Shenzhen Tellus Holding Co., Ltd.

2026 Semi-Annual Report

August 2026

Section I Important Notes, Contents, and Interpretations

The Board of Directors, directors, and senior management of the Company guarantee that the contents of this semi-annual report are true, accurate and complete, contain no false records, misleading statements or material omissions, and assume individual and joint and several legal liability.

Wang Chuan, head of the Company, and Huang Tianyang, the person in charge of accounting and the person in charge of the accounting department (accountant in charge), declare that they 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, or convert capital reserve into share capital.

Contents

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 department (accountant in charge).

(II) Originals of all company documents and announcements 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
Company, the Company, and Tellus Holding	Refer(s) to	Shenzhen Tellus Holding Co., Ltd.
Reporting period, this/the reporting period	Refer(s) to	Half Year of 2026
Shenzhen SASAC	Refer(s) to	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government
SDG Group, 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 Jewelry	Refer(s) to	Shenzhen Tellus Shuibei Jewelry Co., Ltd.
Huari Company	Refer(s) to	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.
Huari Sales	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	深圳市特力（集团）股份有限公司 (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	Wang Chuan		

II. Contact Persons and Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Wang Chuan	Liu Menglei
Address	4F, 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)83989399	(0755)83989399
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

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 2025 Annual Report for details.

2. Information disclosure and place where the report is kept

Whether the information disclosure and the place where the report is kept changed during the reporting period

□ Applicable ☑Not applicable

The stock exchange website and the names and websites of the media on which the Company discloses its semi-annual report, and the place where the Company's semi-annual report is kept, remained unchanged during the reporting period. For more information, please refer to the 2025 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)	292,213,689.22	878,272,629.94	-66.73%
Net profit attributable to shareholders of the listed company (RMB)	84,686,065.15	84,013,429.35	0.80%
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (RMB)	77,984,104.70	76,473,401.54	1.98%
Net cash flows from operating activities (RMB)	288,182,015.93	154,806,331.67	86.16%
Basic earnings per share (RMB/share)	0.1965	0.1949	0.82%
Diluted earnings per share (RMB/share)	0.1965	0.1949	0.82%
Weighted average return on net assets	4.53%	4.77%	-0.24%
	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)	2,538,730,534.02	2,650,158,442.53	-4.20%
Net assets attributable to shareholders of the listed company (RMB)	1,911,330,540.48	1,826,644,475.33	4.64%

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	Notes
Profit or loss of non-current assets disposal (including the write-off part of the provision for impairment of assets)	379,689.50	
Government subsidies included in the current profit and loss (excluding those which are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, and have a continuous influence on the Company's profit and loss)	883,145.82	
Except for effective hedging activities related to the Company's normal business operations, profit or loss arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or loss from the disposal of such financial assets and financial liabilities	1,297,017.18	
Other non-operating income and expenses other than the above	6,540,085.09	
Less: Effect of income tax	2,170,691.54	
Effect on minority interests (after-tax)	227,285.60	
Total	6,701,960.45	

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	-8,189,945.06	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Shenzhen Jewelry, 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 *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)* as recurring profits or losses: 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.
Return of handling charges of individual income tax	73,543.77	According to the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision),* 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 recurring profit or loss.

Section III Management Discussion and Analysis

I. Main Business of the Company During the Reporting Period

(I) Main Business of the Company During the Reporting Period

During the reporting period, the Company focused on its primary responsibilities and main businesses, systematically advanced work.

1. Physical platform operations improved in quality and efficiency. The Company continued to enhance its refined operation capabilities for the properties it holds, planned lease renewal arrangements in advance, formulated targeted and differentiated destocking strategies, conducted in-depth surveys of customer needs, and dynamically optimized its service offerings. Through upgrades to hardware facilities and improvements in service quality, the Company effectively enhanced customer stickiness and steadily improved the quality and efficiency of property operations.

2. Jewelry industry services were further deepened and expanded. The Company continued to iterate its digital jewelry element trading platform, forming a full-function system integrating regular display, inventory management, bidding transactions, viewing event organization, order processing, settlement and account allocation, user management, supply chain collaboration, and distribution systems, and building a complete online business chain covering display, trading, and settlement. During the reporting period, the distribution system was officially launched, further expanding online sales channels and continuously improving the activity of the platform ecosystem.

3. Proprietary business developed through a diversified layout. In the gold business, the Company focused on the design and supply of cultural and creative products and craft products made of precious metals, serving mainly banks, postal systems, and corporate customized customers, and continued to increase product R&D, actively expand new customer groups, and enrich its product lines and service models. In the silver business, the Company and its partners jointly advanced the online retail business of investment silver bars, expanding the market through e-commerce channels and further consolidating its business presence in precious metal retail.

(II) Description of the Main Business Models of the Jewelry Business

1. Sales model

At present, the Company sells gold and jewelry mainly through wholesale and retail models, and also provides supporting services such as agency customs declaration. During the reporting period, the revenue composition of the jewelry business was as follows:

Sales model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross margin in H1 2026
Wholesale	11,246.58	10,473.75	6.87%
Retail	33.05	31.20	5.60%
Other services	614.44	114.79	81.32%
Total	11,894.06	10,619.75	10.71%

2. Production model

At present, the Company mainly adopts the entrusted processing mode for gold and its products. The structure of the production model is as follows:

Production model	Amount (RMB 10,000)	Proportion
Finished products through the commissioned processing	10,077.14	100.00%

3. Purchase model

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

Other jewelry and jade: The Company purchases such products from domestic and overseas jewelry and jade suppliers.

Purchase model	Raw materials	Unit	Purchase quantity	Purchase amount (RMB 10,000)
Spot trading	Gold	KG	71.00	7,217.32
Spot trading	Pearls	KG	19.63	28.71
Spot trading	Silver	KG	105.33	137.38

4. Operation of physical stores during the reporting period

S/N	Name	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)	Address
1	Counter of Guorun Direct-sales Store (Tellus) on Basement Level 1	13.54	12.27	B1-046, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen

5. Online sales during the reporting period

S/N	**Name**	**Operating revenue** (RMB 10,000)	**Operating cost** (RMB 10,000)
1	Applet mall	1.52	1.47
2	Alibaba-related e-commerce platforms	12.38	12.00
3	Other e-commerce platforms	5.61	5.45

6. Inventory of jewelry business during the reporting period

As of June 30, 2026, the inventory balance of the Company's jewelry business was RMB 18.5469 million, of which RMB 16.356 million was measured at fair value. This amount represents hedged items using commodity futures contracts and T+D contracts as hedging instruments.

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

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. Within an area of approximately 1 square kilometer in Shuibei, 9,000 corporate entities have clustered, providing jobs for nearly 70,000 people in the vicinity. The area hosts over 20 specialized markets. The processing volumes of gold and diamonds account for approximately 70% and 80% of the delivery volume of the Shanghai Gold Exchange and the Shanghai Diamond Exchange, respectively. 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, DR Group, Hipine, and ZHOU LIU FU. 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.

Shuibei enjoys a significant location advantage. The concentration of numerous businesses within the jewelry industry chain facilitates the Company's diversified industry services. 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. 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 SOE 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 connections and cooperative relationships with Chinese and international gold and jewelry suppliers and processors.

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 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 physical platforms have brought stable business revenue and cash flow, laying a solid foundation for its long-term development. The Tellus Jewelry Building and the Tellus Gold and Diamond Building have been successively put into operation. Additionally, the Company holds property assets in areas such as the Luohu and Futian districts in Shenzhen, all of which maintain high occupancy rates. 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 certain 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. It has improved 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 has regarded scientific management as the driving force and safeguard for development. Aligned with its current development stage, the

Company has deepened the application of OKR management tools, enhanced work planning and execution, reinforced performance and strategic orientation, strengthened the strategic management system, and improved the closed-loop management mechanism.

In terms of talent development, the Company has focused on recruiting talent for key positions, enhanced the performance and incentive system, fostered an entrepreneurial and proactive culture, strengthened team building, optimized the organizational structure of core business units, conducted tiered and specialized training programs, embedded a culture of dedication, encouraged employees to pursue professional certifications independently, and further developed a talent pipeline to support its business strategy.

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	Reason of change
Operating revenue	292,213,689.22	878,272,629.94	-66.73%	Decrease in gold business volume during the reporting period
Operating cost	165,372,887.60	736,664,626.44	-77.55%	Decrease as gold business volume decreases
Selling expenses	4,213,679.98	6,551,375.74	-35.68%	Decrease as gold business volume decreases
Administrative expenses	24,501,740.28	25,702,432.63	-4.67%	
Financial expenses	1,566,985.08	2,287,888.06	-31.51%	Mainly due to the decrease in interest expenses on gold business financing
Income tax expenses	26,297,800.92	25,372,160.83	3.65%	Mainly due to the increase in total profit compared to the same period last year
R&D investment	2,443,248.64	2,045,320.23	19.46%	Mainly due to the increase in R&D investment in informatization development of subsidiaries
Net cash flows from operating activities	288,182,015.93	154,806,331.67	86.16%	Mainly due to the decrease in stocking for the gold business
Net cash flows from investing activities	-66,193,214.42	-233,644,957.72	71.67%	Mainly due to the increase 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	-209,773,535.21	-13,048,507.32	-1,507.64%	Mainly due to increased debt repayment during the reporting period
Net increase in cash and cash equivalents	12,215,266.30	-91,887,133.37	113.29%	Mainly due to, first, a decrease in stocking for the gold business; and second, an increase in receivables collected during the reporting period

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

□ Applicable ☑Not applicable

There were 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	292,213,689.22	100%	878,272,629.94	100%	-66.73%
By industry					
Wholesale and retail of jewelry	118,940,614.70	40.70%	708,201,538.25	80.64%	-83.21%
Property lease and service	173,273,074.52	59.30%	170,071,091.69	19.36%	1.88%
By product					
Wholesale and retail of jewelry	118,940,614.70	40.70%	708,201,538.25	80.64%	-83.21%
Property lease and service	173,273,074.52	59.30%	170,071,091.69	19.36%	1.88%
By region					
Within Guangdong Province	185,154,037.52	63.36%	570,721,711.89	64.98%	-67.56%
Outside Guangdong Province	107,059,651.70	36.64%	307,550,918.05	35.02%	-65.19%

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 margin	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	118,940,614.70	106,197,514.83	10.71%	-83.21%	-84.52%	7.60%
Property lease and service	173,273,074.52	59,175,372.77	65.85%	1.88%	17.22%	-4.47%
By product						
Wholesale and retail of jewelry	118,940,614.70	106,197,514.83	10.71%	-83.21%	-84.52%	7.60%
Property lease and service	173,273,074.52	59,175,372.77	65.85%	1.88%	17.22%	-4.47%
By region						
Within Guangdong Province	185,154,037.52	67,748,832.63	63.41%	-67.56%	-84.52%	40.10%
Outside Guangdong Province	107,059,651.70	97,624,054.97	8.81%	-65.19%	-67.35%	6.03%

In case of adjustments to the statistical criteria of the Company's main business data in the reporting period, the Company has provided the adjusted main business data for the latest period based on the criteria at the end of the reporting period.

□ Applicable ☑Not applicable

IV. Analysis of Non-main Business

☑Applicable □ Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable or not
Investment income	19,346,068.62	16.78%	Wealth management income and income recognized from equity method investment in joint-stock enterprises	No
Profits or losses from changes in fair value	923,908.31	0.80%	Primarily income from changes in fair value of hedging instruments	No
Asset impairment	0.00	0.00%		
Non-operating revenue	6,540,183.92	5.67%	Mainly due to forfeiture of customer deposits under contracts, etc.	No
Non-operating expenses	98.83	0.00%	Liquidated damages paid	No

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	93,789,526.63	3.69%	149,229,156.85	5.63%	-1.94%	
Accounts receivable	26,832,524.73	1.06%	61,009,891.79	2.30%	-1.24%	
Inventories	18,546,875.33	0.73%	59,657,540.72	2.25%	-1.52%	
Investment properties	1,032,630,814.40	40.68%	1,053,907,083.65	39.77%	0.91%	
Long-term equity investments	113,563,154.70	4.47%	94,475,900.97	3.56%	0.91%	
Fixed assets	58,106,981.97	2.29%	61,870,381.34	2.33%	-0.04%	
Construction in progress		0.00%	5,111,882.70	0.19%	-0.19%	
Right-of-use assets	72,277,991.60	2.85%	77,920,830.56	2.94%	-0.09%	
Short-term borrowings		0.00%	11,002,344.41	0.42%	-0.42%	
Contract liabilities	3,411,185.10	0.13%	3,604,150.70	0.14%	-0.01%	
Lease liabilities	72,736,046.24	2.87%	75,441,810.38	2.85%	0.02%	

2. Primary overseas assets

□ Applicable ☑Not applicable

3. Assets and liabilities measured at fair value

☑Applicable □ Not applicable

Unit: RMB

Item	Beginning balance	Current profits and losses from changes in fair value	Accumulated change in fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Ending balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	117,410,631.65	329,082.77			463,750,000.00	350,000,000.00		231,489,714.42
2. Derivative financial assets		359,615.00						359,615.00
3. Other debt investments	573,849,427.40				90,074,958.90	200,149,961.61		463,774,424.69
Subtotal of financial assets	691,260,059.05	688,697.77			553,824,958.90	550,149,961.61		695,623,754.11
Hedged items	49,178,442.27	-2,467,107.56			68,033,242.34	98,388,601.30		16,355,975.75
Total of the above	740,438,501.32	-1,778,409.79			621,858,201.24	648,538,562.91		711,979,729.86
Financial liabilities	2,702,318.10	2,702,318.10			0.00	0.00		0.00

Details of other changes

Whether major changes occurred to the measurement attributes of the Company's main assets during 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, 2026
Futures and options account margin	3,193,679.80

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
2,517,640.22	1,834,078.65	37.27%

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 investment in derivatives	Initial investment amount	Beginning amount	Current profits and losses from changes in fair value	Accumulated change 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 to net assets of the Company at the end of the reporting period
Futures (Huatai account)	1,050.00	2,773.57	28.69	0.00	2,561.12	5,051.84	282.85	0.14%
Futures (CITIC account)	290.60	100.26	0.00	0.00	0.00	100.26	0.00	0.00%
Futures (CITIC account)	35.16	0.00	7.27	0.00	35.52	0.00	35.52	0.02%
Total	1,375.76	2,873.83	35.96	0.00	2,596.64	5,152.10	318.37	0.16%
Accounting policies and specific accounting principles for hedging business during the reporting period, and explanation of whether there were significant changes compared with the previous reporting period	No							
Explanation of actual profits and losses during the reporting period	During the reporting period, the futures account incurred an actual hedging loss of RMB 8.854 million.							
Explanation of hedging effectiveness	Measurement method of hedge effectiveness: Hedge effectiveness = Change in futures price / Change in spot price. A value closer to 100% indicates a higher level of hedge effectiveness. A hedge is considered highly effective when its effectiveness ranges from 80% to 125%.The Company's hedge effectiveness							

	falls in this range, indicating that its hedging strategy is highly effective.
Source of funds for investment in derivatives	Self-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 types of futures and the number of contracts are generally matched with changes in the value of spot positions; futures positions are in the opposite direction to spot positions; and the holding period of futures positions corresponds to the period during which risks are borne in the spot market. The main risks of gold futures positions include: basis risk, forced liquidation risk, and operational error risk. To manage basis risk, the Company uses leased gold as inventory where possible when the basis narrows, and builds less or no self-owned inventory. To manage forced liquidation risk, the Company establishes risk warnings, prepares funding plans in advance when there is a risk of sharp fluctuations in gold prices, and maintains sufficient funds in margin accounts. If unexpected events trigger forced liquidation, the Company's management will be notified immediately, and the hedged positions subject to forced liquidation will be replenished when appropriate. To manage operational error risk, the Company establishes a trader training mechanism, strictly conducts operations and reviews in accordance with system and workflow requirements, and performs 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 359,600. The Company determined the fair value using the closing price of the futures contracts held on the Shanghai Gold Exchange on the last trading day of June 2026 (June 30), with floating gains and losses representing changes in fair value.
Involvement in litigation (if applicable)	None.
Disclosure date of the announcement of the Board of Directors for derivative investment approval (if any)	April 22, 2026

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

□ Applicable ☑Not applicable

The Company had no derivative investment for speculative purposes during the reporting period.

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	Type of company	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Jewelry Industry Service Co., Ltd.	Subsidiary	Jewelry fair planning, jewelry consignment sales, exhibition and display planning, conference services, and marketing planning	100,000,000	50,716,535.84	37,663,711.83	2,432,216.08	617,832.80	617,847.97
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Gold sales	200,000,000	196,529,755.57	191,228,818.62	116,228,898.16	1,097,392.09	1,120,554.92
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	52,376,464.24	50,247,231.95	236,115.07	481,490.85	408,755.41
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	Subsidiary	Property leasing	18,960,000	194,841,264.71	157,271,466.36	16,134,909.90	13,394,887.41	10,252,642.37
Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property leasing	366,221,900	607,214,312.54	496,077,748.09	82,595,376.54	59,960,760.18	48,683,280.83
Shenzhen Huari Automobile Sales and Service Co., Ltd.	Subsidiary	Property leasing	2,000,000	1,453,981.60	-9,257,447.00	0.00	56,201.88	57,794.80
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property leasing	9,607,800	18,381,744.43	12,991,333.55	3,133,632.56	2,172,838.49	2,064,175.39
Shenzhen Tellus Jewelry Technology Development Co., Ltd.	Subsidiary	Property leasing	32,900,000	99,950,120.33	76,227,797.42	4,061,465.05	52,442.02	43,785.93
Shuibeitong (Shenzhen)	Subsidiary	Property leasing	1,500,000	3,036,221.86	2,003,934.35	2,713.77	8,304.19	7,303.34

Information Technology Co., Ltd.								
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary	Property leasing	USD 4,000,000	25,130,279.20	20,238,828.75	7,575,890.38	6,011,894.87	5,964,395.83
Shenzhen Tellus-Gmond Investment Co., Ltd.	Joint-stock company	Investment in industrial development, property management, and leasing	53,704,960	371,931,253.41	157,979,313.58	74,764,738.79	46,556,330.26	33,324,314.22

Acquisition and disposal of subsidiaries during the reporting period

□ Applicable ☑Not applicable

Description of main holding and joint-stock companies

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 jewelry business mainly uses gold and silver as raw materials. In recent years, fluctuations in international and domestic economic conditions, new gold tax policies, and changes in consumer demand have led to price fluctuations in gold and other raw materials, bringing uncertainties to 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 operations. Second, it will firmly advance its strategic transformation, promote the implementation of transformation projects through 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: Team development falls short of strategic transformation requirements

The Company's management team and workforce still fall short of the requirements of the demanding strategic tasks under the 15th Five-Year Plan in terms of industry experience, professional competencies, management awareness, and methodologies.

Countermeasures: First, the Company will continue to strengthen the culture of striving and foster the mutual growth of employees and the Company. Second, it will enhance the development of talent pipelines, continuously improving team management capabilities and business support functions. Third, it will optimize system development to drive the ongoing refinement of its governance framework. Fourth, it will remain committed to learning from best practices and continuously benchmarking against industry leaders.

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. Changes in the Company's Directors and Senior Executives

☑Applicable □ Not applicable

Name	Position	Type	Date	Reason
Qi Peng	Deputy General Manager, Secretary of the Board of Directors	Resigned	June 27, 2026	Personal reasons

II. Profit Distribution and Capital Reserve Converted into Share Capital in the Reporting Period

□ Applicable ☑Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital for 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, the Company had no equity incentive plan, employee stock ownership plan, or other employee incentive measures or their implementation.

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

In the first half of 2026, the Company actively fulfilled its social responsibility as a state-owned enterprise and steadily advanced consumption assistance. The Company purchased local agricultural products worth RMB 8,246 from Chengtian Town, Chaonan District, Shantou, a paired assistance unit for rural revitalization, and nationally recognized poverty alleviation products worth RMB 51,205, supporting rural revitalization, consolidating poverty alleviation achievements, and helping develop local specialty agriculture and increase farmers' incomes through concrete actions.

Section V Important Matters

I. Commitments Fulfilled During the Reporting Period and Overdue Commitments Not Yet Fulfilled as of the End of the Reporting Period by the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company and Other Commitment-related Parties

☑Applicable □ Not applicable

Commitment cause	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance
Commitment made in the acquisition report or the report of equity change	Shenzhen Investment Holdings Co., Ltd.	Ensure the independence of the listed company	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 operational ability, independent procurement, production, and sales systems, and independent intellectual property rights. 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.	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	1. As of the signing date of this Letter of Commitment, the company and other enterprises controlled by the company have not engaged in businesses or activities that directly compete with or may constitute direct competition with Tellus, and will not engage in businesses or activities that directly compete with or may constitute direct competition with Tellus in the future, except as arranged by Shenzhen SASAC or similar government agencies; 2. During the period when the company is the indirect controlling shareholder of Tellus and Tellus is listed on the Shenzhen Stock Exchange, the company will fully respect the independent operational autonomy of all subsidiaries controlled by the company and ensure that the legitimate rights and interests of Tellus and its minority shareholders will not be infringed upon; 3. The company undertakes not to seek improper benefits by virtue of its status as the controlling shareholder of Tellus, thereby damaging the rights and interests of Tellus and its minority shareholders; 4. The company undertakes not to use information learned or known from Tellus			

			to assist any party in engaging in any business activities that substantially or potentially compete with the main business of Tellus; 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.			
	Shenzhen Investment Holdings Co., Ltd.	Reduce and standardize related party transactions	1. The company and the companies, enterprises, and economic organizations controlled or actually controlled by the company (excluding enterprises controlled by the listed company, hereinafter collectively referred to as "affiliated companies") will exercise shareholders' rights, fulfill shareholders' obligations, and maintain the independence of the listed company in terms of assets, finance, personnel, business, and organization in strict accordance with laws, regulations, and other regulatory documents; 2. The company undertakes not to use its position as the controlling shareholder to cause the shareholders' meeting 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; 3. The company or its affiliated companies will try to avoid related party transactions with the listed company. If related party transactions with the listed company are unavoidable, the company or its affiliated companies will cause the entities under their control to conduct transactions with the listed company on an equal and voluntary basis under fair, reasonable, and normal commercial transaction conditions; 4. The company or its affiliated companies will perform decision-making procedures for related party transactions and corresponding information disclosure obligations in strict accordance with the articles of association of the listed company and relevant laws and regulations; 5. The company or its affiliated companies will ensure that they do not seek special interests beyond the above provisions through related party transactions with the listed company, do not illegally transfer the funds or profits of the listed company through related party transactions, and do not maliciously damage the legitimate rights and interests of the listed company and its 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.			
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 as 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	Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, issued the *Letter of Commitment on Avoiding Horizontal Competition* on May 26, 2014. The commitments are as follows: 1. The company and other enterprises controlled by the company other than Tellus Holding are not engaged in businesses that substantially compete with the main business of Tellus Holding, and there is no horizontal competition between them and Tellus Holding; 2. The company and other enterprises controlled by the company shall not, in any form, directly or indirectly engage in or participate in any business that constitutes or may constitute competition with the main business of Tellus Holding; 3. If the company or other enterprises controlled by the company encounter any business opportunity to engage in or participate in any activity that may compete with the main business of Tellus Holding, they shall notify Tellus Holding of such business opportunity before implementing it or signing relevant agreements. If Tellus Holding gives an affirmative reply within the reasonable period specified in the notice that it is willing to use such business opportunity, such business opportunity shall be offered to Tellus Holding on a priority basis.	May 26, 2014	Long term	In performance
Other commitments	Shenzhen Tellus Holding Co., Ltd.	Dividend commitment	From 2026 to 2028, provided that the company's profit and cash flow meet the needs of normal operation and long-term development, the company will implement active profit distribution measures to reward shareholders. For details, see the *Shareholder Return Plan for the Next Three Years (2026-2028)* disclosed on CNINFO on April 22, 2026.	April 22, 2026	December 31, 2028	In performance
Whether the commitments are duly performed					Yes	
If any commitment is overdue and has not been fulfilled, the specific reasons for non-fulfillment and the next work plan shall be specified in detail.					N/A	

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

□ Applicable ☑Not applicable

During the reporting period, there was no non-operating occupation of funds of the listed company by the controlling shareholder or other related parties.

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 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

No matters related to bankruptcy reorganization occurred during the reporting period.

VIII. Litigation Matters

Major litigation and arbitration matters

□ Applicable ☑Not applicable

The Company had no major litigation or arbitration matters during the reporting period.

Other litigation 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
Labor dispute (SDG	726.84	No	Second-	The labor arbitration	N/A		

Huari as respondent in labor arbitration/defendant at first instance/appellee at second instance)			instance trial	dismissed all arbitration claims of the applicant; the first-instance court dismissed all claims of the plaintiff; the second-instance judgment has not yet been issued.			
Construction project contract dispute (Zhongtian Company as defendant in the original claim, plaintiff in the counterclaim/appellant at second instance)	670.44	No	Closed	The first-instance judgment supported part of the claims of the plaintiff in the original claim (RMB 5.2644 million), and the second-instance judgment upheld the first-instance judgment.	Executed	April 22, 2026	*2025 Annual Report* on *Securities Times* and CNINFO
Land lease contract dispute (Tellus Jewelry, former Shenzhen Automobile Industry and Trade Co., Ltd., as plaintiff at first instance/appellant at second instance/respondent in retrial)	1,403.76	No	Retrial stage	The second-instance judgment supported some of the Company's claims. Shenzhen Dongfeng filed an application for retrial with the Guangdong High People's Court, and no result has been issued yet.	Executed	April 22, 2026	*2025 Annual Report* on *Securities Times* and CNINFO
Equity transfer dispute (Tellus Holding as plaintiff at first instance/appellant at second instance/applicant for retrial)	472	No	Retrial stage	The first-instance court dismissed the Company's lawsuit, and the second-instance court ruled to uphold the first-instance ruling. The Company applied for retrial, which has been accepted by the Guangdong High People's Court, and no retrial result has been issued yet.	N/A	April 22, 2026	*2025 Annual Report* on *Securities Times* and CNINFO

IX. Punishment and Rectification

□ Applicable ☑Not applicable

No punishment or rectification occurred during the reporting period of the Company.

X. Integrity Situation of the Company and Its Controlling Shareholder and Actual Controller

□ Applicable ☑Not applicable

XI. Major Related Party Transactions

1. Related party transactions concerning daily operations

☑Applicable □ Not applicable

Unit: RMB 10,000

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	Amount of related party transaction	Proportion to transaction amount of the same kind	Approved transaction amount	Exceeding the approved amount or not	Settlement method of related party transaction	Market price of available similar transaction	Disclosure date	Disclosure index
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing services	Market pricing	6.83	6.83	0.04%	65	No	According to the contract amount or agreement	6.83	April 22, 2026	*Announcement on Daily Related Party Transactions in 2026* (Announcement No.: 2026-004) on *Securities Times* and CNINFO
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing and management services	Market pricing	0	0	0.00%	154	No	According to the contract amount or agreement	0.00		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing and parking services	Market pricing	0	0	0.00%	600	No	According to the contract amount or agreement	0.00		
Shenzhen Telixing Investment Co., Ltd.	The Company's related natural person serves as a	Daily related party transaction	Provide brokerage and agency servic	Market pricing	0	0	0.00%	50	No	According to the contract amount or agree	0.00		

	director of the joint-stock company		es							ment			
Shenzhen Tellus-Gmond Investment Co., Ltd.	The Company's related natural person serves as a director of the joint-stock company	Daily related party transaction	Provide brokerage and agency services	Market pricing	0	0	0.00%	8	No	According to the contract amount or agreement	0.00		
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide brokerage and agency services	Market pricing	3.20	3.2	11.87%	50	No	According to the contract amount or agreement	3.20		
Shenzhen Tellus-Gmond Investment Co., Ltd.	The Company's related natural person serves as a director of the joint-stock company	Daily related party transaction	Accept brokerage and agency services	Market pricing	0.38	0.38	11.28%	8	No	According to the contract amount or agreement	0.38		
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept engineering supervision services	Market pricing	0	0	0.00%	150	No	According to the contract amount or agreement	0.00		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property manageme	Market pricing	0	0	0.00%	7,600	No	According to the contract amou	0.00		

			nt and security services							nt or agreement			
Shenzhen SDG Eastern Service Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	0	0	0.00%	50	No	According to the contract amount or agreement	0.00		
Shenzhen SDG Building Technology Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	0	0	0.00%	60	No	According to the contract amount or agreement	0.00		
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	372.10	372.10	97.23%	600	No	According to the contract amount or agreement	372.10		
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by the indirect controlling shareholder	Daily related party transaction	Accept insurance services	Market pricing	1.10	1.10	23.01%	105	No	According to the contract amount or agreement	1.10		
Total				--	--	383.61	--	9,500	--	--	--	--	--
Details of large-sum sales returns				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 category				Performed normally									
Reasons for any significant difference between the transaction price and the 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 involved in joint external investments

□ Applicable ☑Not applicable

During the reporting period, the Company had no related party transactions involved in joint external investments.

4. Related credit and debt transactions

☑Applicable □ Not applicable

Whether there are non-operating related credit and debt transactions

□Yes ☑No

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

5. Transactions with related finance companies

□ Applicable ☑Not applicable

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

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

□ Applicable ☑Not applicable

There was 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 had no leasing.

2. Significant guarantees

□ Applicable ☑Not applicable

The Company had no significant guarantees during the reporting period.

3. Entrusted wealth management

☑Applicable □ Not applicable

Unit: RMB 10,000

Product category	Risk characteristics	Balance of entrusted wealth management during the reporting period	Overdue unrecovered amount
Financial products from banks	Medium-low risk	99,125	0

Details regarding the Company's engagement of financial institutions for asset management as a sole principal, or its investment in high-risk entrusted wealth management products characterized by low security and poor liquidity

□ Applicable ☑Not applicable

4. Other major contracts

□ Applicable ☑Not applicable

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

XIII. Registration Form for Reception of Investigation, Communication, Interviews, and Other Activities During the Reporting Period

☑Applicable □ Not applicable

Reception date	Reception place	Reception method	Type of reception object	Reception object	Main topics discussed and materials provided	Index of general investigation information
April 29, 2026	VALUEONLINE (https://www.ir-online.cn)	Online platform exchange	Others	All investors who participated in the Company's 2025 online results briefing through the VALUEONLINE platform	The Company's operating results for 2025 and development strategy for 2026	For details, see the *Investor Relations Activity Record Form* released by the Company on irm.cninfo.com.cn on April 29.

XIV. Description of Other Major Matters

□ Applicable ☑Not applicable

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

XV. 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 the reserve funds into shares	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 shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number 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 reduction of repurchased shares 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 restricted shares

□ 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 share shareholders as of the end of the reporting period			46,025	Total number of preferred share shareholders (if any) with restored voting rights at the end of the reporting period (see Note 8)			0	
Shareholdings of shareholders holding more than 5% of shares or 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
Li Daoqing	Domestic natural person	0.45%	1,940,000	441, 600	0	1,940,000	N/A	0
Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	Others	0.42%	1,804,475	−746, 400	0	1,804,475	N/A	0
Industrial and Commercial Bank of China Limited - China Southern	Others	0.36%	1,558,775	−150, 500	0	1,558,775	N/A	0

CSI All Share Real Estate ETF								
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.30%	1,295,226	−1, 013, 326	0	1,295,226	N/A	0
Xu Xiulong	Domestic natural person	0.29%	1,247,800	219, 500	0	1,247,800	N/A	0
Li Xiaoming	Domestic natural person	0.29%	1,238,400	−992, 000	0	1,238,400	N/A	0
Zhang Ling	Domestic natural person	0.27%	1,142,700	142, 700	0	1,142,700	N/A	0
Lin Weifeng	Domestic natural person	0.25%	1,081,400	−31, 500	0	1,081,400	N/A	0
Li Jun	Domestic natural person	0.24%	1,039,900	0	0	1,039,900	N/A	0

Status of strategic investors or general legal persons becoming top 10 shareholders due to the placement of new shares (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 *Measures for the Administration of the Takeover of Listed Companies*. 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 the 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
Li Daoqing	1,940,000	RMB-denominated ordinary shares	1,940,000
Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	1,804,475	RMB-denominated ordinary shares	1,804,475
Industrial and Commercial Bank of China Limited - China Southern CSI All Share Real Estate ETF	1,558,775	RMB-denominated ordinary shares	1,558,775
Hong Kong Securities Clearing Company Limited	1,295,226	RMB-denominated ordinary shares	1,295,226
Xu Xiulong	1,247,800	RMB-denominated ordinary shares	1,247,800
Li Xiaoming	1,238,400	RMB-denominated ordinary shares	1,238,400
Zhang Ling	1,142,700	RMB-denominated ordinary shares	1,142,700
Lin Weifeng	1,081,400	RMB-denominated ordinary shares	1,081,400
Li Jun	1,039,900	RMB-denominated ordinary shares	1,039,900

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 *Measures for the Administration of the Takeover of Listed Companies*. 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

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders with unrestricted tradable shares in share lending activities within 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 unrestricted ordinary shares 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 unrestricted ordinary shares did not perform the agreed repurchase transactions during the reporting period.

IV. Changes in Shareholdings of Directors and Senior Executives

□ Applicable ☑Not applicable

There was no change in the shareholdings of directors and senior executives during the reporting period. Please refer to the 2025 Annual Report for details.

V. Changes in the Controlling Shareholder or Actual Controller

If the Company previously disclosed that its actual controller was planning a change of control that had not yet been completed, please explain the progress of the change of control.

□ Applicable ☑Not applicable

Change in the controlling shareholder during the reporting period

□ Applicable ☑Not applicable

During the reporting period, the controlling shareholder of the Company did not change.

Changes in actual controller during the reporting period

□ Applicable ☑Not applicable

The actual controller of the Company remained unchanged during the reporting period.

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, 2026

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	93,789,526.63	149,229,156.85
Settlement reserve fund		
Loans to banks and other financial institutions		
Held-for-trading financial assets	231,489,714.42	117,410,631.65
Derivative financial assets	359,615.00	
Notes receivable		
Accounts receivable	26,832,524.73	61,009,891.79
Receivables financing		
Advances to suppliers	587,884.12	842,625.42
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	20,480,842.05	49,405,335.51
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	18,546,875.33	59,657,540.72
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	117,209,578.15	87,268,498.36

Other current assets	50,478,092.86	19,312,300.83
Total current assets	559,774,653.29	544,135,981.13
Non-current assets:		
Loans and advances issued		
Debt investments		
Other debt investments	463,774,424.69	573,849,427.40
Long-term receivables		
Long-term equity investments	113,563,154.70	94,475,900.97
Other equity instrument investments		
Other non-current financial assets		
Investment properties	1,032,630,814.40	1,053,907,083.65
Fixed assets	58,106,981.97	61,870,381.34
Construction in progress		5,111,882.70
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	72,277,991.60	77,920,830.56
Intangible assets	8,356,029.66	3,062,429.09
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term deferred expenses	28,884,065.38	34,117,850.87
Deferred income tax assets	6,399,715.44	6,399,715.44
Other non-current assets	194,962,702.89	195,306,959.38
Total non-current assets	1,978,955,880.73	2,106,022,461.40
Total assets	2,538,730,534.02	2,650,158,442.53
Current liabilities:		
Short-term borrowings		11,002,344.41
Borrowings from the central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		2,702,318.10
Notes payable		180,000,000.00
Accounts payable	109,772,663.41	109,353,384.05
Advances from customers	12,928,795.84	8,222,394.47
Contract liabilities	3,411,185.10	3,604,150.70
Financial assets sold under agreements to repurchase		
Customer deposits and deposits from banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage		

deposits		
Employee compensation payable	40,344,013.72	42,283,881.13
Taxes payable	41,671,381.93	29,059,082.08
Other payables	127,778,984.51	139,483,702.52
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	7,393,612.68	10,581,548.92
Other current liabilities	2,896,335.26	2,214,225.00
Total current liabilities	346,196,972.45	538,507,031.38
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	72,736,046.24	75,441,810.38
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Estimated liabilities	9,956,800.00	9,956,800.00
Deferred income	5,177,125.85	6,057,271.67
Deferred income tax liabilities	18,500,411.34	20,155,522.20
Other non-current liabilities		
Total non-current liabilities	110,290,543.79	115,531,564.61
Total liabilities	456,487,516.24	654,038,595.99
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	430,866,408.50	430,866,408.50
Less: Treasury shares		
Other comprehensive income	-7,606,040.90	-7,606,040.90
Special reserves		
Surplus reserves	92,661,110.16	92,661,110.16
General risk provision		
Undistributed profits	964,350,742.72	879,664,677.57
Total owners' equity attributable to the parent company	1,911,330,540.48	1,826,644,475.33
Minority interests	170,912,477.30	169,475,371.21
Total owners' equity	2,082,243,017.78	1,996,119,846.54
Total liabilities and owners' equity	2,538,730,534.02	2,650,158,442.53

Legal representative: Wang Chuan   Person in charge of accounting: Huang Tianyang   Person in charge of the accounting department: Huang Tianyang

2. Parent company's balance sheet

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	19,406,085.18	5,557,917.51
Held-for-trading financial assets	71,348,684.51	
Derivative financial assets		
Notes receivable		
Accounts receivable	13,036,138.49	10,650,313.31
Receivables financing		
Advances to suppliers	316,152.11	239,474.02
Other receivables	16,899,962.91	3,711,404.11
Including: Interest receivable		
Dividends receivable	12,000,000.00	
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	117,209,578.15	65,398,799.73
Other current assets	22,176.39	6,580,651.56
Total current assets	238,238,777.74	92,138,560.24
Non-current assets:		
Debt investments		
Other debt investments	304,365,923.28	375,653,749.58
Long-term receivables		
Long-term equity investments	822,853,629.11	808,086,675.38
Other equity instrument investments		
Other non-current financial assets		
Investment properties	507,310,833.64	514,855,019.83
Fixed assets	10,982,903.25	11,608,977.55
Construction in progress		1,986,361.94
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	67,296,903.12	72,189,070.86
Intangible assets	1,291,881.97	1,388,001.07
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		

Long-term deferred expenses	16,042,201.84	18,589,616.08
Deferred income tax assets		
Other non-current assets	17,341,909.95	19,429,987.73
Total non-current assets	1,747,486,186.16	1,823,787,460.02
Total assets	1,985,724,963.90	1,915,926,020.26
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	47,616,652.48	46,372,187.13
Advances from customers	10,192,954.88	511,330.64
Contract liabilities		
Employee compensation payable	34,107,825.09	35,385,505.68
Taxes payable	19,292,570.59	12,741,797.74
Other payables	73,812,814.32	71,087,817.06
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	7,643,543.04	9,188,883.17
Other current liabilities	1,810,007.31	685,494.59
Total current liabilities	194,476,367.71	175,973,016.01
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	68,351,021.79	71,397,113.71
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	5,459,612.17	5,459,612.17
Other non-current liabilities		
Total non-current liabilities	73,810,633.96	76,856,725.88
Total liabilities	268,287,001.67	252,829,741.89
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	428,256,131.23	428,256,131.23
Less: Treasury shares		

Other comprehensive income	-7,632,462.90	-7,632,462.90
Special reserves		
Surplus reserves	92,661,110.16	92,661,110.16
Undistributed profits	773,094,863.74	718,753,179.88
Total owners' equity	1,717,437,962.23	1,663,096,278.37
Total liabilities and owners' equity	1,985,724,963.90	1,915,926,020.26

3. Consolidated income statement

Unit: RMB

Item	Half Year of 2026	Half Year of 2025
I. Total operating revenue	292,213,689.22	878,272,629.94
Including: Operating revenue	292,213,689.22	878,272,629.94
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating cost	205,921,904.45	778,520,084.04
Including: Operating cost	165,372,887.60	736,664,626.44
Interest expenses		
Handling charges and commission expenses		
Surrender value		
Net payments for insurance claims		
Net provision for insurance liability reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	7,823,362.87	5,268,440.94
Selling expenses	4,213,679.98	6,551,375.74
Administrative expenses	24,501,740.28	25,702,432.63
R&D expenses	2,443,248.64	2,045,320.23
Financial expenses	1,566,985.08	2,287,888.06
Including: Interest expenses	1,919,661.58	3,643,266.25
Interest income	519,444.11	1,583,374.44
Add: Other income	956,689.59	1,107,048.00
Investment income (loss to be listed with "-")	19,346,068.62	6,028,215.73
Including: Income from investment in associates and joint ventures	19,748,753.73	12,775,706.23
Income from derecognition of financial assets measured at amortized cost		
Exchange income (loss to be listed with "-")		

Net exposure hedging income (loss to be listed with "-")		
Income from changes in fair value (loss to be listed with "-")	923,908.31	-2,801,386.05
Credit impairment loss (loss to be listed with "-")	862,946.28	-312,882.35
Asset impairment losses (loss to be listed with “-”)		
Income from assets disposal (loss to be listed with “-”)	379,689.50	-123,104.39
III. Operating profit (loss to be listed with "-")	108,761,087.07	103,650,436.84
Add: Non-operating revenue	6,540,183.92	3,456,068.88
Less: Non-operating expenses	98.83	103,685.95
IV. Total profit (total loss to be listed with "-")	115,301,172.16	107,002,819.77
Less: Income tax expenses	26,297,800.92	25,372,160.83
V. Net profit (net loss to be listed with "-")	89,003,371.24	81,630,658.94
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with "-")	89,003,371.24	81,630,658.94
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (net loss to be listed with "-")	84,686,065.15	84,013,429.35
2. Minority shareholder's profits and losses (net loss to be listed with "-")	4,317,306.09	-2,382,770.41
VI. Net after-tax amount of other comprehensive income		
Net after-tax amount 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 in other equity instruments		
4. Changes in the fair value of the Company's 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 difference arising from foreign currency financial statements		
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	89,003,371.24	81,630,658.94
Total comprehensive income attributable to the owner of the parent company	84,686,065.15	84,013,429.35
Total comprehensive income attributable to minority shareholders	4,317,306.09	-2,382,770.41
VIII. Earnings per share:		
(I) Basic earnings per share	0.1965	0.1949
(II) Diluted earnings per share	0.1965	0.1949

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

Legal representative: Wang Chuan   Person in charge of accounting: Huang Tianyang   Person in charge of the accounting department: Huang Tianyang

4. Parent company's income statement

Unit: RMB

Item	Half Year of 2026	Half Year of 2025
I. Operating revenue	57,952,031.64	58,621,053.92
Less: Operating cost	25,809,271.80	23,987,855.33
Taxes and surcharges	3,017,930.31	830,387.15
Selling expenses	1,682,076.67	518,115.28
Administrative expenses	20,783,540.05	21,204,645.29
R&D expenses		
Financial expenses	1,412,928.09	1,456,770.51
Including: Interest expenses	1,418,167.05	1,574,505.31
Interest income	13,928.87	132,113.06
Add: Other income	68,678.68	214,922.09
Investment income (loss to be listed with "-")	55,166,648.63	91,814,280.85
Including: Income from investment in associates and joint ventures	19,087,253.73	11,910,260.91
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 changes in fair value (loss to be listed with "-")	538,046.29	-1,082,234.48
Credit impairment loss (loss to be listed with "-")		35,396.25
Asset impairment losses (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 "-")	61,019,658.32	101,573,282.68
Add: Non-operating revenue	1,159,390.92	1,050,299.68
Less: Non-operating expenses	75.12	35,396.25
III. Total profit (total loss to be listed with "-")	62,178,974.12	102,588,186.11
Less: Income tax expenses	7,837,290.26	5,850,758.54
IV. Net Profit (net losses to be listed with "-")	54,341,683.86	96,737,427.57
(I) Net profit from continuing operations (net loss to be listed with "-")	54,341,683.86	96,737,427.57
(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 in other equity instruments		
4. Changes in the fair value of the Company's 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 difference arising from foreign currency financial statements		
7. Others		
VI. Total comprehensive income	54,341,683.86	96,737,427.57
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	Half Year of 2026	Half Year of 2025
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of labor services	521,703,801.25	1,007,896,076.00
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 placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges, and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business funds		
Net amount of cash received from acting trading securities		
Refund of taxes received	7,782,695.37	37,295.38
Other cash received relating to operating activities	92,180,851.29	87,779,185.34
Subtotal of cash inflows from operating activities	621,667,347.91	1,095,712,556.72
Cash paid for the purchase of goods and receipt of services	202,138,345.65	787,104,493.07
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 loans 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	27,765,682.56	26,278,872.85
Taxes and fees paid	41,482,061.67	33,435,410.90
Other cash paid relating to operating activities	62,099,242.10	94,087,448.23
Subtotal of cash outflows from operating activities	333,485,331.98	940,906,225.05
Net cash flows from operating activities	288,182,015.93	154,806,331.67
II. Cash flows from investing activities:		
Cash received from disposal of investments	496,621,061.03	341,019,153.51
Cash received from investment income	3,261,906.75	1,355,298.39
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	452,000.00	30,583.15
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	500,334,967.78	342,405,035.05
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	2,029,807.92	5,475,969.23
Cash paid for investments	564,143,205.48	570,171,410.96
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments related to investing activities	355,168.80	402,612.58
Subtotal of cash outflows from investing activities	566,528,182.20	576,049,992.77
Net cash flows from investing activities	-66,193,214.42	-233,644,957.72
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
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		184,500,000.00
Cash paid for repayment of debts	206,000,000.00	151,600,000.00
Cash paid for distribution of dividends, profits, or interest repayment	37,650.36	45,218,183.69
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	3,735,884.85	730,323.63
Subtotal of cash outflows from financing activities	209,773,535.21	197,548,507.32
Net cash flows from financing activities	-209,773,535.21	-13,048,507.32

IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	12,215,266.30	-91,887,133.37
Add: Beginning balance of cash and cash equivalents	78,380,580.53	301,275,968.63
VI. Ending balance of cash and cash equivalents	90,595,846.83	209,388,835.26

6. Parent company's cash flow statement

Unit: RMB

Item	Half Year of 2026	Half Year of 2025
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of labor services	73,502,390.31	68,270,922.88
Refund of taxes received	7,776,179.87	
Other cash received relating to operating activities	2,239,047.38	3,838,443.14
Subtotal of cash inflows from operating activities	83,517,617.56	72,109,366.02
Cash paid for the purchase of goods and receipt of services	9,857,542.13	19,371,209.74
Cash paid to and for employees	21,476,098.43	17,881,365.69
Taxes and fees paid	9,267,834.85	8,571,789.07
Other cash paid relating to operating activities	8,222,156.82	18,381,714.60
Subtotal of cash outflows from operating activities	48,823,632.23	64,206,079.10
Net cash flows from operating activities	34,693,985.33	7,903,286.92
II. Cash flows from investing activities:		
Cash received from disposal of investments	85,154,182.34	240,019,153.51
Cash received from investment income	20,000,000.00	74,290,000.00
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		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	105,154,182.34	314,309,153.51
Cash paid to acquire fixed assets, intangible assets, and other long-term assets		5,172,800.29
Cash paid for investments	126,000,000.00	290,171,410.96
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments related to investing activities		
Subtotal of cash outflows from investing activities	126,000,000.00	295,344,211.25
Net cash flows from investing activities	-20,845,817.66	18,964,942.26
III. Cash flows from financing activities:		

Cash received from absorbing investment		
Cash received from borrowings		
Other cash received relating 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
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities		43,097,999.33
Net cash flows from financing activities		-43,097,999.33
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	13,848,167.67	-16,229,770.15
Add: Beginning balance of cash and cash equivalents	5,557,917.51	25,182,064.77
VI. Ending balance of cash and cash equivalents	19,406,085.18	8,952,294.62

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: RMB

Item	Half Year of 2026														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		-7,606,040.90		92,661,110.16		879,664,677.57		1,826,644,475.33	169,475,371.21	1,996,119,846.54
Add: Changes in accounting policies															
Correction of prior errors															
Others															
II. Beginning balance of	431,058,				430,866,		-7,60		92,661,1		879,664,		1,826,64	169,475,	1,996,11

the current year	320.00				408.50		6,040.90		10.16		677.57		4,475.33	371.21	9,846.54
III. Increase/decrease in the current period (decrease to be listed with "-")											84,686,065.15		84,686,065.15	1,437,106.09	86,123,171.24
(I) Total comprehensive income											84,686,065.15		84,686,065.15	4,317,306.09	89,003,371.24
(II) Capital invested and decreased by owners														-2,880,200.00	-2,880,200.00
1. Ordinary shares contributed by owners														-2,880,200.00	-2,880,200.00
2. Capital contributed by the holders of other equity instruments															
3. Amounts of share-based payments included in owner's equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal															

carryover of owners' equity															
1. Capital (or share capital) transferred from capital reserve															
2. Capital (or share capital) transferred from surplus reserve															
3. Surplus reserves to cover losses															
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		92,661,110.16		964,350,742.72		1,911,330,540.48	170,912,477.30	2,082,243,017.78

Amount of the previous year

Unit: RMB

Item	Half Year of 2025														
	Owners' equity attributable to the parent company													Minority	Total
	Shar	Other equity			Capi	Less	Oth	Spe	Surp	Gen	Und	Oth	Subt		

	e capital	instruments			tal reserve	: Treasury shares	er comprehensive income	cial reserves	lus reserves	eral risk provision	istributed profits	ers	otal	interests	owners' equity
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		-7,606,040.90		74,222,656.99		798,343,284.97		1,726,884,629.56	170,841,342.17	1,897,725,971.73
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		-7,606,040.90		74,222,656.99		798,343,284.97		1,726,884,629.56	170,841,342.17	1,897,725,971.73
III. Increase/decrease in the current period (decrease to be listed with "-")											40,907,597.35		40,907,597.35	-2,382,770.41	38,524,826.94
(I) Total comprehensive income											84,013,429.35		84,013,429.35	-2,382,770.41	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. Amounts of share-based payments															

included in owner's 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 carryover of owners' equity															
1. Capital (or share capital) transferred from capital reserve															
2. Capital (or share capital) transferred from surplus reserve															
3. Surplus reserves to cover losses															
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		-7,606,040.90		74,222,656.99		839,250,882.32		1,767,792,226.91	168,458,571.76	1,936,250,798.67

8. Statement of changes in owners' equity of parent company

Amount in the current period

Unit: RMB

Item	Half Year of 2026											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	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		92,661,110.16	718,753,179.88		1,663,096,278.37
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		92,661,110.16	718,753,179.88		1,663,096,278.37
III. Increase/decrease in the current period										54,341,683.86		54,341,683.86

(decrease to be listed with "-")												
(I) Total comprehensive income										54,341,683.86		54,341,683.86
(II) Capital invested and decreased by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by the holders of other equity instruments												
3. Amounts of share-based payments included in owner's equity												
4. Others												
(III) Profit distribution												
1. Appropriation to surplus reserve												
2. Distribution to owners (or shareholders)												
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital (or share capital) transferred from capital reserve												
2. Capital (or share capital) transferred from surplus reserve												

3. Surplus reserves to cover losses												
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		92,661,110.16	773,094,863.74		1,717,437,962.23

Amount of the previous year

Unit: RMB

Item	Half Year of 2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	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												
Co												

rrection 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 (decrease to be listed with "-")										53,631,595.57		53,631,595.57
(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. Amounts of share-based payments included in owner's 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 carryover of owners' equity												
1. Capital (or share capital) transferred from capital reserve												
2. Capital (or share capital) transferred from surplus reserve												
3. Surplus reserves to cover losses												
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

III. Company Profile

Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as "the Company") is a joint stock 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 of 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 the 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 unrestricted tradable A shares and 38,280,000 unrestricted tradable B shares. The business address of the Company's headquarters is 3-4/F, Tellus Building, 2nd Shuibei Road, Luohu District, Shenzhen. The legal representative is Wang Chuan.

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 the 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 the 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 issued 2 bonus shares and distributed a cash dividend of RMB 0.5 for every 10 shares held by all shareholders, totaling 33,376,000 bonus shares, which were 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 issued 0.5 bonus shares, converted 0.5 shares from capital reserve, and distributed a cash dividend of RMB 0.5 for every 10 shares held by all shareholders, resulting in a total increase of 20,025,600 shares, which were implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the bonus issue and conversion of capital reserve into share capital.

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 CSRC, 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 additional 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 converted capital reserve into

4.5 shares for every 10 shares held by all shareholders, totaling 133,776,720 converted shares, which were implemented in 2019. After the conversion, the registered capital was increased to RMB 431,058,320.00.

Registered address: 3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen

Headquarters address: 3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen

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

The financial statements and notes to the financial statements were approved by the Second Meeting of the Eleventh Board of Directors of the Company on August 20, 2026.

IV. Preparation Basis of Financial Statements

1. Preparation basis

The Company prepared the financial statements in accordance with the 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 disclosed relevant financial information as 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) i*ssued by the CSRC.

2. Going concern

The financial statements are prepared on the basis of going concern.

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, 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, Note V. 23 and Note V. 26.

1. Statement of compliance with the ASBE

The financial statements comply with the requirements of ASBE and truly and fully reflect the consolidated and the Company's financial position as of June 30, 2026, as well as the consolidated and the Company's operating results and cash flows for the first half of 2026, and other relevant information.

2. Accounting period

The Company's accounting period is based on the calendar period, namely, from January 1 to June 30 each year.

3. Business cycle

The business cycle of the Company is 6 months.

4. Recording currency

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

5. Method and basis for determination of materiality

☑Applicable □ Not applicable

Item	Materiality criteria
Significant accounts receivable with provision for bad debts made on an individual basis	Amount ≥ 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 ≥ RMB 20,000,000.00
Significant accounts payable and other payables	Individual accounts payable/other payables aged over 1 year that account for more than 1% of total accounts payable and amount to RMB 1,000,000.00 or more
Significant non-wholly-owned subsidiaries	The total revenue of related entities accounts for more than 10% of the total revenue in the consolidated financial statements, or the absolute value of the net profit accounts for more than 10% of the net profit in the consolidated financial statements
Significant investing activities and projects	Single investment activity accounts for more than 10% of the total cash inflows or outflows related to investment activities, or the outflows amount to RMB 100,000,000.00 or more
Significant accounts receivable with provision for bad debts made on an individual basis	Amount ≥ 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 ≥ RMB 20,000,000.00
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 methods for business combinations under common control and not under common control

(1) Business combination under common control

For a business combination under common control, the combining party shall measure the assets and liabilities acquired from the combined party at their book values in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the book value of the consideration for the combination and the book value of the net assets acquired in the combination shall be adjusted against capital reserve. Where the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted.

Business combinations under common control achieved in stages through multiple transactions

The assets and liabilities acquired by the combining party from the combined party shall be measured at their book values in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the sum of the book value of the investment held before the combination and the book value of the consideration newly paid on the combination date, and the book value of the net assets acquired in the combination, shall be adjusted against capital reserve. Where the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted. For the long-term equity investment held by the combining party before obtaining control over the combined party, the relevant profit or loss, other comprehensive income and changes in other owners' equity recognized during the period from the later of the date when the original equity interest was acquired and the date when the combining party and the combined party came under the same ultimate control, to the combination date, shall be offset against beginning retained earnings or current profit or loss in the comparative financial statement period, as appropriate.

(2) Business combination not under common control

For a business combination not under common control, the combination cost is the fair value, on the acquisition date, of the assets paid, liabilities incurred or assumed, and equity securities issued to obtain control over the acquiree. On the acquisition date, the assets, liabilities and contingent liabilities acquired from the acquiree are recognized at fair value.

If the combination cost is greater than the acquirer's share of the fair value of the acquiree's identifiable net assets acquired in the combination, the difference shall be recognized as goodwill and subsequently measured at cost less accumulated impairment provisions. If the combination cost is less than the acquirer's share of the fair value of the acquiree's identifiable net assets acquired in the combination, the difference shall be recognized in current profit or loss after review.

Business combinations not under common control achieved in stages through multiple transactions

The combination cost is the sum of the consideration paid on the acquisition date and the fair value, on the acquisition date, of the acquiree's equity interest already held before the acquisition date. The acquiree's equity interest already held before the acquisition date shall be remeasured at its fair value on the acquisition date, and the difference between the fair value and its book value shall be recognized in current investment income. Where the acquiree's equity interest already held before the acquisition date involves other comprehensive income or changes in other owners' equity, such amounts shall be transferred to current income on the acquisition date, except for other comprehensive income arising from changes in the investee's net liabilities or net assets from remeasurement of defined benefit plans and other comprehensive income related to investments in non-trading equity instruments previously designated as measured at fair value through other comprehensive income.

(3) Treatment of related transaction costs in business combinations

Intermediary costs such as audit, legal service, valuation and consulting fees, and other related administrative expenses incurred for a business combination shall be recognized in current profit or loss when incurred. Transaction costs of equity securities or debt securities issued as consideration for a business combination shall be included in the initially recognized amount of the equity securities or debt securities.

7. Determination of control and preparation of consolidated financial statements

(1) Judgment standard for control

The consolidation scope of the consolidated financial statements is determined based on control. Control means that the Company has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to affect the amount of its returns. When changes in relevant facts and circumstances lead to changes in relevant factors involved in the 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 it controls the structured entity based on all facts and circumstances, including the purpose and design of the structured entity, the types of variable returns, and whether the Company bears part or all of the variability of returns by participating in its relevant 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 the 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 is added during the reporting period through a business combination under common control, the subsidiary or business is deemed to have been included in the Company's scope of consolidation from the date when it came under the control of the ultimate controlling party. Its operating results and cash flows from that date shall be included in the consolidated income statement and consolidated cash flow statement, respectively.

For a subsidiary or business added during the reporting period through a business combination not under common control, the revenue, expenses and profit of such subsidiary or business from the acquisition date to the end of the reporting period shall be included in the consolidated income statement, and its 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 interests. The portion of net profit or loss of subsidiaries in the current period belonging to minority interests shall be listed separately under the item "Minority Shareholders' Profit or Loss" in the consolidated income statement. If the losses of a subsidiary attributable to minority shareholders exceed the minority shareholders' share of the subsidiary's owners' equity at the beginning of the period, the excess shall still be offset against minority interests.

(3) Acquisition of equity from minority shareholders of subsidiaries

The difference between the cost of the long-term equity investment newly acquired through the purchase of minority equity interests and the Company's share of the subsidiary's net assets continuously calculated from the acquisition date or combination date based on the newly increased shareholding ratio, and the difference between the disposal consideration received from partial disposal of the equity investment in a subsidiary without loss of control and the corresponding share of the subsidiary's net assets continuously calculated from the acquisition date or combination date, shall be adjusted against capital reserve in the consolidated balance sheet. Where the capital reserve is insufficient to offset the difference, retained earnings shall be adjusted.

(4) Disposal of the loss of control over subsidiaries

Where control over a former subsidiary is lost due to disposal of part of an equity investment or other reasons, the remaining equity interest shall be remeasured at its fair value on the date when control is lost. The difference arising from the sum of the consideration received from the disposal of equity and the fair value of the remaining equity interest, less the sum of the share of the former subsidiary's net assets continuously calculated from the acquisition date based on the original shareholding ratio and goodwill, shall be recognized in current investment income for the period in which control is lost.

When the Company loses control over a former subsidiary, other comprehensive income related to the equity investment in the former subsidiary shall be accounted for on the same basis as would apply if the former subsidiary had directly disposed of the relevant assets or liabilities, and changes in other owners' equity related to the former subsidiary under the equity method shall be transferred to current profit or loss at the time control is lost.

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 parties. The Company's joint arrangements are classified into joint operations and joint ventures.

(1) Joint operations

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 share of interests in joint operations and carries out accounting treatment in accordance with relevant ASBE:

A. Recognize assets held separately and its share of assets held jointly;

B. Recognize liabilities assumed separately and its share of liabilities assumed jointly;

C. Recognize the revenue generated from selling its share of joint operation output;

D. Recognize the revenue generated from sales of joint operation output according to its share;

E. Recognize the expenses incurred separately and the expenses incurred from the joint operation as per their shares.

(2) Joint ventures

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

The Company accounts for investments in joint ventures in accordance with the provisions on equity method accounting for long-term equity investments.

9. Recognition criteria of 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 translation of foreign currency statements

Foreign currency transactions of the Company are translated into the amount in recording currency according to the spot exchange rate on the transaction date.

On the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on the balance sheet 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 the other party.

(1) Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contract of the financial instrument.

A financial asset will be derecognized under one of the following conditions:

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 in a conventional way are subject to accounting recognition and derecognition on the transaction day.

(2) Classification and measurement of financial assets

At the time of initial recognition, according to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into the following three categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are initially recognized at fair value. For financial assets measured 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 measured at fair value through other comprehensive income

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 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 and loss, and other gains or losses are included in other comprehensive income. At derecognition, cumulative gains or losses previously included in other comprehensive income are transferred out from the other comprehensive income and charged to the current profit and loss.

Financial assets measured 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 measured at fair value through profit or loss. At initial recognition, to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or fair value through other comprehensive income as 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 measured at fair value through other comprehensive income upon initial recognition. Such designation shall be made on the basis of individual investment, and such investment must conform to the definition of equity instrument from the issuer's point of view.

After initial recognition, such financial assets are subsequently measured at fair value. Dividend revenue 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. Specifically, 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 underlying borrowing risks, costs, and profits. In addition, the Company evaluates contractual terms that may change the timing or amount of contractual cash flows of financial assets to determine whether they meet the requirements for the above 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 those measured at fair value through profit or loss, relevant transaction costs shall be included in their initially recognized amounts.

Financial liabilities measured at fair value through profit or loss

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

Distinction 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 Contractual obligations to exchange financial assets or financial liabilities with other parties under potentially adverse conditions.

③ Non-derivative contracts that must or can be settled with the enterprise's own equity instruments in the future, and under which the enterprise will deliver a variable number of its own equity instruments.

④ Derivative contracts that must or can be settled with the enterprise's own equity instruments in the future, except for derivative contracts under which a fixed number of its own equity instruments is exchanged for a fixed amount of cash or other financial assets.

An equity instrument refers to a contract that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.

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. Derivative financial instruments are initially measured at fair value on the date the derivative transaction contract is concluded and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset and those with a negative fair value are recognized as a liability. Any gain or loss arising from changes in fair value that does not qualify for hedge accounting shall be directly included in current profit or loss.

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

(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 measured at fair value through other comprehensive income;
- Contract assets as defined in the *Accounting Standards for Business Enterprises No. 14—Revenue;*
- Lease receivables;
- Financial guarantee contracts (except for those measured at fair value through profit or loss, or those arising from transfers of financial assets that do not meet the derecognition conditions or from continuing involvement in transferred financial assets).

Measurement of expected credit loss

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable by the Company under the contract and all cash flows expected to be received, discounted at the original effective interest rate, namely the present value of all cash shortfalls.

The Company considers reasonable and well-grounded information about past events, current conditions and projections of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, weighted by the risk of default, to recognize expected credit losses.

The Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is in the first stage, and the Company measures the loss provision based on the expected credit losses for 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, and the Company measures the loss provision based on the expected credit losses over the entire duration of the instrument; if the financial instrument has suffered credit impairment since initial recognition, it is in the third stage, and the Company measures the loss provision based on the expected credit losses over the entire duration of the instrument.

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 based on the expected credit losses for the next 12 months.

Expected credit losses over the entire period refer to expected credit losses resulting from all possible default events over the expected period of a financial instrument. Expected credit losses over the next 12 months refer to expected credit losses resulting from possible default events on a financial instrument within 12 months after the balance sheet date (or the expected period if the expected period of the financial instrument is less than 12 months), and are part of expected credit losses over the entire period.

When measuring the expected credit loss, 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 impairment provision and the effective 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 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 at an amount equal to the expected credit losses over the entire period.

When information on expected credit losses on individual financial assets or contract assets cannot be assessed at reasonable cost, the Company classifies notes receivable, accounts receivable and contract assets into portfolios based on credit risk characteristics, calculates expected credit losses on a portfolio basis, and determines the portfolio as follows:

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 portfolios
- Accounts receivable portfolio 2: Jewelry sales business portfolio

For notes 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, 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 on a portfolio basis, and determines the portfolio based on the following:

- Other receivables portfolio 1: Aging portfolio
- Other receivables portfolio 2: 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.

Debt investments and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses based on the nature of the investments and types of counterparties and risk exposures, using default risk exposure and the expected credit loss rate over the next 12 months or the entire period.

Assessment of significant increases 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 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 risks have increased significantly on the basis of 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 repay in full the amounts 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 credit impairment has occurred to financial assets measured at amortized cost and debt investments measured at fair value through 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 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 the financial assets presented in the balance sheet; for the debt investments measured at fair value through 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 constitute the derecognition of related financial assets. This usually happens when the Company determines that the debtor has no assets or sources of income to generate sufficient cash flow to repay the amount to be written off. However, in accordance with the Company's procedures for recovering overdue amounts, the written-down financial assets may still be subject to enforcement 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 profits or losses.

(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. Otherwise, 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 of the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange — Industrial Information Disclosure* for jewelry-related business.

12. Inventories

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

(1) Classification of inventories

Inventories of the Company mainly include raw materials, goods in stock, and hedged items.

(2) Valuation method for dispatched inventories

Inventories of the Company are priced by actual cost when acquired. Raw materials and inventory items are valued using the first-in-first-out method when issued.

(3) Recognition and accrual 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. In determining the net realizable value of inventories, the Company shall consider purpose of holding inventories and the effect of events after the balance sheet date based on the acquired concrete evidence.

The Company usually conducts the provision for decline in the value of inventories on an individual inventory item basis. For inventories with large quantities and low unit prices, provision for decline in the value of inventories is recognized by inventory class.

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 of the original provision.

(4) Inventory system

The Company adopts the perpetual inventory system.

(5) Amortization 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 investment acquired through a business combination: For long-term equity investment acquired through a business combination under common control, the share of the book value of the owners' 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 a business combination not under common control, the combination cost shall be recognized as the investment cost of the 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). When recognizing the share of net profit or loss of the investee, the Company shall recognize the net profit of the investee after adjustment based on the fair value of various identifiable assets of the investee when acquiring the investment and in accordance with the accounting policies and accounting periods of the Company.

If the Company is able to exert significant influence on the investee or exercise joint control over the investee but does not have control due to additional investment or other reasons, the sum of the fair value of the original equity plus the new investment cost shall be taken as the initial investment cost calculated by the equity method on the conversion date. 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 a 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. When the equity method is discontinued, other comprehensive income recognized in relation to the original equity investment under the equity method shall be accounted for on the same basis as would apply if the investee directly disposed of the relevant assets or liabilities; other changes in owners' equity related to the original equity investment shall be transferred to 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 remaining equity after disposal enables the Company to exercise joint control over or significant influence on the investee, it shall be accounted for using the equity method instead, and adjusted as if it had been accounted for using the equity method since it was acquired; if the remaining equity after disposal does not enable the Company to exercise joint control over or significant influence on the investee, it shall be subject to accounting treatment according to the 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 on 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 while the Company can still exercise joint 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.

The portion of unrealized internal transaction gains and losses between the Company and its associates and joint ventures attributable to the Company based on its shareholding proportion shall be offset, and investment gains and losses shall be recognized on that basis. 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 the 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 combinations of parties 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, the Company 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.

When the Company directly owns, or indirectly owns through its subsidiaries, 20% or more but less than 50% of the voting shares of the investee, it is generally considered to have significant influence over the investee, unless there is clear evidence that the Company cannot participate in the production and operating decisions of the investee under such circumstances and therefore does not have significant influence. When the Company owns less than 20% of the voting shares of the investee, it is generally not considered to have significant influence over the investee, unless there is clear evidence that the Company can participate in the production and operating decisions of the investee under such circumstances and therefore has 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 use rights that have been rented, the land use rights held for transfer after appreciation, and buildings that have been rented.

Investment properties of the Company shall be initially measured at 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 difference between the disposal income from the sale, transfer, retirement or damage of investment properties after deducting their book value and relevant taxes shall be included in current profit or loss.

15. Fixed assets

(1) Recognition conditions

Fixed assets of the Company refer to the tangible assets held for producing goods, rendering labor services, leasing, 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 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. Borrowing costs incurred after the assets eligible for capitalization are ready for their intended use or sale shall be recognized as expenses based on the amount incurred when incurred and included in current profit or loss.

If the acquisition, construction, or production of assets eligible for capitalization is interrupted abnormally and the interruption period exceeds 3 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 amount of interest expenses actually incurred on specific borrowings in the current period, less the interest income earned from depositing unused borrowing funds in banks or investment income from temporary investments, 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, exchange differences on foreign-currency special borrowings shall be capitalized in full, while exchange differences on foreign-currency general borrowings shall be included in 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 with reference to the term that can bring economic benefits to the Company	Straight-line method	
Trademark	10 years	Determine the service life with reference to 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 input expenses, depreciation expenses, 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 may be capitalized only when all of the following conditions are met: It is technically feasible to complete the intangible asset so that it can be used or sold; there is an intention to complete the intangible asset and use or sell it; the way in which the intangible asset will generate economic benefits can be demonstrated, including by demonstrating that there is a market for the products produced using the intangible asset or for the intangible asset itself, or, if the intangible asset is to be used internally, by demonstrating its usefulness; there are sufficient technical, financial and other resources to complete the development of the intangible asset and the ability to use or sell it; and the expenditures attributable to the development stage of the intangible asset 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 long-term equity investments in subsidiaries, associates and joint ventures, investment properties subsequently measured under the cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, etc. (excluding inventories, investment properties measured under the fair value model, deferred income tax assets and financial assets) shall be determined 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 combination, 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 from a business combination shall be allocated to the relevant asset groups using a reasonable method from the acquisition date; if it is difficult to allocate it to the relevant asset groups, it shall be allocated to the relevant portfolios of asset groups. The relevant asset groups or portfolios of asset groups are asset groups or portfolios of asset groups that can benefit from synergies of a business combination and are 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, an impairment test shall be first conducted for asset groups or portfolios of asset groups that do not contain goodwill to 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 shall 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 item cannot benefit the future accounting period, the amortized value of the item shall be included in the current profit or loss in full amount.

21. Employee compensation

(1) Accounting treatment for short-term compensation

During the accounting period when employees provide services, the Company recognizes the actual salary and bonus of employees, social insurance premiums such as medical insurance premiums, work-related injury insurance premiums, and maternity insurance premiums paid for employees according to the specified benchmark and proportion, and housing fund as liabilities, and includes them in current profits and losses or relevant asset costs.

(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 the defined contribution plan.

Defined contribution plan

The defined contribution plan includes basic endowment insurance and unemployment insurance.

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 using the projected unit credit method. Employee compensation costs of the Company arising from the defined benefit plan 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 to 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 permit employee benefit costs to be included in asset costs, the Company includes items ① and ② above in current profit or loss; item ③ is included in other comprehensive income and will not be reclassified to profit or loss in subsequent accounting periods. When the original defined benefit plan is terminated, the portion previously included in other comprehensive income is transferred in full within equity to undistributed profits.

(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 and included in current profit or loss at the earlier of the following two dates: when the Company can no longer unilaterally withdraw the termination benefits provided under a labor relationship termination plan or layoff proposal; or when the Company recognizes costs or expenses related to 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 as per the regulations relevant to the defined contribution plan mentioned above. If the benefits meet the defined benefit plan, they shall be handled as 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 an outflow of economic interest of the Company;

(3) The amount of such obligation can be measured reliably.

Estimated liabilities are initially measured at the best 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. If there is a significant impact on the time value of money, the best estimate is determined by discounting the 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 the recognized liabilities.

23. Revenue

Accounting policies for revenue recognition and measurement disclosed by business type

(1) General principles

The Company recognizes revenue when it has fulfilled its obligations under the contract, specifically when the customer has gained control over the 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 goods or services promised by each performance obligation, and measure the revenue according to the transaction price apportioned to each performance obligation.

If one of the following conditions is met, the performance obligation is performed over a period of time; otherwise, it is performed at a time point:

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 no alternative use, 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 goods 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., the customer has the obligation to pay immediately for the goods.

② The Company has transferred legal title to the goods to the customer, i.e., the customer has legal title to the goods.

③ The Company has transferred the goods to the customer in kind, i.e., the customer has possessed the goods.

④ The Company has transferred the major risks and rewards on the ownership of the goods to the customer, i.e., the customer has obtained the major risks and rewards on the ownership of the goods.

⑤ The customer has accepted the goods or services.

⑥ Other signs indicate that the customer has obtained the right to control the goods.

(2) Specific methods

Property lease and service

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

Sales and services of gold and jewelry

The Company determines whether it is the principal or agent at the time of the transaction based on whether it has control of the goods or services prior to the transfer of the goods or services to the customer. If the Company has control over the goods or services before transferring them to the customer, the Company is the principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company acts as an agent and recognizes revenue based on the amount of commission or handling charge to which it is expected to be entitled, which is determined based on the net amount of the total consideration received or receivable after deducting the price payable to other related parties, or based on the established commission amount or proportion. The Company's gold and jewelry sales are primarily conducted through direct sales, supplemented by consignment sales. The main direct sales channels include wholesalers, e-commerce platforms, and retail sales at direct-sales stores. The timing of revenue recognition for each sales model is 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.

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.

③ In retail through direct-sales stores, the Company sells its goods in its self-owned properties. The sales revenue will be recognized when the Company has sold goods to customers and received payments or obtained the right to claim payments.

④ In consignment sales, the Company delivers products to stores of consignees. Revenue is recognized when the consignee sells the goods to end consumers, the end consumers sign for the goods, and control of the goods has been transferred to the end consumers, which is the point at which the performance obligation under the sales contract is completed.

The specific methods for recognizing other revenues of 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. Based on the price quoted by the Shanghai Gold Exchange at the relevant point in time, the Company confirms the sale (pricing) in the trading system and recognizes revenue after obtaining the settlement statement from the Shanghai Gold Exchange.

In the gold and jewelry agency procurement business, the Company acts as an agent and provides agency services for principals according to the agency procurement 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 repurchases gold on behalf of suppliers and charges service fees. Revenue is calculated and recognized based on the timing of the agency gold repurchase and the service fees agreed in the contract.

Circumstances where the same type of business involves different revenue recognition and measurement methods due to different business models

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

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 in the form of monetary assets shall be measured at the amount received or receivable. The government subsidies in the form of 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 a business combination 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 combination 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 it is likely that such temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the Company recognizes deferred income tax assets arising therefrom to the extent that it is likely to obtain future taxable income to offset the deductible temporary differences, deductible losses and tax credits, unless the deductible temporary differences arise in the following transactions:

(1) The transaction should not be a business combination 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, associates, and joint ventures, 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 income tax liabilities are measured at the applicable tax rates for the period when the asset is recovered, or the liability is settled, and reflect the income tax impact 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 the deferred income tax assets. If it is likely that sufficient taxable income 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 is reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable income will be available.

On the 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 within the Company has a legally enforceable right to settle current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and 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 the lease according to the unpaid lease payment on the commencement date of the lease term. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives; variable lease payments that depend on an index or a rate; the exercise price of a purchase option, provided that the lessee is reasonably certain to exercise that option; payments required to exercise an option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; and payments expected to be made based on the residual value guaranteed by the lessee. Subsequently, interest expenses on lease liabilities for each period during the lease term shall be calculated at a fixed periodic interest rate and included in 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

A 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 purchase option.

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 classes 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 a change in a lease occurs and meets the following conditions at the same time, the Company accounts for the change as a separate lease: ① The change expands the scope of the lease by adding the right to use one or more leased assets; and ② the increased consideration is commensurate with the stand-alone price for the increase in the scope of the lease, adjusted for the circumstances of 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 gains 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 book value 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.

Finance lease

In a finance lease, at the commencement date of the lease term, the Company takes the net investment in the lease as the entry value of finance lease receivables. The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease receipts that have not yet been received at the commencement date of the lease term, discounted at the interest rate implicit in the lease. As the lessor, the Company calculates and recognizes interest income for each period during the lease term using a fixed periodic interest 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 lease

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 payment, which is related to operating lease and not included in lease receipts, is included in the current profit or loss when it actually occurs.

Lease change

If there is a change in an operating lease, the Company accounts for it as a new lease from the effective date of the change, and any lease payments received in advance or receivable related to the lease before the change are regarded as lease receipts under the new lease.

If a change in a finance lease occurs and meets the following conditions at the same time, the Company accounts for the change as a separate lease: ① The change expands the scope of the lease by adding the right to use one or more leased assets; and ② the increased consideration is commensurate with the stand-alone price for the increase in the scope of the lease, adjusted for the circumstances of 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 contractual cash flows of financial assets are consistent with a basic lending arrangement, the Company makes the following main judgments: Whether the principal may change in timing or amount over the period due to prepayment or other reasons; whether the interest includes only the time value of money, credit risk, other basic lending risks, and consideration for costs and profit. 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 it is probable that sufficient taxable profits will be available to offset the losses, deferred income tax assets shall be recognized for 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 significant accounting estimates

□ Applicable ☑Not applicable

(3) Adjustments to relevant items in the financial statements at the beginning of the year upon initial application of new accounting standards since 2026

□ Applicable ☑Not applicable

VI. Taxes

1. Main taxes and tax rates

Tax category	Tax basis	Tax rates
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 ad valorem collection,1.2% of the remaining value after 30% of the original value of the property is deducted by lump sum; for rent-based collection, 12% of the rent revenue	1.2%, 12%
Educational surcharges	Actually paid turnover tax	3%
Local education surcharges	Actually paid turnover tax	2%

Disclosure statement of taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate
Shuibeitong (Shenzhen) Information 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%
Shanghai Fanyue Diamond Co., Ltd.	20%
Other taxable entities other than the above	25%

2. Tax preference

① Corporate income tax

In accordance with the *Announcement on Tax and Fee 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), during the period from January 1, 2023 to December 31, 2027, the taxable income of small low-profit enterprises shall be calculated at a reduced rate of 25%, and corporate income tax shall be levied at a rate of 20%. The Company's subsidiaries Shuibeitong, Bao'an Shiquan, Tellus Real Estate, Automobile Supply and Marketing, and Shanghai Fanyue enjoy the above tax preferences.

② 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 paying taxes monthly 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 that pays tax monthly, enjoys the above tax preference if its monthly sales or turnover does not exceed RMB 100,000.

VII. Notes to Items in Consolidated Financial Statements

1. Cash at bank and on hand

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	6,016.65	6,016.65
Cash at bank	56,774,202.68	45,536,363.87
Other cash at bank and on hand	37,009,307.30	103,686,776.33
Total	93,789,526.63	149,229,156.85

Other notes:

The Company's restricted cash at bank and on hand at the end of the period consisted primarily of security deposits for futures and options.

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

Unit: RMB

Item	**Ending balance**	**Ending balance of the previous year**
Gold leasing security deposits and interest		0.01
Futures and options account margin	3,193,679.80	28,748,241.60
Security deposits for notes payable and interest		42,100,334.71
Total	**3,193,679.80**	**70,848,576.32**

2. Held-for-trading financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through profit or loss	231,489,714.42	117,410,631.65
Including:		

Structured deposits and finance products	231,489,714.42	117,410,631.65
Including:		
Total	231,489,714.42	117,410,631.65

3. Derivative financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Hedging instruments—derivative financial assets in a designated hedging relationship	359,615.00	
Total	359,615.00	

4. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	26,629,658.82	60,980,767.02
1 to 2 years	1,409,559.18	1,820,579.18
2 to 3 years	22,959.70	22,959.70
Over 3 years	48,875,550.93	48,875,942.93
3 to 4 years	508,387.31	508,387.31
5 years or more	48,367,163.62	48,367,555.62
Total	76,937,728.63	111,700,248.83

(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 of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts made on an individual basis	49,385,254.52	64.19%	49,343,814.52	99.92%	41,440.00	49,796,666.52	44.58%	49,570,436.52	99.55%	226,230.00

Including:									
Accounts receivable with provision for bad debts made on a portfolio basis	27,552,474.11	35.81%	761,389.38	2.76%	26,791,084.73	61,903,582.31	55.42%	1,119,920.52	1.81%	60,783,661.79
Including:									
Including: Portfolio of leasing and other businesses	22,191,505.81	28.84%	707,286.49	3.19%	21,484,219.32	20,689,280.75	18.53%	707,286.49	3.42%	19,981,994.26
Jewelry sales business portfolio	5,360,968.30	6.97%	54,102.89	1.01%	5,306,865.41	41,214,301.56	36.89%	412,634.03	1.00%	40,801,667.53
Total	76,937,728.63	100.00%	50,105,203.90	65.12%	26,832,524.73	111,700,248.83	100.00%	50,690,357.04	45.38%	61,009,891.79

Category name of bad debt provision made on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	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	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

Engineering Co., Ltd.						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	27,294,252.00	27,068,022.00	26,882,840.00	26,841,400.00	99.17%	Long account receivable age, and expected to be unrecoverable
Total	49,796,666.52	49,570,436.52	49,385,254.52	49,343,814.52		

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

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Within 1 year	20,798,624.16	192,183.10	0.92%
1 to 2 years	861,534.64	40,995.07	4.76%
2 to 3 years	22,959.70	4,591.94	20.00%
Over 3 years	508,387.31	469,516.38	92.35%
Total	22,191,505.81	707,286.49	

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	Proportion of provision
Within 1 year	5,360,968.30	54,102.89	1.01%
Total	5,360,968.30	54,102.89	

If provision for bad debts on accounts receivable is made according to the general model of expected credit losses:

☑Applicable □ Not applicable

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2026	1,119,920.52		49,570,436.52	50,690,357.04
Balance as of January				

1, 2026 in the current period				
Reversal in the current period	358,531.14		226,622.00	585,153.14
Balance as of June 30, 2026	761,389.38	0.00	49,343,814.52	50,105,203.90

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts made on an individual basis	49,570,436.52		226,622.00			49,343,814.52
Provision for bad debts made on a portfolio basis	1,119,920.52		358,531.14			761,389.38
Total	50,690,357.04	0.00	585,153.14	0.00	0.00	50,105,203.90

(4) Top five accounts receivable and contract assets, categorized by debtors, based on the ending balances

Unit: RMB

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 contract assets	Ending balance of bad debt provision of accounts receivable and impairment provision of contract assets
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00		9,846,607.00	12.80%	9,846,607.00
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44		4,060,329.44	5.28%	4,060,329.44
Henan Post and Telecommunications Technology Co., Ltd.	2,391,411.19		2,391,411.19	3.11%	23,914.11
Wang Changlong	2,370,760.40		2,370,760.40	3.08%	2,370,760.40
Shenzhen ZHL Industrial Co., Ltd.	2,241,112.12		2,241,112.12	2.91%	22,411.12
Total	20,910,220.15		20,910,220.15	27.18%	16,324,022.07

5. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	20,480,842.05	49,405,335.51
Total	20,480,842.05	49,405,335.51

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

Item (or Investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.		

2) Significant dividends receivable aged over 1 year

Unit: RMB

Item (or Investee)	Ending original value	Aging	Reason for non-recovery	Whether impairment has occurred and the basis for judgment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	3–4 years	Not paid yet	The company has incurred huge losses in its financial position and operations, and the dividends receivable may be unrecoverable; therefore, full impairment has been accrued.
Total	1,305,581.86			

3) Disclosure by bad debt accrual method

☑Applicable □ Not applicable

Unit: RMB

<table>
<tr><th rowspan="3">Category</th><th colspan="5">Ending balance</th><th colspan="5">Beginning balance</th></tr>
<tr><th colspan="2">Book balance</th><th colspan="2">Provision for bad debts</th><th rowspan="2">Book value</th><th colspan="2">Book balance</th><th colspan="2">Provision for bad debts</th><th rowspan="2">Book value</th></tr>
<tr><th>Amount</th><th>Proportion</th><th>Amount</th><th>Proportion of provision</th><th>Amount</th><th>Proportion</th><th>Amount</th><th>Proportion of provision</th></tr>
<tr><td>Provision for bad debts made on an individual basis</td><td>1,305,581.86</td><td>100.00%</td><td>1,305,581.86</td><td>100.00%</td><td></td><td>1,305,581.86</td><td>100.00%</td><td>1,305,581.86</td><td>100.00%</td><td></td></tr>
</table>

Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	

Category name of bad debt provision made on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	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 company's financial position is poor
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

Provision for bad debts according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2026			1,305,581.86	1,305,581.86
Balance as of January 1, 2026 in the current period				
Balance as of June 30, 2026			1,305,581.86	1,305,581.86

Division basis and proportion of bad debt provision at each stage

Changes in book balance with significant changes in loss provision in the current period

□ Applicable ☑Not applicable

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

Unit: RMB

Category	Beginning balance	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

Nature of payment	Ending book balance	Beginning book balance
Temporary payments receivable	3,069,323.16	3,943,137.76
Deposits and security deposits	16,479,135.02	44,330,855.20

Account current	44,436,085.72	44,852,837.54
Others	2,144,885.19	2,204,885.19
Total	66,129,429.09	95,331,715.69

2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	14,567,563.42	43,709,850.02
1 to 2 years	564,912.09	564,912.09
2 to 3 years	1,880,850.65	1,880,850.65
Over 3 years	49,116,102.93	49,176,102.93
5 years or more	49,116,102.93	49,176,102.93
Total	66,129,429.09	95,331,715.69

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 of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual basis	47,632,538.49	72.03%	44,542,320.67	93.51%	3,090,217.82	47,692,538.49	50.03%	44,602,320.67	93.52%	3,090,217.82
Including:										
Provision for bad debts made on a portfolio basis	18,496,890.60	27.97%	1,106,266.37	5.98%	17,390,624.23	47,639,177.20	49.97%	1,324,059.51	2.78%	46,315,117.69
Including:										
Aging portfolio	2,017,755.58	3.05%	202,948.89	10.06%	1,814,806.69	3,308,322.00	3.47%	202,948.89	6.13%	3,105,373.11
Portfolio of deposit and security deposit	16,479,135.02	24.92%	903,317.48	5.48%	15,575,817.54	44,330,855.20	46.50%	1,121,110.62	2.53%	43,209,744.58

receivable										
Total	66,129,429.09	100.00%	45,648,587.04	69.03%	20,480,842.05	95,331,715.69	100.00%	45,926,380.18	48.18%	49,405,335.51

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

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Aging portfolio	2,017,755.58	202,948.89	10.06%
Portfolio of deposit and security deposit receivable	16,479,135.02	903,317.48	5.48%
Total	18,496,890.60	1,106,266.37	

Provision for bad debts according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2026	1,324,059.51	0.00	44,602,320.67	45,926,380.18
Balance as of January 1, 2026 in the current period				
Reversal in the current period	217,793.14	0.00	60,000.00	277,793.14
Balance as of June 30, 2026	1,106,266.37	0.00	44,542,320.67	45,648,587.04

Division basis and proportion of bad debt provision at each stage

Changes in book balance with significant changes in loss provision in the current 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	Change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for bad debts	45,926,380.18	0.00	277,793.14		0.00	45,648,587.04
Total	45,926,380.18	0.00	277,793.14	0.00	0.00	45,648,587.04

5) Top five other receivables by debtor based on ending balances

Unit: RMB

Name	Nature of payment	Ending balance	Aging	Proportion in total	Ending balance of

				ending balance of other receivables	provision for bad debts
Beijing Kaiyuan China Gold Coin Distribution Center Co., Ltd.	Account current	11,000,000.00	Within 1 year	16.63%	110,000.00
Shenzhen China Automobile South China Automobile Sales Co., Ltd.	Account current	9,832,956.37	Over 3 years	14.87%	9,832,956.37
Shenzhen Nanfang Automobile Industry and Trade Industrial Co., Ltd.	Account current	7,359,060.75	Over 3 years	11.13%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Account current	5,000,000.00	Over 3 years	7.56%	5,000,000.00
Shenzhen ZHL Industrial Co., Ltd.	Guarantees	4,767,568.66	Within 1 year	7.21%	47,575.69
Total		37,959,585.78		57.40%	22,349,592.81

6. Advances to suppliers

(1) Advances to suppliers presented by aging

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	577,219.18	98.19%	831,960.48	98.73%
1 to 2 years	9,000.00	1.53%	9,000.00	1.07%
2 to 3 years	61.00	0.01%	61.00	0.01%
Over 3 years	1,603.94	0.27%	1,603.94	0.19%
Total	587,884.12		842,625.42	

Description of reasons for the delayed settlement of significant advances to suppliers aged over 1 year:

None.

(2) Top five advances to suppliers, categorized by prepayment recipients, based on the ending balances

Unit: RMB

Name	Balance as of June 30, 2026	Proportion in total ending balance of advances to suppliers (%)
Shenzhen Gas Corporation Ltd.	177,963.50	30.27%
Alibaba Cloud Computing Co., Ltd.	163,884.59	27.88%
Shenzhen Branch of Guoren Property & Casualty Insurance Co., Ltd.	69,392.98	11.80%
Shenzhen Songying Renewable Resources Co., Ltd.	38,000.00	6.46%

China Telecom Corporation Limited Shenzhen Branch	35,088.40	5.97%
Total	484,329.47	82.38%

7. Inventory

Whether the Company needs to comply with the disclosure requirements for 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 provision for contract performance cost	Book value	Book balance	Provision for decline in the value of inventories or impairment provision for contract performance cost	Book value
Raw materials	995,983.93		995,983.93	146,932.23		146,932.23
Goods in stock	30,192,913.79	28,997,998.14	1,194,915.65	39,330,164.36	28,997,998.14	10,332,166.22
Hedged items	16,355,975.75		16,355,975.75	49,178,442.27		49,178,442.27
Total	47,544,873.47	28,997,998.14	18,546,875.33	88,655,538.86	28,997,998.14	59,657,540.72

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

(2) Provision for decline in the value of inventories and impairment provisions for 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 stock	28,997,998.14					28,997,998.14
Total	28,997,998.14					28,997,998.14

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	117,209,578.15	87,268,498.36
Total	117,209,578.15	87,268,498.36

(1) Debt 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	10,065,870.64	9,482,963.33
Prepaid taxes		7,696,873.59
Large-denomination certificates of deposit, time deposits, and interest	40,412,222.22	1,746,738.90
Advances for agency business		385,725.01
Total	50,478,092.86	19,312,300.83

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	Cost	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Remarks
Transferable large-sum certificate of deposit	573,849,427.40				463,774,424.69				
Total	573,849,427.40				463,774,424.69				

11. Other equity instrument investments

Unit: RMB

Item	Beginning balance	Gains included in other comprehensive income in the current	Losses included in other comprehensive income in the current	Gains cumulatively included in other comprehensive income at	Losses cumulatively included in other comprehensive income at	Dividend income recognized in the current period	Ending balance	Reasons for designation as measured at fair value through

		period	period	the end of the current period	the end of the current period			other comprehensive income
Investment in unlisted equity instruments	0.00	0.00			10,176,617.20			
Total					10,176,617.20			

12. 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	
Current accounts of 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 of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual 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:										
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%	

13. Long-term equity investments

Unit: RMB

Investee	Beginning	Beginning	Increase/decrease in the current period								Ending balanc	Ending balanc
			Additi	Invest	Invest	Adjust	Other	Cash	Provisi	Others		

	balance (book value)	balance of impairment provision	onal investment	ment reduction	ment profit or loss recognized by equity method	ment to other comprehensive income	equity changes	dividend or profit declared to be distributed	on for impairment		e (book value)	e of impairment provision
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	62,327,499.68				16,662,157.11						78,989,656.79	
Shenzhen Telixing Investment Co., Ltd.	14,528,347.39				494,701.95						15,023,049.34	
Subtotal	76,855,847.07				17,156,859.06						94,012,706.13	
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	17,620,053.90				1,930,394.67						19,550,448.57	
Shenzhen Tellus Automobile Service Chain Co., Ltd.												
Shenzhen Yongtong Xinda Testing Equip												

ment Co., Ltd.												
Shenzhen Jiecheng Electronics Co., Ltd.	3,225,000.00											3,225,000.00
China Automotive Industry Shenzhen Trading Co., Ltd.	400,000.00											400,000.00
Shenzhen Universal Standard Parts Co., Ltd.	500,000.00											500,000.00
Shenzhen China Automobile South China Automobile Sales Co., Ltd.	2,250,000.00											2,250,000.00
Shenzhen Bailiyuan Power Supply Co., Ltd.	1,320,000.00											1,320,000.00
Shenzhen Yimin Auto Trading Co., Ltd.	200,001.10											200,001.10

Shenzhen Torch Spark Plug Industry Co., Ltd.		17,849.20			661,500.00			661,500.00				17,849.20
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.		420,000.00										420,000.00
Shenzhen Nanfang Automobile Repair Center		6,700,000.00										6,700,000.00
Subtotal	17,620,053.90	15,032,850.30			2,591,894.67			661,500.00			19,550,448.57	15,032,850.30
Total	94,475,900.97	15,032,850.30			19,748,753.73			661,500.00			113,563,154.70	15,032,850.30

The recoverable amount is determined based on the net amount after deducting disposal expenses from the fair value

□ Applicable ☑Not applicable

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

□ Applicable ☑Not applicable

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

Reasons for the obvious inconsistency between the information adopted by the Company's impairment tests in previous years and the actual situation in those years

14. Investment properties

(1) Investment properties measured at cost

☑Applicable □ Not applicable

Unit: RMB

Item	Premises and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Beginning balance	1,282,555,873.48	95,667,082.86		1,378,222,956.34

2. Amount increased in the current period				
(1) Outsourcing				
(2) Transfer from inventory/fixed assets/construction in progress				
(3) Increase from business combination				
3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	1,282,555,873.48	95,667,082.86		1,378,222,956.34
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	313,747,819.63	10,568,053.06		324,315,872.69
2. Amount increased in the current period	20,718,545.07	557,724.18		21,276,269.25
(1) Provision or amortization				
3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	334,466,364.70	11,125,777.24		345,592,141.94
III. Impairment provision				
1. Beginning balance				
2. Amount increased in the current period				
(1) Provision				

3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	948,089,508.78	84,541,305.62	0.00	1,032,630,814.40
2. Beginning book value	968,808,053.85	85,099,029.80	0.00	1,053,907,083.65

The recoverable amount is determined based on the net amount after deducting disposal expenses from the fair value

□ Applicable ☑Not applicable

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

□ Applicable ☑Not applicable

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

Reasons for the obvious inconsistency between the information adopted by the Company's impairment tests in previous years and the actual situation in those years

(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	3,378,125.31	The property ownership certificate has not been handled due to historical reasons
Building 12, Sungang	2,653.97	The property ownership certificate has not been handled due to historical reasons
Shops in Building 12, Sungang	8,524.38	The property ownership certificate has not been handled due to historical reasons
Total	3,389,303.66	

15. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	58,093,427.90	61,870,381.34
Disposal of fixed assets	13,554.07	

Total	58,106,981.97	61,870,381.34

(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	14,781,757.37	2,404,620.80	8,329,353.28	427,835.53	6,779,289.81	251,192,350.14
2. Amount increased in the current period				26,775.86		40,173.55	66,949.41
(1) Purchase				26,775.86		40,173.55	66,949.41
(2) Transferred from construction in progress							
(3) Increase from business combination							
3. Amount decreased in the current period		1,074,739.40		274,736.40		1,172,625.34	2,522,101.14
(1) Disposal or scrapping		1,074,739.40	0.00	274,736.40		1,172,625.34	2,522,101.14
4. Ending balance	218,469,493.35	13,707,017.97	2,404,620.80	8,081,392.74	427,835.53	5,646,838.02	248,737,198.41
II. Accumulated depreciation							
1. Beginning balance	161,846,098.11	7,994,120.37	1,969,805.30	7,031,314.81	243,866.14	6,116,451.97	185,201,656.70
2. Amount increased in	2,870,310.28	676,377.47	33,183.54	225,455.20		150,935.71	3,956,262.20

the current period							
(1) Provision	2,870,310.28	676,377.47	33,183.54	225,455.20		150,935.71	3,956,262.20
3. Amount decreased in the current period		970,360.93		254,509.45		1,319,192.19	2,544,062.57
(1) Disposal or scrapping		970,360.93	0.00	254,509.45	0.00	1,319,192.19	2,544,062.57
4. Ending balance	164,716,408.39	7,700,136.91	2,002,988.84	7,002,260.56	243,866.14	4,948,195.49	186,613,856.33
III. Impairment provision							
1. Beginning balance	3,555,385.70	149,266.10	10,331.46	212,268.92	183,969.39	9,090.53	4,120,312.10
2. Amount increased in the current period							
(1) Provision							
3. Amount decreased in the current period		64,049.84		19,861.69		6,486.39	90,397.92
(1) Disposal or scrapping		64,049.84		19,861.69		6,486.39	90,397.92
4. Ending balance	3,555,385.70	85,216.26	10,331.46	192,407.23	183,969.39	2,604.14	4,029,914.18
IV. Book value							
1. Ending book value	50,197,699.26	5,921,664.80	391,300.50	886,724.95	0.00	696,038.39	58,093,427.90
2. Beginning book value	53,068,009.54	6,638,370.90	424,484.04	1,085,769.55	0.00	653,747.31	61,870,381.34

(2) Fixed assets leased out by operating lease

Unit: RMB

Item	Ending book value
Premises and buildings	42,742,701.01

(3) Fixed assets without property certificates

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	15,261,197.29	The property ownership certificate has not been handled due to historical reasons
Automobile Building	17,548,287.64	The property ownership certificate has not been handled due to historical reasons
Underground parking lot of Tellus Building	6,167,508.44	The property ownership certificate of the parking lot cannot be handled
3-5F, Plants 1#, 2# and 3#, Taoyuan Road	2,116,565.67	The property ownership certificate has not been handled due to historical reasons
Transfer floor(s) of Tellus Building	922,808.96	Unable to apply for a property ownership certificate
Building 16, Taohuayuan	700,572.18	The property ownership certificate has not been handled due to historical reasons
Warehouse	47,658.93	The property ownership certificate has not been handled due to historical reasons
1F, Bao'an Commercial and Residential Building	510,736.52	The property ownership certificate has not been handled due to historical reasons
Shuibei Zhongtian Building	394,555.06	The property ownership certificate has not been handled due to historical reasons
Warehouse of the Trade Department	30,818.29	The property ownership certificate has not been handled due to historical reasons
Shops, Plants No. 5-7, Buxin	11,505.14	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	43,734,197.90	

(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 of	13,554.07	
Total	13,554.07	

16. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	0.00	5,111,882.70
Total		5,111,882.70

(1) Construction in progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Other works	0.00		0.00	5,111,882.70		5,111,882.70
Total	0.00		0.00	5,111,882.70		5,111,882.70

(2) Impairment test of construction in progress

□ Applicable ☑Not applicable

17. Right-of-use assets

(1) Right-of-use assets

Unit: RMB

Item	Premises and buildings	Total
I. Original book value		
1. Beginning balance	100,229,494.92	100,229,494.92
2. Amount increased in the current period		
3. Amount decreased in the current period		
4. Ending balance	100,229,494.92	100,229,494.92
II. Accumulated depreciation		

1. Beginning balance	22,308,664.36	22,308,664.36
2. Amount increased in the current period	5,642,838.96	5,642,838.96
(1) Provision	5,642,838.96	5,642,838.96
3. Amount decreased in the current period		
(1) Disposal		
4. Ending balance	27,951,503.32	27,951,503.32
III. Impairment provision		
1. Beginning balance		
2. Amount increased in the current period		
(1) Provision		
3. Amount decreased in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	72,277,991.60	72,277,991.60
2. Beginning book value	77,920,830.56	77,920,830.56

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

□ Applicable ☑Not applicable

18. 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			128,504.50	8,400,756.96	10,497,112.46
2. Amount increased in the current period					5,576,211.57	5,576,211.57
(1) Purchase					5,576,211.57	5,576,211.57
(2) Internal R&D						

(3) Increase from business combination						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance	1,967,851.00	0.00	0.00	128,504.50	13,976,968.53	16,073,324.03
II. Accumulated amortization						
1. Beginning balance	1,009,818.58			117,500.84	6,307,363.95	7,434,683.37
2. Amount increased in the current period	51,785.52			1,360.14	229,465.34	282,611.00
(1) Provision	51,785.52			1,360.14	229,465.34	282,611.00
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance	1,061,604.10	0.00	0.00	118,860.98	6,536,829.29	7,717,294.37
III. Impairment provision						
1. Beginning balance						
2. Amount increased in the current period						
(1) Provision						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending						

balance						
IV. Book value						
1. Ending book value	906,246.90	0.00	0.00	9,643.52	7,440,139.24	8,356,029.66
2. Beginning book value	958,032.42	0.00	0.00	11,003.66	2,093,393.01	3,062,429.09

(2) Impairment test of intangible assets

□ Applicable ☑Not applicable

19. Long-term deferred expenses

Unit: RMB

Item	Beginning balance	Increase in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Decoration engineering	34,059,693.87		5,181,507.73		28,878,186.14
Informationization system service fee	11,970.52		8,977.92		2,992.60
Renovation project	46,186.48		43,299.84		2,886.64
Total	34,117,850.87		5,233,785.49		28,884,065.38

20. 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 credit impairment	31,815,588.17	7,953,897.05	31,815,588.17	7,953,897.05
Deferred income	425,538.76	106,384.69	425,538.76	106,384.69
Changes in the fair value of held-for-trading financial assets	2,097,247.32	524,311.83	2,097,247.32	524,311.83
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	55,498,194.60	13,874,548.65	72,854,846.05	18,213,711.52
Total	100,013,186.05	25,003,296.52	117,369,837.50	29,342,459.39

(2) Deferred income tax liabilities not offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary	Deferred income tax	Taxable temporary	Deferred income tax

	difference	liabilities	difference	liabilities
Assessment appreciation of assets from business combinations not under common control	94,464,949.68	23,616,237.42	101,085,408.59	25,271,348.28
Accelerated depreciation of fixed assets	74,739.40	18,684.85	74,739.40	18,684.85
Income tax timing differences arising from the allocation of revenue during the rent-free period	6,766,850.96	1,691,712.74	6,766,850.96	1,691,712.74
Right-of-use assets	47,109,429.64	11,777,357.41	64,466,081.10	16,116,520.28
Total	148,415,969.68	37,103,992.42	172,393,080.05	43,098,266.15

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

Unit: RMB

Item	Offsetting amount between deferred income tax assets and liabilities at the end of the period	Ending balance of deferred income tax assets or liabilities after offset	Offsetting amount between deferred income tax assets and liabilities at the beginning of the period	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	18,603,581.08	6,399,715.44	22,942,743.95	6,399,715.44
Deferred income tax liabilities	18,603,581.08	18,500,411.34	22,942,743.95	20,155,522.20

(4) Breakdown of unrecognized deferred income tax assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	125,029,644.86	125,029,644.86
Deductible loss	33,386,078.60	36,370,445.85
Total	158,415,723.46	161,400,090.71

(5) Deductible losses that are not recognized as deferred tax assets will expire in the following years

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2026	3,513,979.55	6,498,346.80	
2027	2,137,636.33	2,137,636.33	
2028	19,129,892.09	19,129,892.09	
2029	2,717,934.10	2,717,934.10	
2030	5,886,636.53	5,886,636.53	
2031			
Total	33,386,078.60	36,370,445.85	

21. Other non-current assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Amortization of bundled construction works for the Tellus-Gmond Gold Jewelry Industrial Park Upgrading and Renovation Project	44,873,042.32		44,873,042.32	46,760,375.52		46,760,375.52
Large-denomination certificates of deposit and interest due after one year	149,956,884.86		149,956,884.86	148,413,808.15		148,413,808.15
Prepaid software payment	132,775.71		132,775.71	132,775.71		132,775.71
Total	194,962,702.89		194,962,702.89	195,306,959.38		195,306,959.38

22. Assets with restricted ownership or right-of-use

Unit: RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Cash at bank and on hand	3,193,679.80	3,193,679.80	Security deposits	Futures margin, etc.	70,848,576.32	70,848,576.32	Security deposits	Security deposits for notes payable, futures margin, etc.
Total	3,193,679.80	3,193,679.80			70,848,576.32	70,848,576.32		

23. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Credit borrowings		11,002,344.41
Total		11,002,344.41

24. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Hedging instruments		2,702,318.10
Total		2,702,318.10

25. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bills		180,000,000.00
Total		180,000,000.00

26. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Ending balance	Beginning balance
Purchase payment for goods and services	13,119,283.77	14,666,732.29
Payment for engineering equipment	96,653,379.64	94,686,651.76
Total	109,772,663.41	109,353,384.05

(2) Significant accounts payable aged over 1 year or overdue

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
China Construction First Group Corporation Limited	40,930,678.45	Provisional estimates for unsettled projects
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,298,954.80	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
Total	73,904,728.47	

27. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	127,778,984.51	139,483,702.52
Total	127,778,984.51	139,483,702.52

(1) Other payables

1) Other payables presented by the nature of payment

Unit: RMB

Item	Ending balance	Beginning balance
Deposits and security deposits	78,713,706.42	81,230,478.40
Current accounts of related parties	6,323,218.16	5,317,052.99
Accrued expenses	16,698,491.12	23,774,224.22
Temporary receipts payable	26,043,568.81	29,161,946.91
Total	127,778,984.51	139,483,702.52

2) Significant other payables aged over 1 year or overdue

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
Hongkong Yujia Investment Limited	2,255,339.58	Outstanding by related companies
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	4,792,165.53	

28. Advances from customers

(1) Presentation of advances from customers

Unit: RMB

Item	Ending balance	Beginning balance
Rent	12,928,795.84	8,222,394.47
Total	12,928,795.84	8,222,394.47

29. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Advances for goods	2,386,651.71	3,074,162.93
Advances for services	1,024,533.39	529,987.77
Total	3,411,185.10	3,604,150.70

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	42,220,482.69	24,318,061.59	26,194,530.56	40,344,013.72

II. Post-employment benefits - defined contribution plan	0.00	2,296,424.38	2,296,424.38	0.00
III. Termination benefits	63,398.44	737,202.21	800,600.65	0.00
Total	42,283,881.13	27,351,688.18	29,291,555.59	40,344,013.72

(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	41,402,866.31	20,477,825.13	22,191,472.38	39,689,219.06
2. Employee benefits	663,976.55	878,161.95	937,466.45	604,672.05
3. Social insurance premiums	0.00	914,994.55	914,994.55	0.00
Including: Medical insurance premiums	0.00	790,643.84	790,643.84	0.00
Work-related injury insurance premium	0.00	57,846.39	57,846.39	0.00
Maternity insurance premiums	0.00	66,504.32	66,504.32	0.00
4. Housing provident fund	0.00	1,687,198.52	1,687,198.52	0.00
5. Labor union funds and staff education funds	153,639.83	359,881.44	463,398.66	50,122.61
Total	42,220,482.69	24,318,061.59	26,194,530.56	40,344,013.72

(3) Presentation of the defined contribution plan

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance		2,186,509.24	2,186,509.24	
2. Unemployment insurance premium		109,915.14	109,915.14	
Total	0.00	2,296,424.38	2,296,424.38	0.00

31. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance

Value-added tax	2,203,298.13	3,954,478.65
Consumption tax		4,864.11
Corporate income tax	15,804,765.50	6,383,663.90
Individual income tax	112,790.29	692,986.33
Urban maintenance and construction tax	63,243.07	249,005.10
Educational surcharges	59,235.00	177,860.76
Land use tax	228,265.86	26,460.00
Land VAT	17,360,372.46	17,360,372.46
Stamp duty	39,175.26	204,418.33
Property tax	5,800,236.36	
Other taxes		4,972.44
Total	41,671,381.93	29,059,082.08

32. Non-current liabilities due within one year

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	7,393,612.68	10,581,548.92
Total	7,393,612.68	10,581,548.92

33. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Output VAT to be transferred	2,540,345.26	1,858,235.00
Others	355,990.00	355,990.00
Total	2,896,335.26	2,214,225.00

34. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	72,736,046.24	75,441,810.38
Total	72,736,046.24	75,441,810.38

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 technology innovation projects	11,311.96	11,311.96
Subtotal	3,920,160.36	3,920,160.36

36. Estimated liabilities

Unit: RMB

Item	Ending balance	Beginning balance	Reason
Pending litigation	9,956,800.00	9,956,800.00	Pending litigation
Total	9,956,800.00	9,956,800.00	

37. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason
Government subsidies	6,057,271.67		880,145.82	5,177,125.85	Asset-related
Total	6,057,271.67		880,145.82	5,177,125.85	

38. Share capital

Unit: RMB

	Beginning balance	Increase (+)/Decrease (-)					Ending balance
		Issuance of new shares	Bonus shares	Conversion of the reserve funds into shares	Others	Subtotal	
Total shares	431,058,320.00						431,058,320.00

39. Capital reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (stock 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

40. Other comprehensive income

Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the	Less: Amount included in other comprehen	Less: Amount included in other comprehen	Less: Income tax expenses	After-tax amount attributable to the parent	After-tax amount attributable to minority shareholder	

		current period	sive income in the previous period and transferred to current profits or losses	sive income in the previous period and transferred to retained earnings in the current period		company	s	
I. Other comprehensive income that cannot be reclassified into profit or loss	-7,632,462.90							-7,632,462.90
Changes in the fair value of other equity instrument investments	-7,632,462.90							-7,632,462.90
II. Other comprehensive income to be reclassified into profit or loss	26,422.00							26,422.00
Including: Other comprehensive income that can be reclassified into profit or loss under the equity method	26,422.00							26,422.00
Total other comprehensive income	-7,606,040.90							-7,606,040.90

41. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	92,661,110.16			92,661,110.16
Total	92,661,110.16			92,661,110.16

42. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	879,664,677.57	798,343,284.97
Undistributed profits at the beginning of the period after adjustment	879,664,677.57	798,343,284.97
Add: Net profit attributable to owners of the parent company during the current period	84,686,065.15	84,013,429.35
Less: Ordinary share dividends payable		43,105,832.00
Undistributed profits at the end of the period	964,350,742.72	839,250,882.32

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 made under the ASBE and its relevant new regulations is RMB 0.00.

2) Due to changes in accounting policies, the undistributed profit at the beginning of the period is affected by RMB 0.00.

3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB 0.00.

4) Due to a change in the consolidation scope as a result of common control, the undistributed profit at the beginning of the period is affected by RMB 0.00.

5) Other adjustments in total affected undistributed profits at the beginning of the period by RMB 0.00.

43. Operating revenue and operating costs

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	292,213,689.22	165,372,887.60	878,272,629.94	736,664,626.44
Total	292,213,689.22	165,372,887.60	878,272,629.94	736,664,626.44

Breakdown information on 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:								
Wholesale and retail of jewelry	118,940,614.70	106,197,514.83					118,940,614.70	106,197,514.83

Leasing and services	173,273,074.52	59,175,372.77					173,273,074.52	59,175,372.77
By operating regions								
Specifically:								
Within Guangdong Province	185,154,037.52	67,748,832.63					185,154,037.52	67,748,832.63
Outside Guangdong Province	107,059,651.70	97,624,054.97					107,059,651.70	97,624,054.97
Type of market or customer								
Specifically:								
Contract type								
Specifically:								
By time of transfer of goods								
Specifically:								
By contract term								
Specifically:								
By sales channel								
Specifically:								
Total	292,213,689.22	165,372,887.60					292,213,689.22	165,372,887.60

44. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax	4,401.00	3,941.94
Urban maintenance and construction tax	922,046.14	554,972.10
Educational surcharges	658,599.13	396,408.64
Property tax	5,800,236.36	3,656,626.88
Land use tax	201,805.86	190,994.93
Stamp duty	236,274.38	465,496.45
Total	7,823,362.87	5,268,440.94

45. Administrative expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	20,537,738.78	21,447,273.63
Office expenses	91,237.87	106,651.37
Transport and travel expenses	123,979.79	39,058.54
Business entertainment expenses	37,885.17	31,442.43
Depreciation and amortization	1,922,434.27	2,088,771.93
Intermediary agency service fees	303,505.76	226,628.89
Others	1,484,958.64	1,762,605.84
Total	24,501,740.28	25,702,432.63

46. Selling expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,313,211.11	2,974,011.67
Advertising and promotion expenses	770,052.72	1,741,521.32
Depreciation and amortization	893,893.21	967,223.36
Office expenses	5,587.43	27,482.06
Property management, water, and electricity fees	7,745.57	48,045.07
Transport and travel expenses	34,730.15	50,558.09
Insurance and supervisory charges	62,707.25	236,612.73
Others	1,125,752.54	505,921.44
Total	4,213,679.98	6,551,375.74

47. R&D expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,641,896.86	1,854,234.24
Information technology service expenses	661,920.44	126,979.93
Depreciation and amortization	134,937.14	43,652.36
Others	4,494.20	20,453.70
Total	2,443,248.64	2,045,320.23

48. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,919,661.58	3,643,266.25
Interest income	-519,444.11	-1,583,374.44
Exchange profits and losses		31,299.59
Others	166,767.61	196,696.66
Total	1,566,985.08	2,287,888.06

49. Other income

Unit: RMB

Sources of other income	Amount incurred in the current period	Amount incurred in the previous period
I. Government subsidies included in other income	883,145.82	1,056,727.69
Including: Government subsidies related to deferred income	880,145.82	880,145.82
Government subsidies directly included in current profits and losses	3,000.00	176,581.87
II. Other items related to daily activities and included in other income	73,543.77	50,320.31
Including: Service fee for individual income tax withholding	73,543.77	50,320.31
Total	956,689.59	1,107,048.00

50. Income from changes in fair value

Unit: RMB

Sources of income from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	329,082.77	-604,036.00
Held-for-trading financial liabilities		-2,698,180.00
Derivative instruments of effective hedges	594,825.54	500,829.95
Total	923,908.31	-2,801,386.05

51. 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 equity method	19,748,753.73	12,775,706.23
Investment income from held-for-trading financial assets during the holding period	8,451,237.64	7,978,084.00
Gains from closing commodity futures contracts and T+D contracts	-8,853,922.75	-14,725,574.50
Total	19,346,068.62	6,028,215.73

52. Credit impairment losses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of accounts receivable	585,153.14	-534,648.79
Loss on bad debts of other receivables	277,793.14	64,369.93
Impairment loss of other current assets		157,396.51
Total	862,946.28	-312,882.35

53. Income from disposal of assets

Unit: RMB

Sources of income from asset disposal	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposal of fixed assets (losses to be listed with "-")	379,689.50	-123,104.39

54. Non-operating revenue

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Gains from unpayable payments		468,058.51	
Income from liquidated damages	5,955,963.51	2,901,437.72	5,955,963.51
Others	584,220.41	86,572.65	584,220.41
Total	6,540,183.92	3,456,068.88	6,540,183.92

55. Non-operating expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Loss from scrapping of non-current assets		3,135.43	
Overdue fine and liquidated damage expenditure	98.83	59,834.27	98.83
Others		40,716.25	
Total	98.83	103,685.95	98.83

56. Income tax expenses

(1) List of income tax expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expenses in the current	27,952,911.78	26,247,106.97

period		
Deferred income tax expenses	-1,655,110.86	-874,946.14
Total	26,297,800.92	25,372,160.83

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Amount incurred in the current period
Total profit	115,301,172.16
Income tax expenses based on the statutory/applicable tax rate	28,825,293.04
Effect of different tax rates applied to subsidiaries	-13,219.80
Effect of adjustment to prior years' income tax	700,392.08
Effect of non-taxable income	-4,937,188.43
Effect of non-deductible costs, expenses and losses	1,511,246.29
Effect of using deductible losses for which deferred income tax assets were previously not recognized	-746,091.81
Effect of deductible temporary differences or deductible losses for which deferred income tax assets were not recognized in the current period	957,369.55
Income tax expenses	26,297,800.92

57. Other comprehensive income

See Note VII. 40 for details.

58. 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	49,025,308.99	44,623,431.06
Interest income	201,355.49	1,020,520.75
Account current and other payments	42,954,186.81	42,135,233.53
Total	92,180,851.29	87,779,185.34

Cash paid relating to other operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash payment	9,343,131.57	11,696,851.14
Deposits and security deposits	25,060,114.94	43,181,818.16
Fines and liquidated damages	174.02	59,834.27
Account current and other payments	27,695,821.57	39,148,944.66
Total	62,099,242.10	94,087,448.23

(2) Cash related to investing activities

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	355,168.80	402,612.58
Total	355,168.80	402,612.58

(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
Capital returned to minority shareholders	2,880,200.00	
Principal and interest on lease liabilities paid	855,684.85	730,323.63
Total	3,735,884.85	730,323.63

Changes in liabilities arising from financing activities

□ Applicable ☑Not applicable

59. 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	89,003,371.24	81,630,658.94
Add: Impairment provision of assets	-862,946.28	312,882.35
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of bearer biological assets	25,232,531.45	23,663,133.98
Depreciation of right-of-use assets	5,642,838.96	6,088,749.63
Amortization of intangible assets	282,611.00	439,109.16
Amortization of long-term deferred expenses	5,233,785.49	6,998,892.59
Losses from disposal of fixed assets, intangible assets, and other long-term assets (gain to be listed with "-")	-379,689.50	123,104.39
Loss from scrapping of fixed assets (gain to be listed with "-")		
Loss from changes in fair value (gain to be listed with "-")	-923,908.31	2,801,386.05
Financial expense (gain to be listed with "-")	1,566,985.08	2,287,888.06

Investment loss (gain to be listed with "-")	-19,346,068.62	-6,028,215.73
Decrease of deferred income tax assets (increase to be listed with "-")	0.00	9,769.28
Increase of deferred income tax liabilities (decrease to be listed with "-")	-1,655,110.86	-884,715.42
Decrease of inventory (increase to be listed with "-")	41,110,665.39	62,334,134.05
Decrease of operating receivables (increase to be listed with "-")	63,356,601.82	-101,367,058.55
Increase of operating payables (decrease to be listed with "-")	79,920,349.07	76,396,612.89
Others		
Net cash flows from operating activities	288,182,015.93	154,806,331.67
2. Major investing and financing activities not involving cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	90,595,846.83	209,388,835.26
Less: Beginning balance of cash	78,380,580.53	301,275,968.63
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	12,215,266.30	-91,887,133.37

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	90,595,846.83	78,380,580.53
Including: Cash on hand	6,016.65	6,016.65
Cash at bank available for payment at any time	56,774,202.68	45,536,363.87
Other cash at bank and on hand available for payment at any time	33,815,627.50	32,838,200.01
III. Ending balance of cash and cash equivalents	90,595,846.83	78,380,580.53

(3) Cash at bank and on hand 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		0.01	Deposits for gold leasing business restricted
Futures and options account margin	3,193,679.80	28,748,241.60	Deposits for gold futures trading business restricted
Security deposits for notes payable		42,100,334.71	Security deposits for notes
Total	3,193,679.80	70,848,576.32	

60. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Ending balance of foreign currency	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand			
Including: USD	857.08	6.70	5,739.28
EUR			
HKD	111,967.66	0.90	101,156.62
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	205,381.99	6.70	1,375,303.06
Other payables			
HKD	3,376,679.37	0.90	3,050,644.02

(2) The nature of the lack of currency convertibility and its financial impact, the spot exchange rate used and its estimation process, and the risks faced by enterprises due to the lack of currency convertibility

□ Applicable ☑Not applicable

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

□ Applicable ☑Not applicable

(4) Circumstances in which there is a lack of exchangeability between the recording currency of a foreign operation and the presentation currency of the enterprise

□ Applicable ☑Not applicable

61. 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 simplified short-term leases and low-value asset leases

□ Applicable ☑Not applicable

Situations involving sale and leaseback transactions

(2) The Company as the lessor

Operating lease as lessor

☑Applicable □ Not applicable

Unit: RMB

Item	Lease income	Including: Income related to variable lease payments that are not included in the measurement of lease receipts
Lease	173,273,074.52	
Total	173,273,074.52	

Finance lease as the lessor

□ Applicable ☑Not applicable

Annual undiscounted lease receipts in the next five years

□ Applicable ☑Not applicable

Reconciliation of undiscounted lease receipts 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

Employee compensation	1,641,896.86	1,854,234.24
Information technology service expenses	661,920.44	126,979.93
Depreciation and amortization	134,937.14	43,652.36
Others	4,494.20	20,453.70
Total	2,443,248.64	2,045,320.23
Including: Expensed R&D expenditures	2,443,248.64	2,045,320.23

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of the group

Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Acquisition method
					Direct	Indirect	
Shenzhen Tellus Jewelry Technology 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.	31,150,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shuibeitong (Shenzhen) Information Technology Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%	0.00%	Establishment
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	18,960,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Automobile Industry Supply and Marketing Company	11,110,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment

Shenzhen Zhongtian Industry Co., Ltd.	366,221,900.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Huari Automobile Sales and Service Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Establishment
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Jewelry Industry Service Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Commerce	65.00%	0.00%	Establishment
Shanghai Fanyue Diamond Co., Ltd.	3,500,000.00	Shanghai	Shanghai	Commerce	0.00%	100.00%	Establishment
Guorun Gold Shenzhen Co., Ltd.	200,000,000.00	Shenzhen	Shenzhen	Commerce	36.00%	3.25%	Establishment
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	28,570,168.40	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Acquired through business combinations not under common control

Description of the difference between the shareholding percentage and voting rights percentage in the subsidiary:

In June 2022, the Company cooperated with its subsidiary 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' meetings and meetings of 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.

Basis for controlling an investee while holding half or less of the voting rights, and for not controlling an investee while holding more than half of the voting rights:

Basis for control over significant structured entities incorporated in the consolidation scope:

Basis for determining whether the Company is an agent or a principal:

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders in the current period	Ending balance of minority interests
Guorun Gold Shenzhen Co., Ltd.	60.75%	680,737.11		116,171,507.31

Description of the difference between the shareholding percentage and voting rights percentage for minority shareholders in the subsidiary:

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

Unit: RMB

Name of subsidiary	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
Guorun Gold Shenzhen Co., Ltd.	194,212,203.05	2,317,552.52	196,529,755.57	5,299,869.86	1,067.09	5,300,936.95	297,715,740.32	96,310,970.23	394,026,710.55	201,366,949.59	2,551,497.26	203,918,446.85

Unit: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Guorun Gold Shenzhen Co., Ltd.	116,228,898.16	1,120,554.92	1,120,554.92	175,573,336.87	703,347,727.65	-6,510,402.29	-6,510,402.29	58,673,219.39

2. Equity in joint ventures or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Accounting treatment method for investment in joint ventures or associates
				Direct	Indirect	
Joint ventures:						
Shenzhen Tellus-Gmond Investment Co.,	Shenzhen	Shenzhen	Investing in the development of industries	50.00%		By the equity method

Ltd.						
Associates:						
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen	Shenzhen	Mercedes-Benz Auto Sales	35.00%		By the equity method

Description of the difference between the shareholding percentage and voting rights percentage in joint ventures or associates:

Basis for determining a shareholder holding less than 20% of the voting rights has significant influence, or a shareholder holding 20% or more of the voting rights does not have 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	104,683,340.85	51,397,472.16
Including: Cash and cash equivalents	104,264,573.36	50,299,349.75
Non-current assets	267,247,912.56	279,903,774.39
Total assets	371,931,253.41	331,301,246.55
Current liabilities	59,893,939.83	48,653,180.34
Non-current liabilities	154,058,000.00	157,993,066.85
Total liabilities	213,951,939.83	206,646,247.19
Minority interests		
Equity attributable to shareholders of the parent company	157,979,313.58	124,654,999.36
Shares of net assets calculated as per the shareholding proportion	78,989,656.79	62,327,499.68
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in joint ventures	78,989,656.79	62,327,499.68
Fair value of equity investment in joint ventures with quoted prices		
Operating revenue	74,764,738.79	66,419,256.82
Financial expenses	2,105,109.09	3,516,403.35
Income tax expenses	11,641,438.07	8,142,688.58
Net profit	33,324,314.22	24,428,065.74
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	33,324,314.22	24,428,065.74

Dividends received from joint ventures in the current year	0.00	0.00

(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	63,502,929.44	65,962,048.08
Non-current assets	0.00	
Total assets	63,502,929.44	65,962,048.08
Current liabilities	7,644,504.95	15,619,036.94
Non-current liabilities	0.00	
Total liabilities	7,644,504.95	15,619,036.94
Minority interests		
Equity attributable to shareholders of the parent company	55,858,424.49	50,343,011.14
Shares of net assets calculated as per the shareholding proportion	19,550,448.57	17,620,053.90
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in associates	19,550,448.57	17,620,053.90
Fair value of equity investments in associates with quoted prices		
Operating revenue	0.00	297,931,059.04
Net profit	5,515,413.34	-1,793,997.89
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	5,515,413.34	-1,793,997.89
Dividends received from associates in the current year	0.00	0.00

(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	15,023,049.34	14,528,347.39

Total amount of the following items at the shareholding percentage		
--Net profit	970,003.82	324,127.30
--Total comprehensive income	970,003.82	324,127.30
Associates:		
Total amount of the following items at the shareholding percentage		

(5) Excess losses incurred by joint ventures or associates

Unit: RMB

Name of joint venture or associate	Unrecognized losses accumulated in previous periods	Unrecognized losses in the current period (or net profit shared in the current period)	Unrecognized losses 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 failing to receive the estimated amount of government subsidies at the expected time point

□ Applicable ☑Not applicable

2. Liability items involving government grants

☑Applicable □ Not applicable

Unit: RMB

Accounting item	Beginning balance	Amount of new subsidies in the current period	Amount included in non-operating revenue in the current period	Amount transferred to other income in the current period	Other changes in the current period	Ending balance	Asset/income-related
Deferred income	6,057,271.67			880,145.82		5,177,125.85	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 income	956,689.59	1,107,048.00

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, notes receivable, accounts receivable, accounts receivable financing, other receivables, non-current assets due within one year, other current assets, held-for-trading financial assets, debt investments, other debt investments, other equity instrument investments, long-term receivables, notes payable, accounts payable, other payables, short-term borrowings, held-for-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 within a limited scope.

1. Risk management objectives and policies

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.

(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 on a portfolio basis. Credit risks mainly arise from deposits in banks, notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc.

The Company's bank deposits are mainly kept in state-owned banks and other large and medium-sized listed banks, and the Company expects no significant credit risk from its bank deposits.

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 its overall credit risk is within a 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 debtors of accounts receivable and, when appropriate, purchases credit guarantee insurance.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company has not provided any other guarantee that may cause the Company to bear credit risks.

Among the Company's accounts receivable, accounts receivable from the top five customers accounted for 27.18% of the Company's total accounts receivable (2025: 51.14%). Among the Company's other receivables, other receivables from the top five companies by amount owed accounted for 57.40% of the Company's total other receivables (2025: 65.83%).

(2) Liquidity risks

Liquidity risk refers to the risk that the Company may encounter a shortage of funds when fulfilling obligations settled by delivering 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 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 was RMB 610 million (RMB 889 million at the end of the previous year).

The Company also considers negotiating with suppliers to adopt supplier financing arrangements to extend payment terms, or obtaining funds in advance by selling long-aged accounts receivable to alleviate the Company's cash flow pressure.

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):

Item	June 30, 2026				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-
Notes payable	-	-	-	-	-

Accounts payable	1,517.19	2,092.40	2,457.15	4,910.53	10,977.27
Other payables	3,769.91	2,488.48	1,827.54	4,691.97	12,777.90
Non-current liabilities due within one year	739.36	-	-	-	739.36
Other current liabilities (excluding deferred income)	289.63	-	-	-	289.63
Lease liabilities	-	1,220.03	1,386.72	5,703.22	8,309.97
Long-term payables	-	-	-	392.02	392.02
Total	6,316.09	5,800.91	5,671.41	15,697.74	33,486.15

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):

Item	December 31, 2025				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	1,100.23	-	-	-	1,100.23
Derivative financial liabilities	270.23	-	-	-	270.23
Notes payable	18,000.00	-	-	-	18,000.00
Accounts payable	1,475.25	2,092.40	2,457.15	4,910.53	10,935.34
Other payables	4,940.38	2,488.48	1,827.54	4,691.97	13,948.37
Non-current liabilities due within one year	1,348.13	-	-	-	1,348.13
Other current liabilities (excluding deferred income)	221.42	-	-	-	221.42
Lease liabilities	-	1,370.55	1,386.72	5,703.22	8,460.49
Long-term payables	-	-	-	392.02	392.02
Total	27,355.64	5,951.43	5,671.41	15,697.74	54,676.23

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 that the fair value or future cash flows of financial instruments may fluctuate due to changes in market prices, including 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 flows 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 fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on the market environment at the time, and maintains an appropriate portfolio 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 have any interest rate hedging policy. However, the management is responsible for monitoring interest rate risks and will consider hedging significant interest rate risks when necessary. An increase in interest rates will increase the cost of new interest-bearing debts and the interest expenses on the Company's outstanding floating-rate interest-bearing debts, and have a significant adverse effect on the Company's financial performance. The management will make timely adjustments based on the latest market conditions, which may include interest rate swap arrangements to reduce interest rate risk.

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 interest expenses or revenue estimated annually. The previous year's analysis was based on the same assumption and methodology.

Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments 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 recording currency.

The main business of the Company is conducted in China and settled in RMB. Therefore, the Company believes that its exchange rate risk is not significant.

The Company keeps an eye on the effect of a 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 exchange rate risks when necessary.

2. 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 the 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 was 17.98% (24.68% 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 and silver raw materials held by them (i.e., the hedged risk), the Company's subsidiaries—Guorun Gold Shenzhen Co., Ltd. and Shenzhen Jewelry Industry Service Co., Ltd.—analyzed expected gold raw material purchase transactions based on the number of investment gold bars ordered by customers, and used hedging instruments such as deferred spot gold contracts on the Shanghai Gold Exchange, gold futures contracts on the Shanghai Futures Exchange, and exchange-traded gold options, so as to hedge against the risk of decline in the value of gold products caused by a sharp drop in gold prices. Guorun Gold, a subsidiary of the Company, formulated the *Hedging Transaction Management Guidelines*, which clearly stipulates the approval authority, operational 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, 2026, to June 30, 2026.

The approval procedures for the Company to use its self-owned funds to carry out hedging business comply with relevant national laws, regulations, and the *Articles of Association*. The deferred gold 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:

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Item	**Book value of hedged items**		**Accumulated amount of fair value hedge adjustments for 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 ineffective portion of hedging in 2026 (note)**
	Assets	**Liabilities**	**Assets**	**Liabilities**		
Commodity price risk-inventory	15,115,256.23	-	1,240,719.52		Inventories	-

2025

Item	**Book value of hedged items**	**Accumulated amount of fair value hedge adjustments for hedged items (included in the**	**Listed items of the balance sheet including**	**Changes in the fair value of hedged items used as a basis for**

			book value of hedged items)		hedged items	recognizing an ineffective portion of hedging in 2025 (note)
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventory	48,422,300.40	-	756,141.87	-	Inventories	-

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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 ineffective portion of hedging in 2026 (note)
	Nominal amount	Assets	Liabilities		
Commodity price risk-inventory	15,115,256.23	359,615.00	-	Derivative financial assets/liabilities	-

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 ineffective portion of hedging in 2025 (note)
	Nominal amount	Assets	Liabilities		
Commodity price risk-inventory	48,422,300.40	-	2,702,318.10	Derivative financial assets/liabilities	-

Note: The ineffective portion of hedging mainly comes from basis risk, supply and demand change risks in the spot or futures markets, and uncertainty risks in other spot or futures markets. The amount of hedge ineffectiveness recognized in the current and previous years is 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) Financial assets transferred but subject to continuous involvement

□ Applicable ☑Not applicable

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 measurement at fair value	Level 2 measurement at fair value	Level 3 measurement at fair value	Total
I. Continuous fair value measurement	--	--	--	--
(I) Held-for-trading financial assets		231,489,714.42		231,489,714.42
1. Financial assets at fair value through profit or loss		231,489,714.42		231,489,714.42
(4) Structured deposits and financial products		231,489,714.42		231,489,714.42
(II) Derivative financial assets	359,615.00			359,615.00
1. Hedging instruments	359,615.00			359,615.00
(III) Other debt investments		463,774,424.69		463,774,424.69
1. Large-denomination certificate of deposit		463,774,424.69		463,774,424.69
(IV) Hedged items	16,355,975.75			16,355,975.75
Total assets continuously measured at fair value	16,715,590.75	695,264,139.11	0.00	711,979,729.86
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 financial liabilities designated by the Company as measured at fair value through profit or loss arise from the Company's physical gold leasing business from banks. 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 used 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 the Shanghai Gold Exchange and the Shanghai Futures Exchange.

3. Qualitative and quantitative information about valuation techniques and key parameters of items subject to 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 subject to continuous and non-continuous level 3 fair value measurement

5. Reconciliation 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.

Because the operating environment, operating conditions and financial position of the investee, China PUFA Machinery Industry Co., Ltd., have not changed significantly, the Company measures its equity instrument investment at investment cost as a reasonable estimate of fair value.

Quantitative information of significant unobservable input values used in level 3 fair value measurement

Contents	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

During the year, there were no transfers between Level 1 and Level 2 in the fair value measurement of the Company's financial assets and financial liabilities, nor any transfers 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 spread, 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	Nature of business	Registered capital	Shareholding proportion of the parent company to the Company	Voting rights proportion of the parent company in 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

The ultimate controlling party of the Company is the Shenzhen SASAC.

2. Information on the subsidiaries of the Company

For details of the Company's subsidiaries, please refer to Note IX.1.

3. Information on the joint ventures and associates of the Company

The important joint ventures or associates of the Company are detailed in Note IX. 2.

Other joint ventures or associates with which the Company had related party transactions during the current period or in prior periods that resulted in balances are 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 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 Real Estate Co., Ltd.	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
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Associate of the Company's parent company
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Enterprise over which the shareholder of an important subsidiary exerts significant influence
Shenzhen ZHL Industrial Co., Ltd.	Minority shareholder of an important subsidiary
Beijing Caishikou Department Store Co., Ltd.	Minority shareholder of an important subsidiary
Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	Investment company of the Company
Shenzhen Zhongminglong Investment Co., Ltd.	Enterprise over which the shareholder of an important subsidiary exerts significant influence
Shenzhen Yuepengjin Jewelry Co., Ltd.	Enterprise controlled by minority shareholders of an important subsidiary
Shenzhen Yuepengjin E-commerce Co., Ltd.	Enterprise controlled by minority shareholders of an important subsidiary
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by the indirect controlling shareholder

5. Information on related transactions

(1) Related transactions of purchase/sales of goods and rendering/receiving of labor services

Purchase of goods/receipt of 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.	Property management services	10,997,493.29	76,000,000.00	No	11,005,695.25
Shenzhen SDG Tellus Property Management Co., Ltd.	Property management services	1,710,855.73	6,000,000.00	No	1,687,429.32
Shenzhen SDG Building Technology Co., Ltd.	Property management services	67,924.53	600,000.00	No	135,849.06
Shenzhen ZHL Industrial Co., Ltd.	Gold processing services	0.00	0.00	No	7,156.32
Shenzhen Yuepengjin Jewelry Co., Ltd.	Gold processing services	0.00	0.00	No	61,686.73
Shenzhen SDG Engineering Management Co., Ltd.	Supervision services	70,715.44	1,500,000.00	No	207,497.86
Guoren Property & Casualty Insurance Co., Ltd.	Purchase insurance services	74,807.52	1,050,000.00	No	102,641.52
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Engineering repair and maintenance services	5,175,981.32	0.00	No	6,087,971.24

Shenzhen SDG Eastern Service Co., Ltd.	Surveillance system installation services	0.00	500,000.00	No	0.00
Shenzhen Tellus-Gmond Investment Co., Ltd.	Receiving labor services	3,537.74	80,000.00	No	0.00

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	0.00	6,149,180.28
Shenzhen Torch Spark Plug Industry Co., Ltd.	Management fee	11,589.65	0.00
Shenzhen ZHL Industrial Co., Ltd.	Agency services	2,026,841.38	18,848.52
Shenzhen SDG Microfinance Co., Ltd.	Agency services	30,191.22	0.00

Notes for related transactions of purchase/sales of goods and rendering/receiving of labor services

(2) Information on the related lease

The Company as the lessor:

Unit: RMB

Name of lessee	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
Shenzhen SDG Service Co., Ltd.	Housing rentals, etc.	2,101,522.24	2,097,741.01
Shenzhen SDG Tellus Property Management Co., Ltd.	Lease of houses	167,119.02	84,045.66
Shenzhen SDG Microfinance Co., Ltd.	Lease of houses	561,057.48	636,925.89
Shenzhen Yuepengjin Jewelry Co., Ltd.	Lease of houses	1,361,217.13	865,740.46

(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	1,716,500.00	1,734,900.00

6. Receivables and payables by related parties

(1) Receivables

Unit: RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad	Book balance	Provision for bad

			debts		debts
Accounts receivable	Shenzhen ZHL Industrial Co., Ltd.	2,241,112.12	22,411.12	92,660.26	926.60
Accounts receivable	Beijing Caishikou Department Store Co., Ltd.	0.00	0.00	246,659.80	2,466.60
Accounts receivable	Shenzhen SDG Service Co., Ltd.	769,135.25	7,590.43	759,043.35	7,590.43
Accounts receivable	Shenzhen SDG Microfinance Co., Ltd.	15,960.09	85.94	8,593.89	85.94
Accounts receivable	Shenzhen Torch Spark Plug Industry Co., Ltd.	1,000.00	10.00	1,000.00	10.00
Prepayments	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	0.00	0.00	133,260.81	0.00
Prepayments	Guoren Property & Casualty Insurance Co., Ltd.	69,392.98	0.00	133,186.80	0.00
Prepayments	Shenzhen SDG Service Co., Ltd.	0.00	0.00	6,605.50	0.00
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 Tellus Xinyongtong Automobile Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	34,155.00	5,695.31	57,472.05	5,695.31
Other receivables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	Shenzhen Telixing Investment Co., Ltd.	50,708.39	1,272.99	127,299.21	1,272.99
Other receivables	Shenzhen ZHL Industrial Co., Ltd.	4,767,568.66	47,575.69	18,731,980.00	187,319.80
Other receivables	Shenzhen Zhigu Jinyun Technology Co., Ltd.	0.00	0.00	50,000.00	2,500.00
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

Item	Related party	Ending book balance	Beginning book balance
Accounts payable	Shenzhen Machinery &	45,300.00	45,300.00

	Equipment Import & Export Co., Ltd.		
Accounts payable	Shenzhen SDG Tellus Property Management Co., Ltd.	240,012.48	272,000.00
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	235,873.17	316.58
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	2,906,472.41	1,493,996.39
Accounts payable	Shenzhen SDG Service Co., Ltd.	3,113,217.60	4,136,158.12
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	108,038.46	108,038.46
Accounts payable	Shenzhen Tellus-Gmond Investment Co., Ltd.	200,000.00	200,000.00
Accounts payable	Shenzhen Zhigu Jinyun Technology Co., Ltd.		12,000.00
Advances from customers	Shenzhen Yuepengjin Jewelry Co., Ltd.		36,230.60
Advances from customers	Shenzhen SDG Tellus Property Management Co., Ltd.	909.00	12,920.00
Advances from customers	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	68.00	68.00
Advances from customers	Shenzhen SDG Service Co., Ltd.		0.01
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen SDG Service Co., Ltd.	42,748.80	68,026.80
Other payables	Shenzhen Yuepengjin Jewelry Co., Ltd.	486,314.10	388,102.00
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.	2,000.00	2,000.00
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	800.00	800.00
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	185,973.00	151,818.00
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.	3,000.00	3,000.00
Other payables	Shenzhen Tellus Yangchun Real Estate Co., Ltd.	476,217.49	476,217.49
Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,575,452.52	1,554,196.80
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	21,748.14	1,086,322.83
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 Shuntian Electric Vehicle Technology Development Co., Ltd.	2,000.00	2,000.00
Other payables	Shenzhen Longgang Tellus	1,095,742.50	1,095,742.50

	Real Estate Co., Ltd.		

XIV. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

As of June 30, 2026, there were no commitments to be disclosed by the Company.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

Contingent liabilities and financial effects arising from debt guarantees provided for other entities

Tellus Jewelry, a subsidiary of the Company, was formerly known as Shenzhen Auto Motive Industry & Trade General Company. It was converted from an SOE to a limited liability company and renamed in November 2017. In July 2025, it was renamed Shenzhen Tellus Shuibei Jewelry Co., Ltd. In September 2011, Tellus Jewelry entered into the *Contract on the Transfer of State-owned Property Rights of Enterprise* with Zhu Jinchao, pursuant to which Tellus Jewelry publicly listed and transferred its 14.731% equity interest in Shenzhen Southern Great Wall Investment Holding Co., Ltd. (hereinafter referred to as "Southern Great Wall Company") in accordance with the law. On the same day, Tellus Jewelry entered into the *Debt Assumption and Asset Repurchase Agreement (*hereinafter referred to as the "Repurchase Agreement") with Southern Great Wall Company, which stipulated that Tellus Jewelry would assume all economic and legal liabilities for the actual/potential debts, contingent debts and disputes of Southern Great Wall Company formed before December 31, 2001 due to reasons related to Tellus Jewelry's non-capital-contributed assets (including operation, financing and guarantees, etc.).

In 1997, Southern Great Wall Company provided a guarantee for a loan extended by Bank of Communications Co., Ltd. to China Automotive Industry Shenzhen Trading Co., Ltd. This guaranteed debt was incurred before December 31, 2001. As the primary debtor defaulted, the case entered court enforcement, with enforcement proceedings reinstated in 2024 (Case No. (2024) Yue 0304 ZH No. 1936). Subsequently, Southern Great Wall Company settled with the enforcement applicant and made the corresponding payment. Southern Great Wall Company and its original shareholders, Zhu Jinchao and Yu Zhanglin, submitted a *Notification Letter* and supporting documents to Tellus Jewelry, making the following demands: designate a dedicated liaison department to re-establish communication channels; and require Tellus Jewelry to cover the alleged guarantee losses amounting to RMB 10.7544 million (comprising principal of RMB 9.88 million, interest of RMB 197,600, attorney fees of RMB 600,000, and execution fees of RMB 76,800).

As of June 30, 2026, there was no contingency to be disclosed by the Company.

(2) In case of no important contingencies to be disclosed, a description shall be given

The Company had 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 two 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;

Segment reporting information is disclosed based on the accounting policies and measurement criteria adopted by each segment when reporting to management, and these accounting policies and measurement bases are consistent with those used in preparing the financial statements.

(2) Financial information of reporting segments

Unit: RMB

Item	Leasing and services	Jewelry wholesale and retail services	Inter-segment offset	Total
Revenue from main business	173,998,110.51	118,940,614.70	-725,035.99	292,213,689.22
Costs of main business	54,548,981.33	106,197,514.83	4,626,391.44	165,372,887.60
Total assets	2,968,315,003.69	303,186,046.64	-732,770,516.31	2,538,730,534.02
Total liabilities	474,170,086.31	20,482,660.51	-38,165,230.58	456,487,516.24

XVII. Notes to Major Items of the Parent Company's Financial Statements

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	13,045,843.90	10,660,018.72

1 to 2 years	58,567.71	58,567.71
2 to 3 years	0.00	
Over 3 years	77,741.87	77,741.87
3 to 4 years	77,741.87	77,741.87
Total	13,182,153.48	10,796,328.30

(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 of provision		Amount	Proportion	Amount	Proportion of provision	
Including:										
Accounts receivable with provision for bad debts made on a portfolio basis	13,182,153.48	100.00%	146,014.99	1.11%	13,036,138.49	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31
Including:										
Including: Aging portfolio	13,182,153.48	100.00%	146,014.99	1.11%	13,036,138.49	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31
Total	13,182,153.48	100.00%	146,014.99	1.11%	13,036,138.49	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31

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

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Aging portfolio	13,182,153.48	146,014.99	1.11%
Total	13,182,153.48	146,014.99	

If provision for bad debts on accounts receivable is made according to the general model of expected credit losses:

☑Applicable □ Not applicable

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration	Expected credit loss throughout the duration	

		(no credit impairment has occurred)	(credit impairment has occurred)	
Balance as of January 1, 2026	146,014.99		0.00	146,014.99
Balance as of January 1, 2026 in the current period				
Balance as of June 30, 2026	146,014.99		0.00	146,014.99

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	146,014.99					146,014.99
Total	146,014.99					146,014.99

(4) Top five accounts receivable and contract assets, categorized by debtors, based on the ending balances

Unit: RMB

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 contract assets	Ending balance of bad debt provision of accounts receivable and impairment provision of contract assets
Shenzhen Baijue Industrial Development Co., Ltd.	1,254,217.08		1,254,217.08	9.51%	6,238.91
Shenzhen Jinyu Jewelry Co., Ltd.	1,067,569.55		1,067,569.55	8.10%	10,030.31
Shenzhen Seven Degree Silversmith Family Industrial Co., Ltd.	1,019,673.16		1,019,673.16	7.74%	6,255.95
Shenzhen Ruidafu Jewelry Co., Ltd.	553,120.32		553,120.32	4.20%	5,872.70
Shenzhen Xinyufu Jewelry Co., Ltd.	477,325.67		477,325.67	3.62%	4,641.60
Total	4,371,905.78		4,371,905.78	33.17%	33,039.47

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable	12,000,000.00	
Other receivables	4,899,962.91	3,711,404.11
Total	16,899,962.91	3,711,404.11

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

Item (or Investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.		
Shenzhen Zhongtian Industry Co., Ltd.	12,000,000.00	
Total	12,000,000.00	

2) Significant dividends receivable aged over 1 year

Unit: RMB

Item (or Investee)	Ending original value	Aging	Reason for non-recovery	Whether impairment has occurred and the basis for judgment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	3–4 years	Not paid yet	The company has incurred huge losses in its financial position and operations, and the dividends receivable may be unrecoverable; therefore, full impairment has been 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 of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual basis	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	

Including:										
Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	

Category name of bad debt provision made on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	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 company's financial position is poor
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

Provision for bad debts according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2026			1,305,581.86	1,305,581.86
Balance as of January 1, 2026 in the current period				
Balance as of June 30, 2026			1,305,581.86	1,305,581.86

Division basis and proportion of bad debt provision at each stage

Changes in book balance with significant changes in loss provision in the current period

□ Applicable ☑Not applicable

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

Unit: RMB

Category	Beginning balance	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

Nature of payment	Ending book balance	Beginning book balance
Other temporary payments receivable	8,999,529.88	8,125,713.98
Deposits and security deposits	1,515,567.96	1,610,786.54
Current accounts of related parties within the consolidation scope of receivables	1,972,361.37	1,562,399.89
Total	12,487,459.21	11,298,900.41

2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	3,168,757.01	1,980,198.21
1 to 2 years	279,081.91	279,081.91
2 to 3 years	1,837,736.29	1,837,736.29
Over 3 years	7,201,884.00	7,201,884.00
5 years or more	7,201,884.00	7,201,884.00
Total	12,487,459.21	11,298,900.41

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 of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual basis	7,152,122.98	57.27%	7,152,122.98	100.00%	0.00	7,152,122.98	63.30%	7,152,122.98	100.00%	0.00
Including:										
Provision for bad debts made on a portfolio basis	5,335,336.23	42.73%	435,373.32	8.16%	4,899,962.91	4,146,777.43	36.70%	435,373.32	10.50%	3,711,404.11
Including:										
Aging portfolio	3,819,768.27	30.59%	128,263.70	3.36%	3,691,504.57	2,535,990.89	22.44%	128,263.70	5.06%	2,407,727.19
Portfolio of	1,515,567.96	12.14%	307,109.62	20.26%	1,208,458.34	1,610,786.54	14.26%	307,109.62	19.07%	1,303,676.92

deposit and security deposit receivable										
Total	12,487,459.21	100.00%	7,587,496.30	60.76%	4,899,962.91	11,298,900.41	100.00%	7,587,496.30	67.15%	3,711,404.11

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

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Aging portfolio	3,819,768.27	128,263.70	3.36%
Portfolio of deposit and security deposit receivable	1,515,567.96	307,109.62	20.26%
Total	5,335,336.23	435,373.32	

Provision for bad debts according to the general model of expected credit loss:

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss for the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2026	435,373.32		7,152,122.98	7,587,496.30
Balance as of January 1, 2026 in the current period				
Balance as of June 30, 2026	435,373.32		7,152,122.98	7,587,496.30

Division basis and proportion of bad debt provision at each stage

Changes in book balance with significant changes in loss provision in the current 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	Change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for bad debts made on an individual basis	7,152,122.98					7,152,122.98
Provision for bad debts made on a portfolio basis	435,373.32					435,373.32

Total	7,587,496.30	0.00	0.00			7,587,496.30

5) Top five other receivables by debtor based on ending balances

Unit: RMB

Name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other receivables	Ending balance of provision for bad debts
Shenzhen Zhonghao (Group) Co., Ltd.	Account current	5,000,000.00	Over 3 years	40.04%	5,000,000.00
Shenzhen Petrochemical Group Co., Ltd.	Account current	1,927,833.34	Over 3 years	15.44%	1,927,833.34
Shenzhen Jinzhou Precision Technology Corp.	Security deposits	1,515,467.96	2-3 years	12.14%	303,093.59
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Account current	745,497.20	1-2 years, within 1 year	5.97%	
China Construction First Group Corporation Limited	Account current	583,978.93	2–3 years, 1–2 years	4.68%	74,998.00
Total		9,772,777.43		78.27%	7,305,924.93

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	709,290,474.41		709,290,474.41	713,610,774.41	0.00	713,610,774.41
Investment in associates and joint ventures	116,788,154.70	3,225,000.00	113,563,154.70	97,700,900.97	3,225,000.00	94,475,900.97
Total	826,078,629.11	3,225,000.00	822,853,629.11	811,311,675.38	3,225,000.00	808,086,675.38

(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	Investment reduction	Provision for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	

Shuibeitong (Shenzhen) Information Technology Co., Ltd.	526,308.52						526,308.52	
Shenzhen Tellus Jewelry Technology 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			4,320,300.00			57,588,626.77	
Shenzhen Huari Automobile Sales and Service Co., Ltd.	1,807,411.52						1,807,411.52	
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 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	0.00		4,320,300.00			709,290,474.41	

(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	Investment reduction	Investment profit or loss recognized by equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared to be distributed	Provision for impairment	Others		
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	62,327,499.68				16,662,157.11						78,989,656.79	
Shenzhen Telixing Investment Co., Ltd.	14,528,347.39				494,701.95						15,023,049.34	
Subtotal	76,855,847.07				17,156,859.06						94,012,706.13	
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	17,620,053.90				1,930,394.67						19,550,448.57	
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00										3,225,000.00

Shenzhen Tellus Automobile Service Chain Co., Ltd.												
Subtotal	17,620,053.90	3,225,000.00			1,930,394.67						19,550,448.57	3,225,000.00
Total	94,475,900.97	3,225,000.00			19,087,253.73						113,563,154.70	3,225,000.00

The recoverable amount is determined based on the net amount after deducting disposal expenses from the fair value

□ Applicable ☑Not applicable

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

□ Applicable ☑Not applicable

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

Reasons for the obvious inconsistency between the information adopted by the Company's impairment tests in previous years and the actual situation in those years

4. Operating revenue and operating costs

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	57,952,031.64	25,809,271.80	58,621,053.92	23,987,855.33
Total	57,952,031.64	25,809,271.80	58,621,053.92	23,987,855.33

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	32,000,000.00	74,290,000.00
Long-term equity investment income calculated by the equity method	19,087,253.73	11,910,260.91
Investment income from held-for-trading financial assets during the holding period	0.00	2,583,913.18
Interest income from large-sum certificates of deposit	4,079,394.90	3,030,106.76
Total	55,166,648.63	91,814,280.85

XVIII. Supplementary Information

1. Breakdown of current non-recurring profits and losses

☑Applicable □ Not applicable

Unit: RMB

Item	Amount	Notes
Profits and losses from disposal of non-current assets	379,689.50	
Government subsidies included in the current profit and loss (excluding those which are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, and have a continuous influence on the Company's profit and loss)	883,145.82	
Except for effective hedging activities related to the Company's normal business operations, profit or loss arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or loss from the disposal of such financial assets and financial liabilities	1,297,017.18	
Other non-operating income and expenses other than the above	6,540,085.09	
Less: Effect of income tax	2,170,691.54	
Effect on minority interests (after-tax)	227,285.60	
Total	6,701,960.45	--

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	-8,189,945.06	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Shenzhen Jewelry, 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 *Explanatory*

		Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision) as recurring profits or losses: 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.
Return of handling charges of individual income tax	73,543.77	According to the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision),* 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 recurring profit or loss.

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	4.53%	0.1965	0.1965
Net profit attributable to ordinary shareholders of the Company after non-recurring profits and losses are deducted	4.17%	0.1809	0.1809

3. Accounting data differences under domestic and foreign accounting standards

(1) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the international accounting standards and the 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 the 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