☒ No

#### 4. Restriction on asset rights as of the end of the reporting period

Unit: RMB

Item	Book value on June 30, 2025
Gold leasing security deposits and interest	30,350,972.23
Futures and options account margin	1,080,805.01
Amount under judicial control	1,066,174.00
Margin payable security deposits and interest	36,080,959.01
<b>Total</b>	<b>68,578,910.25</b>

## VI. Analysis of Investment

### 1. Overview

☒ Applicable ☐ Not applicable

Investment in the reporting period (RMB)	Investment in the same period of the previous year (RMB)	Change rate
1,834,078.65	13,519,694.27	-86.43%

### 2. Significant equity investment acquired in the reporting period

☐ Applicable ☒ Not applicable

**3. Significant non-equity investment ongoing in the reporting period**

☐ Applicable ☒ Not applicable

**4. Financial assets investment****(1) Securities investment**

☐ Applicable ☒ Not applicable

The Company had no securities investment during the reporting period.

**(2) Investment in derivatives**

☒ Applicable ☐ Not applicable

**1) Investment in derivatives for hedging purposes during the reporting period**

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Type of derivative investment	Initial investment amount	Beginning amount	Profits or losses from changes in fair value during this period	Accumulated changes in fair value included in equity	Purchased amount during the reporting period	Selling amount during the reporting period	Ending amount	Proportion of the investment amount in net assets of the Company at the end of the reporting period
Futures (Huatai account)	1,050	1,387.78	10.82	0	8,306.39	9,587.09	107.08	0.06%
Futures (CITIC account)	290.6	429.86	0	0	1,782.29	2,212.15	0	0.00%
Yongan Futures (revenue swap)	0	0	0	0	42.89	42.89	0	0.00%
Futures (CITIC account)	57.2	466.21	0	0	0	466.21	0	0.00%
Total	1,397.8	2,283.85	10.82	0	10,131.57	12,308.34	107.08	0.06%
Accounting policies and specific principles of accounting for hedging business during the reporting period and whether there was any significant change in them compared to the previous reporting period	No							
Explanation of actual profits and losses during the reporting period	During the reporting period, the spot price rose by RMB 14.8868 million due to the underlying gold price; the futures account hedging and position closing loss was RMB 17.5439 million; the hedging fee was RMB 163,200 and the actual hedging loss was RMB 2.8203 million.							
Explanation of hedging effectiveness	Measurement method of hedge effectiveness: Hedge effectiveness = Change in Futures Price / Change in Spot Price. The closer this value is to 100%, the more effective the hedge. A hedge is considered highly effective when its effectiveness ranges from 80% to 125%. The Company's hedge effectiveness consistently exceeds 85%, indicating that its hedging strategy is highly effective.							

Source of funds for investment in derivatives	Owned funds
Risk analysis and control measures for positions in derivatives during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks, and legal risks)	The Company's hedging transactions align with the following basic principles: The value changes of the futures varieties and contract quantities are roughly equivalent to those of the spot positions; futures positions are in the opposite direction to spot positions; and the time in which the futures position is held corresponds to the time in which the risk is borne by the spot market. The main risks of positions in gold futures include basis risks, forced liquidation risks, and operational error risks. To manage basis risks, when the basis narrows, the Company strives to use leased gold as inventory and minimize or avoid building proprietary inventory. To manage forced liquidation risks, a risk warning system has been established. In case of significant gold price fluctuations, capital planning is done in advance to ensure adequate funds in the margin account. If forced liquidation is triggered by emergency events, the incident is reported to the Company's senior management immediately, and the hedging positions that have undergone forced liquidation will be restored at an appropriate time. To manage operational error risks, the Company has implemented a trader training mechanism, strictly adhered to internal policies and workflow requirements for operation and review, and performed daily reporting. The Company has established a scientific and effective hedging management system, which is implemented through four key aspects: organizational structure design, planning systems, management and evaluation procedures, and dynamic risk monitoring.
For changes in market prices or fair value of invested derivatives during the reporting period, the analysis of derivative fair value shall disclose the specific valuation methods used and related hypotheses and parameter settings.	During the reporting period, the fair value change of the futures contracts held for hedging purposes was RMB 108,200. The Company determined the fair value using the closing price on June 30, 2025 of the futures contracts held on the Shanghai Gold Exchange, with the floating gain and loss representing the change in fair value.
Involvement in litigation (if applicable)	N/A

## 2) Investment in derivatives for speculative purposes during the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no investment in derivatives for speculative purposes.

## 5. Usage of raised funds

☐ Applicable ☒ Not applicable

No raised funds were used within the reporting period of the Company.

## VII. Sales of Major Assets and Equity

### 1. Sales of major assets

☐ Applicable ☒ Not applicable

The Company did not sell any major assets during the reporting period.

### 2. Sales of major equity

☐ Applicable ☒ Not applicable

## VIII. Analysis of Main Holding Companies and Joint-stock Companies

☒Applicable ☐ Not applicable

Main subsidiaries and joint-stock companies contributing over 10% to the Company's net profit

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Jewelry Industry Service Co., Ltd.	Subsidiary	Jewelry exhibition and fair planning, jewelry consignment sales, conference services, and jewelry transaction matchmaking	100,000,000	61,941,420.30	35,323,933.52	1,798,206.72	- 1,333,272.60	- 1,333,329.80
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Sales of gold bars and jewelry for investment, gold recycling, and gold refining/exchange services	200,000,000	463,434,951.36	191,552,858.08	703,347,727.65	- 6,586,309.88	- 6,510,402.29
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Subsidiary	Purchase, sales, and leasing of gold ornaments and precious metal products, and warehousing services	50,000,000	99,312,662.05	49,068,552.27	3,055,603.88	1,817,694.72	1,817,694.83
Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property leasing, leasing of safe deposit boxes	366,221,900	578,144,877.23	482,839,732.34	76,360,175.62	57,008,660.06	43,921,879.47
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	Subsidiary	Property leasing	18,960,000	196,666,159.76	165,699,240.43	21,731,531.63	24,054,726.13	19,722,076.19
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property leasing	9,607,800	15,582,496.86	9,968,854.25	3,343,780.18	2,210,704.34	2,107,872.53
Shenzhen Tellus Xinyongtong Automobile Development Co.,	Subsidiary	Property leasing	32,900,000	97,652,416.28	78,802,082.26	5,696,024.64	4,061,940.40	3,077,980.89

Ltd.								
Shenzhen Tellus Chuangying Technology Co., Ltd.	Subsidiary	Property leasing	1,500,000	3,002,501.77	1,971,279.30	0.00	11,739.56	11,425.24
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary	Property leasing	USD 5,000,000	23,395,402.67	19,772,927.66	3,680,164.15	2,048,191.22	2,465,381.43
Shenzhen Tellus-Gmond Investment Co., Ltd.	Joint-stock company	Investment in industrial development, property management, and leasing	53,704,960	359,657,182.75	136,860,074.26	66,419,256.82	32,688,421.60	24,428,065.74

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

## IX. Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

## X. Risks Faced by the Company and Countermeasures

In the process of strategy implementation and project operation, the Company will objectively and clearly recognize the possible risks and take active and effective measures to prevent them.

### 1. Risk 1: Market price fluctuations

The Company's primary raw materials are gold and jewelry. In recent years, fluctuations in international and domestic economic conditions and changes in consumer demand have led to price fluctuations in gold and other raw materials, creating uncertainties for the Company's operations.

Countermeasures: First, the Company will continuously strengthen risk management and establish and improve risk prevention and control mechanisms to ensure its compliance operation. Second, it will firmly advance its strategic transformation, promote the implementation of transformation projects through digital technology empowerment and innovative business models, explore incremental markets, expand business scale, and seek new profit growth points to enhance competitiveness and provide a solid foundation for long-term stable development.

### 2. Risk 2: Insufficient talent team building

With the implementation of transformation projects and business expansion, the current pool of professionals in the jewelry industry cannot meet the Company's rapid development needs.

Countermeasures: First, the Company will accelerate the training of internal professionals through industry research and learning and business practice. Second, it will employ more business personnel with experience in the jewelry industry to comprehensively improve the team's business capabilities from market development to risk control management. Third, it will obtain internal and external resources, organize AI courses and auctioneer training examinations, drive the structural upgrade of employee professional capabilities, and provide a platform for employee growth.

## **XI. Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan**

Whether the Company has formulated a market value management system

☐Yes☒ No

Whether the Company has disclosed a valuation enhancement plan

☐Yes☒ No

## **XII. Implementation of the Action Plan for "Improvement in Quality and Return"**

Whether the Company has disclosed an announcement on the Action Plan for "Improvement in Quality and Return"

☐Yes☒ No

## Section IV Corporate Governance, Environment, and Society

### I. Change of the Directors, Supervisors, and Senior Executives of the Company

☒ Applicable ☐ Not applicable

Name	Position	Type	Date	Reason
Guo Xiaodong	Chairman of Board of Supervisors	Resigned	January 1, 2025	Retired
Yang Xi	General Manager	Appointed	April 24, 2025	Job transfer
Zhang Zheng	Deputy General Manager	Appointed	April 24, 2025	Job transfer
Yang Hong	Employee Supervisor	Elected	April 21, 2025	Job transfer

### II. Profit Distribution and Capital Reserves Converted to Share Capital in the Reporting Period

☐ Applicable ☒ Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or transfer share capital from capital reserve in the half year.

### III. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan, or Other Employee Incentive Measures

☐ Applicable ☒ Not applicable

During the reporting period, there was no equity incentive plan, employee stock ownership plan, or other employee incentive measures, and their implementation for the Company.

### IV. Environmental Information Disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises that disclose environmental information according to law

☐ Yes ☒ No

### V. Social Responsibilities

The Company actively fulfills its social responsibilities and responds to the national poverty alleviation policy and rural revitalization strategy. In the first half of 2025, the Company helped consolidate the achievements in poverty alleviation and promote the development of rural industries by purchasing poverty alleviation products worth RMB 62,890. At the same time, it continued to carry out volunteer services and public welfare activities, practice corporate responsibilities with practical actions, and contribute to public welfare.

## Section V Important Matters

### I. Commitments Fulfilled and Unfulfilled by Actual Controllers, Shareholders, Related Parties, Purchasers, and Other Relevant Parties During and at the End of the Reporting Period

☒Applicable ☐ Not applicable

Commitment cause	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance
Commitment made in acquisition report or report of equity change	Shenzhen Investment Holdings Co., Ltd.	Ensure the independence of listed companies	<p>The Company will maintain the independence of the listed company and maintain personnel independence, institutional independence, financial independence and asset integrity with the listed company. The listed company will still have independent operation ability, independent procurement, production and sales system, and independent intellectual property rights.</p> <p>In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>	December 30, 2022	During the period of being an indirect controlling shareholder of the Company	In performance
	Shenzhen Investment Holdings Co., Ltd.	Avoid horizontal competition	<p>1. As of the signing date of this Letter of Commitment, the Company and other enterprises controlled by the Company have not engaged in business and activities that are in direct competition with or may constitute direct competition with Tellus and will not engage in business and activities that are in direct competition with or may constitute direct competition with Tellus in the future (except those arranged based on Shenzhen SASAC or similar government agencies);</p> <p>2. During the period of being the indirect controlling shareholder of Tellus and during Tellus' listing on the Shenzhen Stock Exchange, the Company will fully respect the independent operation autonomy of all subsidiaries controlled by the Company and ensure that the legitimate rights and interests of</p>	December 30, 2022	During the period of being an indirect controlling shareholder of the Company	In performance



			<p>Tellus and its minority shareholders will not be infringed;</p> <p>3. The Company promises not to seek illegitimate interests with the status of controlling shareholder of Tellus, thus damaging the rights and interests of Tellus and its minority shareholders;</p> <p>4. The Company promises not to assist any party to engage in any business activities that are in substantial competition or potential competition with the main business of Tellus by using the information learned or known from Tellus;</p> <p>5. If the Company or other enterprises controlled by the Company violate the above commitments and guarantees, the Company shall bear the economic losses caused to the listed company.</p>			
	Shenzhen Investment Holdings Co., Ltd.	Reduce and standardize related party transactions	<p>1. The Company and the companies, enterprises, and economic organizations controlled or actually controlled by the Company (excluding enterprises controlled by listed companies, hereinafter collectively referred to as "affiliated companies") will exercise the rights of shareholders, fulfill the obligations of shareholders, and maintain the independence of listed companies in terms of assets, finance, personnel, business, and institutions in strict accordance with the provisions of laws, regulations, and other normative documents;</p> <p>2. The Company promises not to use its position as a controlling shareholder to urge the General Meeting of Shareholders or the Board of Directors of the listed company to make resolutions that infringe upon the legitimate rights and interests of other shareholders of the listed company;</p> <p>3. The Company or its affiliated companies will try to avoid related party transactions with listed companies. If it is inevitable to have related party transactions with listed companies, the Company or its affiliated companies will urge the controlled entities to trade with listed companies on an equal and</p>	December 30, 2022	During the period of being an indirect controlling shareholder of the Company	In performance

			<p>voluntary basis per fair, reasonable, and normal commercial transaction conditions;</p> <p>4. The Company or its affiliated companies will perform the decision-making procedures of related party transactions and the corresponding information disclosure obligations in strict accordance with the Articles of Association of the listed company and relevant laws and regulations;</p> <p>5. The Company or its affiliated companies will ensure that they will not seek special interests beyond the above provisions through related party transactions with listed companies, illegally transfer the funds and profits of listed companies through related party transactions, and maliciously damage the legitimate rights and interests of listed companies and their shareholders through related party transactions. In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>			
Commitment made during the initial public offering or refinancing	Shenzhen Tellus Holding Co., Ltd.	Others	In the future, the Company will disclose relevant information regarding the progress of its new business in a timely, accurate, and sufficient manner per relevant requirements.	October 17, 2014	Long-term	In performance
Other commitments made for minority shareholders of the Company	Shenzhen Special Economic Zone Development Group Co., Ltd.	Horizontal competition	<p>Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, issued the <i>Letter of Commitment to Avoiding Horizontal Competition</i> on May 26, 2014. The commitments are as follows:</p> <p>1. The Company and other enterprises controlled by the Company other than Tellus Holding are not engaged in business that is in substantial competition with the main business of Tellus Holding, and there is no horizontal competition relationship with Tellus Holding;</p> <p>2. The Company and other enterprises controlled by the</p>	May 26, 2014	Long-term	In performance

			<p>Company shall not directly or indirectly engage in or participate in any business that constitutes or may constitute competition with the main business of Tellus Holding in any form;</p> <p>3. If the Company and other enterprises controlled by the Company can engage in or participate in any business opportunity that may compete with the main business of Tellus Holding, they shall notify Tellus Holding of the above business opportunity before implementing or signing relevant agreements. If Tellus Holding makes a positive reply within a reasonable period specified in the notice that it is willing to take advantage of the business opportunity, the business opportunity will be given priority to Tellus Holding.</p>			
Other commitments	Shenzhen Tellus Holding Co., Ltd.	Dividend commitment	<p>From 2023 to 2025, the Company's profits will be first used to cover the losses of previous years. After making up for the losses of previous years, on the premise that the Company's profits and cash flow meet the normal operation and long-term development of the Company, the Company will implement an active profit distribution method to reward shareholders. For details, please refer to the <i>Shareholder Return Plan for the Next Three Years (2023-2025)</i> disclosed on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> on April 27, 2023.</p>	April 27, 2023	December 31, 2025	In performance
Whether the commitments are duly performed	Yes					
Explanation of the situation where commitments are not fulfilled within the deadline	N/A					

## II. Controlling Shareholder and Other Related Parties' Occupation of Non-operating Funds of the Listed Company

☐ Applicable ☒ Not applicable

Non-operating fund occupied by the controlling shareholder and other related parties toward the listed company was not identified within the reporting period of the Company.

## III. Illegal External Guarantees

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no illegal external guarantees.

## IV. Employment and Dismissal of Accounting Firms

Whether the Semi-Annual Financial Report has been audited

☐ Yes ☒ No

The Semi-Annual Report of the Company has not been audited.

## V. Description of the Board of Directors and the Board of Supervisors on the "Non-Standard Auditor's Report" Issued by the Accounting Firm During the Reporting Period

☐ Applicable ☒ Not applicable

## VI. Description of the Board of Directors on the "Non-Standard Auditor's Report" of the Previous Year

☐ Applicable ☒ Not applicable

## VII. Matters Related to Bankruptcy Reorganization

☐ Applicable ☒ Not applicable

Matters concerning bankruptcy reorganization were not identified within the reporting period of the Company.

## VIII. Lawsuit Proceedings

Major litigation and arbitration matters

☒ Applicable ☐ Not applicable

Basic information of litigation (arbitration)	Amount involved (RMB 10,000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) trial results and impacts	Execution of litigation (arbitration) judgment	Disclosure date	Disclosure index
Land lease contract dispute (Tellus Shuibei Jewelry Company, formerly Shenzhen)	1,403.76	No	Closed	The second-instance judgment supported some of the Company's claims.	The execution was completed. The	March 28, 2025	2024 Annual Report of Securities Times and CNINFO

Automobile Industry and Trade Co., Ltd. is the plaintiff)					execution payment was RMB 7.294 million.		
Project construction contract dispute (Zhongtian Industrial Company as the defendant in the original claim and the plaintiff in the counterclaim)	670.44	No	In progress	The first instance supported some of the plaintiff's claims in this lawsuit. The case is currently in the second instance and has not yet been judged.	N/A	March 28, 2025	2024 Annual Report of Securities Times and CNINFO
Unjust enrichment dispute (Tellus Holding as the plaintiff)	175.94	No	Retrial has been applied for	The Company appealed and the second-instance judgment upheld the first-instance judgment.	N/A	March 28, 2025	2024 Annual Report of Securities Times and CNINFO

Other contentious matters

☐ Applicable ☒ Not applicable

## IX. Punishment and Rectification

☐ Applicable ☒ Not applicable

No punishment or rectification was identified within the reporting period of the Company.

## X. Integrity Situation of the Company and Its Controlling Shareholders and Actual Controllers

☐ Applicable ☒ Not applicable

## XI. Major Related Party Transactions

### 1. Related party transactions concerning daily operations

☒ Applicable ☐ Not applicable

Related transaction party	Related-party relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price of related party transaction (RMB 10,000)	Amount of related party transaction (RMB 10,000)	Proportion to transaction amount of the same kind	Approved transaction amount (RMB 10,000)	Exceeded the approved amount or not	Settlement method of related party transaction	Market price of available similar transaction (RMB 10,000)	Disclosure date	Disclosure index
Shenzhen SDG Tellus	Subsidiary of	Daily related	Provide property	Market pricing	23.18	23.18	0.09%	35	No	According to the	23.18	March 28, 2025	Announcement

Property Management Co., Ltd.	controlling shareholder	party transaction	leasing services	g						contract amount or agreement			Daily Related Party Transactions in 2025 (Announcement No.: 2025-010) of Securities Times and CNINFO
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Provide property leasing and management services	Market pricing	0.00	0.00	0.00%	150	No	According to the contract amount or agreement	0.00	March 28, 2025	
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transaction	Provide property leasing and parking services	Market pricing	0.00	0.00	0.00%	400	No	According to the contract amount or agreement	0.00	March 28, 2025	
Shenzhen Telixing Investment Co., Ltd.	The Company's related natural persons as a director of the joint-stock company	Daily related party transaction	Provide brokerage and agency services	Market pricing	0.00	0	0.00%	60	No	According to the contract amount or agreement	0.00	March 28, 2025	
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Accept engineering supervision services	Market pricing	0.00	0.00	0.00%	160	No	According to the contract amount or agreement	0.00	March 28, 2025	
Shenzhen	Subs	Daily	Accept	Mark	1.89	1.89	100.00	1,050	No	Acco	1.89	Marc	

en SDG Service Co., Ltd. and its branches	idiary of controlling share holder	related party transaction	property management and security services	et pricing			%			rding to the contract amount or agreement		h 28, 2025	
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of controlling share holder	Daily related party transaction	Accept property management services	Market pricing	0.00	0.00	0.00%	690	No	According to the contract amount or agreement	0.00	March 28, 2025	
Shenzhen SDG Building Technology Co., Ltd.	Subsidiary of controlling share holder	Daily related party transaction	Accept property management services	Market pricing	0.00	0.00	0.00%	50	No	According to the contract amount or agreement	0.00	March 28, 2025	
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by indirect controlling share holders	Daily related party transaction	Accept insurance services	Market pricing	2.17	2.17	62.56%	100	No	According to the contract amount or agreement	2.17	March 28, 2025	
Shenzhen SDG Eastern Service Co., Ltd.	Subsidiary of controlling share holder	Daily related party transaction	Accept property management services	Market pricing	0.00	0	0.00%	50	No	According to the contract amount or agreement	0.00	March 28, 2025	
Total				--	--	27.24	--	2,745	--	--	--	--	--
Details of large-sum sales return				N/A									
The actual performance during the reporting period (if any), if the total amount of daily related party transactions occurring in the current period is estimated by				Normal performance									

category	
Reasons for the great difference between transaction price and market reference price (if applicable)	N/A

## 2. Related party transactions from the acquisition and sale of assets or equity

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no related party transactions from the acquisition and sale of assets or equity.

## 3. Related party transactions of joint outbound investment

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no related party transactions of joint outbound investment.

## 4. Transactions related to credit and debt

☒ Applicable ☐ Not applicable

Whether there are transactions of non-operating related credit and debt

☐ Yes ☒ No

During the reporting period, the Company had no transactions of non-operating related credit and debt.

## 5. Transactions with related finance companies

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit, or other financial business between the Company and related finance companies and related parties.

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

☐ Applicable ☒ Not applicable

There is no deposit, loan, credit, or other financial business between the finance companies controlled by the Company and related parties.

## 7. Other major related party transactions

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no other major related party transactions.

# XII. Major Contracts and Performance

## 1. Trusteeship, contracting, and leasing matters

### (1) Trusteeship

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no trusteeship.



**(2) Contracting**

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no contracting.

**(3) Leasing**

☐ Applicable ☒ Not applicable

During the reporting period, the Company has no leasing.

**2. Significant guarantees**

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

External guarantees of the Company and its subsidiaries (excluding the guarantees to subsidiaries)										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	September 30, 2014	3,500		0	Pledge	No	No	Until the expiry date of the Joint Venture Contract	Yes	Yes
Total external guarantee amount approved during the reporting period (A1)		0		Total actual external guarantee amount during the reporting period (A2)		0				
Total external guarantee amount approved at the end of the reporting period (A3)		3,500		Total actual external guarantee balance at the end of reporting period (A4)		0				
The Company's guarantee to subsidiaries										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Guarantee between subsidiaries										

Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Total amount of the Company's guarantee (i.e. total of the first three items)										
Total guarantee amount approved during the reporting period (A1+B1+C1)		0		Total actual guarantee amount during the reporting period (A2+B2+C2)		0				
Total guarantee amount approved at the end of the reporting period (A3+B3+C3)		3,500		Total actual guarantee balance at the end of the reporting period (A4+B4+C4)		0				
Proportion of total actual guarantee amount (i.e. A4+B4+C4) to the Company's net assets				0.00%						
Including:										

Specific description of the composite guarantee

### 3. Entrusted financial management

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Category	Capital source of entrusted financial management	Amount of entrusted financial management	Unexpired balance	Overdue unrecovered amount	The amount of impairment accrued for overdue unrecovered financial management products
Bank financial products	Owned funds	57,000	44,000	0	0
Total		57,000	44,000	0	0

Details of high-risk entrusted financial management with a large individual amount or low security and poor liquidity

☐ Applicable ☒ Not applicable

Principal unable to be recovered or other conditions causing impairment for entrusted financial management

☐ Applicable ☒ Not applicable

### 4. Other major contracts

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no major contracts.

### **XIII. Clarification on Other Major Matters**

☐ Applicable ☒ Not applicable

The Company had no other major matters that needed to be stated during the reporting period.

### **XIV. Major Matters of the Company's Subsidiaries**

☐ Applicable ☒ Not applicable

## Section VI Changes in Shares and Shareholders

### I. Changes in Shares

#### 1. Changes in shares

Unit: share

	Before the change		Increase (+)/decrease (-) in this change					After the change	
	Quantity	Proportion	Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	Quantity	Proportion
I. Restricted shares	0	0.00%	0	0	0	0	0	0	0.00%
1. State shareholding	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Domestic natural person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
4. Foreign shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Including: Foreign legal person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person shareholding	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted shares	431,058,320	100.00%	0	0	0	0	0	431,058,320	100.00%
1. RMB-denominated ordinary shares	392,778,320	91.12%	0	0	0	0	0	392,778,320	91.12%
2. Domestic listed foreign shares	38,280,000	8.88%	0	0	0	0	0	38,280,000	8.88%
3. Foreign listed foreign	0	0.00%	0	0	0	0	0	0	0.00%

shares									
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total amount of shares	431,058,320	100.00%	0	0	0	0	0	431,058,320	100.00%

Reasons for changes in shares

☐ Applicable ☒ Not applicable

Status of authorization for changes in shares

☐ Applicable ☒ Not applicable

Status of transfer for changes in shares

☐ Applicable ☒ Not applicable

Progress in the implementation of share repurchase

☐ Applicable ☒ Not applicable

Progress in the implementation of share repurchase reduction through centralized bidding

☐ Applicable ☒ Not applicable

Effect of changes in shares on the financial indicators, including basic earnings per share and diluted earnings per share in the most recent year and in the most recent period, as well as net asset per share attributable to the Company's shareholders of ordinary shares

☐ Applicable ☒ Not applicable

Other information disclosed as the Company deems necessary or required by securities regulatory authorities

☐ Applicable ☒ Not applicable

## 2. Changes in shares with restrictions on sale

☐ Applicable ☒ Not applicable

## II. Conditions on Issuance and Listing of Securities

☐ Applicable ☒ Not applicable

## III. Number of Shareholders of the Company and Their Shareholding Conditions

Unit: share

Total number of ordinary shareholders at the end of the reporting period			50,855		Total number of preferred shareholders (if any) with restored voting rights at the end of the reporting period (see Note 8)			0	
Shareholders holding more than 5% shares or shareholding of the top 10 shareholders (excluding shares lent through refinancing)									
Name of shareholder	Nature of shareholder	Shareholding proportion	Number of shares held at the end of the reporting period	Increase/decrease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledged, marked or frozen shares		
							Status of shares	Quantity	
Shenzhen Special Economic Zone Development Group Co., Ltd.	State-owned legal person	49.09%	211,591,621	0	0	211,591,621	N/A	0	

Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	Domestic non-state-owned legal person	3.96%	17,052,853	- 4,866,300	0	17,052,853	N/A	0
Li Xiaoming	Domestic natural person	0.75%	3,229,100	159,600	0	3,229,100	N/A	0
Industrial and Commercial Bank of China Limited - China Southern CSI All Share Real Estate ETF	Others	0.58%	2,507,975	975,500	0	2,507,975	N/A	0
China Merchants Bank Co., Ltd. - China Southern CSI 1000 ETF	Others	0.42%	1,796,570	169,500	0	1,796,570	N/A	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas legal person	0.39%	1,691,956	-91,535	0	1,691,956	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.39%	1,690,055	-887,184	0	1,690,055	N/A	0
Li Daoqing	Domestic natural person	0.30%	1,283,900	661,800	0	1,283,900	N/A	0
Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	Others	0.29%	1,241,875	873,500	0	1,241,875	N/A	0
Ma Yongcheng	Domestic natural person	0.26%	1,139,280	100	0	1,139,280	N/A	0
Status of the strategic investor or general legal person becoming one of the top 10 shareholders due to rights issue (if any) (see Note 3)	N/A							
Explanations of the related relationship or concerted action of the above shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd. was not related to other shareholders and was not a person acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.							
Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with the right to vote and giving up the right	N/A							
Special description of repurchase special account among the top 10 shareholders (if any) (see Note 11)	N/A							
Shareholdings of the top 10 shareholders without restrictions on sale (excluding shares lent through refinancing and locked shares of senior executives)								
Name of shareholder			Number of unrestricted shares held at the end of reporting period			Share type		
						Share type	Quantity	
Shenzhen Special Economic Zone Development Group Co., Ltd.			211,591,621			RMB-denominated ordinary shares	211,591,621	
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)			17,052,853			RMB-denominated ordinary shares	17,052,853	

Li Xiaoming	3,229,100	RMB-denominated ordinary shares	3,229,100
Industrial and Commercial Bank of China Limited - China Southern CSI All Share Real Estate ETF	2,507,975	RMB-denominated ordinary shares	2,507,975
China Merchants Bank Co., Ltd. - China Southern CSI 1000 ETF	1,796,570	RMB-denominated ordinary shares	1,796,570
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	1,691,956	Domestic listed foreign shares	1,691,956
Hong Kong Securities Clearing Company Limited	1,690,055	RMB-denominated ordinary shares	1,690,055
Li Daoqing	1,283,900	RMB-denominated ordinary shares	1,283,900
Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	1,241,875	RMB-denominated ordinary shares	1,241,875
Ma Yongcheng	1,139,280	RMB-denominated ordinary shares	1,139,280
Description of the related relationship or concerted action among the top 10 shareholders without restrictions on sale, and between the top 10 shareholders without restrictions on sale and the top 10 shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd., a state-owned legal-person shareholder, was not related to other shareholders and was not a person acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.		
Description of participation of the top 10 shareholders of ordinary shares in securities margin trading (if any) (see Note 4)	N/A		

The situation of shareholders holding more than 5% of shares, the top 10 shareholders, and the top 10 shareholders with unrestricted tradable shares participating in the lending of shares in the refinancing business

☐ Applicable ☒ Not applicable

Changes from the previous period caused by the top 10 shareholders and the top 10 shareholders with unrestricted tradable shares due to refinancing-based lending/returning

☐ Applicable ☒ Not applicable

Whether the Company's top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares without restrictions on sale performed the agreed repurchase transactions during the reporting period

☐ Yes ☒ No

The Company's top 10 shareholders of ordinary shares and the top 10 shareholders of ordinary shares without restrictions on sale did not perform the agreed repurchase transactions during the reporting period.

#### IV. Changes in Shareholdings of Directors, Supervisors, and Senior Executives

☐ Applicable ☒ Not applicable

There was no change in the shareholding of directors, supervisors, and senior executives during the reporting period. Please refer to the 2024 Annual Report for details.

## **V. Changes in the Controlling Shareholder or Actual Controller**

Changes in the controlling shareholder during the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no change in the controlling shareholder.

Changes in the actual controller during the reporting period

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no change in the actual controller.

## **VI. Preferred Shares**

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no preferred shares.



## **Section VII Bond-related Information**

☐ Applicable ☒ Not applicable

## Section VIII Financial Report

### I. Auditor's Report

Whether the Semi-Annual Report has been audited

☐ Yes ☒ No

The Semi-Annual Financial Report of the Company has not been audited.

### II. Financial Statements

The unit of measurement for the statements in the financial notes is: RMB

#### 1. Consolidated Balance Sheet

Prepared by: Shenzhen Tellus Holding Co., Ltd.

June 30, 2025

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	277,967,745.51	377,971,359.69
Settlement reserve fund		
Lending to banks and other financial institutions		
Trading financial assets	197,026,798.06	165,630,834.06
Derivative financial assets	108,160.00	292,078.00
Notes receivable		
Accounts receivable	96,524,408.17	46,564,067.14
Receivables financing		
Prepayments	1,465,429.39	797,409.91
Premiums receivable		
Reinsurance premium receivable		
Reinsurance contract reserves receivable		
Other receivables	14,105,222.01	8,081,783.33
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	65,098,057.50	127,432,191.55
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets	142,271,146.55	91,587,627.94

Other current assets	87,339,849.84	96,743,827.38
Total current assets	881,906,817.03	915,101,179.00
Non-current assets:		
Loans and advances issued		
Debt investment		
Other debt investments	224,259,409.78	84,724,128.76
Long-term receivables		
Long-term equity investments	97,002,094.11	85,091,833.20
Other equity instrument investments		
Other non-current financial assets		
Investment properties	1,080,852,577.15	1,099,772,133.10
Fixed assets	66,418,841.10	70,763,683.25
Projects under construction	2,678,672.06	3,332,141.19
Productive biological assets		
Oil and gas assets		
Right-of-use assets	72,469,255.87	78,558,005.50
Intangible assets	6,458,986.61	3,775,834.45
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term deferred expenses	43,186,431.17	48,095,409.37
Deferred income tax assets	5,487,009.50	5,496,778.78
Other non-current assets	244,722,869.90	199,748,111.29
Total non-current assets	1,843,536,147.25	1,679,358,058.89
Total assets	2,725,442,964.28	2,594,459,237.89
Current liabilities:		
Short-term borrowings	142,951,444.41	120,101,444.43
Borrowings from the central bank		
Loans from other banks and other financial institutions		
Financial liabilities held for trading	63,472,251.57	
Derivative financial liabilities		46,660.00
Notes payable	120,000,000.00	110,000,000.00
Accounts payable	115,261,800.96	125,555,693.13
Advances from customers	4,301,247.00	9,469,503.75
Contract liabilities	3,359,542.00	4,009,504.59
Financial assets sold under repurchase agreements		
Deposits from banks and other financial institutions		
Acting trading securities		
Acting underwriting securities		

Employee compensation payable	39,624,881.92	36,835,623.94
Taxes payable	47,350,155.70	36,109,740.02
Other payables	133,005,148.65	126,312,280.55
Including: Interest payable		
Dividends payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	6,319,333.61	8,674,869.40
Other current liabilities	6,104,471.89	6,142,814.36
Total current liabilities	681,750,277.71	583,258,134.17
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	72,273,602.70	76,541,985.55
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	6,957,331.78	7,837,477.60
Deferred income tax liabilities	24,290,793.06	25,175,508.48
Other non-current liabilities		
Total non-current liabilities	107,441,887.90	113,475,131.99
Total liabilities	789,192,165.61	696,733,266.16
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	430,866,408.50	430,866,408.50
Less: Treasury shares		
Other comprehensive incomes	-7,606,040.90	-7,606,040.90
Special reserves		
Surplus reserves	74,222,656.99	74,222,656.99
General risk provisions		
Undistributed profit	839,250,882.32	798,343,284.97
Total equity attributable to owners of the parent company	1,767,792,226.91	1,726,884,629.56
Minority shareholders' equity	168,458,571.76	170,841,342.17
Total owners' equity	1,936,250,798.67	1,897,725,971.73
Total liabilities and owner's equity	2,725,442,964.28	2,594,459,237.89

Legal representative: Fu Chunlong    Person in charge of accounting: Huang Tianyang    Person in charge of the accounting firm:

Huang Tianyang

## 2. Parent Company's Balance Sheet

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	9,091,978.62	25,182,064.77
Trading financial assets	10,258,165.52	121,340,400.00
Derivative financial assets		
Notes receivable		
Accounts receivable	19,042,900.68	19,714,030.82
Receivables financing		
Prepayments	254,330.32	96,692.05
Other receivables	4,316,161.82	2,839,370.67
Including: Interest receivable		
Dividends receivable		
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets	121,943,858.88	91,587,627.94
Other current assets	1,479,107.24	51,886,807.24
Total current assets	166,386,503.08	312,646,993.49
Non-current assets:		
Debt investment		
Other debt investments	205,894,859.99	63,517,795.43
Long-term receivables		
Long-term equity investments	810,612,868.52	798,702,607.61
Other equity instrument investments		
Other non-current financial assets		
Investment properties	522,597,609.18	530,187,087.36
Fixed assets	12,781,924.08	13,330,517.88
Projects under construction	1,986,361.94	1,986,361.94
Productive biological assets		
Oil and gas assets		
Right-of-use assets	77,081,238.60	81,973,406.34
Intangible assets	2,055,032.12	2,203,851.20
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term deferred expenses	20,084,616.43	20,931,913.29

Deferred income tax assets		
Other non-current assets	70,410,021.55	26,969,339.66
Total non-current assets	1,723,504,532.41	1,539,802,880.71
Total assets	1,889,891,035.49	1,852,449,874.20
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	56,318,929.28	59,250,518.21
Advances from customers	1,524,027.99	1,118,873.69
Contract liabilities		
Employee compensation payable	34,642,272.97	30,927,714.69
Taxes payable	23,833,888.26	21,432,181.88
Other payables	104,317,062.85	120,275,555.64
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	7,643,543.04	8,212,093.33
Other current liabilities	1,609,232.42	1,609,232.42
Total current liabilities	229,888,956.81	242,826,169.86
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	77,363,968.31	80,617,189.54
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	7,188,936.09	7,188,936.09
Other non-current liabilities		
Total non-current liabilities	84,552,904.40	87,806,125.63
Total liabilities	314,441,861.21	330,632,295.49
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	428,256,131.23	428,256,131.23
Less: Treasury shares		
Other comprehensive incomes	-7,632,462.90	-7,632,462.90

Special reserves		
Surplus reserves	74,222,656.99	74,222,656.99
Undistributed profit	649,544,528.96	595,912,933.39
Total owners' equity	1,575,449,174.28	1,521,817,578.71
Total liabilities and owner's equity	1,889,891,035.49	1,852,449,874.20

### 3. Consolidated Income Statement

Unit: RMB

Item	The first half of 2025	The first half of 2024
I. Total operating revenue	878,272,629.94	1,580,023,748.85
Including: Operating revenue	878,272,629.94	1,580,023,748.85
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating cost	778,520,084.04	1,498,402,354.66
Including: Operating cost	736,664,626.44	1,451,925,990.76
Interest expenses		
Handling charges and commission expenditure		
Surrender value		
Net payments for insurance claims		
Net provision for insurance liability reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	5,268,440.94	7,022,914.20
Selling expenses	6,551,375.74	10,655,583.07
Administrative expenses	25,702,432.63	23,758,940.40
R&D expenses	2,045,320.23	1,353,032.80
Financial expenses	2,287,888.06	3,685,893.43
Including: Interest expenses	3,643,266.25	5,197,620.36
Interest income	1,583,374.44	2,112,971.50
Add: Other incomes	1,107,048.00	5,680,047.59
Investment income (loss to be listed with "-")	6,028,215.73	14,706,604.25
Including: Income from investment in associates and joint ventures	12,775,706.23	20,511,753.40
Income from derecognition of financial assets at amortized cost		
Exchange income (loss to be listed with "-")		
Net exposure hedging income		

(loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-2,801,386.05	-2,981,593.36
Credit impairment loss (loss to be listed with "-")	-312,882.35	-857,544.91
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")	-123,104.39	-227.20
III. Operating profit (loss to be listed with "-")	103,650,436.84	98,168,680.56
Add: Non-operating revenue	3,456,068.88	1,112,033.25
Less: Non-operating expenses	103,685.95	107,338.47
IV. Total profit (total loss to be listed with "-")	107,002,819.77	99,173,375.34
Less: Income tax expenses	25,372,160.83	19,663,631.30
V. Net profit (net loss to be listed with "- ")	81,630,658.94	79,509,744.04
(I) Classified by operating continuity		
1. Net profit from continuing operations (net loss to be listed with "-")	81,630,658.94	79,509,744.04
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by attribution of ownership		
1. Net profit attributable to shareholders of the parent company (net loss to be listed with "-")	84,013,429.35	76,662,479.69
2. Minority interest income (net loss to be listed with "-")	-2,382,770.41	2,847,264.35
VI. Net after-tax amount of other comprehensive income		
Net after-tax amounts of other comprehensive income attributable to the owner of the parent company		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of investments by other equity instruments		
4. Changes in fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		



2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified and included in other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		
6. Translation differences arising from the financial statements of foreign currency		
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	81,630,658.94	79,509,744.04
Total comprehensive income attributable to the owner of the parent company	84,013,429.35	76,662,479.69
Total comprehensive income attributable to minority shareholders	-2,382,770.41	2,847,264.35
VIII. Earnings per share:		
(I) Basic earnings per share	0.1949	0.1778
(II) Diluted earnings per share	0.1949	0.1778

In case of a business merger under common control in the current period, the net profit realized by the merged party before the merger is RMB      and the net profit realized by the merged party in the previous period is RMB      .

Legal representative: Fu Chunlong    Person in charge of accounting: Huang Tianyang    Person in charge of the accounting firm: Huang Tianyang

#### 4. Parent Company's Income Statement

Unit: RMB

Item	The first half of 2025	The first half of 2024
I. Operating revenue	58,621,053.92	55,668,957.83
Less: Operating cost	23,987,855.33	21,857,801.26
Taxes and surcharges	830,387.15	666,504.17
Selling expenses	518,115.28	1,613,067.79
Administrative expenses	21,204,645.29	19,676,080.08
R&D expenses		
Financial expenses	1,456,770.51	314,066.15
Including: Interest expenses	1,574,505.31	1,410,977.14
Interest income	132,113.06	1,152,266.18
Add: Other incomes	214,922.09	60,704.40
Investment income (loss to be listed with "-")	91,814,280.85	94,855,787.41
Including: Income from investment in associates and joint ventures	11,910,260.91	19,879,117.40
Income from derecognition of financial assets measured at amortized cost (loss to be		

listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-1,082,234.48	129,101.37
Credit impairment loss (loss to be listed with "-")	35,396.25	
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")	-32,362.39	
II. Operating profit (loss to be listed with "-")	101,573,282.68	106,587,031.56
Add: Non-operating revenue	1,050,299.68	167,555.00
Less: Non-operating expenses	35,396.25	
III. Total profit (total loss to be listed with "-")	102,588,186.11	106,754,586.56
Less: Income tax expenses	5,850,758.54	3,911,367.29
IV. Net profit (net loss to be listed with "-")	96,737,427.57	102,843,219.27
(I) Net profit from continuing operations (net loss to be listed with "-")	96,737,427.57	102,843,219.27
(II) Net profit from discontinued operations (net loss to be listed with "-")		
V. Net after-tax amount of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of investments by other equity instruments		
4. Changes in fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified and included in other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		
6. Translation differences arising		

from the financial statements of foreign currency		
7. Others		
VI. Total comprehensive income	96,737,427.57	102,843,219.27
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	The first half of 2025	The first half of 2024
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	1,007,896,076.00	2,365,424,815.77
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums of original insurance contracts		
Net amount of cash received from reinsurance business		
Net increase in deposits of the insured and investments		
Cash received from interest, handling charges, and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase of repurchasing business funds		
Net amount of cash received from acting trading securities		
Tax refunds received	37,295.38	37,746.08
Other cash received related to operating activities	87,779,185.34	110,631,913.79
Subtotal of cash inflows from operating activities	1,095,712,556.72	2,476,094,475.64
Cash paid for purchase of goods and receipt of labor services	787,104,493.07	2,196,783,671.76
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, handling charges, and commissions		

Cash paid for policy dividends		
Cash paid to and for employees	26,278,872.85	24,123,668.90
Taxes and fees paid	33,435,410.90	41,216,137.40
Other cash paid related to operating activities	94,087,448.23	106,661,508.66
Subtotal of cash outflows from operating activities	940,906,225.05	2,368,784,986.72
Net cash flows from operating activities	154,806,331.67	107,309,488.92
II. Cash flow from investing activities:		
Cash received from disposal of investments	341,019,153.51	418,023,375.56
Cash received from acquirement of investment income	1,355,298.39	21,365,841.08
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	30,583.15	1,974.82
Net cash received from disposal of subsidiaries and other business units		
Cash received related to other investing activities		669,327.72
Subtotal of cash inflows from investing activities	342,405,035.05	440,060,519.18
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	5,475,969.23	14,170,382.92
Cash paid for investments	570,171,410.96	554,236,930.32
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid related to investing activities	402,612.58	8,115,811.58
Subtotal of cash outflows from investing activities	576,049,992.77	576,523,124.82
Net cash flows from investing activities	-233,644,957.72	-136,462,605.64
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: Cash received by subsidiaries from absorbing investments of minority shareholders		
Cash received from borrowings	184,500,000.00	263,000,000.00
Other cash received related to financing activities		
Subtotal of cash inflows from financing activities	184,500,000.00	263,000,000.00
Cash paid for repayment of debts	151,600,000.00	220,000,000.00
Cash paid for distribution of dividends, profits, or interest repayment	45,218,183.69	17,416,675.48
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	730,323.63	754,459.08
Sub-total of cash outflows from financing activities	197,548,507.32	238,171,134.56
Net cash flows from financing activities	-13,048,507.32	24,828,865.44
IV. Effect of exchange rate changes on		578.35

cash and cash equivalents		
V. Net increase in cash and cash equivalents	-91,887,133.37	-4,323,672.93
Add: Beginning balance of cash and cash equivalents	301,275,968.63	160,223,387.69
VI. Ending balance of cash and cash equivalents	209,388,835.26	155,899,714.76

## 6. Parent Company's Cash Flow Statement

Unit: RMB

Item	The first half of 2025	The first half of 2024
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	68,270,922.88	62,729,612.62
Tax refunds received		
Other cash received related to operating activities	3,838,443.14	95,110,233.33
Subtotal of cash inflows from operating activities	72,109,366.02	157,839,845.95
Cash paid for purchase of goods and receipt of labor services	19,371,209.74	16,964,957.26
Cash paid to and for employees	17,881,365.69	16,012,236.59
Taxes and fees paid	8,571,789.07	4,315,386.13
Other cash paid related to operating activities	18,381,714.60	97,680,119.77
Subtotal of cash outflows from operating activities	64,206,079.10	134,972,699.75
Net cash flows from operating activities	7,903,286.92	22,867,146.20
II. Cash flow from investing activities:		
Cash received from disposal of investments	240,019,153.51	330,497,067.04
Cash received from acquirement of investment income	74,290,000.00	15,058,727.78
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received related to other investing activities		
Subtotal of cash inflows from investing activities	314,309,153.51	345,555,794.82
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	5,172,800.29	13,583,673.72
Cash paid for investments	290,171,410.96	342,236,930.32
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid related to investing activities		
Subtotal of cash outflows from investing activities	295,344,211.25	355,820,604.04
Net cash flows from investing activities	18,964,942.26	-10,264,809.22
III. Cash flows from financing activities:		
Cash received from absorbing		

investment		
Cash received from borrowings		
Other cash received related to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits, or interest repayment	43,097,999.33	13,408,159.80
Other cash paid related to financing activities		
Sub-total of cash outflows from financing activities	43,097,999.33	13,408,159.80
Net cash flows from financing activities	-43,097,999.33	-13,408,159.80
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-16,229,770.15	-805,822.82
Add: Beginning balance of cash and cash equivalents	25,182,064.77	8,805,213.07
VI. Ending balance of cash and cash equivalents	8,952,294.62	7,999,390.25

## 7. Consolidated Statement of Changes in Owners' Equity

Amount in the current period

Unit: RMB

Item	The first half of 2025														
	Owners' equity attributable to the parent company													Min ority shar eholders' equi ty	Tota l own ers' equi ty
	Shar e capi tal	Other equity instruments			Capi tal rese rves	Less : Trea sury shar es	Oth er com preh ensi ve inco mes	Spe cial rese rves	Surp lus rese rves	Gen eral risk prov isions	Und istri bute d prof it	Oth ers	Subt otal		
		Pref erre d shar es	Perp etua l bon ds	Oth ers											
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		- 7,606,040.90		74,222,656.9		798,343,284.97		1,726,884,629.56	170,841,342.17	1,897,725,971.73
Add: Changes in accounting policies															
Co rrection of prior errors															
Ot hers															
II. Beginning balance of the current	431,058,320.				430,866,408.		- 7,606,040.		74,222,656.9		798,343,284.		1,726,884,629.	170,841,342.	1,897,725,971.

year	00				50		0.90		9		97		9.56	17	1.73
III. Increase/Decrease in the current period (decrease to be listed with "-")											40,907.35		40,907.35	-2,370.41	38,524.826.94
(I) Total comprehensive income											84,013,429.35		84,013,429.35	-2,370.41	81,630.658.94
(II) Capital invested and decreased by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by the holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others															
(III) Profit distribution											-43,105.832.00		-43,105.832.00		-43,105.832.00
1. Appropriation to surplus reserve															
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)											-43,105.832.00		-43,105.832.00		-43,105.832.00
4. Others															

(IV) Internal transfers of owner's equity															
1. Capital reserves converted to capital (or share capital)															
2. Surplus reserves converted to capital (or share capital)															
3. Surplus reserves to recover loss															
4. Retained earnings carried forward from changes in the defined benefit plan															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in the current period															
2. Utilization in the current period															
(VI) Others															
IV. Ending balance of the current period	431,058,320.00				430,866,408.50		-7,606,040.90		74,222,656.99		839,250,882.32		1,767,792,226.91	168,458,571.76	1,936,250,798.67

Amount of the previous year

Unit: RMB

Item	The first half of 2024			
	Owners' equity attributable to the parent company			Min Tota



	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provisions	Undistributed profit	Others	Subtotal	Priority shareholders' equity	Total owners' equity
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		-7,318,552.65		63,956,286.46		685,342,592.62		1,603,905,054.93	127,166,863.09	1,731,071,918.02
Add: Changes in accounting policies															
Correction of prior errors															
Others															
II. Beginning balance of the current year	431,058,320.00				430,866,408.50		-7,318,552.65		63,956,286.46		685,342,592.62		1,603,905,054.93	127,166,863.09	1,731,071,918.02
III. Increase/Decrease in the current period (decrease to be listed with "-")											63,299,671.77		63,299,671.77	2,847,264.35	66,146,936.12
(I) Total comprehensive income											76,662,479.69		76,662,479.69	2,847,264.35	79,509,744.04
(II) Capital invested and decreased by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by the holders of other equity instruments															
3. Amount of share-based payments															

included in owners' equity															
4. Others															
(III) Profit distribution										-		-		-	
										13,3		13,3		13,3	
										62,8		62,8		62,8	
										07.9		07.9		07.9	
										2		2		2	
1. Appropriation to surplus reserve															
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)										-		-		-	
										13,3		13,3		13,3	
										62,8		62,8		62,8	
										07.9		07.9		07.9	
										2		2		2	
4. Others															
(IV) Internal transfers of owner's equity															
1. Capital reserves converted to capital (or share capital)															
2. Surplus reserves converted to capital (or share capital)															
3. Surplus reserves to recover loss															
4. Retained earnings carried forward from changes in the defined benefit plan															
5. Retained earnings carried forward from other comprehensi															

ve income															
6. Others															
(V) Special reserve															
1. Appropriation in the current period															
2. Utilization in the current period															
(VI) Others															
IV. Ending balance of the current period	431,058,320.00				430,866,408.50		-7,318,552.65		63,956,286.46		748,642,264.39		1,667,204,726.70	130,014,127.44	1,797,218,854.14

## 8. Statement of Changes in Owners' Equity of Parent Company

Amount in the current period

Unit: RMB

Item	The first half of 2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	431,058,320.00				428,256,131.23		-7,632,462.90		74,222,656.99	595,912,933.39		1,521,817,578.71
Add: Changes in accounting policies												
Correction of prior errors												
Others												
II. Beginning balance of the current year	431,058,320.00				428,256,131.23		-7,632,462.90		74,222,656.99	595,912,933.39		1,521,817,578.71
III. Increase/Decrease in the current period										53,631,595.57		53,631,595.57

(decrease to be listed with "-")												
(I) Total comprehensive income										96,737,427.57		96,737,427.57
(II) Capital invested and decreased by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by the holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution										-43,105,832.00		-43,105,832.00
1. Appropriation to surplus reserve												
2. Distribution to owners (or shareholders)										-43,105,832.00		-43,105,832.00
3. Others												
(IV) Internal transfers of owner's equity												
1. Capital reserves converted to capital (or share capital)												
2. Surplus reserves converted to capital (or												

share capital)												
3. Surplus reserves to recover loss												
4. Retained earnings carried forward from changes in the defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23		-7,632,462.90		74,222,656.99	649,544,528.96		1,575,449,174.28

Amount of the previous year

Unit: RMB

Item	The first half of 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	431,058,320.00				428,256,131.23		-7,344,974.65		63,956,286.46	516,878,406.57		1,432,804,169.61
Add: Changes in accounting policies												

Co rrection of prior errors												
Ot hers												
II. Beginning balance of the current year	431,0 58,32 0.00				428,2 56,13 1.23		- 7,344, 974.6 5		63,95 6,286. 46	516,8 78,40 6.57		1,432, 804,1 69.61
III. Increase/Dec rease in the current period (decrease to be listed with "-")										89,48 0,411. 35		89,48 0,411. 35
(I) Total comprehensi ve income										102,8 43,21 9.27		102,8 43,21 9.27
(II) Capital invested and decreased by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by the holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution										- 13,36 2,807. 92		- 13,36 2,807. 92
1. Appropriatio n to surplus reserve												
2. Distribution to owners (or shareholders)										- 13,36 2,807. 92		- 13,36 2,807. 92

3. Others												
(IV) Internal transfers of owner's equity												
1. Capital reserves converted to capital (or share capital)												
2. Surplus reserves converted to capital (or share capital)												
3. Surplus reserves to recover loss												
4. Retained earnings carried forward from changes in the defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23		-7,344,974.65		63,956,286.46	606,358,817.92		1,522,284,580.96

### III. Basic Information of the Company

Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as "the Company") is a limited liability company registered in the Shenzhen Administration for Industry and Commerce on November 10, 1986. The Company was reorganized and established from the former Shenzhen Machinery Industry Company with the approval through the *Reply on the Reorganization of Shenzhen Machinery Industry Company into Shenzhen Tellus Machinery Co., Ltd.* (SFBF [1991] No. 1012) issued by the General Office of Shenzhen Municipal People's Government. The Company currently holds a business license with a unified social credit code of 91440300192192210U, with a registered capital of RMB 431,058,320.00 and a total of 431,058,320 shares, including 392,778,320 A shares and 38,280,000 B shares without trading restrictions on sale. The business address of the Company's headquarters is 3-4/F, Tellus Building, 2nd Shuibei Road, Luohu District, Shenzhen. The legal representative is Fu Chunlong.

In 1993, with the approval from the *Reply on the Reorganization of Shenzhen Tellus Machinery Co., Ltd. into a Public Limited Liability Company* (SFBF [1992] No. 1850) issued by the General Office of Shenzhen Municipal People's Government and the *Reply on the Issuance of Shares by Shenzhen Tellus Machinery Electric Co., Ltd.* (SRYFZ [1993] No. 092) issued by Shenzhen Special Economic Zone Branch of the People's Bank of China, the Company was reorganized into a public limited liability company through an initial public offering, with a registered capital of RMB 166,880,000.00 and a total share capital of 166,880,000 shares. 120,900,000 shares were converted from former assets, 25,980,000 were issued as A shares, and 20,000,000 were issued as B shares. Shares issued by the Company had a par value of RMB 1 per share. On June 21, 1993, the Company's shares were listed and traded on the Shenzhen Stock Exchange.

According to the resolution of the Company's 1993 Annual General Meeting of Shareholders, based on the share capital of 166,880,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 2 bonus shares to all shareholders for every 10 shares held, totaling 33,376,000 shares, which was implemented in 1994. After the bonus issue of shares, the registered capital was increased to RMB 200,256,000.00.

According to the resolution of the Company's 1994 Annual General Meeting of Shareholders, based on the share capital of 200,256,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 0.5 bonus shares to all shareholders for every 10 shares held, with 0.5 additional shares, totaling 20,025,600 shares, which was implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the bonus issue of shares and transfer.

According to the resolution of the Company's 1994 Annual General Meeting of Shareholders, based on the share capital of 200,256,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 0.5 bonus shares to all shareholders for every 10 shares held, with 0.5 additional shares, totaling 20,025,600 shares, which was implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the bonus issue of shares and transfer. According to the resolution of the 4th Extraordinary General Meeting of Shareholders of the Company in 2014, upon the approval from the Reply to the Approval of Non-public Offering of Shares by Shenzhen Tellus Holding Co., Ltd. (ZJXK [2015] No. 173) issued by the China Securities Regulatory Commission, the Company issued 77,000,000 ordinary A shares to Shenzhen Special Economic Zone Development Group Co., Ltd. and Shenzhen Capital Fortune Jewelry Industry



Investment Enterprise (Limited Partnership) in 2015. After the issuance, the registered capital was increased to RMB 297,281,600.00.

According to the resolution of the Company's 2018 Annual General Meeting of Shareholders, based on the share capital of 297,281,600 shares as of December 31 of that year, the Company increased 4.5 shares for every 10 shares to all shareholders through capital reserves, totaling 133,776,720 shares, which was implemented in 2019. After the transfer, the registered capital was increased to RMB 431,058,320.00.

Main business activities: Property leasing and services, gold and jewelry operations, etc.

The financial statements and notes to the financial statements were approved by the Sixteenth Formal Meeting of the Tenth Board of Directors of the Company on August 20, 2025.

## **IV. Preparation Fundamentals for Financial Statements**

### **1. Preparation fundamentals**

The Company prepared the financial statements according to Accounting Standards for Business Enterprises issued by the Ministry of Finance as well as relevant application guidelines, interpretations, and other provisions (hereinafter collectively referred to as "ASBE"). In addition, the Company also disclosed relevant financial information per the *Rules for the Preparation of Information Disclosure of Companies Issuing Securities to the Public No.15—General Provisions on Financial Reports (2023 Revision)* issued by the China Securities Regulatory Commission (CSRC).

### **2. Continuing operations**

The financial statements have been prepared based on continuing operations.

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

Notes to specific accounting policies and accounting estimates:

The Company has determined its criteria for depreciation of investment properties, depreciation of fixed assets, capitalization of R&D expenses, and revenue recognition policies based on its own production and operation characteristics. For specific accounting policies, please refer to Note V. 14, Note V. 15, and Note 23.

### **1. Declaration on compliance with ASBE**

The financial statements comply with the requirements of ASBE and truly and fully reflect the Company's merger and financial situation as of June 30, 2025, as well as the merger in the first half of 2025 and the Company's operating results, merger, cash flows, and other information.

### **2. Accounting period**

The Company uses the calendar year as the accounting year, namely, from January 1 to June 30.

### 3. Business cycle

The business cycle of the Company is six months.

### 4. Bookkeeping base currency

The Company and its domestic subsidiaries take RMB as the bookkeeping base currency. The Company uses RMB to prepare the financial statements.

### 5. Method of determining significance criteria and basis of selection

☒ Applicable ☐ Not applicable

Item	Significance criteria
Significant receivables with provision for bad debts drawn on a single basis	Amount $\geq$ RMB 1,000,000.00 or accounts for more than 1% of various receivables
Significant construction in progress	The budget amount for a single project is $\geq$ 20,000,000.00
Significant accounts payable and other payables	Accounts payable with a single account receivable age of more than one year/other payables accounting for more than 1% of the total accounts payable, with an amount $\geq$ RMB 1,000,000.00
Significant non-wholly-owned subsidiaries	The total revenue from related parties accounts for more than 10% of the total revenue in the consolidated financial statements, or the absolute value of net profit accounts for more than 10% of the net profit in the consolidated financial statements.
Significant investing activities and projects	Single investing activity accounts for more than 10% of the total cash inflows or outflows related to investing activities, or the outflows amount to $\geq$ RMB 100,000,000.00.
Significant receivables with provision for bad debts drawn on a single basis	Amount $\geq$ RMB 1,000,000.00 or accounts for more than 1% of various receivables
Significant joint ventures or associates	The book value of long-term equity investment in a single investee is more than RMB 15 million, or the profit or loss on the long-term equity investment under the equity method accounts for over 3% of the Company's consolidated net profit.
Significant events after the balance sheet date	The Company recognizes the profit distribution after the balance sheet date as a significant event

### 6. Accounting treatment method for business mergers under common control and not under common control

#### (1) Business mergers under common control

For a business merger under common control, the merging party shall measure the assets and liabilities acquired from the merged party at their book value on the merger date in the consolidated financial statements of the ultimate controlling party. The difference between the book value of the net assets obtained in the business merger and the book value of the merger is used to adjust the capital reserve. Where the capital reserve is insufficient for offset, retained earnings shall be adjusted.

Business mergers under common control realized step-by-step through multiple transactions

The assets and liabilities acquired by the merging party from the merged party shall be measured based on their book value on the merger date in the consolidated financial statements of the ultimate controlling party. According to the difference between the sum of the book value of holding investment before merger and the book value of newly paid consideration on the merger date and the book value of net assets obtained by merging, the capital reserve shall be adjusted; if the capital reserve is insufficient for offset, retained earnings may be adjusted. The long-term equity investment held before the acquisition of the merged party's control by the merging party and the profit or loss, other comprehensive income, and changes in other owners' equities that have been recognized during the period from the date of acquisition of the original equity, or the date of common control of the merging party and the merged entity (which is later) to the merging date shall offset against the retained beginning earnings or current profits and losses respectively during the period of the comparative statement.

## **(2) Business mergers not under common control**

For a business merger not under common control, the merger costs are the fair value of assets paid, liabilities incurred or assumed, and equity securities issued by the Company on the acquisition date to obtain control over the acquiree. The assets, liabilities, and contingent liabilities of the acquiree are recognized as per fair value on the acquisition date.

The difference between the merging cost and the fair value of identifiable net assets obtained from the acquiree shall be recognized as goodwill, and successively measured by deducting the accumulative depreciation provision by cost; the difference between the merging cost and the fair value of identifiable net assets obtained from the acquiree shall be included in the current profits and losses after review.

Business mergers not under common control realized step-by-step through multiple transactions

The merging cost shall be equal to the sum of the consideration paid on the acquisition date and the fair value of the acquiree's equity, which has been held before the acquisition date, on the acquisition date. The acquiree's equity held before the acquisition date shall be re-measured at its fair value on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income; if the acquiree's equity held before the date of acquisition involves other comprehensive income, changes in other owners' equity shall be transformed into the current profit on the acquisition date, except comprehensive income generated due to remeasuring the change in net liabilities or new assets of defined benefit plan by the investee and other comprehensive income related to non-trading equity instrument investment originally measured at fair value through other comprehensive income.

## **(3) Disposal of related handling charges for business mergers**

Intermediation costs for audit, legal services, assessment, and consultation, and other administrative expenses incurred shall be included in the current profit or loss when incurred during the business mergers. The transaction expenses of equity securities or debt securities issued as merger consideration shall be included in the initially recognized amount of equity securities or debt securities.

# **7. Judgment standard for control and preparation of consolidated financial statements**

## **(1) Judgment standard for control**

The consolidation scope of consolidated financial statements is determined based on control. Control means the power of the Company over the investee, with which the Company enjoys variable returns through participating in related activities of the investee and can influence its amount of return by using its power over the investees. Once changes in relevant facts and circumstances lead to changes in relevant elements involved in the above definition of control, the Company will conduct a reassessment.

When judging whether to include a structured entity in the scope of consolidation, the Company evaluates whether to control the structured entity based on all facts and circumstances, including evaluating the purpose and design of the establishment of the structured entity, identifying the types of variable returns, and bearing part or all of the return variability by participating in its related activities.

## **(2) Preparation of consolidated financial statements**

Consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries, as well as other related data. In the preparation of consolidated financial statements, the accounting policies and accounting periods of the Company and its subsidiaries are required to be consistent, and significant transactions and current balances between companies are offset.

Where a subsidiary or business has been acquired through a business merger involving enterprises under common control in the reporting period, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are respectively included in the consolidated income statement and consolidated cash flow statement from the date they are controlled by the ultimate controlling party.

For subsidiaries and businesses that increased due to a business merger under different control during the reporting period, the revenues, expenses, and profits of such subsidiaries and businesses from the purchase date to the end of the reporting period shall be included in the consolidated income statement, and their cash flows shall be included in the consolidated cash flow statement.

The portion of shareholders' equity of subsidiaries not belonging to the Company shall be listed separately under the item "Shareholders' Equity" in the consolidated balance sheet as minority shareholders' equity. The portion of net profit or loss of subsidiaries in the current period belonging to minority shareholders' equity shall be listed separately under the item "Minority Shareholders' Profit or Loss" in the consolidated income statement. If the loss of a subsidiary borne by minority shareholders exceeds its share in the owner's equity of the subsidiary at the beginning of the period, the balance shall still offset the minority equity.

## **(3) Acquisition of equity from minority shareholders of subsidiaries**

The capital reserve in the consolidated balance sheet shall be adjusted due to the balance between the long-term equity investment cost newly obtained from minority equity and the net asset share of subsidiaries calculated continuously starting from the purchase date or consolidation as per the new shareholding ratio and the balance between disposing money obtained from partial disposal of subsidiaries' equity investment without loss of control and the net asset share of subsidiaries calculated continuously starting from the purchase date or consolidation corresponding to the disposal of long-term equity investment. If the capital reserve is insufficient for offset, retained earnings may be adjusted.

**(4) Disposal of the loss of control over subsidiaries**

If the Company's control over the original subsidiaries is lost due to the disposal of part of an equity investment or other reasons, the remaining equity shall be recalculated at fair value on the day when the control is lost. The difference between the sum of consideration acquired from the disposal of equity and the fair value of the remaining equity minus the sum of the share of net assets and the goodwill of the original subsidiaries calculated constantly based on the original shareholding proportion from the acquisition date, shall be included in current investment income at the time of loss of control.

When the Company loses control over the original subsidiaries, other comprehensive income in connection with equity investment of the original subsidiaries shall be subject to accounting treatment using the same basis on which the original subsidiaries directly dispose of relevant assets or liabilities, and other changes in owners' equity related to the original subsidiaries under the equity method shall be transferred into current profit or loss at the time of loss of control.

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

A joint arrangement refers to an arrangement jointly controlled by two or more participants. The joint arrangement of the Company can be classified into joint operation and joint venture.

**(1) Joint operation**

Joint operations refer to joint arrangements in which the Company enjoys assets related to the arrangements and bears liabilities related to the arrangements.

The Company recognizes the following items related to the quantum of interest in joint operations and carries out accounting treatment per the relevant provisions of ASBE:

- A. Recognize the assets held solely and the assets held jointly identified as per its shares;
- B. Recognize the liabilities borne solely and the liabilities borne jointly identified as per its shares;
- C. Recognize the revenue generated from the sale of shares enjoyed in the joint operation;
- D. Recognize the revenue generated from the sale of shares enjoyed in the joint operation as per its shares;
- E. Recognize the expenses incurred separately and the expenses incurred from the joint operation as per their shares.

**(2) Joint venture**

Joint ventures refer to joint arrangements in which the Company only has rights over the net assets of the arrangements.

The Company carries out accounting treatment for investment in joint ventures according to the provisions on equity method accounting of long-term equity investments.

**9. Standards for defining cash and cash equivalents**

Cash refers to cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term, highly liquid investments held by the Company that are readily convertible into known amounts of cash and have an insignificant risk of change in value.

**10. Foreign currency transactions and foreign currency statement translation**

Foreign currency transactions of the Company are translated into the bookkeeping base currency according to the spot exchange rate on the transaction date.

On the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rate on that date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and that at initial recognition or on the previous balance sheet date shall be included in current profit or loss; foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the transaction date; foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rate on the date when the fair value is determined. The difference between the translated amount in recording currency and the original amount in recording currency shall be included in the current profit or loss or other comprehensive income according to the nature of the non-monetary items.

**11. Financial instruments**

Financial instruments refer to contracts that form the financial assets of a party and form financial liabilities or equity instruments of other parties.

**(1) Recognition and derecognition of financial instruments**

The Company will recognize an item of financial asset or financial liability at the time when it becomes a party to the contract of the financial instruments.

The financial assets shall be derecognized if one of the following conditions is met:

- ① The contractual right to collect cash flow of the financial assets is terminated;
- ② This financial asset has been transferred and meets the following derecognition conditions for the transfer of financial assets.

If the current obligation of a financial liability has been discharged in whole or in part, such financial liability or part thereof shall be derecognized. The Company (the debtor) and the creditor sign an agreement to replace the existing financial liabilities by assuming new financial liabilities, and if the contractual terms of the new financial liabilities are substantially different from those of the existing financial liabilities, the existing financial liabilities shall be derecognized and the new financial liabilities shall be recognized at the same time.

Financial assets transacted conventionally are subject to accounting recognition and derecognition on the transaction day.

**(2) Classification and measurement of financial assets**

According to the business model of financial assets management and the contractual cash flow characteristics of financial assets, upon initial recognition, the Company classifies financial assets into financial assets measured at amortized cost, financial assets at fair value with changes into other comprehensive income, and financial assets at fair value through profit or loss.

Financial assets are measured at fair value at initial recognition. For financial assets at fair value through profit or loss, the related transaction fees are directly included in the current profit or loss; for other financial assets, the related transaction fees are included in the initially recognized amount. For accounts receivable arising from the sale of products or the provision of labor services, which do not include or do not consider significant financing components, the amount of consideration the Company is expected to be entitled to receive is taken as the initial recognition amount.

**Financial assets measured at amortized cost**

The Company classifies the financial assets that meet all of the following conditions and are not designated to be measured at fair value through profit or loss as those measured at amortized cost:

The business model of the Company to manage such financial assets is aimed at collecting contractual cash flows;

The contract terms of the financial assets stipulate that cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Any gains or losses on financial assets at amortized cost that are not part of the hedging relationship are charged to the current profit or loss at derecognition, amortization using the effective interest method, or recognition of impairment.

**Financial assets at fair value with changes into other comprehensive income**

The Company classifies financial assets that meet the following conditions and are not designated to be financial assets at fair value through profit or loss as financial assets at fair value through other comprehensive income:

- The Company manages the financial asset in a business model that aims at both collecting contractual cash flows and selling the financial asset;
- The contract terms of the financial assets stipulate that cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount.

After initial recognition, such financial assets are subsequently measured at fair value. Interest, impairment losses or gains, and exchange gains and losses calculated by the effective interest method are included in the current profit or loss, and other gains or losses are included in other comprehensive income. At the time of

derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and included in the current profit or loss.

### **Financial assets at fair value through profit or loss**

Except for the above-mentioned financial assets measured at amortized cost and fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. At the initial recognition, to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized costs or fair value with changes into other comprehensive income as the financial assets at fair value through profit or loss.

Such financial assets are subsequently measured at fair value after initial recognition, and the resulting gains or losses (including interest and dividend revenue) are included in the current profit or loss unless the financial assets are part of the hedging relationship.

However, for non-trading equity instrument investments, the Company irrevocably designates them as financial assets at fair value with changes into other comprehensive income upon initial recognition. The designation is made on a single investment basis and the related investments meet the definition of equity instruments from the perspective of the issuer.

After initial recognition, such financial assets are subsequently measured at fair value. Dividend income that meets the conditions is included in profit or loss, and other gains or losses and changes in fair value are included in other comprehensive income. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

The business model of managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines the cash flow source of the financial assets managed by the Company, which may be the collection of contract cash flow, the sale of financial assets, or both. The Company determines the business model for managing financial assets based on objective facts and specific business objectives for managing financial assets decided by key management personnel.

The Company evaluates the contractual cash flow characteristics of financial assets to determine whether the contractual cash flow generated by the relevant financial assets on the specific date is only the payment of principal and interest based on the principal amount outstanding. In this context, principal refers to the fair value of financial assets at initial recognition; interest includes consideration for the time value of money, credit risk associated with the amount of principal outstanding over a specific period, and other fundamental borrowing risks, costs, and profits. In addition, the Company evaluates the contract terms that may cause changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the requirements for the above-mentioned contractual cash flow characteristics.

Only when the Company changes the business model of managing financial assets will all affected related financial assets be reclassified on the first day of the first reporting period after the business model changes; otherwise, financial assets cannot be reclassified after initial recognition.



### **(3) Classification and measurement of financial liabilities**

Financial liabilities of the Company are classified into financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost upon initial recognition. For financial liabilities not classified as financial liabilities at fair value through profit or loss, the transaction costs are recognized in the initially recognized amount.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and those designated to be measured at fair value through profit or loss upon initial recognition. Such financial liabilities shall be subsequently measured at fair value, and the profits or losses arising from changes in fair value, as well as dividends and interest expenses related to such financial liabilities, shall be included in the current profit or loss.

#### **Financial liabilities measured at amortized cost**

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, and gains or losses arising from derecognition or amortization are included in the current profit or loss.

#### **Difference between financial liabilities and equity instruments**

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

- ① Contractual obligations to deliver cash or other financial assets to other parties.
- ② A contractual obligation to exchange financial assets or financial liabilities with another entity under potentially unfavorable conditions.
- ③ Non-derivative contracts that must or can be settled with the enterprise's equity instruments in the future, and according to which the enterprise will deliver a variable number of its equity instruments.
- ④ Derivative contracts that must or can be settled with the enterprise's equity instruments in the future, except for derivative contracts where a fixed amount of its equity instruments is exchanged for a fixed amount of cash or other financial assets.

Equity instruments refer to contracts that can prove the ownership of residual equity in an enterprise's assets after all liabilities are deducted.

If the Company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liabilities.

If a financial instrument must or can be settled with the Company's equity instrument, it is necessary to consider whether the Company's equity instruments used for the settlement of such instruments are used as substitutes for cash or other financial assets or to enable the instrument holder to enjoy residual equity in the assets of the

issuer after all liabilities are deducted. If the situation is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

#### **(4) Derivative financial instruments and embedded derivative instruments**

The Company's derivative financial instruments include option contracts, among others. It is initially measured at the fair value on the date of signing the derivative transaction contract, and subsequently measured at its fair value. Derivative financial instruments with positive fair values are recognized as an asset and those with negative fair values as a liability. Any gain or loss arising from changes in fair value that does not comply with the provisions of hedge accounting is directly included in the current profit or loss.

For hybrid instruments containing embedded derivative instruments, if the main contract is a financial asset, the relevant provisions of financial asset classification shall apply to the hybrid instruments as a whole. If the main contract is not a financial asset and the hybrid instrument is not measured at fair value through profit or loss for accounting treatment, the embedded derivative instruments are not closely related to the main contract in terms of economic characteristics and risks and have the same conditions as the embedded derivative instruments. If the separately existing instruments meet the definition of derivative instruments, the embedded derivative instruments shall be separated from the hybrid instruments and treated as separate derivative financial instruments. If the embedded derivative instruments cannot be measured separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instruments are designated as financial assets or financial liabilities at fair value through profit or loss as a whole.

#### **(5) Fair value of financial instruments**

Please refer to Note V. 11 for determination methods for fair values of financial assets and financial liabilities.

#### **(6) Impairment of financial assets**

The Company carries out impairment accounting treatment and recognizes the loss provision for the following items based on expected credit losses:

- Financial assets measured at amortized cost;
- Receivables and debt instrument investments at fair value with changes into other comprehensive income;
- Contract assets as defined in the *Accounting Standards for Business Enterprises No. 14—Revenue*;
- Lease receivables;
- Financial guarantee contracts (except for those measured at fair value through profit or loss, where the transfer of financial assets does not meet derecognition conditions or continues to be involved in the transferred financial assets).

#### **Measurement of expected credit loss**

The expected credit loss refers to the weighted average of the credit losses of financial instruments, with the risk of default as weight. Credit loss refers to the difference between all contract cash flow that the Company

discounts at the original effective interest rate and is receivable per the contract and all cash flow expected to be received, that is, the present value of all cash shortages.

The Company considers reasonable and reliable information about past events, current situation, and forecast of the future economic situation and takes the risk of default as the weight to calculate the probability-weighted amount of the present value of the difference between the cash flow receivable from the contract and the cash flow expected to be received and recognize the expected credit loss.

The Company measures the expected credit losses of financial instruments at different stages. If the credit risk of financial instruments has not increased significantly since initial recognition, it is in the first stage. The Company measures the loss provision according to the expected credit loss in the next 12 months; if the credit risk of a financial instrument has increased significantly since initial recognition but no credit impairment has occurred, it is in the second stage. The Company measures the loss provision according to the expected credit loss of the instrument throughout its duration; if a financial instrument has been credit-impaired since initial recognition, it is in the third stage. The Company measures the loss provision according to the expected credit loss of the instrument throughout its duration.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that their credit risks have not increased significantly since initial recognition and measures the loss provision according to the expected credit loss in the next 12 months.

The expected credit loss of the whole duration refers to the expected credit loss caused by all possible default events of financial instruments throughout the estimated duration. The expected credit loss in the next 12 months refers to the expected credit loss caused by the possible default events of financial instruments within 12 months (or, the expected duration, if the expected duration of financial instruments is less than 12 months) after the balance sheet date, which is part of the expected credit loss in the whole duration.

When the expected credit loss is measured, the longest term that the Company needs to consider is the longest contract term that the enterprise faces credit risk (including the option to renew the contract).

For financial instruments in the first and second stages and with low credit risk, the Company calculates interest income according to the book balance before deducting the provision for impairment and the actual interest rate. For financial instruments in the third stage, the Company calculates interest income according to the amortized cost (that is, the book balance less the impairment provision) and the effective interest rate.

For receivables such as notes receivable, accounts receivable, financing of accounts receivable, other receivables, and contract assets, if the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or the credit risk characteristics of the customer have changed significantly, the Company shall make provision for bad debts on the receivable item. Except for receivables with provision for bad debts drawn on a single basis, the Company divides receivables into portfolios according to credit risk characteristics and calculates provision for bad debts based on portfolios.

Notes receivable and accounts receivable

For notes receivable and accounts receivable, regardless of whether there is a significant financing component, the Company always measures the loss provision according to the amount equivalent to the expected credit loss over the whole duration.

When the information of expected credit loss cannot be evaluated at a reasonable cost for a single financial asset or contract asset, the Company divides the notes receivable, accounts receivable, and contract assets into portfolios according to the credit risk characteristics, calculates the expected credit loss based on the portfolio, and determines the portfolio based on the following:

#### A. Notes receivable

- Notes receivable portfolio 1: Bank acceptance bill
- Notes receivable portfolio 2: Commercial acceptance bills

#### B. Accounts receivable

- Accounts receivable portfolio 1: Leasing and other portfolio
- Accounts receivable portfolio 2: Jewelry sales business portfolio

For notes receivable and contract assets divided into portfolios, the Company refers to the historical credit loss experience, combines the current situation with the forecast of the future economic situation, and calculates the expected credit loss through default risk exposure and the expected credit loss rate for the whole duration.

For the accounts receivable divided into portfolios, the Company refers to the historical credit loss experience, combines the current situation with the forecast of the future economic situation, formulates the comparison table of aging of accounts receivable and the expected credit loss rate in the entire duration, and calculates the expected credit loss. The age of accounts receivable shall be calculated from the date of recognition.

#### Other receivables

The Company divides other receivables into several portfolios based on credit risk characteristics, calculates the expected credit loss based on the portfolio, and determines the portfolio based on the following:

- Other receivables portfolio 1: Aging portfolio
- Other receivables portfolio 1: Portfolio of deposits and security deposits receivable
- Other receivables portfolio 3: Portfolio of related party transactions within the consolidation scope

For other receivables that are divided into portfolios, the Company calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the whole duration. The age of other receivables divided into portfolios by aging shall be calculated from the date of recognition.

#### Creditor's rights investments, other creditor's rights investments

For creditor's rights investments and other creditor's rights investments, the Company calculates the expected credit loss according to the nature of the investment as well as various types of counterparty and risk exposure through default risk exposure and the expected credit loss rate in the next 12 months or the entire duration.

**Assessment of significant increase in credit risk**

To determine the relative changes in the default risks of financial instruments in the duration and assess whether the credit risk of financial instruments has increased significantly since initial recognition, the Company compares the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date.

When determining whether the credit risk has significantly increased since the initial recognition, the Company considers reasonable and well-founded information obtained without unnecessary additional cost or effort, including forward-looking information. The information considered by the Company includes:

- The debtor fails to pay the principal and interest by the contract expiration date;
- A significant deterioration (if any) in the external or internal credit ratings of a financial instrument, whether it has occurred or is anticipated;
- A significant deterioration in the operating performance of the debtor, whether it has occurred or is anticipated;
- Changes in the existing or expected technical, market, economic, or legal environment that will have a significant adverse impact on the debtor's ability to repay the Company.

According to the nature of financial instruments, the Company evaluates whether the credit risk has increased significantly based on individual financial instruments or portfolios of financial instruments. When evaluating based on portfolios of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

If the financial instrument is overdue for more than 30 days, the Company determines that its credit risk has significantly increased.

The Company considers that a default of a financial asset occurs when:

- The borrower is unlikely to pay in full what is owed to the Company. The assessment does not cover the realization of the collateral (if held) or other recourse actions by the Company;
- Financial assets are overdue for more than 90 days.

**Credit-impaired financial assets**

On the balance sheet date, the Company evaluates whether the credit impairment has occurred to financial assets measured by amortized cost and at fair value with changes into other comprehensive income. When one or more events that have an adverse effect on the expected future cash flow of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence for credit-impaired financial assets includes the following observable information:

- The issuer or debtor is caught in a serious financial difficulty;
- The debtor breaches the agreement of contract, such as default or overdue payment of interest or principal;

- The Company grants concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties, which would not be made under any other circumstances;
- There lies a great probability of bankruptcy or other financial restructuring for the debtor;
- The issuer or debtor is caught in financial difficulties, which leads to the disappearance of the active market of the financial asset;

### **Presentation of provision for expected credit loss**

To reflect the changes in the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit loss on each balance sheet date. The increase or reversal amount of provision for loss therefrom shall be regarded as impairment loss or gain and included in the current profit or loss. For the financial assets measured at amortized cost, the provision for loss shall be used to offset against the book value of financial assets presented in the balance sheet; for the debt investments measured at fair value with changes into other comprehensive income, the Company recognizes the provision for loss in other comprehensive income, and the book value of financial assets will not be deducted.

### **Write-off**

When the Company no longer reasonably expects that the contractual cash flow of the financial asset can be recovered in whole or in part, the book balance of the financial asset is directly written down. Such write-downs may constitute the derecognition of related financial assets. This usually happens when the Company determines that the debtor has no assets or sources of revenue to generate sufficient cash flow to repay the amount to be written down. However, according to the Company's procedures for recovering due amounts, write-down financial assets may still be affected by implementation activities.

If the write-down financial assets are recovered later, they shall be regarded as the reversal of impairment loss and included in the current profit or loss.

### **(7) Transfer of financial assets**

Transfer of financial assets refers to the assignment or delivery of financial assets to the other party other than the issuer of such financial assets (transferee).

If the Company has transferred substantially all risks and rewards of ownership of a financial asset to the transferee, the financial asset shall be derecognized; if it retains substantially all risks and rewards of ownership of the financial asset, the financial asset shall not be derecognized.

If the Company neither transfers nor retains almost all risks and rewards of ownership of a financial asset, it shall deal with them as follows: If the control over the financial asset is waived, the financial asset shall be derecognized and the assets and liabilities incurred shall be recognized; if the control over the financial asset is not waived, the relevant financial asset shall be recognized to the extent that it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

### **(8) Offset of financial assets and financial liabilities**

When the Company has a legal right to offset the recognized financial assets and financial liabilities, and such legal right is currently enforceable, and the Company plans to settle on a net basis or realize the financial assets and pay off the financial liabilities simultaneously, the financial assets and financial liabilities are presented in the balance sheet at the amount after offsetting each other. In addition, financial assets and financial liabilities are presented separately in the balance sheet and are not mutually offset.

The Company shall abide by the disclosure requirements for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3—Industry Information Disclosure*.

## **12. Inventories**

The Company shall abide by the disclosure requirements for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3—Industry Information Disclosure*.

### **(1) Classification of inventories**

The Company's inventories include raw materials, finished goods, hedged items, materials processed on a commission basis, and goods sold on a commission basis.

### **(2) Valuation method for dispatched inventories**

Inventories of the Company are priced by actual cost when acquired. Raw materials and goods in stock shall be sent out by first-in first-out method.

### **(3) Recognition and withdrawal of provision for decline in the value of inventories**

On the balance sheet date, inventories are valued by cost or net realizable value, whichever is lower. If the net realizable value is lower than the cost, the provision for decline in the value of inventories is accrued.

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses, and related taxes. When the net realizable value of inventories is determined, the obtained concrete evidence is taken as a basis, and the purpose of holding inventories and the impact of matters after the balance sheet date are taken into consideration.

The Company usually conducts the provision for decline in the value of inventories on an individual inventory item basis. For the inventories with high quantity and low unit price, the provision for decline in the value of inventories will be made by inventory type.

On the balance sheet date, if the factors affecting the previous write-down of inventory value have disappeared, the provision for decline in the value of inventories shall be reversed within the amount original provision.

### **(4) Inventory system**

The Company adopts the perpetual inventory system.

### **(5) Amortisation methods for low-value consumables and packaging materials**

The Company adopts the one-off amortization method for low-value consumables collected.

### **13. Long-term equity investments**

Long-term equity investments include equity investments in subsidiaries, joint ventures, and associates. When the Company can exercise significant influence over the investee, the investee is an associate.

#### **(1) Recognition of initial investment cost**

Long-term equity investments forming business mergers: For long-term equity investments acquired through business mergers under common control, the book value share of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be recognized as the investment cost on the combination date; for long-term equity investment acquired through business mergers under different control, the combination cost shall be recognized as the investment cost of long-term equity investment.

For long-term equity investments acquired by other methods: For those acquired by cash payment, the actual purchase price shall be taken as the initial investment cost; for those acquired by issuing equity securities, the fair value of issued equity securities shall be taken as the initial investment cost.

#### **(2) Subsequent measurement and recognition of related profit or loss**

Investments in subsidiaries are accounted for using the cost method unless they meet the conditions of being held for sale; investments in associates and joint ventures are calculated through the equity method.

For long-term equity investments calculated by the cost method, except for the declared but not yet released cash dividends or profits included in the actual price or consideration paid when acquiring the investment, the distributed cash dividends or profits declared by the investee shall be recognized as investment income and included in the current profit or loss.

For long-term equity investments calculated through the equity method, if the initial investment cost is greater than the share of fair value of net identifiable assets of the investee at the time of investment, the investment cost of the long-term equity investment shall not be adjusted; if the initial investment cost is less than the share of fair value of net identifiable assets of the investee at the time of investment, the book value of the long-term equity investment shall be adjusted and the difference shall be included in the current profit or loss.

For equity method-based calculation, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profits and losses and other comprehensive income realized by the investee that shall be enjoyed or shared. Meanwhile, the book value of the long-term equity investment shall be adjusted. The part of the due share shall be calculated according to the distributed profit or cash dividend declared by the investee, and the book value of the long-term equity investment shall be reduced accordingly. For other changes of owners' equity of the investee apart from net profit and loss, other comprehensive income, and profit distribution, the book value of long-term equity investment shall be adjusted and included in capital reserve (other capital reserves). The recognition of the share of the investee's net profits and losses that should be enjoyed is based on the fair value of the identifiable assets of the investee at the time



of investment acquisition. The investee's net profit is then adjusted before recognition per the Company's accounting policies and the accounting period.

If it can exert a significant influence or implement joint control over the investee but not constitute the control due to the additional investment and other causes, on the date of transition, the sum of the fair value of equity originally held and the new investment cost shall be regarded as the initial investment cost accounted through the equity method. If the original equity is classified as a non-trading equity instrument investment measured at fair value with changes into other comprehensive income, the related accumulated changes in fair value originally included in other comprehensive income shall be transferred to retained earnings in accounting using the equity method.

Suppose the Company loses joint control over or significant influence on the investee due to the disposal of partial equity investment and other reasons. In that case, the remaining equity after disposal shall be subject to accounting treatment according to the *Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments* on the date of losing joint control or significant influence, and the difference between fair value and book value shall be included in the current profit or loss. Other comprehensive income recognized from the original equity investment due to accounting through the equity method shall be subject to accounting treatment using the same basis on which the investee directly disposes of relevant assets or liabilities when the accounting with the equity method is terminated; other changes in owner's equity related to the original equity investment shall be transferred into the current profit or loss.

If the Company loses control over the investee due to the disposal of partial equity investment or other reasons, and the residual equity after disposal can exercise joint control over or significant influence on the investee, it shall be accounted for through the equity method instead, and adjusted as if it had been calculated through the equity method since it was acquired; if the residual equity after disposal cannot exercise joint control over or significant influence on the investee, it shall be subject to accounting treatment according to relevant provisions of *Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments*, and the difference between its fair value and book value since the date of losing control shall be included in the current profit or loss.

If the shareholding proportion of the Company decreases due to capital increase by other investors, resulting in loss of control but common control over or significant influence on the investee, the Company's share of net assets increased due to capital increase and share expansion of the investee shall be recognized according to the new shareholding proportion. The difference between the original book value of long-term equity investment corresponding to the decrease in the shareholding proportion that shall be carried forward shall be included in the current profit or loss; the new shareholding proportion is then adjusted as if it had been accounted for using the equity method since the acquisition of the investment.

Unrealized internal transaction gains and losses between the Company and associates and joint ventures shall be calculated according to the shareholding proportion, and the investment gains and losses shall be recognized based on the offset. However, the unrealized internal transaction losses incurred between the Company and the investee that belong to the impairment loss of transferred assets shall not be offset.

### **(3) Basis for determining joint control and significant influence on the investee**

Joint control refers to the sharing of control over certain arrangements under related agreements, and associated activities of the arrangement can be determined only when the unanimous consent of the parties sharing the control right is obtained. When determining the existence of joint control, the first step is to assess whether the arrangement is collectively controlled by all parties involved or a combination of the parties. The next step is to evaluate whether decisions about the relevant activities of the arrangement require the unanimous consent of those parties who collectively control the arrangement. If all participants or a group of participants must act in concert to decide the relevant activities of an arrangement, it is considered that all participants or a group of participants collectively control the arrangement; if two or more participants can collectively control an arrangement, it does not constitute joint control. Protective rights are not considered in determining whether or not there is joint control.

Significant influence means the power of the investor to participate in making decisions on the financial and operating policies of an investee, but the investor cannot control or jointly control with other parties over the formulation of these policies. When determining whether significant influence can be exerted on the investee, we shall consider the impact of voting shares directly or indirectly held by the investor and current executable potential voting rights held by the investor and other parties after they are assumed to be converted into equity in the investee, including the impact of current convertible warrants and share options and convertible corporate bonds issued by the investee.

If the Company directly owns or indirectly owns, via its subsidiaries, more than 20% (including) but less than 50% of voting shares of the investee, the condition shall be recognized as exerting significant influence on the investee unless concrete evidence shows that participation in the production and business decisions of the investee is not allowed without constituting significant influence. If the voting shares of the investee owned by the Company are less than 20% (not including), the condition shall not be considered as being of significant influence on the investee in general unless concrete evidence shows that the Company can participate in the production and business decisions of the investee under this condition, constituting significant influence.

#### **(4) Impairment test method and accrual method for impairment provision**

For investments in subsidiaries, associates, and joint ventures, please see Note V. 19 for the accrual method for impairment provision.

### **14. Investment properties**

Measurement model of investment properties

Cost method

Depreciation or amortization method

Investment properties are properties held for rent earnings, capital appreciation, or both. Investment properties of the Company include the land rights of use that have already been rented, the land rights of use held for transfer after appreciation, and buildings that have been rented.

Investment properties of the Company shall be initially measured as per the price upon acquisition and depreciated or amortized on schedule as per relevant provisions on fixed assets or intangible assets.

Investment properties are measured subsequently as per the cost model. See Note V. 19 for the provision method of asset impairment.

The disposal income from the sale, transfer, discard, or destruction of the investment properties shall be included in the current profit or loss after their book value and relevant taxes are deducted.

## 15. Fixed assets

### (1) Recognition conditions

Fixed assets of the Company refer to the tangible assets held for producing goods, rendering labor services, renting, or business management with a service life of over one fiscal year.

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

Fixed assets of the Company shall be initially measured at the actual cost when acquired.

For the subsequent expenses related to fixed assets, if the economic benefits of the assets are likely to flow into the Company and the cost can be reliably measured, they are included in the cost of fixed assets; daily repair costs of fixed assets that do not meet the conditions for subsequent expenses for capitalization of fixed assets are included in the current profit or loss or the cost of relevant assets according to the beneficiaries upon occurrence. The book value of the part being replaced will be derecognized.

### (2) Depreciation method

Category	Depreciation method	Depreciation period	Residual ratio	Annual depreciation rate
Premises and buildings	Straight-line method	10, 35-40	0, 3	10, 2.43-2.77
Including: Decoration of self-owned houses	Straight-line method	10	0	10
Machinery and equipment	Straight-line method	10	3	9.70
Electronic equipment	Straight-line method	3	3	32.33
Transportation equipment	Straight-line method	7	3	13.86
Office and other equipment	Straight-line method	5	3	19.40

The depreciation rate of fixed assets with provision for impairment shall be calculated and determined by deducting the accumulated amount of provision for impairment of fixed assets.

## 16. Construction in progress

The Company's cost of construction in progress is determined according to the actual construction expenditures, including various necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalized before the project reaches the expected serviceable condition, and other relevant expenses.

Construction in progress is transferred to fixed assets when it is ready for its intended use.

See Note V. 19 for the provision method of asset impairment of the construction in progress.

## **17. Borrowing costs**

### **(1) Recognition principle for capitalization of borrowing costs**

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of assets eligible for capitalization shall be capitalized and included in relevant asset costs; other borrowing costs shall be recognized as expenses according to their amount when incurred and included in the current profit or loss. Borrowing costs shall be capitalized when all of the following conditions are satisfied:

- ① Expenditures on an asset have been incurred, and expenditures on the asset comprise payments in cash, transfer of non-cash assets, or assumption of debts with interests for acquisition, construction, or production of the asset qualifying for capitalization;
- ② Borrowing costs have been occurred;
- ③ The acquisition, construction, or production activities necessary to bring the assets to their intended use or sale have started.

### **(2) Period of borrowing costs capitalization**

The capitalization of borrowing costs shall cease when the assets eligible for capitalization acquired, constructed, or produced by the Company are ready for their intended use or sale. When the borrowing costs occurring after the assets eligible for capitalization are available for intended use or sale, they are recognized as expenses based on the amount incurred upon the occurrence and included in the current profit or loss.

If the acquisition, construction, or production of assets eligible for capitalization is interrupted abnormally and the interruption period exceeds three consecutive months, the capitalization of borrowing costs shall be suspended; the borrowing costs during the normal interruption period shall continue to be capitalized.

### **(3) Capitalization rate and calculation method of capitalization amount of borrowing costs**

The balance of the interest from special borrowings that occurred in the current period, deducting the interest income acquired from unused borrowings deposited in banks or deducting investment income from temporary investment of the borrowings, shall be capitalized. The capitalized amount of general borrowing shall be determined by multiplying the weighted average of the asset expenditures from the accumulative asset expenditures exceeding the special borrowing by the capitalization rate of general borrowing occupied. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

During the capitalization period, the balance of exchange for special foreign-currency borrowings shall be capitalized in full amount, while that of general foreign-currency borrowings shall be included in the current profit or loss.

## 18. Intangible assets

### (1) Service life and its determination basis, estimation, amortization method, or review procedure

The Company's intangible assets include land use rights, computer software, and trademarks.

Intangible assets are initially measured at cost and their service life is determined upon acquisition. If the service life of an intangible asset is limited, it shall be amortized within the estimated service life with an amortization method that can reflect the expected realization mode of economic benefits related to the asset since the asset is available for use; if the expected realization mode cannot be reliably determined, the asset shall be amortized with the straight-line method; intangible assets with uncertain service life shall not be amortized.

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

Category	Service life	Determination basis of service life	Amortization method	Remarks
Land use right	50 years	Legal right to use	Straight-line method	
Computer software	5 years	Determine the service life regarding the term that can bring economic benefits to the Company	Straight-line method	
Trademark	10 years	Determine the service life regarding the term that can bring economic benefits to the Company	Straight-line method	

At the end of each year, the Company shall recheck the service life and amortization method of intangible assets with limited service life. If there are changes from previous estimates, the original estimates shall be adjusted, and the changes shall be accounted for as changes in accounting estimates.

If an intangible asset is expected no longer to generate future economic benefits for the Company at the balance sheet date, the book value of the asset is transferred to the current profit or loss.

See Note V. 19 for the provision method of asset impairment of the intangible assets.

### (2) Collection scope of R&D expenditures and relevant accounting treatment methods

The R&D expenditures of the Company refer to expenditures directly related to the R&D activities of the Company, including salaries of R&D personnel, direct R&D investments, depreciation expenses and long-term deferred expenses, design expenses, equipment commissioning expenses, amortization expenses of intangible assets, expenses incurred from commissioned external R&D, and other expenses. The salaries of R&D personnel are included in R&D expenditures according to the project working hours. Equipment, production lines, and sites shared for R&D activities and other production and operation activities are included in R&D expenditures according to the proportion of working hours and area.

The Company divides the expenditure of internal R&D projects into research stage expenditure and development stage expenditure.

Expenditures at the research stage shall be included in the current profit or loss when incurred.

Expenditures at the development stage can be capitalized only when all of the following conditions are met, namely: It is technically feasible to complete the intangible assets so that they can be used or sold; there is an intention to complete the intangible asset and use or sell it; ways for intangible assets to generate economic benefits include proving that there is a market for the products produced by using the intangible assets or the intangible assets themselves, as well as proving their usefulness if intangible assets are to be used internally; there are sufficient technical, financial, and other resources to complete the development of the intangible assets and have the ability to use or sell them; the expenditures attributable to the development stage of intangible assets can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit or loss.

The R&D projects of the Company will enter the development stage after meeting the above conditions and passing the technical feasibility study and economic feasibility study to gain project approval.

The capitalized expenditures in the development stage shall be presented as development costs on the balance sheet and shall be transferred into intangible assets from the date when the project meets the expected usage.

## **19. Impairment of long-term assets**

The impairment of the long-term equity investments in subsidiaries, associates, and joint ventures, as well as of investment properties, fixed assets, construction in progress, right-of-use assets, and intangible assets, subsequently measured by the cost model (except for inventories and investment properties, deferred income tax assets, and financial assets measured by fair value model) shall be determined by the Company according to the following methods:

The Company judges whether there is a sign of impairment to assets on the balance sheet date. If such a sign exists, the Company estimates the recoverable amount and conducts the impairment test. The goodwill formed due to the business merger, intangible assets with uncertain service life, and intangible assets that have not yet reached their intended use shall be tested for impairment every year, regardless of whether there is any sign of impairment.

The recoverable amount is the net amount gained after the fair value of assets deducts the disposal fees, or the present value of the estimated future cash flow of the assets, whichever is higher. The Company estimates the recoverable amount on a single-asset basis. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. The asset group is determined by whether the main cash flow generated by the asset group is independent of those generated by other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its book value, the Company reduces its book value to its recoverable amount, the reduced amount is recorded in the current profit or loss, and the provision for impairment of assets is recognized.

For the impairment test of goodwill, the book value of goodwill formed by the business merger shall be amortized to relevant asset groups with a reasonable method since the acquisition date; if it is difficult to

amortize to relevant asset groups, it shall be amortized to relevant asset group portfolios. The relevant asset group or portfolio of asset group is an asset group or portfolio of asset group that can benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

During the impairment test, if there is any sign of impairment in the asset groups or portfolios of asset groups related to goodwill, first conduct an impairment test for asset groups or portfolios of asset groups that do not contain goodwill, calculate the recoverable amount, and recognize the corresponding impairment loss. Then, an impairment test shall be conducted on the asset groups or portfolios of asset groups that include goodwill. The book value should be compared with the recoverable amount; if the recoverable amount is found to be lower than the book value, an impairment loss for goodwill shall be recognized.

Once recognized, the impairment loss of assets shall not be reversed in future accounting periods.

## **20. Long-term deferred expenses**

Long-term deferred expenses of the Company shall be valued as per actual cost and averagely amortized as per the expected benefit period. If the long-term deferred expense project cannot benefit the future accounting period, the amortized value of the project shall be included in the current profit or loss in full amount.

## **21. Employee compensation**

### **(1) Accounting treatment for short-term compensation**

Long-term deferred expenses of the Company shall be valued as per actual cost and averagely amortized as per the expected benefit period. If the long-term deferred expense project cannot benefit the future accounting period, the amortized value of the project shall be included in the current profit or loss in full amount.

### **(2) Accounting treatment for post-employment benefits**

Post-employment benefit plans include defined contribution plans and defined benefit plans. Among them, the defined contribution plan refers to a post-employment benefit plan in which the enterprise has no further payment obligation after paying fixed expenses to an independent fund; the defined benefit plan refers to a post-employment benefit plan other than a defined contribution plan.

#### **Defined contribution plan**

The defined contribution plan includes basic endowment insurance, unemployment insurance, etc.

During the accounting period, when employees provide services, the amount payable calculated according to the defined contribution plan is recognized as a liability and included in the current profit or loss or related asset costs.

#### **Defined benefit plan**

For defined benefit plans, an independent actuary shall carry out an actuarial valuation on the annual balance sheet date and determine the cost of providing benefits with the expected cumulative welfare unit method.

Employee compensation costs arising from the defined benefit plan of the Company shall include the following components:

- ① Service costs, including current service costs, past service costs, and settlement gains or losses. Current service costs refer to the increased amount in the present value of defined benefit plan obligations caused when employees provide services in the current period; past service costs refer to the increase or decrease in the present value of defined benefit plan obligations related to employee services in previous periods caused by modifications for defined benefit plans.
- ② Net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation, and interest on the effect of the asset ceiling.
- ③ Changes as a result of remeasurement of the defined benefit plan's net liabilities or assets.

Unless other accounting standards require or allow employee's benefit costs to be included in assets costs, the above items ① and ② shall be included by the Company in current profit or loss; item ③ shall be included in other comprehensive income and be not reversed to profit or loss; when the original defined benefit plan is terminated, the amount included in other comprehensive income before shall be completely transferred to the undistributed profit.

### **(3) Accounting treatment for termination benefits**

If the Company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits shall be recognized at the earliest of the following two dates and included in the current profit or loss: The Company cannot unilaterally withdraw the termination benefits provided due to the labor relationship termination plan or layoff proposal; the Company recognizes the costs or expenses related to the restructuring involving the payment of termination benefits.

If an employee's internal retirement plan is implemented, the economic compensation before the official retirement date belongs to the termination benefits. During the period from the date when the employee stops providing services to the normal retirement date, the wages to be paid to the early retired employees and the social insurance premiums to be paid are included in the current profit or loss in a lump sum. Economic compensation after the official retirement date (such as the pension) is treated as post-employment benefits.

### **(4) Accounting treatment for other long-term employee benefits**

Other long-term employee benefits provided by the Company to its employees, which meet the criteria for a defined contribution plan, shall be handled per the regulations relevant to the defined contribution plan mentioned above. If the benefits meet the defined benefit plan, they shall be handled per the relevant provisions on the defined benefit plan above, but the part of "changes arising from re-measuring the net liabilities or net assets of the defined benefit plan" in the relevant employee compensation costs shall be included in the current profit or loss or the relevant asset costs.



## 22. Estimated liabilities

An obligation related to contingencies, if satisfying the following conditions at the same time, will be recognized as an estimated liability by the Company:

- (1) The obligation is the current obligation of the Company;
- (2) Performance of this obligation will probably cause outflow of economic interest of the Company;
- (3) The amount of such obligation can be measured reliably.

Estimated liabilities are initially measured at the optimal estimate required to perform the relevant current obligation, in comprehensive consideration of the risks, uncertainty, time value of money, and other factors pertinent to the contingencies. Where the time value of money is of significant influence, the optimal estimate is recognized through the discount of relevant future cash outflows. On the balance sheet date, the book value of the estimated liabilities is reviewed and adjusted by the Company to reflect the current best estimate.

If all or part of the expenditures necessary for clearing off the recognized estimated liabilities are expected to be compensated by a third party or any other party, the amount of compensation shall be recognized as assets separately only when it is basically sure that the amount can be obtained. The recognized amount of compensation shall not exceed the book value of recognized liabilities.

## 23. Revenue

Accounting policies of revenue disclosure recognition and measurement by business types

### (1) General principle

The Company has fulfilled its performance obligations of the contract, which means it recognizes the revenue when the customer has acquired the control rights of relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, at the beginning date of the contract, apportion the transaction price to each performance obligation according to the relative proportion of the individual selling price of the commodities or services promised by each performance obligation, and measure the revenue according to the transaction price apportioned to each performance obligation.

When one of the following conditions is met, it is considered the fulfillment of performance obligations over a period of time; otherwise, it is regarded as the fulfillment of performance obligations at a specific point in time:

- ① The customer simultaneously obtains and consumes the economic benefits arising from the contract performance of the Company.
- ② The customer can control the goods under construction during the performance of the Company.

③ The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payments for the accumulated performance portion to date throughout the contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue within that period according to the performance progress. If the performance progress cannot be reasonably confirmed, and the costs incurred by the Company can be expected to be compensated, the revenues shall be recognized according to the amount of costs incurred until the performance progress can be reasonably recognized.

For performance obligations performed at a certain time point, the Company shall confirm the revenue at the time point when the customer gains control rights of the relevant commodities or services. In determining whether a customer has obtained the control rights of the goods or services, the Company shall consider the following signs:

- ① The Company enjoys the current collection right concerning such goods or services, i.e., customers have the obligation to pay immediately concerning the goods.
- ② The Company has transferred the legal ownership of the goods to customers, i.e., customers have owned the legal ownership of the goods.
- ③ The Company has transferred the goods to customers in kind, i.e., customers have possessed the goods.
- ④ The Company has transferred the major risks and rewards from the ownership of the goods to customers, i.e., customers have obtained the major risks and remuneration on the ownership of the goods.
- ⑤ Customers have accepted such goods or services.
- ⑥ Other signs indicate that customers have obtained the right to control the goods.

## **(2) Specific method**

The Company's revenue is mainly derived from the following businesses: Property leasing and services and jewelry sales and services.

### **① Property leasing and services**

See Note V. 26 for the specific method for the recognition of revenue from property leasing and services.

### **② Sales and services of gold and jewelry**

The Company determines whether it is the main responsible person or the agent during transactions according to its control over goods or services before transferring them to customers. If the Company has control over the goods or services before transferring them to customers, the Company is the main responsible person and recognizes the revenue according to the total consideration received or receivable; otherwise, the Company acts

as an agent, and recognizes the revenue according to the amount of commission or handling charge expected to be entitled, which is determined according to the net amount of the total consideration received or receivable after deducting the price payable to other related parties, or according to the established commission amount or proportion.

The specific recognition method of revenues generated from gold and jewelry sales is as follows:

In gold and jewelry sales, the Company mainly takes a direct-sales model, with the sales agency model as a supplement. For the direct-sales model, the sales channels include wholesalers, e-commerce, and retail in direct-sales stores. The time points for revenue recognition under the sales models with such channels as wholesalers, e-commerce, and retail are as follows:

- ① In wholesaler sales, purchasers cooperate with the Company directly. The time point is when the goods-related control rights have been transferred to the purchasers, which signifies that the performance obligation is completed according to the sales contract. The revenue will then be recognized after customers accept the goods and issue receipts. This is a performance obligation performed at a certain time point.
- ② In e-commerce sales, the Company sells goods on e-commerce platforms. The sales revenue will be recognized when customers have signed for the goods and the Company has received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.
- ③ In retail through direct-sales stores, the Company sells its goods in its self-owned real estate. The sales revenue will be recognized when the Company has sold goods to customers and received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.
- ④ In the sales agency model, the Company sends products to stores of entrusted sellers. The sales revenue will be recognized when the sellers have sold goods to end consumers, end consumers have signed for goods, and the control right has been transferred to end consumers. This is also the time point signifying that the obligation performance for the contract is done. This is a performance obligation performed at a certain time point.

The specific methods for recognizing other revenues for the Company are as follows:

In the independent gold repurchase business, the Company obtains old gold from the market and entrusts refineries to process it into standard gold bars. The standard gold bars will then be sold to the Shanghai Gold Exchange. According to the set price by the Shanghai Gold Exchange at specific time points, the Company confirms the selling (counting) in the trading system and recognizes the revenue after obtaining the settlement document of the Shanghai Gold Exchange.

In the gold and jewelry sales agency business, the Company acts as an agent and provides agency services for principals according to the agency purchase agreement to earn agency commission fees. The Company recognizes the agency commission revenue when customers pay and sign for goods.

In the agency gold repurchase business, the Company acts as a supplier agent to repurchase gold and collect service fees. Revenue is calculated and recognized based on the duration of the agency gold repurchase and according to the contract.

Recognition methods and measurement methods for the same kind of business with different business models and different revenues

The Company shall abide by the disclosure requirements for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3—Industry Information Disclosure*.

## **24. Government subsidies**

The government subsidies shall be recognized when all the attached conditions can be satisfied and the government subsidies can be received.

The government subsidies considered monetary assets shall be measured at the amount received or receivable. The government subsidies considered non-monetary assets are measured based on the fair value, or the nominal amount of RMB 1 if the fair value cannot be acquired reliably.

Asset-related government subsidies refer to those that are acquired by the Company and used for acquiring, constructing, or forming long-term assets in other ways. Other government subsidies are considered revenue-related government subsidies.

For the government subsidies with the grant objects not expressly stipulated in the government documents, if they can be used to form long-term assets, the government subsidies corresponding to the value of the assets are regarded as asset-related government subsidies, while the rest are regarded as revenue-related government subsidies. For the government subsidies that are difficult to differentiate, the government subsidies as a whole are regarded as revenue-related government subsidies.

The asset-related government subsidies shall be recognized as deferred income, which shall be included in profits and losses in installments reasonably and systematically within the service life of the relevant assets. For revenue-related government subsidies, they shall be included in the current profit or loss if used to compensate for the incurred related costs or losses; if used to compensate for the related costs or losses during future periods, they shall be included in the deferred income, and included in the current profit or loss during the period when the related costs or losses are recognized. Government subsidies measured at the nominal amount shall be directly included in the current profit or loss. The Company adopts the same treatment for those transactions of similar government subsidies.

The government subsidies related to daily activities shall be included in other incomes according to the essence of economic business. Government subsidies irrelevant to daily activities are included in non-operating revenue.

For the government subsidies recognized to be refunded, if the government subsidies are used to offset the book value of the related assets when they are initially recognized, the book value of the assets shall be adjusted. If there is deferred income concerned, the government subsidies shall be offset against the book balance of the deferred income, and the excess shall be included in the current profit or loss. In other cases, they shall be directly included in the current profit or loss.

## 25. Deferred income tax assets/deferred income tax liabilities

Income tax includes current income tax and deferred income tax. The income tax shall be included in the current profit or loss as income tax expenses, except that the deferred income taxes related to the adjustment of goodwill due to business mergers or the transactions and matters directly included in the owner's equity are included in the owner's equity.

The Company shall recognize deferred income tax with the balance sheet liability method according to the temporary differences between the book value of assets and liabilities and their tax bases at the balance sheet date.

Relevant deferred income tax liabilities shall be recognized for each taxable temporary difference unless the taxable temporary difference arises from the following transactions:

(1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction with the following features: The transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, the time of reversal of the temporary difference can be controlled and, likely, the temporary difference will not be reversed in the foreseeable future.

For deductible temporary differences as well as the deductible losses and tax deductions that can be carried forward to the next year, except for the deductible temporary differences incurred in following transactions, the Company recognizes the deferred income tax assets to the extent that it is likely that future taxable income will be available for deducting the deductible temporary differences, deductible losses, and tax deductions:

(1) The transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);

(2) For deductible temporary differences associated with investments in subsidiaries, joint ventures, and associates, if the following conditions are satisfied at the same time, corresponding deferred income tax assets are recognized: The temporary difference will likely be reversed in the foreseeable future and taxable income will likely be available in the future for deducting the deductible temporary differences.

On the balance sheet date, deferred income tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled and reflect the income tax effect of the method of the expected recovery of assets and settlement of liabilities on the balance sheet date.

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is likely that sufficient taxable profits will not be available in future periods to deduct the benefit of the deferred income tax

assets, the book value of the deferred income tax assets will be reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable income will be available.

On a balance sheet date, the deferred income tax assets and liabilities are presented in the net value after offsetting when the following conditions are met at the same time:

- (1) The taxpayer has the legal right of income tax assets and liabilities in the current period settled at the net amount;
- (2) Deferred income tax assets and deferred income tax liabilities are related to the income taxes levied by the same tax collection agency on the same taxpayer within the Company.

## **26. Lease**

### **(1) Accounting treatment method for lease as the lessee**

On the commencement date of the lease term, the Company shall recognize the right-of-use assets and the lease liabilities for all leases, except for the short-term leases and low-value asset leases that are subject to simplified treatment.

Lease liabilities shall be initially measured at the present value calculated by the interest rate implicit in lease according to the unpaid lease payment on the commencement date of the lease term. If the interest rate implicit in lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. Lease payments include fixed payments and substantially fixed payments; the amount related to lease incentive (if any) shall be deducted; variable lease payments that depend on an index or rate; the exercise price of a purchase option, provided that the lessee reasonably determines that the option will be exercised; payments required to exercise the lease termination option, provided that the lease term reflects that the lessee will exercise the lease termination option; payments expected to be made based on the guaranteed residual value provided by the lessee. The interest expenses of the lease liabilities within each lease term shall be calculated subsequently according to the fixed periodic rate and included in the current profit or loss. The variable lease payment that is not included in the measurement of lease liabilities is included in the current profit or loss when it occurs.

#### **Short-term lease**

Short-term lease refers to a lease with a lease term of not more than 12 months on the commencement date of the lease term, except for the lease containing the purchasing right.

The Company includes the payment amount of short-term leases into relevant asset costs or current profits and losses by the straight-line method at each period within the lease term.

For short-term leases, the Company selects the above-simplified treatment method for the items meeting the short-term lease conditions in the following asset types according to the category of leased assets.

#### **Low-value asset lease**

A low-value asset lease refers to a lease with a value lower than RMB 40,000 when an individual leased asset is brand new.

The Company includes the payment amount of low-value asset leases into relevant asset costs or the current profit or loss by the straight-line method at each period within the lease term.

For low-value asset leases, the Company selects the above simplified treatment method according to the specific conditions of each lease.

### **Lease change**

If the lease changes and meets the following conditions at the same time, the Company will take the lease change as a separate lease for the accounting treatment: ① The lease change expands the lease scope by increasing the right to use one or more leased assets, and ② The increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

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

If the lease scope is reduced or the lease term is shortened due to the lease change, the Company will correspondingly reduce the book value of right-of-use assets and include relevant profits or losses from partial or complete termination of the lease in the current profit or loss.

If the lease liabilities are remeasured due to other lease changes, the Company will adjust the carrying amount of right-of-use assets accordingly.

### **(2) Accounting treatment method for lease as the lessor**

When the Company is the lessor, the lease that substantially transfers all risks and rewards related to the ownership of the assets is recognized as a finance lease, and leases other than finance leases are recognized as operating leases.

### **Financial lease**

In a finance lease, at the commencement of the lease term, the Company takes the net investment in a lease as the entry value of the finance lease receivables, and the net investment in a lease is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement of the lease term discounted at the interest rate implicit in the lease. The Company, as the lessor, calculates and recognizes interest income in each lease term at a fixed periodic rate. Variable lease payments obtained by the Company as the lessor but not considered in the measurement of net investment in leases are recognized in the current profit or loss when incurred.

The derecognition and impairment of finance lease receivables shall be subject to accounting treatment according to the *Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of*

*Financial Instruments and the Accounting Standards for Business Enterprises No. 23—Transfer of Financial Assets.*

### **Operating leasing**

Lease income from operating leases is included in the current profit or loss by the Company as per the straight-line method in different stages over the lease term. The initial direct cost incurred related to the operating lease shall be capitalized, amortized within the lease term according to the same base with the recognition of rent revenue, and included in the current profit or loss by stages. The variable lease receipts obtained by the Company related to operating leases and not charged to the lease receipts shall be included in the current profit or loss when incurred.

### **Lease change**

If there is a change in the operating lease, the Company will take it as a new lease from the effective date of the change to carry out accounting treatment, and the lease receipts received in advance or receivable related to the lease before the change will be regarded as the collected amount for the new lease.

If the finance lease changes and meets the following conditions, the Company will take the change as a separate lease for accounting treatment: ① The change expands the lease scope by increasing the right to use one or more leased assets; and ② The increased consideration is equivalent to the amount by adjusting the separate price of the expanded lease scope according to the contract.

If the change of finance lease is not accounted for as a separate lease, the Company shall deal with the changed lease based on the following circumstances: ① If the change takes effect on the commencement date of the lease and the lease is classified as an operating lease, the Company shall take it as a new lease for the accounting treatment from the effective date of lease change and take the net lease investment made before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the commencement date of the lease and the lease is classified as a finance lease, the Company shall carry out accounting treatment according to the regulations on modifying or renegotiating contracts described in *Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments*.

## **27. Other significant accounting policies and accounting estimates**

The Company continuously evaluates the significant accounting estimates and key assumptions adopted based on historical experience and other factors, including reasonable expectations for future events. Significant accounting estimates and critical assumptions that may lead to a major adjustment of the book value of assets and liabilities in the next accounting year are listed as follows:

### **Classification of financial assets**

Significant judgments involved in determining the classification of financial assets of the Company include the analysis of business models and contract cash flow characteristics.



The Company determines the business model for managing financial assets at the level of financial asset portfolios, considering the method of evaluating and reporting financial asset performance to key executives, the risks affecting financial asset performance and their management methods, and the process by which relevant business management personnel obtain remuneration.

When assessing whether the contract cash flow of financial assets is consistent with the basic loan arrangement, the Company has the following main judgments: Whether the principal may change in the time distribution or amount in the duration due to prepayment and other reasons; whether the interest includes only the time value of money, credit risks, other basic borrowing risks, and consideration with costs and profits. For example, whether the amount paid in advance only reflects the unpaid principal and the interest based on the unpaid principal, and the reasonable compensation paid due to the early termination of the contract.

#### Measurement of expected credit loss of accounts receivable

The Company calculates the expected credit loss of accounts receivable through the default risk exposure and the expected credit loss rate of accounts receivable, and determines the expected credit loss rate based on default probability and the loss given default. In determining the expected credit loss rate, the Company uses the internal historical credit loss experience and other data and adjusts the historical data according to the current situation and forward-looking information. When considering forward-looking information, the Company uses indicators that include risks of economic downturns as well as changes in the external market environment, technological environment, and customer conditions. The Company regularly monitors and reviews the assumptions related to the calculation of the expected credit loss.

#### Deferred income tax assets

To the extent that there will probably be sufficient taxable profits to offset the losses, deferred income tax assets shall be recognized based on all unused tax losses. This requires the management to use a large number of judgments to estimate the time and amount of future taxable profits and determine the amount of deferred income tax assets that should be recognized in combination with tax planning strategies.

#### Determination of the fair value of unlisted equity investment

The fair value of unlisted equity investments is the estimated future cash flows discounted using current discount rates for projects with similar terms and risk characteristics. This valuation involves uncertainty because it requires the Company to estimate expected future cash flows and discount rates. Under limited circumstances, if the information for determining the fair value is insufficient or the range of possible estimates of fair value is wide, and the cost represents the best estimate for the fair value within this range, such cost could represent its appropriate estimate for the fair value within this distribution range.

## 28. Changes in significant accounting policies and accounting estimates

### (1) Changes in significant accounting policies

☐ Applicable ☒ Not applicable

**(2) Changes in material accounting estimates**

☐ Applicable ☒ Not applicable

**(3) Conditions of the first implementation of new accounting standards from 2025 to adjust the relevant items in financial statements at the beginning of the first implementation year**

☐ Applicable ☒ Not applicable

**VI. Taxes****1. Main taxes and tax rates**

Tax category	Tax basis	Tax rate
Value-added tax	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input tax of the current period)	13%, 9%, 5%, 6%, and 3%
Urban maintenance and construction tax	Actually paid turnover tax	7%
Corporate income tax	Taxable income	25%, 20%
Property tax	For taxation according to price, the taxes payable shall be calculated based on 1.2% of the remaining price after deducting 30% of the original value of house properties; for taxation according to lease, the taxes payable shall be calculated based on 12% of the rent revenue.	1.2%, 12%
Educational surcharge	Actually paid turnover tax	3%
Local educational surcharge	Actually paid turnover tax	2%

Disclosure statement of taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate
Shenzhen Tellus Chuangying Technology Co., Ltd.	20%
Shenzhen Bao'an Shiquan Industry Co., Ltd.	20%
Shenzhen SDG Tellus Real Estate Co., Ltd.	20%
Shenzhen Automobile Industry Supply and Marketing Company	20%
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	20%
Shanghai Fanyue Diamond Co., Ltd.	20%
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	20%
Other taxable entities other than the above	25%

**2. Tax preference****① Corporate income tax**

According to the *Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement [2022] No. 13 of the Ministry of Finance and the State Taxation Administration), from January 1, 2022 to December 31, 2024, for small micro-profit enterprises, the portion of

their annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be calculated at a reduced rate of 25% in their taxable income, and they shall pay corporate income tax at a rate of 20%. According to the *Announcement on Implementing Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses* (Announcement [2023] No. 6 of the Ministry of Finance and the State Taxation Administration), from January 1, 2023 to December 31, 2024, the portion of their annual taxable income but not exceeding RMB 1 million shall be calculated at a reduced rate of 25% in their taxable income, and they shall pay corporate income tax at a rate of 20%. According to the *Announcement on Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Announcement [2023] No. 12 of the Ministry of Finance and the State Taxation Administration), the taxable income of small micro-profit enterprises shall be calculated at a reduced rate of 25% and the corporate income tax shall be paid at a rate of 20% until December 31, 2027. The subsidiaries of the Company, including Tellus Chuangying, Bao'an Shiquan, Tellus Real Estate Company, Automobile Supply and Marketing Company, Shanghai Fanyue, Xinyongtong Testing, and Huari Anxin, enjoy the above tax preferences.

## ② Value-added tax

According to the *Notice of the State Taxation Administration on Adjusting the Relevant Tax Policies of Diamonds and Shanghai Diamond Exchange* (CS [2006] No. 65), taxpayers are exempted from import value-added tax (VAT) for rough diamonds sold through Shanghai Diamond Exchange to the domestic market; for finished diamonds sold by taxpayers through Shanghai Diamond Exchange to the domestic market, the part with an actual import VAT burden exceeding 4% shall be refunded upon collection by the customs. In the domestic link, taxpayers shall deduct the input tax based on the VAT amount indicated on the tax payment receipt issued by the customs. After taxpayers follow the policy of VAT exemption and refund-upon-collection for diamonds sold to the domestic market through the Shanghai Diamond Exchange, diamonds sold to the domestic market will be managed by the customs per current regulations when they leave the Shanghai Diamond Exchange. Shanghai Fanyue Diamond Co., Ltd., the Company's subsidiary, is a member of the Shanghai Diamond Exchange and enjoys the above tax preferences when importing finished diamonds through the Shanghai Diamond Exchange.

## ③ Educational surcharge

According to the *Notice of the State Taxation Administration on Expanding the Scope of Exemptions for Certain Government Funds* (CS [2016] No. 12), the exemption threshold for the Educational Surcharge, Local Educational Surcharge, and Water Conservancy Construction Fund has been raised. Specifically, the exemption now applies to taxpayers with monthly sales or turnover not exceeding RMB 100,000 (or quarterly sales or turnover not exceeding RMB 300,000 for those paying taxes quarterly), an increase from the previous threshold of RMB 30,000 per month (or RMB 90,000 per quarter). Shenzhen Huari Automobile Sales and Service Co., Ltd., a subsidiary of the Company, enjoys the above tax preference if its monthly sales (turnover) do not exceed RMB 100,000.

# VII. Notes to Consolidated Financial Statements

## 1. Cash at bank and on hand

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	9,592.79	20,879.87
Cash at bank	179,793,143.41	280,040,887.67
Other cash at bank and on hand	98,165,009.31	97,909,592.15
Total	277,967,745.51	377,971,359.69

Other notes

The cash at the bank and on hand with limited use rights by the Company mainly includes note margins, gold leasing, and futures and options margins.

The details of restricted cash at bank and on hand are as follows:

Unit: RMB

Item	Ending balance	Ending balance of the previous year
Gold leasing security deposits and interest	30,350,972.23	20,069,638.91
Futures and options account margin	1,080,805.01	22,848,540.40
Amount under judicial control	1,066,174.00	663,948.65
Margin payable security deposits and interest	36,080,959.01	33,113,263.10
Total	68,578,910.25	76,695,391.06

## 2. Trading financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	197,026,798.06	165,630,834.06
Including:		
Structured deposits and finance products	197,026,798.06	165,630,834.06
Including:		
Total	197,026,798.06	165,630,834.06

## 3. Derivative financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Hedging instruments—derivative financial assets in designated hedging relationship	108,160.00	292,078.00
Total	108,160.00	292,078.00

## 4. Accounts receivable

### (1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	94,720,887.91	44,225,898.09

1-2 years	2,520,681.03	2,520,681.03
2-3 years	508,387.31	508,387.31
Over 3 years	48,296,682.08	48,781,485.16
Over 5 years	48,296,682.08	48,781,485.16
Total	146,046,638.33	96,036,451.59

**(2) Disclosure by bad debt accrual method**

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable with provision for bad debts on a single basis	48,296,682.08	0.33%	48,296,682.08	100.00%		48,781,485.16	32.63%	48,781,485.16	100.00%	
Including:										
Accounts receivable with provision for bad debts on a portfolio basis	97,749,956.25	66.93%	1,225,548.08	1.25%	96,524,408.17	47,254,966.43	67.37%	690,899.29	1.02%	46,564,067.14
Including:										
Including: Portfolio of leasing and other businesses	32,942,056.91	22.56%	573,331.02	1.74%	32,368,725.89	35,498,139.36	27.64%	573,331.02	1.06%	34,924,808.34
Jewelry sales business portfolio	64,807,899.34	44.37%	652,217.06	1.01%	64,155,682.28	11,756,827.07	39.73%	117,568.27	1.00%	11,639,258.80

Total	146,046,638.33	100.00%	49,522,230.16	33.91%	96,524,408.17	96,036,451.59	100.00%	49,472,384.45	51.51%	46,564,067.14
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Category name of bad debt provision made on a single basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision proportion	Reasons for provision
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00	9,846,607.00	9,846,607.00	9,846,607.00	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44	4,060,329.44	4,060,329.44	4,060,329.44	100.00%	Long account receivable age, and expected to be unrecoverable
Wang Changlong	2,370,760.40	2,370,760.40	2,370,760.40	2,370,760.40	100.00%	Long account receivable age, and expected to be unrecoverable
Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.	2,021,657.70	2,021,657.70	2,021,657.70	2,021,657.70	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong GW Holdings Group Co., Ltd.	1,862,000.00	1,862,000.00	1,862,000.00	1,862,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Jiangling Motors Factory	1,191,059.98	1,191,059.98	1,191,059.98	1,191,059.98	100.00%	Long account receivable age, and expected to be unrecoverable
Yangjiang Automobile Trading Co., Ltd.	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	26,279,070.64	26,279,070.64	25,794,267.56	25,794,267.56	100.00%	Long account receivable age, and expected to be unrecoverable
Total	48,781,485.16	48,781,485.16	48,296,682.08	48,296,682.08		

Category name of bad debt provision made on a portfolio basis: Leasing and other portfolio

Unit: RMB

Name	Ending balance
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	Book balance	Provision for bad debts	Provision proportion
Within 1 year	29,912,988.57	322,296.93	1.08%
1-2 years	2,520,681.03	126,034.06	5.00%
2-3 years	508,387.31	125,000.03	24.59%
Total	32,942,056.91	573,331.02	

Explanation of the basis for determining the portfolio:

Category name of bad debt provision made on a portfolio basis: Jewelry sales business portfolio

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year (inclusive)	64,807,899.34	652,217.06	1.01%
Total	64,807,899.34	652,217.06	

Explanation of the basis for determining the portfolio:

Whether to accrue bad debt provision of accounts receivable according to expected credit loss:

☒ Applicable ☐ Not applicable

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025	690,899.29		48,781,485.16	49,472,384.45
Balance as of January 1, 2025 in the current period				
Provision in the current period	534,648.79			534,648.79
Write-off in the current period			484,803.08	484,803.08
Balance as of June 30, 2025	1,225,548.08		48,296,682.08	49,522,230.16

### (3) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery reversal or	Write-off	Others	
Provision for bad debts made on a single basis	48,781,485.16			484,803.08		48,296,682.08
Provision for bad debts made on a portfolio	690,899.29	534,648.79				1,225,548.08

basis						
Total	49,472,384.45	534,648.79	0.00	484,803.08	0.00	49,522,230.16

#### 4. Accounts receivable that have been written off in the current period

Unit: RMB

Item	Write-off amount
Accounts receivable actually written off	484,803.08

#### (5) Accounts receivable and contractual assets with the top five ending balances collected as per the borrowers

Unit: RMB

Company name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contract assets
IBELOVE (Guangdong) Jewelry Industry Co., Ltd.	36,923,649.39		36,923,649.39	25.28%	369,236.49
Henan Post and Telecommunications Technology Co., Ltd.	16,880,037.91		16,880,037.91	11.56%	168,800.38
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00		9,846,607.00	6.74%	9,846,607.00
Shenzhen Shishijin Jewelry Co., Ltd.	4,597,479.19		4,597,479.19	3.15%	45,974.79
GuangdongZhanjiang Samsung Automobile Co., Ltd.	4,060,329.44		4,060,329.44	2.78%	4,060,329.44
Total	72,308,102.93		72,308,102.93	49.51%	14,490,948.10

#### 5. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	14,105,222.01	8,081,783.33
Total	14,105,222.01	8,081,783.33



**(1) Dividends receivable****1) Category of dividends receivable**

Unit: RMB

Project (or the investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.	0.00	0.00

**2) Dividends receivable of important account receivable age of over 1 year**

Unit: RMB

Project (or the investee)	Period-end original value	Account receivable age	Reasons for non-recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	2-3 years	Not paid yet	The company has huge losses in its financial positions and operating conditions, and the dividends receivable may not be recovered, so full impairment is accrued.
Total	1,305,581.86			

**3) Disclosure by bad debt accrual method**☒Applicable ☐ Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on a single basis	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00
Including:										
Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00

Category name of bad debt provision made on a single basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Original book	Provision for	Original book	Provision for	Provision	Reasons for

	value	bad debts	value	bad debts	proportion	provision
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86	100.00%	The company's financial position is poor
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

Bad debt provision made according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025			1,305,581.86	1,305,581.86
Balance as of January 1, 2025 in the current period				
Balance as of June 30, 2025			1,305,581.86	1,305,581.86

Changes in book balance with significant amount changed of loss provision in the reporting period

☐ Applicable ☒ Not applicable

#### 4) Bad debt provision provided, recovered, or reversed in the current period

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	1,305,581.86					1,305,581.86
Total	1,305,581.86					1,305,581.86

## (2) Other receivables

### 1) Classification of other receivables by nature

Unit: RMB

Payment nature	Period-end book balance	Period-beginning book balance
Temporary payments receivable	56,892,425.28	57,088,093.88
Deposits and security deposits	4,044,125.34	3,195,494.08
Total	60,936,550.62	60,283,587.96

### 2) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	11,173,929.58	5,141,214.58

1-2 years	3,209,073.66	3,209,073.66
2-3 years	916,546.35	916,546.35
Over 3 years	45,637,001.03	51,016,753.37
Over 5 years	45,637,001.03	51,016,753.37
Total	60,936,550.62	60,283,587.96

### 3) Disclosure by bad debt accrual method

☒Applicable ☐ Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Provision for bad debts made on a single basis	48,448,045.45	79.51%	46,241,181.20	95.44%	2,206,864.25	53,819,547.79	89.28%	51,612,683.54	95.90%	2,206,864.25
Including:										
Provision for bad debts made on a portfolio basis	12,488,505.17	20.49%	590,147.41	4.73%	11,898,357.76	6,464,040.17	10.72%	589,121.09	9.11%	5,874,919.08
Including:										
Account receivable age portfolio	8,444,379.83	13.86%	230,887.66	2.73%	8,213,492.17	3,268,546.09	5.42%	230,887.66	7.06%	3,037,658.43
Portfolio of deposit and security deposit receivable	4,044,125.34	6.64%	359,259.75	8.88%	3,684,865.59	3,195,494.08	5.30%	358,233.43	11.21%	2,837,260.65
Total	60,936,550.62	100.00%	46,831,328.61	76.85%	14,105,222.01	60,283,587.96	100.00%	52,201,804.63	86.59%	8,081,783.33

Category name of bad debt provision made on a portfolio basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision proportion
Account receivable age	8,444,379.83	230,887.66	2.73%

portfolio			
Portfolio of deposit and security deposit receivable	4,044,125.34	359,259.75	8.88%
Total	12,488,505.17	590,147.41	

Bad debt provision made according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025	589,121.09	0.00	51,612,683.54	52,201,804.63
Balance as of January 1, 2025 in the current period				
Provision in the current period	9,276.32	0.00	0.00	9,276.32
Reversal in the current period	3,530.00	0.00	30,000.00	33,530.00
Write-off in the current period	0.00	0.00	5,306,106.09	5,306,106.09
Other changes	4,720.00		35,396.25	40,116.25
Balance as of June 30, 2025	590,147.41	0.00	46,241,181.20	46,831,328.61

Changes in book balance with significant amount changed of loss provision in the reporting period

☐ Applicable ☒ Not applicable

#### 4) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for bad debts	52,201,804.63	9,276.32	33,530.00	5,306,106.09	40,116.25	46,831,328.61
Total	52,201,804.63	9,276.32	33,530.00	5,306,106.09	40,116.25	46,831,328.61

#### 5) Other receivables actually written off in the current period

Unit: RMB

Item	Write-off amount
Other receivables actually written off	5,306,106.09

**6) Other receivables of the top five period-end balances by the owing party**

Unit: RMB

Company name	Payment nature	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
China Automobile South China Automobile Sales Co., Ltd.	Intercourse funds	9,832,956.37	Over 3 years	16.13%	9,832,956.37
Shenzhen Nanfang Industry and Trade Industrial Co., Ltd.	Intercourse funds	7,359,060.75	Over 3 years	12.07%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	8.20%	5,000,000.00
Shenzhen Kaifeng Special Automobile Industry Co., Ltd.	Intercourse funds	4,413,728.50	Over 3 years	7.24%	2,206,864.25
Shenzhen Xinxingtai Trading Co., Ltd.	Intercourse funds	2,418,512.90	Over 3 years	3.97%	2,418,512.90
Total		29,024,258.52		47.61%	26,817,394.27

**6. Prepayments****(1) Prepayments listed by account receivable age**

Unit: RMB

Account receivable age	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	1,463,564.45	99.87%	795,544.97	99.77%
1-2 years	261.00	0.02%	261.00	0.03%
Over 3 years	1,603.94	0.11%	1,603.94	0.20%
Total	1,465,429.39		797,409.91	

Explanation of reasons for delayed settlement of important prepayments with account receivable age over 1 year:

N/A

**(2) Prepayments with the top five ending balances collected as per the object of prepayment**

Unit: RMB

Company name	Balance as of June 30, 2025	Proportion in total ending balance of prepayments (%)
Beijing FENZ Culture Communication Co., Ltd.	377,358.49	25.75%
Shenzhen Gas Corporation Ltd.	177,963.50	12.14%
Hangzhou Eossoft Co., Ltd.	162,831.86	11.11%
Shenzhen Wuhua Tianbao Software Co., Ltd.	115,200.00	7.86%
Shenzhen Power Supply Bureau Co., Ltd.	72,046.01	4.92%
Total	905,399.86	61.78%

## 7. Inventories

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

### (1) Inventory classification

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance cost	Book value	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance cost	Book value
Raw materials	22,881,656.48		22,881,656.48	8,281,211.63		8,281,211.63
Goods in stocks	29,429,618.08	29,094,882.38	334,735.70	29,558,580.97	29,094,882.38	463,698.59
Hedged items	37,863,854.83		37,863,854.83	114,856,873.15		114,856,873.15
Goods sold on a commission basis	4,017,810.49		4,017,810.49	3,830,408.18		3,830,408.18
Total	94,192,939.88	29,094,882.38	65,098,057.50	156,527,073.93	29,094,882.38	127,432,191.55

The Company shall abide by the disclosure requirements for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3—Industry Information Disclosure*.

### (2) Provision for decline in the value of inventories and impairment provisions of contract performance cost

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Goods in stocks	29,094,882.38					29,094,882.38
Total	29,094,882.38					29,094,882.38

Provision for decline in the value of inventories made on a portfolio basis

Unit: RMB

Portfolio name	Period end			Period beginning		
	Ending balance	Provision for decline in value	Proportion of provision for decline in value	Beginning balance	Provision for decline in value	Proportion of provision for decline in value

Standards for provision for decline in the value of inventories made on a portfolio basis

## 8. Non-current assets due within one year

Unit: RMB

Item	Ending balance	Beginning balance
Large-denomination certificates of deposit, time deposits, and interest due within one year	142,271,146.55	91,587,627.94
Total	142,271,146.55	91,587,627.94

**(1) Creditors' investment due within one year**

☐ Applicable ☒ Not applicable

**(2) Other debt investments due within one year**

☐ Applicable ☒ Not applicable

**9. Other current assets**

Unit: RMB

Item	Ending balance	Beginning balance
Input tax to be deducted	15,701,967.98	25,711,444.95
Taxes pre-paid	167,517.52	167,748.29
Large-denomination certificates of deposit, time deposits, and interest	26,755,104.98	54,969,057.53
Unamortized expenses		313,322.22
Advances for agency business	44,715,259.36	15,582,254.39
Total	87,339,849.84	96,743,827.38

**10. Other debt investments****(1) Information on other debt investments**

Unit: RMB

Item	Beginning balance	Accrued interest	Interest adjustment	Changes in fair value in the current period	Ending balance	Costs	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Remarks
Transferable large-sum certificate of deposit	84,724,128.76				224,259,409.78	203,193,841.27			
Total	84,724,128.76				224,259,409.78	203,193,841.27			

## 11. Long-term receivables

### (1) Long-term receivables

Unit: RMB

Item	Ending balance			Beginning balance			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Transactions with related parties	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		
Total	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		

### (2) Disclosure by bad debt accrual method

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on a single basis	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	
Including:										
Including:										
Total	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	

## 12. Long-term equity investments

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additi onal invest ment	Reduc ed invest ment	Invest ment profit or loss recogn ized by equity metho d	Adjust ment to other compr ehensi ve incom e	Chang es in other equity	Cash divide nd or profit declare d to be distrib uted	Provisi on for impair ment	Others		
I. Joint venture												
Shenz	56,216				12,214						68,430	



hen Tellus- Gmon d Invest ment Co., Ltd.	,004.2 6				,032.8 7						,037.1 3	
Shenz hen Telixin g Invest ment Co., Ltd.	13,686 ,903.3 7				324,12 7.30						14,011 ,030.6 7	
Subtot al	69,902 ,907.6 3				12,538 ,160.1 7						82,441 ,067.8 0	
II. Associate												
Shenz hen Renfu Tellus Autom obiles Servic e Co., Ltd.	15,188 ,925.5 7				- 627,89 9.26						14,561 ,026.3 1	
Shenz hen Tellus Autom obile Servic e Chain Co., Ltd.												
Shenz hen Yongt ong Xinda Testin g Equip ment Co., Ltd.												
Hunan Chang yang Industr ial Co., Ltd.		1,810, 540.70										0.00
Shenz		3,225,										3,225,

hen Jieche ng Electro nics Co., Ltd.		000.00										000.00
Shenz hen Xianda o New Materi als Co., Ltd.		4,751, 621.62										0.00
China Autom otive Industr y Shenz hen Tradin g Co., Ltd.		400,00 0.00										400,00 0.00
Shenz hen Univer sal Standa rd Parts Co., Ltd.		500,00 0.00										500,00 0.00
Shenz hen China Autom obile South China Autom obile Sales Co., Ltd.		2,250, 000.00										2,250, 000.00
Shenz hen Bailiy uan Power Supply Co., Ltd.		1,320, 000.00										1,320, 000.00
Shenz hen Yimin Auto		200,00 1.10										200,00 1.10

Tradin g Co., Ltd.												
Shenz hen Torch Spark Plug Industr y Co., Ltd.		17,849 .20			865,44 5.32			865,44 5.32				17,849 .20
Shenz hen Hanli High Tech Ceram ics Co., Ltd.		1,956, 000.00										0.00
Shenz hen Nanfa ng Autom obile Repair Center		6,700, 000.00										6,700, 000.00
Subtot al	15,188 ,925.5 7	23,131 ,012.6 2			865,44 5.32			865,44 5.32			14,561 ,026.3 1	14,612 ,850.3 0
Total	85,091 ,833.2 0	23,131 ,012.6 2			12,775 ,706.2 3			865,44 5.32			97,002 ,094.1 1	14,612 ,850.3 0

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

☐ Applicable ☒ Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

☐ Applicable ☒ Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information used in the impairment test of previous years or external information

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

### 13. Investment properties

#### (1) Investment properties measured at cost

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Projects under construction	Total
I. Original book value				

1. Beginning balance	1,282,555,873.48	95,667,082.86		1,378,222,956.34
2. Increase in the current period				
(1) Outsourcing				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Increase from business merger				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	1,282,555,873.48	95,667,082.86	0.00	1,378,222,956.34
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	271,005,582.02	7,445,241.22		278,450,823.24
2. Increase in the current period	18,361,831.77	557,724.18		18,919,555.95
(1) Provision or amortization	18,361,831.77	557,724.18		18,919,555.95
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	289,367,413.79	8,002,965.40		297,370,379.19
III. Impairment provision				
1. Beginning balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				

(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	993,188,459.69	87,664,117.46		1,080,852,577.15
2. Beginning book value	1,011,550,291.46	88,221,841.64		1,099,772,133.10

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

☐ Applicable ☒ Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

☐ Applicable ☒ Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information used in the impairment test of previous years or external information

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

## (2) Investment properties measured at fair value

☐ Applicable ☒ Not applicable

## (3) Investment properties without property certificates

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
CNNC office building	3,608,463.03	The property ownership certificate has not been handled due to historical reasons.
Building 12, Sungang	3,088.41	The property ownership certificate has not been handled due to historical reasons.
Shops in Building 12, Sungang	11,348.91	The property ownership certificate has not been handled due to historical reasons.
Total	3,622,900.35	

## 14. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	66,076,535.95	70,699,928.84
Disposal of fixed assets	342,305.15	63,754.41
Total	66,418,841.10	70,763,683.25

**(1) Fixed assets**

Unit: RMB

Item	Premises and buildings	Machinery and equipment	Transportation equipment	Electronic equipment	Fixed asset decoration	Office and other equipment	Total
I. Original book value:							
1. Beginning balance	218,469,493.35	21,437,166.98	3,203,004.38	8,981,644.20	1,569,294.59	7,376,181.84	261,036,785.34
2. Increase in the current period				239,989.98		157,643.41	397,633.39
(1) Purchase				239,989.98		157,643.41	397,633.39
(2) Transfer from construction in progress							
(3) Increase from business merger							
3. Decrease in the current period		2,880,351.53	640,883.58	596,042.23		475,480.04	4,592,757.38
(1) Disposal or scrapping		2,880,351.53	640,883.58	596,042.23		475,480.04	4,592,757.38
4. Ending balance	218,469,493.35	18,556,815.45	2,562,120.80	8,625,591.95	1,569,294.59	7,058,345.21	256,841,661.35
II. Accumulated depreciation							
1. Beginning balance	155,407,884.84	12,464,244.74	2,650,168.44	7,317,598.28	1,103,942.47	5,361,813.66	184,305,652.43
2. Increase in the current period	2,942,064.68	551,155.18	33,183.54	380,996.59		836,178.04	4,743,578.03
(1) Provision	2,942,064.68	551,155.18	33,183.54	380,996.59		836,178.04	4,743,578.03

3. Decrease in the current period		2,288,758.37	409,587.22	707,565.26		290,740.93	3,696,651.78
(1) Disposal or scrapping		2,288,758.37	409,587.22	707,565.26	0.00	290,740.93	3,696,651.78
4. Ending balance	158,349,949. 52	10,726,641.5 5	2,273,764.76	6,991,029.61	1,103,942.47	5,907,250.77	185,352,578. 68
III. Impairment provision							
1. Beginning balance	3,555,385.70	1,400,149.60	61,984.82	387,935.44	465,352.12	160,396.39	6,031,204.07
2. Increase in the current period							
(1) Provision							
3. Decrease in the current period		424,115.78		114,510.01		80,031.56	618,657.35
(1) Disposal or scrapping		424,115.78		114,510.01		80,031.56	618,657.35
4. Ending balance	3,555,385.70	976,033.82	61,984.82	273,425.43	465,352.12	80,364.83	5,412,546.72
IV. Book value							
1. Ending book value	56,564,158.1 3	6,854,140.08	226,371.22	1,361,136.91	0.00	1,070,729.61	66,076,535.9 5
2. Beginning book value	59,506,222.8 1	7,572,772.64	490,851.12	1,276,110.48	0.00	1,853,971.79	70,699,928.8 4

**(2) Fixed assets leased out by operating lease**

Unit: RMB

Item	Ending book value
Premises and buildings	47,404,603.29

**(3) Fixed assets without property certificates**

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	18,127,156.45	The property ownership certificate has not been handled due to historical reasons.
Automobile Building	18,801,078.04	The property ownership certificate has not been handled due to historical reasons.
Underground parking lot of Tellus Building	6,680,945.72	The property ownership certificate of the parking lot cannot be handled.
3-5F, Plant 1#, 2# and 3#, Taoyuan Road	2,367,938.17	The property ownership certificate has not been handled due to historical reasons.
Transfer floor(s) of Tellus Building	1,034,749.52	Unable to apply for property ownership certificate
Building 16, Taohuayuan	823,134.90	The property ownership certificate has not been handled due to historical reasons.
Warehouse	641,161.93	The property ownership certificate has not been handled due to historical reasons.
1F, Bao'an Commercial and Residential Building	578,859.56	The property ownership certificate has not been handled due to historical reasons.
Shuibe Zhongtian Building	557,868.82	The property ownership certificate has not been handled due to historical reasons.
Warehouse of the Trade Department	38,148.37	The property ownership certificate has not been handled due to historical reasons.
Shops, Plants No. 5-7, Buxin	19,632.62	The property ownership certificate has not been handled due to historical reasons.
Songquan Apartment (mixed)	10,086.79	The property ownership certificate has not been handled due to historical reasons.
Buxin Generator Room	5,994.58	The property ownership certificate has not been handled due to historical reasons.
Guest House on Renmin North Road	5,902.41	The property ownership certificate has not been handled due to historical reasons.
Total	49,692,657.88	

**(4) Impairment test of fixed assets**

☐ Applicable ☒ Not applicable

**(5) Disposal of fixed assets**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------



Fixed assets to be disposed	342,305.15	63,754.41
Total	342,305.15	63,754.41

## 15. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Projects under construction	2,678,672.06	3,332,141.19
Total	2,678,672.06	3,332,141.19

### (1) Construction in progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Restoration Project after Reinforcement of Building No. 5, Buxin	1,885,589.69		1,885,589.69	1,885,589.69		1,885,589.69
Other projects	793,082.37		793,082.37	1,446,551.50		1,446,551.50
Total	2,678,672.06		2,678,672.06	3,332,141.19		3,332,141.19

### (2) Impairment test of construction in progress

☐ Applicable ☒ Not applicable

## 16. Right-of-use assets

### (1) Right-of-use assets

Unit: RMB

Item	Premises and buildings	Total
I. Original book value		
1. Beginning balance	96,383,601.17	96,383,601.17
2. Increase in the current period		
3. Decrease in the current period		
4. Ending balance	96,383,601.17	96,383,601.17
II. Accumulated depreciation		
1. Beginning balance	17,825,595.67	17,825,595.67
2. Increase in the current period	6,088,749.63	6,088,749.63
(1) Provision	6,088,749.63	6,088,749.63
3. Decrease in the current period		

(1) Disposal		
4. Ending balance	23,914,345.30	23,914,345.30
III. Impairment provision		
1. Beginning balance		
2. Increase in the current period		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	72,469,255.87	72,469,255.87
2. Beginning book value	78,558,005.50	78,558,005.50

**(2) Impairment test of right-of-use assets**

☐ Applicable ☒ Not applicable

**17. Intangible assets****(1) Intangible assets**

Unit: RMB

Item	Land use right	Patent right	Non-patented technology	Trademark	Computer software	Total
I. Original book value						
1. Beginning balance	1,967,851.00			128,500.00	7,789,468.20	9,885,819.20
2. Increase in the current period					3,122,261.32	3,122,261.32
(1) Purchase					3,122,261.32	3,122,261.32
(2) Internal R&D						
(3) Increase from business merger						
3. Decrease in the current period						
(1)						

Disposal						
4. Ending balance	1,967,851.00	0.00	0.00	128,500.00	10,911,729.52	13,008,080.52
II. Accumulated amortization						
1. Beginning balance	906,247.54			114,780.56	5,088,956.65	6,109,984.75
2. Increase in the current period	51,785.52			1,360.14	385,963.50	439,109.16
(1) Provision	51,785.52			1,360.14	385,963.50	439,109.16
3. Decrease in the current period						
(1) Disposal						
4. Ending balance	958,033.06	0.00	0.00	116,140.70	5,474,920.15	6,549,093.91
III. Impairment provision						
1. Beginning balance						
2. Increase in the current period						
(1) Provision						
3. Decrease in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	1,009,817.94	0.00	0.00	12,359.30	5,436,809.37	6,458,986.61
2. Beginning book value	1,061,603.46	0.00	0.00	13,719.44	2,700,511.55	3,775,834.45

The proportion of intangible assets formed through internal R&D in the balance of intangible assets at the end of the current period

**(2) Impairment test of intangible assets**□ Applicable ☒ Not applicable**18. Long-term unamortized expenses**

Unit: RMB

Item	Beginning balance	Increase in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Decoration engineering	48,065,483.01	2,089,914.39	6,989,914.67		43,165,482.73
Informationization system service fee	29,926.36		8,977.92		20,948.44
Total	48,095,409.37	2,089,914.39	6,998,892.59		43,186,431.17

**19. Deferred income tax assets/deferred income tax liabilities****(1) Deferred income tax assets not offset**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	34,949,558.20	8,737,389.55	34,988,635.30	8,747,158.83
Deferred income	556,473.76	139,118.44	556,473.76	139,118.44
Changes in the fair value of trading financial assets	398,515.24	99,628.81	398,515.24	99,628.81
Changes in the fair value of other equity instrument investments	10,176,617.20	2,544,154.30	10,176,617.20	2,544,154.30
Lease liabilities	84,443,765.64	21,110,941.41	84,443,765.66	21,110,941.41
Total	130,524,930.04	32,631,232.51	130,564,007.16	32,641,001.79

**(2) Deferred income tax liabilities not offset**

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Increase in assessed value from a business merger under different control	110,826,495.44	27,706,623.86	114,326,295.47	28,581,570.00
Accelerated depreciation of fixed assets	87,499.87	21,874.97	126,577.00	31,644.25
Time difference of income tax due to	17,094,258.40	4,273,564.60	17,094,258.40	4,273,564.60

allocation of rent-free period income				
Right-of-use assets	77,731,810.56	19,432,952.64	77,731,810.56	19,432,952.64
Total	205,740,064.27	51,435,016.07	209,278,941.43	52,319,731.49

**(3) Deferred income tax assets or liabilities presented in net amount after being offset**

Unit: RMB

Item	Amount of offsetting of deferred income tax assets against liabilities at the end of the period	Ending balance of deferred tax assets or liabilities after offset	Amount of offsetting of deferred income tax assets against liabilities at the beginning of the period	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	27,144,223.01	5,487,009.50	27,144,223.01	5,496,778.78
Deferred income tax liabilities	27,144,223.01	24,290,793.06	27,144,223.01	25,175,508.48

**(4) Breakdown of unrecognized deferred income tax assets**

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	149,654,149.86	149,654,149.86
Deductible losses	43,563,199.30	44,519,904.21
Total	193,217,349.16	194,174,054.07

**(5) Deductible losses of unrecognized deferred income tax assets will become mature and due in the following years**

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2025			
2026	6,073,904.16	8,589,171.35	
2027	2,693,238.23	2,693,238.23	
2028	24,987,453.67	24,987,453.67	
2029	1,964,871.15	1,964,871.15	
2030	7,843,732.09		
Total	43,563,199.30	38,234,734.40	

**20. Other non-current assets**

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid project payment	19,732,181.21		19,732,181.21	47,062,569.00		47,062,569.00
Reclassification of VAT debit balance	7,100,032.34		7,100,032.34	7,237,158.45		7,237,158.45

Large-denomination certificates of deposit and interest due over one year	217,890,656.35		217,890,656.35	145,315,608.13		145,315,608.13
Prepayments for software				132,775.71		132,775.71
Total	244,722,869.90		244,722,869.90	199,748,111.29		199,748,111.29

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

Unit: RMB

Item	Period end				Period beginning			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Cash at bank and on hand	68,578,910.25	68,578,910.25	Security deposit	Security deposits and futures margin for bank gold leasing	76,695,391.06	76,695,391.06	Security deposit	Security deposits and futures margin for bank gold leasing
Total	68,578,910.25	68,578,910.25			76,695,391.06	76,695,391.06		

## 22. Short-term borrowings

### (1) Classification of short-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Credit borrowings	142,951,444.41	120,101,444.43
Total	142,951,444.41	120,101,444.43

## 23. Financial liabilities held for trading

Unit: RMB

Item	Ending balance	Beginning balance
Financial liabilities held for trading	63,472,251.57	
Including:		
Gold leasing	63,472,251.57	
Including:		
Total	63,472,251.57	

## 24. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Derivative financial liabilities with		46,660.00

designated hedging relationship		
Total		46,660.00

## 25. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bills	120,000,000.00	110,000,000.00
Total	120,000,000.00	110,000,000.00

## 26. Accounts payable

### (1) Presentation of accounts payable

Unit: RMB

Item	Ending balance	Beginning balance
Purchase payment for goods and services	6,964,045.10	7,874,360.75
Payment for engineering equipment	108,297,755.86	117,681,332.38
Total	115,261,800.96	125,555,693.13

### (2) Significant accounts payable with an account receivable age of over one year or overdue

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,298,954.80	Project(s) unsettled
China Construction First Group Corporation Limited	6,558,657.35	Project(s) unsettled
Shenzhen Yinuo Construction Engineering Co., Ltd.	3,555,095.22	Project(s) unsettled
Shenzhen Shuibei Yihao Investment Development Co., Ltd.	1,120,000.00	Project(s) unsettled
Beijing Fugonglide Technology Development Co., Ltd.	1,038,109.61	Project(s) unsettled
Total	40,570,816.98	

## 27. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	133,005,148.65	126,312,280.55
Total	133,005,148.65	126,312,280.55

### (1) Other payables

#### 1) Other payables presented by the nature of payment

Unit: RMB

Item	Ending balance	Beginning balance
Deposits and security deposits	75,360,737.18	73,630,322.35
Associated intercourse funds	6,472,637.75	7,845,985.83
Withdrawal in advance	10,962,316.83	14,104,886.38
Temporary receipts payable	40,209,456.89	30,731,085.99
Total	133,005,148.65	126,312,280.55

## 2) Other significant accounts payable with an account receivable age of over one year or overdue

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
Hongkong Yujia Investment Limited	2,146,404.58	Amount owed to related party companies, not yet repaid
Shenzhen Fuluxin Jewelry Co., Ltd.	1,441,083.45	Security deposits not yet due
Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	Outstanding by related companies
Total	4,683,230.53	

## 28. Advances from customers

### (1) Presentation of advances from customers

Unit: RMB

Item	Ending balance	Beginning balance
Rent	4,301,247.00	9,469,503.75
Total	4,301,247.00	9,469,503.75

## 29. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Goods fees receivable in advance	2,396,041.09	2,404,815.58
Services fees receivable in advance	963,500.91	1,604,689.01
Total	3,359,542.00	4,009,504.59

## 30. Employee compensation payable

### (1) Presentation of employee compensation payable

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	36,774,351.19	26,085,644.08	23,235,113.35	39,624,881.92
II. Post-employment benefits-defined contribution plan	29,272.75	2,613,522.88	2,642,795.63	0.00
III. Dismissal benefits	32,000.00	493,974.13	525,974.13	0.00



Total	36,835,623.94	29,193,141.09	26,403,883.11	39,624,881.92
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**(2) Presentation of short-term compensation**

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Wages, bonuses, allowances, and subsidies	36,144,993.25	22,482,904.24	19,581,506.67	39,046,390.82
2. Employee benefits	518,171.62	472,876.52	472,511.52	518,536.62
3. Social insurance premium	10,591.21	907,069.46	917,660.67	0.00
Including:				
Medical insurance premium	8,898.48	745,133.74	754,032.22	0.00
Work-related injury insurance premium	764.39	84,745.65	85,510.04	0.00
Maternity insurance premium	928.34	77,190.07	78,118.41	0.00
4. Housing provident fund	1,012.80	1,761,425.26	1,762,438.06	0.00
5. Labor union funds and staff education funds	99,582.31	460,224.60	499,852.43	59,954.48
8. Others		1,144.00	1,144.00	
Total	36,774,351.19	26,085,644.08	23,235,113.35	39,624,881.92

**(3) Presentation of defined contribution plan**

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	27,743.97	2,486,409.98	2,514,153.95	0.00
2. Unemployment insurance premium	1,528.78	127,112.90	128,641.68	0.00
Total	29,272.75	2,613,522.88	2,642,795.63	0.00

**31. Taxes payable**

Unit: RMB

Item	Ending balance	Beginning balance
Value-added tax	9,314,464.23	5,266,527.71
Consumption tax	647.79	964.82
Corporate income tax	16,066,703.33	11,454,335.79
Individual income tax	302,871.02	1,297,785.08

Urban maintenance and construction tax	101,245.40	105,007.68
Educational surcharge	86,439.00	74,959.48
Land use tax	217,454.93	26,460.00
Land VAT	17,360,372.46	17,360,372.46
Stamp duty	237,235.91	518,448.66
Property tax	3,648,226.88	
Other taxes	14,494.75	4,878.34
Total	47,350,155.70	36,109,740.02

### 32. Non-current liabilities due within one year

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	6,319,333.61	8,674,869.40
Total	6,319,333.61	8,674,869.40

### 33. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Taxes of items to be written off	6,104,471.89	6,142,814.36
Total	6,104,471.89	6,142,814.36

### 34. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	72,273,602.70	76,541,985.55
Total	72,273,602.70	76,541,985.55

### 35. Long-term payables

Unit: RMB

Item	Ending balance	Beginning balance
Long-term payables	3,920,160.36	3,920,160.36
Total	3,920,160.36	3,920,160.36

#### (1) Long-term payables presented by the nature of payment

Unit: RMB

Item	Ending balance	Beginning balance
Employee housing deposit	3,908,848.40	3,908,848.40
Grant for tech innovation projects	11,311.96	11,311.96
Subtotal	3,920,160.36	3,920,160.36

### 36. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause
Government subsidy	7,837,477.60		880,145.82	6,957,331.78	Asset-related
Total	7,837,477.60		880,145.82	6,957,331.78	

### 37. Share capital

Unit: RMB

	Beginning balance	Increase/decrease in this period (+, -)					Ending balance
		Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	
Total shares	431,058,320.00						431,058,320.00

### 38. Capital reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share premium)	425,184,907.34			425,184,907.34
Other capital reserves	5,681,501.16			5,681,501.16
Total	430,866,408.50			430,866,408.50

### 39. Other comprehensive income

Unit: RMB

Item	Beginning balance	Amount Incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive income in the previous period and transferred to profit and loss in the current period	Less: Amount included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income items not to	- 7,632,462.90							- 7,632,462.90

be reclassified into profit or loss								
Changes in the fair value of other equity instrument investments	- 7,632,462.90							- 7,632,462.90
II. Other comprehensive income items to be reclassified into profit or loss	26,422.00							26,422.00
Including: Other comprehensive income items to be reclassified into profit or loss through the equity method	26,422.00							26,422.00
Total other comprehensive income	- 7,606,040.90							- 7,606,040.90

#### 40. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	74,222,656.99			74,222,656.99
Total	74,222,656.99			74,222,656.99

#### 41. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	798,343,284.97	685,342,592.62

Undistributed profits at the end of the period after adjustment	798,343,284.97	685,342,592.62
Add: Net profit attributable to owners of the parent company in the current period	84,013,429.35	76,662,479.69
Ordinary share dividends payable	43,105,832.00	13,362,807.92
Undistributed profits at the end of the period	839,250,882.32	748,642,264.39

Details of adjustments to undistributed profits at the beginning of the period:

- 1) The affected undistributed profit at the beginning of the period due to the retroactive adjustment of ASBE and its relevant new regulations is RMB 0.00 .
- 2) Due to changes in accounting policies, the affected undistributed profit at the beginning of the period is RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit of RMB 0.00 at the beginning of the period is affected.
- 4) Due to the change in the consolidation scope caused by the same control, the undistributed profit of RMB 0.00 at the beginning of the period is affected.
- 5) The amount of undistributed profits at the beginning of the period that is affected due to the total of other adjustments is RMB 0.00.

## 42. Operating revenue and operating cost

Unit: RMB

Item	Amount Incurred in the current period		Amount Incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Main business	878,272,629.94	736,664,626.44	1,580,023,748.85	1,451,925,990.76
Total	878,272,629.94	736,664,626.44	1,580,023,748.85	1,451,925,990.76

Breakdown information of operating revenue and operating cost:

Unit: RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type								
Including:								
Jewelry sales and services	708,201,538.25	686,181,047.02					708,201,538.25	686,181,047.02
Leasing and services	170,071,091.69	50,483,579.42					170,071,091.69	50,483,579.42
By operating regions								
Including:								
South China	577,029,206.44	439,154,616.68					577,029,206.44	439,154,616.68
East China	105,033,882.43	104,027,905.36					105,033,882.43	104,027,905.36
North China	48,267,352.47	46,598,537.67					48,267,352.47	46,598,537.67
Central	134,032,83	133,101,09					134,032,83	133,101,09

China	1.63	3.39					1.63	3.39
Other regions	13,909,356.97	13,782,473.34					13,909,356.97	13,782,473.34
By market or customer type								
Including:								
By contract type								
Including:								
By time of transfer of goods								
Including:								
By contract term								
Including:								
By sales channel								
Including:								
Total	878,272.62 9.94	736,664.62 6.44					878,272.62 9.94	736,664.62 6.44

### 43. Taxes and surcharges

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Urban maintenance and construction tax	554,972.10	1,233,347.07
Educational surcharge	396,408.64	893,173.74
Property tax	3,656,626.88	3,530,269.75
Land use tax	190,994.93	197,577.76
Stamp duty	465,496.45	1,164,004.73
Other taxes	3,941.94	4,541.15
Total	5,268,440.94	7,022,914.20

Other notes:

### 44. Administrative expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Employee compensation	21,447,273.63	19,829,421.54
Office expenses	106,651.37	110,795.99
Transport and travel expenses	39,058.54	44,514.01
Business entertainment expenses	31,442.43	48,702.75

Depreciation and amortization	2,088,771.93	2,224,953.37
Intermediary agency service fees	226,628.89	269,351.37
Others	1,762,605.84	1,231,201.37
Total	25,702,432.63	23,758,940.40

#### 45. Selling expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Employee compensation	2,974,011.67	3,521,903.27
Advertising marketing expenses	1,741,521.32	4,453,697.92
Depreciation and amortization	967,223.36	1,361,625.33
Office expenses	27,482.06	173,640.67
Property management, water, and electricity fees	48,045.07	65,294.90
Transport and travel expenses	50,558.09	134,013.99
Insurance and supervisory charges	236,612.73	273,533.86
Others	505,921.44	671,873.13
Total	6,551,375.74	10,655,583.07

#### 46. R&D expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Employee compensation	1,854,234.24	1,203,314.39
Information technology service expenses	126,979.93	20,222.89
Depreciation and amortization	43,652.36	24,087.95
Others	20,453.70	105,407.57
Total	2,045,320.23	1,353,032.80

#### 47. Financial expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Net interest expenses	3,643,266.25	5,197,620.36
Interest income	1,583,374.44	2,112,971.50
Exchange profit or loss	31,299.59	409,047.03
Handling expenses and others	196,696.66	192,197.54
Total	2,287,888.06	3,685,893.43

#### 48. Other incomes

Unit: RMB

Sources of other incomes	Amount Incurred in the current period	Amount Incurred in the previous period
I. Government subsidies included in other incomes	1,056,727.69	5,606,545.82
Including: Government subsidies related to deferred income	880,145.82	880,145.82
Government subsidies directly included in current profit or loss	176,581.87	4,726,400.00
II. Other items related to daily activities	50,320.31	73,501.77

and included in other incomes		
Including: Individual income tax withholding fees	50,320.31	73,501.77
Total	1,107,048.00	5,680,047.59

#### 49. Income from changes in fair value

Unit: RMB

Sources of incomes from changes in fair value	Amount Incurred in the current period	Amount Incurred in the previous period
Trading financial assets	-604,036.00	219,551.09
Financial liabilities held for trading	-2,698,180.00	-1,908,400.00
Derivative instruments of effective hedges	500,829.95	-1,292,744.45
Total	-2,801,386.05	-2,981,593.36

#### 50. Investment incomes

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Incomes from long-term equity investments calculated through the equity method	12,775,706.23	20,511,753.40
Investment incomes from trading financial assets during the holding period	7,978,084.00	4,062,385.40
Closing income from commodity futures contracts and T+D contracts (hedging)	-14,725,574.50	-9,867,534.55
Total	6,028,215.73	14,706,604.25

#### 51. Credit impairment loss

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Loss on bad debts of accounts receivable	-534,648.79	-751,209.02
Loss on bad debts of other receivables	64,369.93	-106,335.89
Impairment loss of other current assets	157,396.51	
Total	-312,882.35	-857,544.91

#### 52. Incomes from asset disposal

Unit: RMB

Sources of incomes from asset disposal	Amount Incurred in the current period	Amount Incurred in the previous period
Gains from disposal of fixed assets (loss to be listed with "-")	-123,104.39	-227.20

#### 53. Non-operating revenue

Unit: RMB



Item	Amount Incurred in the current period	Amount Incurred in the previous period	Amount included in current non-recurring profit or loss
Gains from unpayable payments	468,058.51		468,058.51
Revenue from liquidated damages	2,901,437.72	1,085,508.33	2,901,437.72
Others	86,572.65	26,524.92	86,572.65
Total	3,456,068.88	1,112,033.25	3,456,068.88

## 54. Non-operating expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period	Amount included in current non-recurring profit or loss
Loss from scrapping of non-current assets	3,135.43		3,135.43
Overdue payments and liquidated damage expenditure	59,834.27	107,338.47	59,834.27
Others	40,716.25		40,716.25
Total	103,685.95	107,338.47	103,685.95

## 55. Income tax expenses

### (1) List of income tax expenses

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Current income tax expenses	26,247,106.97	17,857,884.67
Deferred income tax expenses	-874,946.14	1,805,746.63
Total	25,372,160.83	19,663,631.30

### (2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Amount Incurred in the current period
Total profit	107,002,819.77
Income tax expenses based on statutory/applicable tax rate	26,750,704.94
Effect of different tax rates applied to subsidiaries	-446,906.47
Effect of income tax during the period before adjustment	1,945,489.25
Effect of non-taxable incomes	-3,193,926.56
Effect of non-deductible costs, expenses, and losses	778,567.10
Effect of using deductible losses of unrecognized deferred tax assets in the previous period	-1,083,240.51
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets during the current period	621,473.07
Income tax expenses	25,372,160.83

**56. Other comprehensive income**

See Note VII. 39 for details.

**57. Items in the cash flow statement****(1) Cash related to operating activities**

Other cash received related to operating activities

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Deposits and security deposits	44,623,431.06	32,184,951.83
Interest income	1,020,520.75	597,641.87
Current accounts and others	42,135,233.53	77,849,320.09
Total	87,779,185.34	110,631,913.79

Other cash paid related to operating activities

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Out-of-pocket expenses	11,696,851.14	20,185,486.98
Deposits and security deposits	43,181,818.16	18,341,700.56
Penalty for breach of contract	59,834.27	107,338.47
Current accounts and others	39,148,944.66	68,026,982.65
Total	94,087,448.23	106,661,508.66

**(2) Cash related to investing activities**

Other cash received related to investing activities

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Income from futures liquidation	0.00	669,327.72
Total		669,327.72

Other cash paid related to investing activities

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Futures trading fees and liquidation losses	402,612.58	8,115,811.58
Total	402,612.58	8,115,811.58

**(3) Cash related to financing activities**

Other cash paid related to financing activities

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Principal and interest on lease liabilities paid	730,323.63	754,459.08
Total	730,323.63	754,459.08

Notes for other paid cash related to financing activities:

Changes in liabilities arising from financing activities

☐ Applicable ☒ Not applicable**58. Supplementary information to the cash flow statement****(1) Supplementary information to the cash flow statement**

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	81,630,658.94	79,509,744.04
Add: Provision for impairment of assets	312,882.35	857,544.91
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	23,663,133.98	20,210,193.63
Depreciation of right-of-use assets	6,088,749.63	4,726,718.58
Amortization of intangible assets	439,109.16	280,390.51
Amortization of long-term deferred expenses	6,998,892.59	3,448,584.09
Loss from disposal of fixed assets, intangible assets, and other long-term assets (gain to be listed with "-")	123,104.39	227.20
Loss from the scrapping of fixed assets (gain to be listed with "-")		
Loss from changes in fair value (gain to be listed with "-")	2,801,386.05	2,981,593.36
Financial expense (gain to be listed with "-")	2,287,888.06	3,685,893.43
Investment loss (gain to be listed with "-")	-6,028,215.73	-14,706,604.25
Decrease of deferred income tax assets (increase to be listed with "-")	9,769.28	1,895,046.72
Increase of deferred income tax liabilities (decrease to be listed with "-")	-884,715.42	-89,300.07
Decrease of inventories (increase to be listed with "-")	62,334,134.05	86,288,295.78
Decrease of operational receivables (increase to be listed with "-")	-101,367,058.55	-95,752,549.66
Increase in operating items payable (decrease to be listed with "-")	76,396,612.89	13,973,710.65
Others		
Net cash flows from operating activities	154,806,331.67	107,309,488.92
2. Major investing and financing		

activities not involving cash receipts and payments:		
Transfer of debt into capital		
Current portion of convertible corporate bonds		
Fixed assets acquired through financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	209,388,835.26	155,899,714.76
Less: Beginning balance of cash	301,275,968.63	160,223,387.69
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-91,887,133.37	-4,323,672.93

## (2) Composition of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	209,388,835.26	301,275,968.63
Including: Cash on hand	9,592.79	20,879.87
Cash at bank available for payment at any time	179,793,143.41	241,190,505.42
Other cash at bank and on hand available for payment at any time	29,586,099.06	60,064,583.34
III. Ending balance of cash and cash equivalents	209,388,835.26	301,275,968.63

## (3) Monetary funds not belonging to cash and cash equivalents

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Reasons for not belonging to cash and cash equivalents
Gold leasing security deposits and interest	30,350,972.23	40,477,138.89	
Futures and options account margin	1,080,805.01	4,104,642.60	
Amount under judicial control	1,066,174.00		
Margin payable security deposits and interest	36,080,959.01	28,123,726.04	
Total	68,578,910.25	72,705,507.53	

**59. Monetary items in foreign currency****(1) Monetary items in foreign currency**

Unit: RMB

Item	Ending balance of foreign currency	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand			
Including: USD	861.56	7.19	6,193.24
EUR			
HKD	73,961.03	0.92	68,220.58
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	122,890.49	7.19	883,386.30
Other payables			
Including: HKD	3,376,679.37	0.92	3,114,600.01

**(2) Description of overseas operating entities, including the disclosure of the primary places of business abroad, bookkeeping base currency, and the basis for its selection for significant overseas operating entities. If there is a change in the bookkeeping base currency, the reason for the change shall also be disclosed.**

☐ Applicable ☒ Not applicable

**60. Lease****(1) The Company as the lessee**

☒ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ☒ Not applicable

Lease expenses for short-term leases or low-value assets that are simplified

☐ Applicable ☒ Not applicable

Situations involving sale and leaseback transactions

**(2) The Company as the lessor**

Operating leases with the Company as the lessor

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Lease income	Including: Incomes related to variable lease payments that are not included in the measurement of lease receipts
Lease	170,071,091.69	
Total	170,071,091.69	

Finance lease with the Company as the lessor

☐ Applicable ☒ Not applicable

Annual undiscounted lease receipts in the next five years

☐ Applicable ☒ Not applicable

Reconciliation of undiscounted lease payments to net lease investment

### (3) Recognition of selling profit or loss on a finance lease as a producer or distributor

☐ Applicable ☒ Not applicable

## VIII. R&D Expenditures

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Labor costs	1,854,234.24	1,203,314.39
Depreciation expenses	43,652.36	24,087.95
Other expenses	147,433.63	125,630.46
Total	2,045,320.23	1,353,032.80
Including: Expense account-based R&D expenses	2,045,320.23	1,353,032.80

## IX. Equity in Other Entities

### 1. Equity in subsidiaries

#### (1) Composition of enterprise group

Unit: RMB

Subsidiary name	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding proportion		Acquisition method
					Direct	Indirect	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	32,900,000.00	Shenzhen	Shenzhen	Commerce	5.00%	95.00%	Establishment
Shenzhen Bao'an Shiquan Industry Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment

Shenzhen SDG Tellus Real Estate Co., Ltd.	31,150,000.0 0	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishmen t
Shenzhen Tellus Chuangying Technology Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishmen t
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%	0.00%	Establishmen t
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	18,960,000.0 0	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishmen t
Shenzhen Automobile Industry Supply and Marketing Company	11,110,000.0 0	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishmen t
Shenzhen Zhongtian Industry Co., Ltd.	366,221,900. 00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishmen t
Shenzhen Huari Automobile Sales and Service Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Establishmen t
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.0 0	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishmen t
Shenzhen Jewelry Industry Service Co., Ltd.	100,000,000. 00	Shenzhen	Shenzhen	Commerce	65.00%	0.00%	Establishmen t
Shanghai Fanyue Diamond Co., Ltd.	3,500,000.00	Shanghai	Shanghai	Commerce	0.00%	100.00%	Establishmen t
Guorun Gold Shenzhen Co., Ltd.	200,000,000. 00	Shenzhen	Shenzhen	Commerce	36.00%	3.25%	Establishmen t
Shenzhen SDG Huari	35,712,710.5 0	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Establishmen t

Automobile Enterprise Co., Ltd.							
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment

Explanation of the fact that the shareholding percentage is different from proportion of votes in subsidiaries:

The shareholding proportion in Guorun Gold Shenzhen Co., Ltd. is different from the proportion of voting rights, and the basis for holding half or less of the voting rights but still controlling the investee:

In June 2022, the Company cooperated with its subsidiaries Shenzhen Jewelry Industry Service Co., Ltd., Shenzhen HTI Group Co., Ltd., Chow Tai Fook Jewellery Park (Wuhan) Co., Ltd., Chow Tai Seng Jewelry Co., Ltd., Beijing Caishikou Department Store Co., Ltd., and Shenzhen ZHL Industrial Co., Ltd. to jointly invest in the establishment of Guorun Gold Shenzhen Co., Ltd. Among them, the Company contributed RMB 72 million, with a shareholding ratio of 36%; Shenzhen Jewelry Industry Service Co., Ltd., a subsidiary of the Company, contributed RMB 10 million, with a shareholding ratio of 5%; Shenzhen HTI Group Co., Ltd. held 10%, and other shareholders held 49% in total. The Company signed a concerted action agreement with Shenzhen HTI Group Co., Ltd., stipulating that Shenzhen HTI Group Co., Ltd. shall maintain a consensus with the Company when voting at the shareholders' meeting and the board of directors of Guorun Gold Shenzhen Co., Ltd. Therefore, the Company and its subsidiaries actually hold 51% of the voting rights of Guorun Gold Shenzhen Co., Ltd., and have control over Guorun Gold Shenzhen Co., Ltd.

The basis for the Company's control over the investee when holding half or less of the voting rights and the Company's control over the investee when holding more than half of the voting rights:

The basis for control over the important structured entities incorporated in the consolidated scope:

The basis to determine whether company is the agent or the principal:

## (2) Important non-wholly-owned subsidiaries

Unit: RMB

Subsidiary name	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority interest at the end of the period
Guorun Gold Shenzhen Co., Ltd.	60.75%	-3,955,069.39		116,863,519.44

Notes on the difference between the shareholding percentage of minority shareholders of subsidiaries and the voting rights ratio:

Other notes:

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

Unit: RMB

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guoru	456,84	6,588,	463,43	268,27	3,606,	271,88	389,61	7,015,	396,62	194,65	3,912,	198,56



n Gold Shenz hen Co., Ltd.	6,257. 51	693.85	4,951. 36	5,240. 32	852.96	2,093. 28	3,130. 69	684.80	8,815. 49	3,052. 28	502.84	5,555. 12
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Unit: RMB

Subsidiary name	Amount Incurred in the current period				Amount Incurred in the previous period			
	Operating revenue	Net profit	Total comprehen sive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehen sive income	Cash flows from operating activities
Guorun Gold Shenzhen Co., Ltd.	703,347,72 7.65	- 6,510,402.2 9	- 6,510,402.2 9	58,673,219. 39	1,427,534,5 81.98	670,179.30	670,179.30	90,487,735. 85

## 2. Equity in joint ventures or associates

### (1) Important joint ventures or associates

Name of joint venture or associate	Principal place of business	Place registration	Business nature	Shareholding proportion		Accounting methods for the investment in joint ventures or associates
				Direct	Indirect	
Joint ventures:						
Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen	Shenzhen	Investing in the establishment of industries	50.00%		Equity method
Associates:						
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen	Shenzhen	Mercedes-Benz Auto Sales	35.00%		Equity method

Explanation of the shareholding percentage being different from the proportion of voting rights in joint ventures or associates:

The basis for holding less than 20% of the voting rights but enjoying a significant influence, or holding 20% or more of the voting rights but not enjoying a significant influence:

### (2) Main financial information of important joint ventures

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
	Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen Tellus-Gmond Investment Co., Ltd.
Current assets	69,841,154.89	64,308,170.72
Including: Cash and cash equivalents	69,362,514.23	63,261,490.89
Non-current assets	289,816,027.86	301,569,595.17
Total assets	359,657,182.75	365,877,765.89

Current liabilities	51,333,108.49	46,770,664.57
Non-current liabilities	171,464,000.00	206,675,092.80
Total liabilities	222,797,108.49	253,445,757.37
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	136,860,074.26	112,432,008.52
Shares of net assets calculated as per the shareholding proportion	68,430,037.13	56,216,004.26
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments to joint ventures	68,430,037.13	56,216,004.26
Fair value of equity investment in joint ventures with public offer		
Operating revenue	66,419,256.82	68,891,890.69
Financial expenses	3,516,403.35	4,854,802.36
Income tax expenses	8,142,688.58	5,728,222.17
Net profit	24,428,065.74	14,559,666.49
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive income	24,428,065.74	14,559,666.49
Dividends received from joint ventures in the current year		15,000,000.00

### (3) Major financial information of important associates

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.
Current assets	47,723,590.63	142,897,387.81
Non-current assets	18,029,405.35	23,459,468.10
Total assets	65,752,995.98	166,356,855.91
Current liabilities	24,150,063.67	122,597,583.76
Non-current liabilities		362,341.96
Total liabilities	24,150,063.67	122,959,925.72
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	41,602,932.31	43,396,930.19
Shares of net assets calculated as per the	14,561,026.31	15,188,925.57

shareholding proportion		
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in associates	14,561,026.31	15,188,925.57
Fair value of equity investment in associates with public offer		
Operating revenue	297,931,059.04	385,757,907.13
Net profit	-1,793,997.89	35,552,134.52
Net profit from discontinued operations		
Other comprehensive incomes		
Total comprehensive income	-1,793,997.89	35,552,134.52
Dividends received from associates in the current year		

#### (4) Summary of financial information of unimportant joint ventures and associates

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
Joint ventures:		
Total book value of investments	14,011,030.67	13,686,903.37
Total amount of the following items at the shareholding percentage		
--Net profit	324,127.30	156,037.06
--Other comprehensive income	324,127.30	156,037.06
Associates:		
Total amount of the following items at the shareholding percentage		

#### (5) Excess losses incurred to joint ventures or associates

Unit: RMB

Name of joint venture or associate	Unrecognized loss accumulated in the previous period	Unrecognized loss in the current period (or net profit shared in the current period)	Unrecognized loss accumulated at the end of the current period
Shenzhen Tellus Automobile Service Chain Co., Ltd.	98,865.26		98,865.26
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	1,176,212.73		1,176,212.73

## X. Government Subsidies

### 1. Government subsidies recognized as receivable amounts at the end of the reporting period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

### 2. Liability-related projects with government subsidies

☒ Applicable ☐ Not applicable

Unit: RMB

Accounting item	Beginning balance	New granted amount in the current period	Amount included in non-operating revenue in the current period	Amount transferred to other incomes in the current period	Other changes in the current period	Ending balance	Asset/income-related
Deferred income	7,837,477.60			880,145.82		6,957,331.78	Asset-related

### 3. Government subsidies included in the current profit or loss

☒ Applicable ☐ Not applicable

Unit: RMB

Accounting item	Amount Incurred in the current period	Amount Incurred in the previous period
Other incomes	1,107,048.00	5,680,047.59

Other notes:

## XI. Risks Related to Financial Instruments

### 1. Various risks arising from financial instruments

The main financial instruments of the Company include cash at bank and on hand, accounts receivable and other receivables, non-current assets due within one year, other current assets, trading financial assets, debt investments, other debt investments, other equity instrument investments, other non-current financial assets, long-term receivables, notes payable, accounts payable, other payables, short-term borrowings, trading financial liabilities, non-current liabilities due within one year, lease liabilities and long-term payables. Details of each financial instrument of the Company are disclosed in the related notes. Risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described as follows. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled in a limited scope.

### Objectives and policies of risk management

The major risks that may be caused by the Company's financial instruments include credit risks, liquidity risks, and market risks (including exchange rate risk, interest rate risk, and commodity price risk).

The Company's overall risk management plan aims to mitigate the potential adverse effects on the Company's financial performance caused by the unpredictability of the financial market.

The Company has formulated risk management policies to identify and analyze all the risks faced by the Company, set up the acceptable risk level, and design corresponding internal control procedures to monitor the Company's risk level. These risk management policies and related internal control systems will be reviewed regularly to accommodate market conditions or changes in the Company's operating activities. The internal audit department will also regularly or irregularly check whether the implementation of such internal control systems complies with risk management policies.

The Company disseminates risks in financial instruments through appropriate diversified investments and business portfolios and formulates corresponding risk management policies to reduce risks concentrated in a single industry, specific regions, or specific counterparties.

### (1) Credit risks

Credit risk is the risk of financial loss of the Company caused by a counterparty's failure to meet its obligations in a contract.

The Company manages credit risks through portfolio classification. Credit risk mainly arises from bank deposits, accounts receivable, other receivables, long-term receivables, debt investments, etc.

For expected bank deposits, no major credit risk is generated as the Company's bank deposits are mainly kept in state-owned banks and other large and medium-sized listed banks.

For notes receivable, accounts receivable, other receivables, and long-term receivables, relevant policies are established by the Company to control credit risk exposure. The Company evaluates customers' credit qualifications based on their financial status, credit records, and other factors such as current market conditions, and sets corresponding credit periods. The Company will monitor the credit records of customers regularly. For customers with poor credit records, measures such as written payment demand, shortening the credit period, or canceling the credit period will be adopted by the Company, to ensure the overall credit risk is in the controllable scope.

The Company's debtors of accounts receivable are customers distributed in different industries and areas. The Company continuously conducts credit assessments on the financial status of accounts receivable and, when appropriate, purchases credit guarantee insurance.

The maximum credit risk exposure tolerable by the Company is the book amount of each of the financial asset items in the balance sheet. The Company has not provided any other guarantee that may cause the Company to bear credit risks.

Among the accounts receivable of the Company, the accounts receivable from the top five customers account for 49.51% of the total accounts receivable (2024: 28.78%). Additionally, among the other receivables, the amounts owed by the top five companies in amount in arrear represent 47.64% of the Company's total other receivables (2024: 48.62%).

## (2) Liquidity risks

Liquidity risk refers to the risk of a shortage of funds arising from the performance of the Company's obligations to settle through the delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed necessary by management and monitors them to meet operational needs and mitigate the impact of cash flow volatility. The management of the Company monitors the utilization of bank loans and ensures compliance with borrowing agreements. Meanwhile, the Company has obtained commitments from major financial institutions regarding the provision of adequate reserve funds to meet the Company's fund requirements in the short and long terms.

Sources of the Company's working capital include funds generated from operating activities, bank loans, and other borrowings. At the end of the period, the unused bank borrowing limit of the Company is RMB 1.32 billion (RMB 20 million at the end of the previous year).

At the end of the period, financial liabilities and off-balance sheet guaranteed items held by the Company are analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Project name	June 30, 2025				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	14,295.14				14,295.14
Financial liabilities held for trading	6,347.23				6,347.23
Derivative financial liabilities	-				-
Accounts payable	2,594.73	3,825.94	0.71	5,104.80	11,526.18
Other payables	4,814.40	2,375.50	364.18	5,746.43	13,300.51
Current portion of non-current liabilities	631.93				631.93
Lease liabilities		589.78	1,149.10	6,471.98	8,210.86
Long-term payables				392.02	392.02
Total	28,683.43	6,791.22	1,513.99	17,715.23	54,703.87

At the end of the previous year, financial liabilities and off-balance sheet guaranteed items held by the Company were analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Project name	December 31, 2024				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	12,010.14	-	-	-	12,010.14
Financial liabilities held for trading	-	-	-	-	0.00

Derivative financial liabilities	4.67	-	-	-	4.67
Accounts payable	3,624.12	3,825.94	0.71	5,104.80	12,555.57
Other payables	4,145.11	2,375.50	364.18	5,746.43	12,631.22
Current portion of non-current liabilities	867.49	-	-	-	867.49
Lease liabilities	-	1,129.41	1,149.10	6,471.98	8,750.49
Long-term payables	-	-	-	392.02	392.02
Total	20,651.53	7,330.85	1,513.99	17,715.23	47,211.61

The amount of financial liabilities disclosed in the above table is undiscounted contractual cash flows and may therefore differ from their carrying amount in the balance sheet.

The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

### (3) Market risks

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development. Market risks include interest rate risk, exchange rate risk, and other price risks.

#### Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in the market interest rate. Interest rate risk can come from recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The interest rate risk of the Company mainly arises from long-term borrowings from banks, bonds payable, and other long-term debts with interest. Financial liabilities with a floating interest rate expose the Company to cash flow interest rate risk, and financial liabilities with a fixed interest rate expose it to a fair value interest rate risk. The Company determines the ratio of fixed-rate and floating-rate contracts based on the market environment and maintains an appropriate combination of fixed-rate and floating-rate instruments through regular review and monitoring.

The Company keeps an eye on the effect of changes in interest rates on the Company's interest rate risk. At present, the Company does not take any interest rate hedging policy. However, the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risks when necessary. The increase in interest rates will increase the cost of new interest-bearing debts and the Company's unpaid interest expense on interest-bearing debts accrued at floating interest rates, which will have a significant adverse effect on the Company's financial results. The management will duly make adjustments according to the latest market conditions. These adjustments may reduce interest rate risks via interest rate swaps.

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact after re-measurement of the above financial instruments according to the new interest rate assuming that the interest rate on the balance sheet date changes. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the estimated annual interest expenses or revenue. The previous year's analysis was based on the same assumption and methodology.

## Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Exchange rate risk may come from financial instruments valued in a foreign currency other than the bookkeeping base currency.

The main business of the Company is conducted in China and settled in RMB. Therefore, the Company believes that the exchange rate risk faced is not significant.

The Company keeps an eye on the effect of the fluctuation in exchange rates on its exchange rate risk. At present, the Company does not take any action to avoid exchange rate risks. However, the management is responsible for monitoring exchange rate risks and will consider hedging significant interest rate risks when necessary.

## Capital management

The objective of the Company's capital management policy is to ensure the sustainability of operations, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust financing methods and the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce liabilities.

The Company monitors capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). At the end of the period, the Company's asset-liability ratio is 28.96% (26.85% at the end of the previous year).

## 2. Hedging

### (1) The Company conducts hedging business for risk management

☒Applicable ☐ Not applicable

To avoid the risk of changes in the fair value of gold raw materials held by them (i.e. the hedged risk), the subsidiaries of the Company, Guorun Gold Shenzhen Co., Ltd. and Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd., analyzed the expected purchase transactions of gold raw materials based on the number of gold bars booked and invested by customers and, on this basis, used hedging instruments such as deferred delivery contracts for spot gold of Shanghai Gold Exchange, gold futures contracts of Shanghai Futures Exchange, and exchange gold options. In this way, the risk of gold product price decline caused by the sharp drop in gold price can be avoided. Guorun Gold, a subsidiary of the Company, formulated the *Hedging Transaction Management Guidelines*, which clearly stipulates the approval authority, operation process, and risk control for the Company to carry out hedging business. The hedge is a fair value hedge. The accounting period specified for the hedging relationship is from January 1, 2025, to June 30, 2025.

The approval procedures for the Company to use its funds to carry out hedging business comply with relevant national laws, regulations, and the Articles of Association. The gold deferred transaction hedging business



carried out to avoid fluctuations in gold prices is conducive to controlling operational risks and improving the Company's ability to resist market fluctuations.

**(2) The Company carries out eligible hedging business and applies hedge accounting**

Unit: RMB

The book value of the hedged items and related adjustments are as follows:

H1 2025

Item	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2025 (note)
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventory	37,863,854.83	-	-269,754.86		Inventories	-

2024

Item	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2024 (note)
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventory	115,731,218.89	-	-874,345.74	-	Inventories	-

Changes in the book value and fair value of hedging instruments are as follows:

H1 2025

Item	Hedging instruments'	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2025 (note)
	Nominal amount	Assets	Liabilities		
Commodity price risk-inventory	37,863,854.83	108,160.00	-	Derivative financial asset/liability	-

2024

Item	Hedging instruments'	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2024 (note)
	Nominal amount	Assets	Liabilities		
Commodity price risk-inventory	115,731,218.89	292,078.00	46,660.00	Derivative financial asset/liability	-

Note: The invalid portion of hedging mainly comes from basis risk, supply and demand change risks in the spot or futures market, and uncertainty risks in other spot or futures markets. The invalid portions of hedging recognized in the current and previous years are not significant.

**(3) The Company carries out hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting**

☐ Applicable ☒ Not applicable

### 3. Financial assets

#### (1) Classification of transfer methods

☐ Applicable ☒ Not applicable

#### (2) Financial assets derecognized due to transfers

☐ Applicable ☒ Not applicable

#### (3) Continuing involvement in the transfer of financial assets

☐ Applicable ☒ Not applicable

Other notes

## XII. Disclosure of Fair Value

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

Unit: RMB

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--

(I) Trading financial assets		197,026,798.06		197,026,798.06
1. Financial assets at fair value through profit or loss		197,026,798.06		197,026,798.06
(4) Structured deposits and financial products		197,026,798.06		197,026,798.06
(II) Derivative financial assets	108,160.00			108,160.00
1. Hedging instruments	108,160.00			108,160.00
(III) Other debt investments		224,259,409.78		224,259,409.78
1. Large-denomination certificate of deposit		224,259,409.78		224,259,409.78
(IV) Hedged items	37,863,854.83			37,863,854.83
Total assets continuously measured at fair value	37,972,014.83	421,286,207.84		459,258,222.67
(VII) Specified as financial liabilities at fair value with changes into current profit or loss	63,472,251.57			63,472,251.57
(1) Gold leasing	63,472,251.57			63,472,251.57
Total amount of liabilities continuously measured at fair value	63,472,251.57			63,472,251.57
II. Non-continuous fair value measurement	--	--	--	--

## 2. The basis for determining the market price of items subject to continuous and non-continuous level 1 fair value measurement

Level 1: Quotations for the same assets or liabilities in active markets (unadjusted).

The Company designates the financial liabilities measured at fair value through profit or loss as the physical gold leasing business from banks by the Company. There is an active market for gold (Shanghai Gold Exchange), and the Shanghai Gold Exchange publishes the closing price of gold contract transactions on each trading day. At the end of the period, the Company uses the closing price published by the Shanghai Gold Exchange on the last trading day as the basis for determining the market price.

The hedged items of the Company are gold product inventories. The hedging instruments are assets/liabilities arising from changes in the fair value of gold futures contracts and gold spot deferred settlement contracts held by the Company. The Company determines the fair value based on the public quotations of gold spot transactions and futures transactions of Shanghai Gold Exchange and Shanghai Futures Exchange.

### 3. Qualitative and quantitative information about valuation techniques and key parameters of items concerning continuous and non-continuous level 2 fair value measurement

Level 2: Observable input values other than market quotations for assets or liabilities in level 1 are used directly (i.e. price) or indirectly (i.e. derived from price).

The trading financial assets held by the Company are bank financial products with one-year principal guaranteed floating income, and their fair value is determined based on discounted future cash flows calculated at an agreed expected rate of return. There is no material difference between the fair value and book cost of other non-current financial assets held by the Company.

Information on level 2 fair value measurement

Content	Ending fair value	Valuation technique	Input value
Derivative instruments:			
Derivative financial assets	--	Discounted cash flow method	Expected interest rate
Derivative financial liabilities	--	Discounted cash flow method	Expected interest rate

### 4. Qualitative and quantitative information about valuation techniques and key parameters of items concerning continuous and non-continuous level 3 fair value measurement

#### 5. Information on the adjustment between the beginning book value and the ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of unobservable parameters

Level 3: Any input value (unobservable input value) that is not based on observable market data is used for assets or liabilities.

Equity instrument investments are measured by the Company based on the investment cost as a reasonable estimate of the fair value, because the operating environment, operating conditions, and financial conditions of the investee, China PUFA Machinery Industry Co., Ltd., have not changed significantly.

Quantitative information of significant unobservable input values used in level 3 fair value measurement

Content	Ending fair value	Valuation technique	Unobservable input value	Range (weighted average)
Equity instrument investment:				
Unlisted equity investment				
		Net assets	N/A	N/A

### 6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period

In this year, the fair value measurement of financial assets and financial liabilities of the Company did not transfer between Level 1 and Level 2, or transfer into or out of Level 3.

For financial instruments traded in active markets, the Company determines their fair value based on active market quotes. For financial instruments not traded in active markets, the Company uses valuation techniques to establish their fair value. The used valuation model mainly includes the discounted cash flow model and the market comparable company model. The input values of valuation techniques mainly include the risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, and discount for lack of marketability (DLOM).

### XIII. Related Parties and Related Transactions

#### 1. Information of the parent company

Name of parent company	Place of registration	Business nature	Registered capital	Shareholding proportion of the parent company to the Company	Vote proportion of the parent company to the Company
Shenzhen Special Economic Zone Development Group Co., Ltd.	Shenzhen	Real estate development and operation, domestic commerce	RMB 6,179,406,000	49.09%	49.09%

Information of the parent company

SDG Group, established on June 20, 1982, was invested by the Shenzhen SASAC. The company currently holds a business license with a unified social credit code of 91440300192194195C and a registered capital of RMB 6,179,406,000.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government.

#### 2. Information of the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to Note IX.1.

#### 3. Information of the joint ventures and associates of the Company

The important joint ventures or associates of the Company are detailed in Note IX. 2.

The information on other joint ventures or associates that produced balance by conducting related-party transactions with the Company in the current period or in the earlier period is shown as follows:

Name of joint venture or associate	Relationship with the Company
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Associate of the Company
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associate of the Company
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Associate of the Company
Shenzhen Torch Spark Plug Industry Co., Ltd.	Associate of the Company
Shenzhen Xiandao New Materials Co., Ltd.	Associate of the Company
Shenzhen Telixing Investment Co., Ltd.	Joint venture of the Company

#### 4. Information of other related parties

Name of other related parties	Relationship between other related parties and the Company
-------------------------------	--

Shenzhen SDG Microfinance Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Urban Renewal Investment Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Machinery & Equipment Import & Export Co., Ltd.	Controlled subsidiary of the Company's parent company
Hongkong Yujia Investment Limited	Controlled subsidiary of the Company's parent company
Shenzhen SDG Engineering Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Tellus Yangchun Company	Controlled subsidiary of the Company's parent company
Shenzhen SDG Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Longgang Tellus Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Tellus Property Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Service Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Building Technology Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Eastern Service Co., Ltd.	Controlled subsidiary of the Company's parent company
ISSTech Information Technology Co., Ltd.	Subsidiary controlled by the parent company of the Company within 12 months
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Associate of the Company's parent company
Shenzhen ZHL Industrial Co., Ltd.	Minority shareholder of important subsidiary
Beijing Caishikou Department Store Co., Ltd.	Minority shareholder of important subsidiary
Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	Investment company of the Company
Shenzhen Zhongminglong Investment Co., Ltd.	Enterprise in which the former president of an important subsidiary holds shares
Shenzhen Jinliantong Digital Technology Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Shenzhen Yuepengjin Jewelry Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Shenzhen Yuepengjin E-commerce Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Guoren Property & Casualty Insurance Co., Ltd.	Holding subsidiary of the parent company of the Company's parent company

## 5. Information of related transactions

### (1) Related transactions of purchase/sales of commodities and rendering/receiving of labor services

Information on purchase of commodities/receipt of labor services

Unit: RMB

Related party	Content of related party transaction	Amount Incurred in the current period	Approved transaction amount	Exceeding the transaction amount or not	Amount Incurred in the previous period
Shenzhen SDG Service Co., Ltd.	Receiving services	11,005,695.25	10,500,000.00	No	10,111,049.17
Shenzhen SDG Tellus Property Management Co., Ltd.	Receiving services	1,687,429.32	6,900,000.00	No	872,337.13
Shenzhen SDG Building Technology Co., Ltd.	Receiving services	135,849.06	500,000.00	No	135,849.06
Shenzhen ZHL Industrial Co., Ltd.	Receiving services	7,156.32		No	412,229.08
Shenzhen Yuepengjin Jewelry Co., Ltd.	Receiving services	61,686.73		No	40,625.67

Shenzhen SDG Engineering Management Co., Ltd.	Receiving services	207,497.86	1,600,000.00	No	120,000.00
Guoren Property & Casualty Insurance Co., Ltd.	Purchasing services	102,641.52	1,000,000.00	No	232,830.19
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Receiving services	6,087,971.24		No	7,474,168.85
Shenzhen SDG Eastern Service Co., Ltd.	Receiving services	0.00	500,000.00	No	
ISSTech Information Technology Co., Ltd.	Purchasing software	1,776,482.07		No	

Information on selling goods/rendering labor services

Unit: RMB

Related party	Content of related party transaction	Amount Incurred in the current period	Amount Incurred in the previous period
Beijing Caishikou Department Store Co., Ltd.	Sales of goods	6,149,180.28	3,391,541.93
Shenzhen ZHL Industrial Co., Ltd.	Provision of services	18,848.52	339,874.20
Shenzhen Yuepengjin E-commerce Co., Ltd.	Sales of goods	0.00	66,320,646.02
Shenzhen Telixing Investment Co., Ltd.	Provision of services	0.00	283,018.88

Notes for related transactions of purchase/sales of commodities and rendering/receiving of labor services

## (2) Information of related lease

The Company as the lessor:

Unit: RMB

Name of the lessee	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
Shenzhen SDG Service Co., Ltd.	Lease of houses	2,097,741.01	1,309,654.02
Shenzhen SDG Tellus Property Management Co., Ltd.	Lease of houses	84,045.66	82,730.47
Shenzhen SDG Microfinance Co., Ltd.	Lease of houses	636,925.89	610,182.85
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Lease of houses	0.00	8,400.00
Shenzhen Yuepengjin Jewelry Co., Ltd.	Lease of houses	865,740.46	1,116,635.87
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Lease of houses	0.00	2,595,238.09

**(3) Remuneration of key management personnel**

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Remuneration of key management personnel	1,734,900.00	2,201,400.00

**6. Receivables and payables by related parties****(1) Receivables**

Unit: RMB

Project name	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen ZHL Industrial Co., Ltd.	16,322.36	163.22		
Accounts receivable	Beijing Caishikou Department Store Co., Ltd.	985,795.20	9,857.95	544,715.30	5,447.15
Accounts receivable	Shenzhen SDG Service Co., Ltd.	346,925.54		1,043,536.03	10,435.36
Accounts receivable	Shenzhen SDG Microfinance Co., Ltd.	12,708.97			
Accounts receivable	Shenzhen Yuepengjin Jewelry Co., Ltd.	144,922.40			
Prepayments	Guoren Property & Casualty Insurance Co., Ltd.	60,062.85		162,704.37	
Prepayments	Shenzhen SDG Service Co., Ltd.			7,200.00	
Other receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,360,390.00	1,360,390.00	1,360,390.00	1,360,390.00
Other receivables	Shenzhen Xiandao New Materials Co., Ltd.			660,790.09	660,790.09
Other receivables	Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	2,886.00	2,886.00	2,886.00	2,886.00
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	34,155.00		18,834.77	3,641.74
Other receivables	Shenzhen Yongtong Xinda	531,882.24	531,882.24	531,882.24	531,882.24



	Testing Equipment Co., Ltd.				
Other receivables	Shenzhen Telixing Investment Co., Ltd.	738,682.15	36,057.45	733,103.55	36,057.45
Other receivables	Shenzhen ZHL Industrial Co., Ltd.	1,154,654.17	11,546.54	633,580.65	6,335.81
Long-term receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	6,146,228.91	6,146,228.91	6,146,228.91	6,146,228.91

## (2) Payables

Unit: RMB

Project name	Related party	Period-end book balance	Period-beginning book balance
Accounts payable	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	45,300.00	45,300.00
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	834.89	669.57
Accounts payable	Shenzhen Yuepengjin Jewelry Co., Ltd.	9,506.00	28,000.00
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	738,955.78	5,371,011.83
Accounts payable	Shenzhen SDG Service Co., Ltd.	3,042,053.10	3,865,062.67
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	108,038.46	1,365,692.04
Accounts payable	Shenzhen Tellus-Gmond Investment Co., Ltd.		200,000.00
Advances from customers	Shenzhen SDG Microfinance Co., Ltd.		42,625.39
Advances from customers	Shenzhen SDG Tellus Property Management Co., Ltd.	1,243.34	1,243.34
Advances from customers	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	68.00	68.00
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen SDG Service Co., Ltd.	40,992.00	50,506.00
Other payables	Shenzhen Yuepengjin Jewelry Co., Ltd.	388,102.00	388,102.00
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.		143,746.10
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	800.00	800.00
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	183,069.59	441,842.84
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.	3,000.00	3,000.00
Other payables	Shenzhen Tellus Yangchun	476,217.49	476,217.49

	Real Estate Co., Ltd.		
Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,554,196.80	1,575,452.52
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	206,607.08	150,929.85
Other payables	Shenzhen SDG Engineering Management Co., Ltd.		148,302.24
Other payables	Hongkong Yujia Investment Limited	2,255,339.58	2,255,339.58
Other payables	Shenzhen SDG Urban Renewal Investment Co., Ltd.	28,766.05	28,766.05
Other payables	Shenzhen Zhongminglong Investment Co., Ltd.		14,100.00
Other payables	Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	2,000.00	2,000.00
Other payables	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.		833,334.00
Other payables	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50

## XIV. Commitments and Contingencies

### 1. Important commitments

Important commitments existing on the balance sheet date

As of June 30, 2025, the Company had no significant commitments.

### 2. Contingencies

#### (1) Important contingencies existing on the balance sheet date

As of June 30, 2025, the Company had no pending litigation, external guarantees, or other contingencies that should be disclosed.

#### (2) In case of no important contingencies to be disclosed, a description shall be given

The Company has no important contingencies to be disclosed.

## XV. Matters after the Balance Sheet Date

### 1. Description of other matters after the balance sheet date

None.

## XVI. Other Significant Matters

### 1. Segmented information

#### (1) Determination basis and accounting policy of reporting segments

According to the Company's internal organizational structure, management requirements, and internal reporting system, the business of the Company is divided into four reporting segments. These reporting segments are determined based on the financial information required by the Company's daily internal management. The Group's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources to them and evaluate their performance.

The reporting segments of the Company include:

- (1) Jewelry sales and services, and wholesale and retail of gold and jewelry;
- (2) Leasing and services, real estate, and commercial real estate leasing;

The segment reporting information is disclosed according to the accounting policy and measurement standard adopted when each segment reports to the management, and the accounting policy and measurement basis are in correspondence with those of formulating financial statements.

#### (2) Financial information of reporting segments

Unit: RMB

Item	Wholesale and retail of jewelry	Leasing and services	Inter-segment offset	Total
Revenue from main business	708,201,538.25	171,981,312.06	-1,910,220.37	878,272,629.94
Costs of main business	686,181,047.02	48,786,699.93	1,696,879.49	736,664,626.44
Total assets	628,889,666.66	2,843,473,827.15	-746,920,529.53	2,725,442,964.28
Total liabilities	349,451,926.17	499,022,295.36	-59,282,055.92	789,192,165.61

## XVII. Notes for Major Items of the Parent Company's Financial Statement

### 1. Accounts receivable

#### (1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	16,943,582.42	17,614,712.56
1-2 years	2,352,446.33	2,352,446.33
2-3 years	77,741.87	77,741.87
Over 3 years		484,803.08
Over 5 years		484,803.08
Total	19,373,770.62	20,529,703.84

**(2) Disclosure by bad debt accrual method**

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable with provision for bad debts on a single basis						484,803.08	2.36%	484,803.08	100.00%	
Including:										
Accounts receivable with provision for bad debts on a portfolio basis	19,373,770.62	100.00%	330,869.94	1.71%	19,042,900.68	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82
Including:										
1. Account receivable age portfolio	19,373,770.62	100.00%	330,869.94	1.71%	19,042,900.68	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82
Total	19,373,770.62	100.00%	330,869.94	1.71%	19,042,900.68	20,529,703.84	100.00%	815,673.02	3.97%	19,714,030.82

Category name of bad debt provision made on a portfolio basis: Account receivable age portfolio

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision proportion
Account receivable age portfolio	19,373,770.62	330,869.94	1.71%
Total	19,373,770.62	330,869.94	

Whether to accrue bad debt provision of accounts receivable according to expected credit loss:

☒Applicable ☐ Not applicable

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025	330,869.94		484,803.08	815,673.02
Balance as of January 1, 2025 in the current period				
Write-off in the current period			484,803.08	484,803.08
Balance as of June 30, 2025	330,869.94			330,869.94

### (3) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts made on a single basis	484,803.08			484,803.08		0.00
Provision for bad debts made on a portfolio basis	330,869.94					330,869.94
Total	815,673.02	0.00	0.00	484,803.08	0.00	330,869.94

### 4. Accounts receivable that have been written off in the current period

Unit: RMB

Item	Write-off amount
Accounts receivable actually written off	484,803.08

### (5) Accounts receivable and contractual assets with the top five ending balances collected as per the borrowers

Unit: RMB

Company name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contract assets
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Chow Sang Sang (China) Co., Ltd.	1,549,351.74		1,549,351.74	8.00%	132,000.05
Shenzhen Helin Jewelry Co., Ltd.	1,102,940.65		1,102,940.65	5.69%	119,263.93
Zhongbao Jinyuan (Shenzhen) Industrial Development Co., Ltd.	983,098.71		983,098.71	5.07%	146,148.47
Shenzhen Le En Ai Jewelry Co., Ltd.	520,147.37		520,147.37	2.68%	17,626.37
Shenzhen Xinyufu Jewelry Co., Ltd.	473,715.46		473,715.46	2.45%	52,630.50
<b>Total</b>	<b>4,629,253.93</b>		<b>4,629,253.93</b>	<b>23.89%</b>	<b>467,669.32</b>

## 2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	4,316,161.82	2,839,370.67
<b>Total</b>	<b>4,316,161.82</b>	<b>2,839,370.67</b>

### (1) Dividends receivable

#### 1) Category of dividends receivable

Unit: RMB

Item (or Investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.	0.00	0.00

#### 2) Dividends receivable of important account receivable age of over 1 year

Unit: RMB

Item (or Investee)	Period-end original value	Account receivable age	Reasons for non-recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	2-3 years	Not paid yet	The financial and operating conditions of the company are normal, and the dividends receivable are not impaired.
<b>Total</b>	<b>1,305,581.86</b>			

#### 3) Disclosure by bad debt accrual method

☒ Applicable ☐ Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on a single basis	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00
Including:										
Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00	1,305,581.86	100.00%	1,305,581.86	100.00%	0.00

Category name of bad debt provision made on a single basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Original book value	Provision for bad debts	Original book value	Provision for bad debts	Provision proportion	Reasons for provision
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86	100.00%	The financial and operating conditions of the company are normal, and the dividends receivable are not impaired.
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

Bad debt provision made according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025			1,305,581.86	1,305,581.86
Balance as of January 1, 2025 in the current period				
Balance as of June 30, 2025			1,305,581.86	1,305,581.86

Changes in book balance with significant amount changed of loss provision in the reporting period

☐ Applicable ☒ Not applicable

**4) Bad debt provision provided, recovered, or reversed in the current period**

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	1,305,581.86					1,305,581.86
Total	1,305,581.86					1,305,581.86

**(2) Other receivables****1) Classification of other receivables by nature**

Unit: RMB

Payment nature	Period-end book balance	Period-beginning book balance
Other temporary payments receivable	8,765,779.13	13,967,525.96
Deposits and security deposits	1,679,641.62	1,556,456.36
Concerned intercourse funds within the consolidation scope of receivables	1,213,911.29	61.00
Total	11,659,332.04	15,524,043.32

**2) Disclosure by account receivable age**

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	1,881,258.78	404,467.63
1-2 years	2,557,254.64	2,557,254.64
2-3 years	1,091.61	1,091.61
Over 3 years	7,219,727.01	12,561,229.35
Over 5 years	7,219,727.01	12,561,229.35
Total	11,659,332.04	15,524,043.23

**3) Disclosure by bad debt accrual method**

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on a single	7,170,022.49	68.64%	7,170,022.49	100.00%	0.00	12,511,524.83	22.77%	12,511,524.83	100.00%	0.00



basis										
Including:										
Provision for bad debts made on a portfolio basis	3,275,398.26	31.36%	173,147.73	5.29%	3,102,250.53	3,012,518.40	77.23%	173,147.73	0.30%	2,839,370.67
Including:										
Account receivable age portfolio	1,595,756.64	15.28%	63,267.36	3.96%	1,532,489.28	1,456,062.04	3.49%	63,267.36	3.47%	1,392,794.68
Portfolio of deposit and security deposit receivable	1,679,641.62	16.08%	109,880.37	6.54%	1,569,761.25	1,556,456.36	2.96%	109,880.37	3.86%	1,446,575.99
Total	10,445,420.75	100.00%	7,343,170.22	70.30%	3,102,250.53	15,524,043.23	100.00%	12,684,672.56	23.01%	2,839,370.67

Category name of bad debt provision made on a portfolio basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Provision proportion
Account receivable age portfolio	1,595,756.64	63,267.36	3.96%
Portfolio of deposit and security deposit receivable	1,679,641.62	109,880.37	6.54%
Total	3,275,398.26	173,147.73	

Bad debt provision made according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2025	173,147.73		12,511,524.83	12,684,672.56
Balance as of January 1, 2025 in the current period				
Write-off in the current period			5,306,106.09	5,306,106.09
Other changes			35,396.25	35,396.25
Balance as of June 30,	173,147.73		7,170,022.49	7,343,170.22

2025				
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Changes in book balance with significant amount changed of loss provision in the reporting period

☐ Applicable ☒ Not applicable

#### 4) Bad debt provision provided, recovered, or reversed in the current period

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for bad debts made on a single basis	12,511,524.83			5,306,106.09	35,396.25	7,170,022.49
Provision for bad debts made on a portfolio basis	173,147.73					173,147.73
Total	12,684,672.56	0.00	0.00	5,306,106.09	35,396.25	7,343,170.22

#### 5) Other receivables actually written off in the current period

Unit: RMB

Item	Write-off amount
Other receivables actually written off	5,306,106.09

#### 6) Other receivables of the top five period-end balances by the owing party

Unit: RMB

Company name	Payment nature	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	42.88%	5,000,000.00
Shenzhen Petrochemical Group Co., Ltd.	Intercourse funds	1,927,833.34	Over 3 years	16.53%	1,927,833.34
Shenzhen Jinzhou Precision Technology Corp.	Security deposit	1,515,467.96	Over 3 years	13.00%	75,773.40
Shenzhen Telixing Investment Co., Ltd.	Intercourse funds	738,682.15	1-2 years	6.34%	36,057.45
China Construction First Group Corporation Limited	Intercourse funds	583,978.93	1-2 years	5.01%	29,198.95
Total		9,765,962.38		83.76%	7,068,863.14

### 3. Long-term equity investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	713,610,774.41		713,610,774.41	715,566,774.41	1,956,000.00	713,610,774.41
Investment in associates and joint ventures	100,227,094.11	3,225,000.00	97,002,094.11	94,878,995.52	9,787,162.32	85,091,833.20
Total	813,837,868.52	3,225,000.00	810,612,868.52	810,445,769.93	11,743,162.32	798,702,607.61

#### (1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Provision for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	526,308.52						526,308.52	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	2,883,644.26						2,883,644.26	
Shenzhen Zhongtian Industry Co., Ltd.	369,680.522.90						369,680.522.90	
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	86,251,071.57						86,251,071.57	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	61,908,926.77						61,908,926.77	
Shenzhen	1,807,411.5						1,807,411.5	

Huari Automobile Sales and Service Co., Ltd.	2						2	
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	4,900,000.00						4,900,000.00	
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00						50,000,000.00	
Shenzhen Hanli High Tech Ceramics Co., Ltd.		1,956,000.00					0.00	
Shenzhen Jewelry Industry Service Co., Ltd.	32,500,000.00						32,500,000.00	
Guorun Gold Shenzhen Co., Ltd.	72,000,000.00						72,000,000.00	
Total	713,610,774.41	1,956,000.00					713,610,774.41	

## (2) Investment in associates and joint ventures

Unit: RMB

Investor	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Investment profit or loss recognized by equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividend or profit declared to be distributed	Provision for impairment	Others		
I. Joint venture												
Shenzhen Tellus-Gmond Investment	56,216,004.26				12,214,032.87						68,430,037.13	

Co., Ltd.												
Shenzhen Telixing Investment Co., Ltd.	13,686,903.37				324,127.30						14,011,030.67	
Subtotal	69,902,907.63				12,538,160.17						82,441,067.80	
II. Associate												
Shenzhen Renfu Tellus Automobile Service Co., Ltd.	15,188,925.57				-627,899.26						14,561,026.31	
Hunan Changyang Industrial Co., Ltd.		1,810,540.70										
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00										3,225,000.00
Shenzhen Xianda New Materials Co., Ltd.		4,751,621.62										
Subtotal	15,188,925.57	9,787,162.32			-627,899.26						14,561,026.31	3,225,000.00
Total	85,091,833.20	9,787,162.32			11,910,260.91						97,002,094.11	3,225,000.00

Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses

☐ Applicable ☒ Not applicable

Whether the recoverable amount is determined according to the present value of the expected future cash flow

☐ Applicable ☒ Not applicable

Reasons for the apparent inconsistency between the aforementioned information and the information used in the impairment test of previous years or external information

Reasons for the apparent inconsistency between the information adopted by the Company's impairment test in previous years and the actual situation in that year

#### 4. Operating revenue and operating cost

Unit: RMB

Item	Amount Incurred in the current period		Amount Incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Main business	58,621,053.92	23,987,855.33	55,668,957.83	21,857,801.26
Total	58,621,053.92	23,987,855.33	55,668,957.83	21,857,801.26

#### 5. Investment income

Unit: RMB

Item	Amount Incurred in the current period	Amount Incurred in the previous period
Long-term equity investment income calculated by the cost method	74,290,000.00	71,225,000.00
Incomes from long-term equity investments calculated through the equity method	11,910,260.91	19,879,117.40
Investment incomes from trading financial assets during the holding period	2,583,913.18	2,162,425.56
Interest income from large-sum certificates of deposit	3,030,106.76	1,589,244.45
Total	91,814,280.85	94,855,787.41

### XVIII. Supplementary Information

#### 1. Breakdown of non-recurring profit or loss of the current period

☒Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Note
Profits and losses from disposal of non-current assets	-6,079.20	
Government subsidies included in the current profit or loss (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted per defined criteria, with a continuous influence on the Company's profits and losses)	1,056,727.69	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or	4,675,868.00	

loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.		
Other non-operating revenue and expenses than the above items	3,352,382.93	
Less: Effect on income tax	2,218,656.63	
Effect on minority interests (after-tax)	-679,785.02	
Total	7,540,027.81	--

Specific conditions of other profits or losses conforming to the definition of non-recurring profit or loss:

☐ Applicable ☒ Not applicable

The Company has no other profits or losses conforming to the definition of non-recurring profit or loss.

Explanation on defining the non-recurring profits or losses set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss* as recurring profits or losses

☒ Applicable ☐ Not applicable

Item	Amount involved (RMB)	Reason
Effective hedging	-14,224,744.55	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> as recurring profit or loss items: effective hedging related to the normal operations of non-financial enterprises; profits or losses from changes in the fair value of financial assets and financial liabilities held; and profits or losses from the disposal of financial assets and financial liabilities.
Refund of handling fees for individual income tax	50,320.31	According to the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> , the refund of handling fees for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.

## 2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	4.77%	0.1949	0.1949
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	4.34%	0.1774	0.1774

### **3. Difference in accounting data under domestic and foreign accounting rules**

#### **(1) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the international accounting standards and Chinese accounting standards**

☐ Applicable ☒ Not applicable

#### **(2) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the foreign accounting standards and Chinese accounting standards**

☐ Applicable ☒ Not applicable

#### **(3) Specify the reasons for differences in accounting data under domestic and foreign accounting standards; if the adjustment is made to data audited by an overseas audit firm, specify the name of the audit firm**



## Section IX Other Submitted Data

### I. Other Major Social Security Issues

Whether the listed company and its subsidiaries have other major social security issues

☐Yes ☒No ☐Not applicable

Whether administrative penalties were imposed during the reporting period

☐Yes ☒No ☐Not applicable

### II. Registration Form for Reception of Investigation, Communication, Interviews, and Other Activities During the Reporting Period

☒Applicable ☐ Not applicable

Reception date	Reception place	Way of reception	Type of visitor	Visitor	Main points talked about and information provided	Index of general investigation information
January 16, 2025	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A
February 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations	N/A
February 24, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's ESG reporting progress	N/A
March 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's annual report disclosure timeline	N/A
April 14, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's Q1 business performance	N/A
May 16, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business situation	N/A
May 22, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations and share prices	N/A
June 24, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business situation	N/A

### III. Capital Transactions Between the Listed Company and Its Controlling Shareholders and Other Related Parties

☒Applicable ☐ Not applicable

Unit: RMB 10,000

Name of the transaction	Nature of transaction	Beginning balance	Amount incurred in	Amount repaid in the	Ending balance	Interest income	Interest expenses
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party			the reporting period	reporting period			
Shenzhen SDG Microfinance Co., Ltd.	Operating transaction		74	72.73	1.27		
Shenzhen SDG Tellus Property Management Co., Ltd.	Operating transaction		8.82	8.82			
Shenzhen SDG Tellus Property Management Co., Ltd.	Operating transaction	1.88	1.54	0	3.42		
ISSTech Information Technology Co., Ltd.	Operating transaction		188.65	188.65			
Shenzhen SDG Service Co., Ltd.	Operating transaction	104.35	224.75	294.41	34.69		
Shenzhen SDG Service Co., Ltd.	Operating transaction	0.72		0.72			
Guoren Property & Casualty Insurance Co., Ltd.	Operating transaction	16.27	10.88	21.14	6.01		
Shenzhen Jewelry Industry Service Co., Ltd.	Non-operating transaction		40.44	1.85	38.59		
Guorun Gold Shenzhen Co., Ltd.	Non-operating transaction		19.03	11.04	7.99		
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Non-operating transaction		25.54	25.54	0		
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Non-operating transaction	11.48		0	11.48		
Shenzhen Xiandao New Materials Co., Ltd.	Non-operating transaction	66.08			0		

Shenzhen Tellus Automobile Service Chain Co., Ltd.	Non-operating transaction	136.04		0	136.04		
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Non-operating transaction	614.62		0	614.62		
Shenzhen ZHL Industrial Co., Ltd.	Operating transaction	63.36	110.73	58.62	115.47		
Beijing Caishikou Department Store Co., Ltd.	Operating transaction	54.47	694.86	650.75	98.58		
Shenzhen ZHL Industrial Co., Ltd.	Operating transaction		2	0.37	1.63		
Shenzhen Telixing Investment Co., Ltd.	Operating transaction	73.32	0.55		73.87		
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Non-operating transaction	53.19			53.19		
Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	Operating transaction	0.29			0.29		
Shenzhen Yuepengjin Jewelry Co., Ltd.	Operating transaction		90.9	76.41	14.49		
Total	--	1,196.07	1,492.69	1,411.05	1,211.63	0	0