

Shenzhen Tellus Holding Co., Ltd.

2024 Annual Report

March 2025

2024 Annual Report

Section I Important Notice, Contents, and Interpretations

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

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

All directors have attended the meeting of the Board of Directors to review this report.

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

The forward-looking statements such as plans for the future and development strategies involved in this annual report do not constitute a substantial commitment of the Company to investors. Investors and stakeholders shall be aware of the risks therein and understand the differences among plans, forecasts, and commitments. Investors shall pay attention to investment risks.

The Company's profit distribution plan passed by the Board of Directors is as follows: Based on a total of 431,058,320 shares, a cash dividend of RMB 1 (including taxes) per 10 shares will be distributed to all shareholders, with no bonus shares issued (including taxes) and no capitalization of reserves for an increase in capital stock.

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List of Documents for Future Reference

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

(II) The original copy of the Auditor's Report sealed by the accounting firm and sealed and signed by certified public accountants.

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

Interpretations

Term	Refers to	Interpretation
CSRC	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
CSDC Shenzhen Branch	Refers to	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
Company, the Company, and Tellus Holding	Refers to	Shenzhen Tellus Holding Co., Ltd.
Reporting period, the reporting period and the year	Refers to	2024
Shenzhen SASAC	Refers to	State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government
SDG Group, and controlling shareholder	Refers to	Shenzhen Special Economic Zone Development Group Co., Ltd.
SIHC	Refers to	Shenzhen Investment Holdings Co., Ltd.
Shenzhen Jewelry, SJIS	Refers to	Shenzhen Jewelry Industry Service Co., Ltd.
Guorun, Guorun Gold	Refers to	Guorun Gold Shenzhen Co., Ltd.
Tellus Treasury	Refers to	Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.
Shanghai Fanyue	Refers to	Shanghai Fanyue Diamond Co., Ltd.
Zhongtian Company	Refers to	Shenzhen Zhongtian Industry Co., Ltd.
Automobile Industry and Trade Company	Refers to	Shenzhen Automobile Industry and Trade Co., Ltd.
SDG Huari	Refers to	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.
Huari Company	Refers to	Shenzhen Huari Automobile Sales and Service Co., Ltd.
Tellus Jewelry Building, Jewelry Building	Refers to	Tellus Shuibei Jewelry Building
Tellus Gold and Diamond Building, Gold and Diamond Building	Refers to	Tellus Gold and Diamond Trading Building

Section II Company Profile and Major Financial Indicators

I. Company Information

Stock abbreviation	Tellus A, Tellus B	Stock code	000025, 200025
Stock abbreviation before change (if any)	N/A		
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Tellus Holding Co., Ltd.		
Chinese abbreviation	Tellus A		
English name of the Company (if any)	Shenzhen Tellus Holding Co., Ltd.		
English abbreviation (if any)	N/A		
Legal representative of the Company	Fu Chunlong		
Registered address	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the registered address	518020		
Historical changes of the Company's registered address	None		
Office address	3F and 4F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the office address	518020		
Website of the Company	www.tellus.cn		
E-mail	ir@tellus.cn		

II. Contact Person and Contact Information

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

III. Information Disclosure and Place for Preparation

Website of the stock exchange for the Company to disclose the annual report	Shenzhen Stock Exchange (www.szse.cn)
Names and websites of the media outlets for the Company to disclose the annual report	Securities Times and CNINFO (www.cninfo.com.cn)
Location for keeping annual reports of the Company	Secretariat Office of the Board of Directors of the Company

IV. Changes of Registration

Unified social credit code	91440300192192210U
Change of main business	With the strategic transformation and upgrading of the Company and the dissolution of Huari

after listing (if any)	Company, starting from 2023, automobile sales, testing, maintenance, and spare parts sales are no longer the Company's main business. The main business of the Company during the reporting period included jewelry third-party services, commercial complex operations, and property leasing business.
Previous changes of controlling shareholders (if any)	<p>1. On March 31, 1997, the Company held a total of 220.2816 million shares in capital stock, and the former Shenzhen Investment Management Co., Ltd., the sole non-tradable shareholder of the Company, transferred 159.588 million state shares held by it to SDG Group. The shares held by SDG Group accounted for 72.45% of the total capital stock, and these shares were state shares.</p> <p>2. As the controlling shareholder of the Company, SDG Group later underwent an equity division reform, the Company's non-public offering of A-shares, and a reduction in holding some of the Company's tradable shares without trading moratorium. By the end of the reporting period, SDG Group held a total of 211,591,621 shares of the Company, accounting for 49.09% of the Company's total capital stock. Thus, it remains the controlling shareholder of the Company.</p> <p>3. On December 28, 2022, Shenzhen SASAC signed the <i>Voting Rights Entrustment Agreement</i> with its wholly-owned subsidiary SIHC. Through this agreement, Shenzhen SASAC entrusted its 38.97% voting rights in SDG Group to the wholly-owned subsidiary SIHC, making SIHC the indirect controlling shareholder of the Company. Thus, the Company's controlling shareholder and actual controller have not changed.</p> <p>4. In 2024, Shenzhen SASAC transferred its 39.6875% equity in SDG Group to SIHC at no cost. This equity transfer does not change the Company's controlling shareholder or actual controller. SDG Group remains the Company's controlling shareholder, SIHC is the Company's indirect controlling shareholder, and Shenzhen SASAC remains the Company's actual controller.</p>

V. Other Related Information

Accounting firm engaged by the Company

Name of accounting firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Office address of the accounting firm	5F of Scitech Place, No. 22, Jianguomenwai Street, Chaoyang District, Beijing
Names of signing accountants	Wu Liang, Xiao Na

Sponsor institution engaged by the Company for continuous supervision during the reporting period

☐ Applicable ☒ Not applicable

Financial consultant engaged by the Company for continuous supervision during the reporting period

☐ Applicable ☒ Not applicable

VI. Major Accounting Data and Financial Indicators

Whether the Company needs to retrospectively adjust or restate the accounting data for the previous years

☐ Yes ☒ No

	2024	2023	Change over the previous year	2022
Operating revenue (RMB)	2,613,678,204.37	1,846,738,841.89	41.53%	837,656,274.51
Net profit attributable to shareholders of the listed company (RMB)	136,629,870.80	118,255,140.84	15.54%	83,496,135.61
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	126,470,887.40	90,386,717.21	39.92%	63,268,802.52
Net cash flows from operating activities (RMB)	390,288,813.85	-60,140,006.46	748.97%	-51,967,764.29
Basic earnings per share (RMB/share)	0.3170	0.2743	15.57%	0.1937

Diluted earnings per share (RMB/share)	0.3170	0.2743	15.57%	0.1937
Weighted average return on net assets	8.21%	7.59%	0.62%	5.69%
	End of 2024	End of 2023	Change over the end of the previous year	End of 2022
Total assets (RMB)	2,594,459,237.89	2,403,851,684.45	7.93%	2,232,028,554.57
Net assets attributable to shareholders of the listed company (RMB)	1,726,884,629.56	1,603,905,054.93	7.67%	1,505,638,863.31

The lower of the Company's net profit before and after deducting non-recurring gains and losses in the last three accounting years is negative, and the auditor's report of the last year shows that there is uncertainty about the Company's going concern.

☐ Yes ☒ No

The lower of net profit before and after deducting non-recurring gains and losses is negative.

☐ Yes ☒ No

VII. Discrepancy of Accounting Data under the Accounting Standard both at Home and Abroad

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 between 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 between the financial reports disclosed by the Company following foreign accounting standards and Chinese Accounting Standards in the reporting period.

VIII. Quarterly Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	758,317,502.50	821,706,246.35	487,357,584.91	546,296,870.61
Net profit attributable to shareholders of the listed company	35,247,571.82	41,414,907.87	31,421,768.72	28,545,622.39
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	32,505,801.08	37,948,985.23	28,950,798.21	27,065,302.88
Net cash flows from operating activities	-23,101,927.41	130,411,416.33	-66,021,941.86	349,001,266.79

Is there any great discrepancy between the above indicators or their sum and relevant indicators disclosed in the quarterly or semi-annual report?

☐ Yes ☒ No

IX. Non-recurring Gain or Loss Items and Amounts

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount in 2024	Amount in 2023	Amount in 2022	Notes
Gains and losses on the disposal of non-current assets (including the portion offset for assets impairment provision made)	-227.20	69,475,478.10	8,826,176.39	
Government subsidies included in the current gains and losses (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, with a continuous influence on the Company's gains and losses)	6,524,396.47	6,476,027.99	6,575,043.88	
Gains or losses from changes in the fair value of financial assets and financial liabilities held by the non-financial company, as well as gains or losses from the disposal of the financial assets and financial liabilities, except for effective hedging related to normal operations of the Company	-10,293,994.77	-9,882,368.06	10,762,831.81	
Reserves of impairment provision for account receivables individually tested for impairment	6,856,854.34	150,000.00		
Other non-operating revenues and expenditures apart from the aforesaid items	1,704,993.23	2,089,529.20	3,718,192.18	
Other gains or losses conforming to the definition of non-recurring gains or losses		-36,363,757.77	49,829.40	
Less: Effect on income tax	-9,511,450.05	13,674,541.65	6,628,391.02	
Effect on minority shareholders' equity (after tax)	4,144,488.72	-9,598,055.82	3,076,349.55	
Total	10,158,983.40	27,868,423.63	20,227,333.09	--

Specific conditions of other gains or losses conforming to the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not applicable

Effective hedging	-16,490,969.27	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1—Non-Recurring Profits and Losses (2023 Revision)</i> as recurring profit and loss items: effective hedging related to the normal operations of non-financial enterprises; gains and losses from changes in the fair value of financial assets and financial liabilities held; and gains and losses from the disposal of financial assets and financial liabilities.
Refund of handling charges for individual income tax	73,439.68	According to the <i>Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1—Non-Recurring Profits and Losses (2023 Revision)</i> , the refund of handling fees withheld for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.

Section III Management Discussion and Analysis

I. Industry Development during the Reporting Period

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

(I) Gold and jewelry industry

1. Macro-environment

The development of the gold and jewelry industry is closely related to the global geopolitical pattern and economic development trend. In 2024, escalating geopolitical tensions, rising trade protectionism, and deepening economic decoupling disrupted global markets. The global economy showed signs of weak momentum, imbalanced growth, and increased fragmentation during its slow recovery, leading to divergent economic development trajectories. Over the past year, China's economy remained stable but experienced a slight slowdown. In 2024, the retail sales of gold, silver, and jewelry products by enterprises above the designated size reached RMB 330 billion, a year-on-year decrease of 3.1%. Despite current market challenges, as inventory gradually clears, marketing strategies are adjusted, and the jewelry market becomes more standardized, the domestic jewelry market is expected to demonstrate strong resilience in the future, with significant growth potential and structural development opportunities.

2. Overview of the gold and jewelry industry

Large market size: In 2023, the total market size of China's jewelry and jade industry reached RMB 820 billion, surpassing the RMB 800 billion threshold for the first time. The industry formed a trillion-level industrial chain, spanning upstream resources, trade imports, design and processing, and wholesale and retail.

Low efficiency in upstream jewelry element circulation: The jewelry wholesale market is fragmented, with many small-scale traders operating inefficiently. Sourcing materials from overseas remains costly, transaction methods lack efficiency, and informatization is limited. The industry also lacks an influential trading platform for jewelry elements.

Increasing industry competition: Leading enterprises are expanding channels, upgrading brands, and developing new products to accelerate industry consolidation and win favor from new-generation consumers. Structural differentiation within the gold and jewelry industry is intensifying, with mismatched supply and demand, particularly in the low-end market, where product homogenization is severe. In the future, industry concentration is expected to further increase.

Divergent market performance across jewelry categories: Natural diamond-set jewelry, as a discretionary consumer product, faces weak demand and slow recovery, while lab-grown diamonds

have a great impact on the natural diamond market. Gold dominates the market due to its dual attributes of consumption and value preservation, but sustained high gold prices are suppressing short-term demand, leading to a severe price-volume trade-off in the market.

Shifting consumer purchase scenarios: As marriage rates in China decline, consumer demand for jewelry used in wedding-related scenarios continues to weaken, shrinking the market for diamond-set jewelry. Conversely, consumer demand for gold is rising. Driven by China's consumption upgrades and the rise of self-indulgence spending trends, consumer preferences are shifting toward personalized and diverse gold jewelry designs, and advancements in gold jewelry craftsmanship are enabling faster product innovation cycles. As a result, purchasing scenarios are shifting from bridal consumption to self-use and gifting.

3. Development trends

The gold and jewelry industry presents vast growth opportunities in the future, particularly in the development of new gold product categories, which are making gold more affordable and expanding market penetration into lower-tier cities. This shift is broadening the consumer base and increasing purchase frequency. In response, brands are accelerating their expansion into online channels, which have become a key driver for sales growth in gold, jewelry, and other categories.

Digitalization is further promoted and applied. With the ongoing digitalization and technological advancements, online gold and jewelry platforms are set to continue optimizing and enhancing consumer interaction and experience. These improvements will boost enterprises' operational efficiency, reduce costs, and enable more effective supply chain management. For example, using transparent and traceable data can allow for data analysis that promotes management optimization, and support demand forecasting.

The domestic gold and jewelry transaction chain is becoming more standardized. The government and relevant agencies are strengthening their regulation of the gold and jewelry industry by formulating and improving industry laws and regulations, clarifying industry standards and norms, and cracking down on illegal activities and violations. These efforts contribute to maintaining market order and protecting consumer rights.

Based on industry development, by relying on its own advantages and making full use of industry resources, the Company has built a digital jewelry element trading platform that promotes the standardization, informatization, and compliance of the jewelry industry, builds differentiated competitive advantages while serving the jewelry industry, and helps to drive the high-quality development of the Company.

(II) Commercial real estate leasing industry

In 2024, China's commercial real estate industry continued its inventory reduction trend on the sales side, with new supply shrinking. On the operations side, shopping mall properties in some first-tier cities showed signs of stabilization and improvement, while office properties' occupancy rates and rental prices continued to decline. In the fourth quarter, the real estate market saw signs of recovery in core cities, but the overall market remained in a phase of adjustment and transformation.

The Company is actively adjusting market strategies, adopting more flexible and diverse leasing terms, upgrading property facilities and services, and increasing marketing efforts to attract more enterprise tenants.

II. Main Business during the Reporting Period

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

(I) The main business of the Company during the reporting period included jewelry third-party services, commercial complex operations, and property leasing business.

1. Jewelry third-party services: Bearing the development mission of "being committed to providing high-quality services and growing with the jewelry industry" in mind, the Company relies on its advantages, gathers domestic and foreign high-quality industry resources, and cooperates with outstanding leading enterprises in the industry to build a third-party service platform that meets diverse industry needs. By constructing and operating a digital jewelry element trading platform, the Company provides systematic solutions for precious metal wealth investment, cultural heritage, and fashion styling. It also explores third-party depository business for high-end jewelry, creating a wide range of service products through cooperation to meet customer value propositions, enhance the industrial service chain, set industry benchmarks, and promote industry compliance.

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

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

1. Sales model

The Company adopts both wholesale and retail as the main sales models for gold and jewelry. Additionally, it provides supporting services such as customs clearance agency services, gold refining/exchange services, and safe deposit box leasing. The sales revenue composition of the jewelry business in 2024 is as follows:

Sales model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross margin in 2024
Wholesale	123,554.38	121,616.36	1.57%
Retail sales	105,803.88	105,018.25	0.74%
Other services	2,735.37	891.62	67.40%
Total	232,093.63	227,526.23	1.97%

2. Production model

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

Production model	Amount (RMB 10,000)	Proportion
Finished products through the commissioned processing	205,585.98	100.00%

3. Purchase model

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

Diamonds: The Company purchases finished diamonds from overseas diamond suppliers and imports them through Shanghai Diamond Exchange.

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

The structure of the production model is as follows:

Purchase model	Raw materials	Purchase quantity	Purchase amount
		(kg)	(RMB 10,000)
Spot trading	Gold	4,491.62	223.852.64

4. Operation of physical stores during the reporting period

S/N	Description	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)	Address
1	Guorun Direct-sales Store (Tellus)	7,461.13	7,438.23	Atrium of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen City
2	Counter of Guorun Direct-sales Store (Tellus) on Basement Level 1	5,576.45	5,554.33	B1-046, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen City
3	Side Hall of Guorun Direct-sales Store (Tellus) on Basement Level 1	33.75	33.35	B1-023, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen City
4	Guorun (Tellus)—GOLD	603.43	602.55	B1-046, Basement Level 1, Annex Building of

	DIAMOND Business Cooperative Store			Tellus Jewelry Building, 2nd Shuibei Road, Luohu District
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5. Online sales during the reporting period

S/N	Description	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)
1	Tellus Shuibei Jewelry Flagship Store on Tmall	6,481.76	6,335.59
2	Tellus Shuibei Jewelry Flagship Store on JD.com	17,096.15	16,801.19
3	"Self-operated mini-program private-sphere store" on WeChat	136.45	134.7
4	Tellus Shuibei Jewelry Auction Store on Alibaba	55,159.13	54,909.25
5	Tellus Shuibei Jewelry Official Flagship Store on Pinduoduo	1,245.61	1,236.00
6	Tellus Shuibei Jewelry Official Flagship Store on the Jingya platform	12,010.02	11,973.06

6. Inventory of jewelry business during the reporting period

As of December 31, 2024, the inventory balance of the Company's jewelry business was RMB 127.4322 million, of which RMB 114.8569 million was measured at fair value. This amount represents hedged items using commodity futures contracts and T+D contracts as hedging instruments.

III. Core Competitiveness Analysis

(I) Location advantage

The Company, located in Shuibei, the core cluster area of Shenzhen's jewelry industry, is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park. Shuibei accounts for more than 75% of China's gold and jewelry market share. Within the one-square-kilometer core area of the Shuibei market, tens of thousands of gold and jewelry enterprises are concentrated. According to the data from the Shenzhen Gold & Jewelry Association, the annual physical pick-up volume of gold and platinum in Shenzhen accounts for about 70% of the physical sales volume at Shanghai Diamond Exchange, and the physical consumption of diamonds accounts for about 80% of the import value at Shanghai Diamond Exchange. In terms of brand clustering, Luohu District encompasses over 40 leading jewelry enterprises and 29 "China Famous Trademarks" in the jewelry sector, contributing 30% of the national total. It has successfully nurtured the stock exchange listings of jewelry companies such as Chow Tai Seng and DR Group. Shuibei has formed a complete industrial chain covering design and R&D, production and manufacturing, exhibition and trading, brand operation, headquarters office operation, inspection and testing, and talent training.

The location advantage of the Shuibei area is significant. The concentration of numerous jewelry suppliers and established businesses facilitates the Company's import-export operations and exhibition and marketing activities. The market influence and centralized trade information in Shuibei provide a favorable business environment and development platform, enabling the Company to promptly capture market feedback and respond quickly to market changes. Shenzhen's "20+8" Industrial Cluster Development Plan emphasizes the future focus on developing modern

fashion industrial clusters. The government's strong support for the jewelry industry provides substantial backing for the Company, helping to reduce operating costs, enhance profitability, and achieve sustainable development.

(II) Resource advantage

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

Through years of dedicated efforts, the Company has accumulated significant industry resources and influence. It maintains close collaborations with authoritative institutions in the industry such as the National Testing Center for Gold and Silver Jewelry (Tianjin) and HJTC to actively participate in and organize various industry activities, set industry standards, and 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 cooperated with renowned jewelry enterprises in the industry to further expand its business scale.

The Company's commercial complex operation and property leasing business provides stable revenue and cash flows, laying a solid foundation for its long-term development. The Company's Tellus Jewelry Building and Tellus Gold and Diamond Trading Building have been put into operation successively and maintained 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 significant technological advancements. It has vigorously promoted the digital transformation of its trading platform, organized and prioritized functional modules, and continuously adjusted its construction strategy to respond promptly to changes and meet business needs. The Company has improved and enhanced the platform's capabilities in online transactions, data analysis, and intelligent supervision, gradually applying these features in its supply chain operations to effectively serve jewelry industry clients and support the growth of macro, 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 internal management, the Company views scientific management as both a driving force and a safeguard for its development. From the perspective of management-driven operations, the Company adopts a business-oriented approach tailored to its actual conditions. It has introduced the Business Leadership Model to refine its 4S control system, solidifying the strategic closed-loop management and ensuring the smooth execution of plans. The Company has actively promoted the use of OKR management tools to effectively improve the management awareness and skills of its personnel. Through continuous organizational structure optimization, the Company has enhanced its functional support capabilities.

IV. Analysis of Main Business

1. Overview

In 2024, under the effective leadership of its Party Committee and Board of Directors, the Company maintained stable overall operations and consistently delivered positive performance.

For the year 2024, the Company reported operating revenue of RMB 2,613.68 million, a year-on-year increase of 41.53%. The primary reasons for the revenue growth include the expansion of the gold and jewelry business and increased income from the commercial operations segment. In 2024, the Company achieved a total profit of RMB 163.29 million and a net profit attributable to the parent company of RMB 136.63 million, an increase of RMB 18.37 million compared to 2023. The profit growth was mainly driven by higher profits from the commercial operations segment and increased income from investment in joint-stock enterprises. As of December 31, 2024, the Company's total assets amounted to RMB 2,594.46 million.

Adjusting its business strategy of optimizing the trading platform to enhance core competitiveness: Focusing on the strategy of "One Platform, Two Businesses", the Company has built a digital jewelry element trading platform that integrates online exhibition and offline selection. It has vigorously advanced the digitalization of the platform and technological innovation, with the platform earning a spot on the 2024 China Top 100 Industrial Digitalization List. It has accelerated the development of the domestic jewelry element trading business, starting with recycled diamond

trading as an entry point. The Company hosted five Recycled Diamond Tenders and one lab-grown diamond procurement event, and piloted pop-up stores to gradually expand trading categories to include colored gemstones, pearls, and jadeite. Simultaneously, the Company is promoting the integration of resources in the cross-border trading segment, establishing smooth channels for jewelry element circulation, and driving the elevation of its brand value.

Promoting the market expansion and digitalization of the gold segment concurrently: The Company has clarified its product development plans, strengthened new product R&D, and enhanced supply chain integration and service capabilities. It has established a dual-channel layout of offline experience stores and online official flagship stores, with a focus on expanding the investment gold product sales business. In parallel, the Company has deepened digital business operations to deliver better services and greater value to customers.

Improving operational efficiency in the physical platform segment: The Company has improved the quality and efficiency of its investment attraction and operations. In 2024, nine themed events, including the Cultural Industry Expo and the first "Future Festival", were held at the Tellus Jewelry Building and Tellus Gold and Diamond Trading Building, effectively boosting foot traffic in the business district and enhancing brand synergy. The traditional property segment advanced the iteration and upgrade of business formats for multiple projects, maintaining a healthy overall occupancy rate throughout 2024.

Improving the quality and efficiency of internal management: The Company has introduced the Business Leadership Model and improved a 4S management system driven by strategies. It has deepened the use and improvement of the OKR management system to enhance work efficiency and planning. The Company has also strengthened the management of its joint-stock and holding enterprises to safeguard its interests, intensified talent team building and talent training efforts, and comprehensively advanced compliance management by building "three lines of defense" to ensure healthy corporate development.

Adhering to the leadership of Party building: Through measures such as information sessions and the "Three Meetings and One Lecture" system, the Company has implemented the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC). Special training sessions on Party discipline education have been organized, using real-life cases to provide Party members and cadres with firsthand exposure to the severe consequences of violations of laws and discipline. Additionally, it has strengthened the construction of grassroots Party organizations and actively explored innovative approaches to Party building.

2. Revenues and costs

(1) Operating revenue composition

Unit: RMB

	2024		2023		Year-on-year increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	2,613,678,204.37	100%	1,846,738,841.89	100%	41.53%
By industry					
Jewelry sales and services	2,320,842,052.78	88.80%	1,542,107,225.96	83.50%	50.50%
Leasing and services	292,836,151.59	11.20%	250,517,470.48	13.57%	16.89%
Automobile sales		0.00%	42,638,840.47	2.31%	-100.00%
Automobile maintenance and testing		0.00%	11,475,304.98	0.62%	-100.00%
By product					
Jewelry sales and services	2,320,842,052.78	88.80%	1,542,107,225.96	83.50%	50.50%
Leasing and services	292,836,151.59	11.20%	250,517,470.48	13.57%	16.89%
Automobile sales		0.00%	42,638,840.47	2.31%	-100.00%
Automobile maintenance and testing		0.00%	11,475,304.98	0.62%	-100.00%
By region					
South China	1,971,504,250.32	75.43%	1,417,912,052.46	76.78%	39.04%
East China	241,495,799.74	9.24%	335,179,719.17	18.15%	-27.95%
North China	260,881,606.21	9.98%	85,710,840.18	4.64%	204.37%
Central China	121,099,408.56	4.63%	6,925,197.35	0.37%	1,648.68%
Other regions	18,697,139.54	0.72%	1,011,032.73	0.05%	1,749.31%
By sales model					
Direct sales	2,613,678,204.37	100.00%	1,846,738,841.89	100.00%	41.53%

(2) Industries, products, regions, and sales models with an operating revenue or operating profit accounting for more than 10% of the Company's total

☒ Applicable ☐ Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross margin	Year-on-year movement in operating revenue	Year-on-year movement in operating costs	Year-on-year movement in gross margin
By industry						
Jewelry sales and services	2,320,842,052.78	2,273,354,439.85	2.05%	50.50%	50.07%	0.28%
Leasing and services	292,836,151.59	103,409,860.21	64.69%	16.89%	21.26%	-1.27%

By product						
Jewelry sales and services	2,320,842,052.78	2,273,354,439.85	2.05%	50.50%	50.07%	0.28%
Leasing and services	292,836,151.59	103,409,860.21	64.69%	16.89%	21.26%	-1.27%
By region						
South China	1,971,504,250.32	1,743,354,212.66	11.57%	39.04%	42.03%	-1.86%
East China	241,495,799.74	238,075,580.05	1.42%	-27.95%	-27.58%	-0.50%
North China	260,881,606.21	257,355,619.98	1.35%	204.37%	205.24%	-0.28%
Central China	121,099,408.56	119,547,197.35	1.28%	1,648.68%	1,653.55%	-0.27%
Other regions	18,697,139.54	18,431,690.02	1.42%	1,749.31%	1,751.87%	-0.14%
By sales model						
Direct sales	2,613,678,204.37	2,376,764,300.06	9.06%	41.53%	44.19%	-1.68%

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 most recent year based on the criteria at the end of the reporting period.

☐ Applicable ☒ Not applicable

(3) Whether the Company's physical product sales revenue is greater than the service revenue

☒ Yes ☐ No

Industry	Item	Unit	2024	2023	Year-on-year increase/decrease
Wholesale and retail of gold	Sales volume	KG	4,597.35	3,563.59	29.01%
	Production	KG	4,137.93	3,781.54	9.42%
	Inventory	KG	231.14	434.98	-46.86%

Explanation of the causes of over 30% changes in the related data

☒ Applicable ☐ Not applicable

During the reporting period, the demand for the gold business decreased at the end of the year, and the stockpile volume has been reduced accordingly..

(4) Performance for major sales contracts and major procurement contracts signed by the Company as of the reporting period

☐ Applicable ☒ Not applicable

(5) Composition of operating cost

Industry and product classification

Unit: RMB

Industry	Item	2024		2023		Year-on-year increase/decrease
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Jewelry sales and services	Retail and wholesale of jewelry	2,273,354,439.85	95.65%	1,514,822,240.15	91.90%	50.07%
Leasing and services	Leasing, property management, and others	103,409,860.21	4.35%	85,282,344.36	5.17%	21.26%
Automobile sales	Spare parts and maintenance		0.00%	38,385,230.69	2.33%	-100.00%

Automobile maintenance and testing	Automobiles		0.00%	9,847,384.40	0.60%	-100.00%
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Unit: RMB

Product classification	Item	2024		2023		Year-on-year increase/decrease
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Jewelry sales and services	Retail and wholesale of jewelry	2,273,354,439.85	95.65%	1,514,822,240.15	91.90%	50.07%
Leasing and services	Leasing, property management, and others	103,409,860.21	4.35%	85,282,344.36	5.17%	21.26%
Automobile sales	Spare parts and maintenance		0.00%	38,385,230.69	2.33%	-100.00%
Automobile maintenance and testing	Automobiles		0.00%	9,847,384.40	0.60%	-100.00%

(6) Whether the consolidation scope changed during the reporting period☒ Yes ☐ No

On December 9, 2024, both the shareholders of SDG Huari signed an agreement to terminate the liquidation and resume operations. The Company submitted an application to the Shenzhen Qianhai Cooperation Zone People's Court for withdrawal of the compulsory liquidation application for SDG Huari. On December 27, 2024, the Company received the *Civil Ruling* ([2023] Y0391QQ No. 4) from the Shenzhen Qianhai Cooperation Zone People's Court, which approved the withdrawal of the compulsory liquidation application for SDG Huari. Consequently, the Company included SDG Huari in its consolidated financial statements as of December 27, 2024.

(7) Major changes or adjustments in the Company's business, products, or services during the reporting period☐ Applicable ☒ Not applicable**(8) Key customers and key suppliers**

Key customers of the Company

Total sales revenue from the top 5 customers (RMB)	570,460,360.10
Proportion of the total sales revenue from the top 5 customers in total annual sales revenue	21.82%
Proportion of the sales revenue from the related parties among the top 5 customers in total annual sales revenue	3.21%

Information on the top 5 customers of the Company

S/N	Customer name	Sales revenue (RMB)	Proportion in total annual sales revenue
1	Customer 1	163,676,046.05	6.26%

2	Customer 2	131,590,778.75	5.03%
3	Customer 3	114,703,552.51	4.39%
4	Customer 4	83,815,902.66	3.21%
5	Customer 5	76,674,080.13	2.93%
Total	--	570,460,360.10	21.82%

Explanation on other conditions of key customers

☐ Applicable ☒ Not applicable

Main suppliers of the Company

Total purchase amount attributable to the top 5 suppliers (RMB)	2,270,758,126.66
Proportion of the total purchase amount attributable to the top 5 suppliers in the total annual purchase amount	92.56%
Proportion of the purchase amount attributable to related parties among the top 5 suppliers in the total annual purchase amount	0.83%

Information on the top 5 suppliers of the Company

S/N	Supplier name	Purchase amount (RMB)	Proportion in the total annual purchase amount
1	Supplier 1	2,164,944,175.15	88.25%
2	Supplier 2	70,047,130.00	2.86%
3	Supplier 3	20,270,819.23	0.83%
4	Supplier 4	8,858,465.84	0.36%
5	Supplier 5	6,637,536.44	0.27%
Total	--	2,270,758,126.66	92.56%

Explanation on other conditions of key suppliers

☒ Applicable ☐ Not applicable

During the reporting period, the supplier accounting for more than 50% of the Company's total annual purchase amount was the Shanghai Gold Exchange.

3. Expenses

Unit: RMB

	2024	2023	Year-on-year increase/decrease	Explanation on major changes
Selling expenses	22,232,680.89	19,128,514.75	16.23%	
Administrative expenses	51,362,592.45	85,621,795.09	-40.01%	Mainly due to compensation incurred from the closure of the automotive business in the same period last year
Financial expenses	6,389,014.69	5,537,879.92	15.37%	
R&D expenses	3,268,819.88	1,965,795.78	66.28%	Mainly due to the increased number of R&D projects

4. Investment in R&D

☒Applicable ☐ Not applicable

Name of major R&D project	Project purpose	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Integrated Enterprise Information Display Platform R&D	Develop an integrated enterprise information display platform	The project's development has been completed, and it is now in continuous operation	Promote online publicity and brand display, while providing functions such as online consultation and feedback	Enhance market competitiveness, optimize customer relationship management, and improve enterprise operational efficiency
Jewelry Bonded Warehouse Management System R&D	Develop a new jewelry bonded warehouse management system	The project's development has been completed, and it is now in trial operation	Improve the efficiency and accuracy of jewelry goods management	Improve the efficiency of warehouse management, enhance the safety and traceability of goods, and optimize supply chain management
R&D of a Dynamic Update Platform for Diamond Price Index Information	Establish a comprehensive and accurate diamond index system	The project's development has been completed, and it is currently in the testing phase	Help users better understand the supply of goods in the diamond market and trends in price changes	Strengthen the Company's core competitiveness and expand its business scope and customer base
R&D of an Integrated Management System for the Jewelry Import and Export Business	Develop an integrated import and export management system program for the jewelry industry	The project's development has been completed	Meet the personalized management needs of the jewelry industry for the import and export business	Improve work efficiency and strengthen supply chain management
Intelligent Integrated Jewelry Warehouse Management System	Develop a simple and easy-to-use intelligent integrated warehouse management program for jewelry	The project's development has been completed	Enable standardized warehouse data management and one-stop management across the entire business chain to ensure the accuracy and real-time supply of data	Improve the efficiency and accuracy of warehouse management, and lay a good management foundation for business growth
Integrated Intelligent Inventory Management and Automated In/out App for Jewelry	Develop an efficient and convenient app for warehouse mobile devices	The project's development has been completed	Improve the efficiency of inventory management, reduce labor costs, and improve customer service quality	Increase usability, accuracy, and operational efficiency in goods in/out and transfers
Mobile Bidding Platform for Jewelry Viewing Events	Develop an efficient and convenient H5 application	The project's development has been completed, and it is now in continuous operation	Improve exhibition management efficiency, optimize the experience of exhibitor customers, and realize real-time information exchange, data analysis and decision-making	Improve the Company's business competitiveness and improve customer satisfaction and loyalty
Shenzhen International Jewelry and Jade Comprehensive Trade Platform Mini Program	Develop an efficient and convenient mini program	The project's development has been completed, and it is now in continuous operation	Optimize the online viewing exhibition functionality to enhance user convenience and improve data analysis and decision-making support.	Improve customer satisfaction and stickiness, and enhance the Company's service competitiveness
Data-driven	Develop a data-driven	The project's	Strengthen the management	Improve supply chain

Jewelry Supply Chain Optimization System	logistics tracking optimization system for the jewelry supply chain	development has been completed, and it is now in trial operation	of the jewelry supply chain business to achieve efficient collaboration between its upstream and downstream participants	efficiency, reduce logistics costs, improve inventory management efficiency, and enhance risk management capabilities
Raw Material Sales Mini Program	Digitize the gold raw material sales process	It is in normal operation	Realize online ordering, order confirmation, customer maintenance, payment tracking, and other functions	Simplify operations for both customers and staff and boost business volume

R&D personnel of the Company

	2024	2023	Change proportion
Number of R&D personnel (person)	11	6	83.33%
Proportion of R&D personnel in all employees	6.88%	3.97%	2.91%
Educational background structure of R&D personnel			
Bachelor's degree	8	3	166.67%
Master's degree	2	1	100.00%
Junior college diploma	1	2	-50.00%
Age composition of R&D personnel			
Under 30	3	1	200.00%
30-40	8	5	60.00%

R&D investment of the Company

	2024	2023	Change proportion
R&D investment amount (RMB)	3,268,819.88	1,965,795.78	66.28%
Proportion of investment in R&D in operating revenue	0.13%	0.11%	0.02%
Capitalized R&D investment amount (RMB)	0.00	0.00	
Proportion of capitalized R&D investment in R&D investment	0.00%	0.00%	

Causes and impact of major changes in the composition of the Company's R&D personnel

☐ Applicable ☒ Not applicable

Causes for significant year-on-year changes in the proportion of the total R&D investment in operating revenue

☐ Applicable ☒ Not applicable

Explanation of the reason for significant changes in the capitalization rate of R&D investment and its justification

☐ Applicable ☒ Not applicable

5. Cash flow

Unit: RMB

Item	2024	2023	Year-on-year increase/decrease
Subtotal of cash inflows from operating activities	4,662,567,599.79	2,019,506,191.37	130.88%

Subtotal of cash outflows from operating activities	4,272,278,785.94	2,079,646,197.83	105.43%
Net cash flows from operating activities	390,288,813.85	-60,140,006.46	748.97%
Subtotal of cash inflows from investing activities	841,818,290.07	677,411,633.15	24.27%
Subtotal of cash outflows from investing activities	1,034,454,292.10	810,619,126.84	27.61%
Net cash flows from investing activities	-192,636,002.03	-133,207,493.69	-44.61%
Subtotal of cash inflows from financing activities	415,000,000.00	359,922,892.83	15.30%
Sub-total of cash outflows from financing activities	471,600,230.88	397,758,935.44	18.56%
Net cash flows from financing activities	-56,600,230.88	-37,836,042.61	-49.59%
Net increase in cash and cash equivalents	141,052,580.94	-231,183,441.67	161.01%

Explanation of main influence factors for year-on-year major changes in related data

☒ Applicable ☐ Not applicable

Unit: RMB

Item	2024	2023	Year-on-year increase/decrease	Notes
Subtotal of cash inflows from operating activities	4,662,567,599.79	2,019,506,191.37	130.88%	Increases in the business volume of gold and jewelry during the reporting period
Subtotal of cash outflows from operating activities	4,272,278,785.94	2,079,646,197.83	105.43%	Increases in the business volume of gold and jewelry during the reporting period
Net cash flows from operating activities	390,288,813.85	-60,140,006.46	748.97%	Decrease in accounts receivable and inventory this year; introduction of notes payable business
Subtotal of cash inflows from investing activities	841,818,290.07	677,411,633.15	24.27%	
Subtotal of cash outflows from investing activities	1,034,454,292.10	810,619,126.84	27.61%	
Net cash flows from investing activities	-192,636,002.03	-133,207,493.69	-44.61%	Year-on-year increase in the purchase of financial products
Subtotal of cash inflows from financing activities	415,000,000.00	359,922,892.83	15.30%	
Sub-total of cash outflows from financing activities	471,600,230.88	397,758,935.44	18.56%	
Net cash flows from financing activities	-56,600,230.88	-37,836,042.61	-49.59%	Repayment of borrowings related to the gold and jewelry business during the reporting period; decrease in borrowing balances
Net increase in cash and cash equivalents	141,052,580.94	-231,183,441.67	161.01%	Decrease in accounts receivable and inventory this year; introduction of notes payable business

Explanation on the causes of the major differences between the net cash flow from operating activities during the reporting period and the net profits of the Company in the year

☐ Applicable ☒ Not applicable

V. Analysis of Non-main Business

☒ Applicable ☐ Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation	Sustainable or not
Income from investment	19,470,482.47	11.92%	Gains from financial investments, gains from using the equity method to recognize investments in associate companies	No
Gains or losses from changes in fair value	-10,567,743.62	-6.47%	Changes in the fair value of unexpired wealth management products and losses from changes in fair value at the end of the year due to re-acquisition of control in a subsidiary	No
Asset impairment	0.00	0.00%		
Non-operating revenue	3,900,953.07	2.39%	Confiscation of security deposits due to early surrender of lease by merchants	No
Non-operating expenses	2,195,959.84	1.34%	Liquidated damages to tenants for early termination due to renovation and upgrade works	No

VI. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: RMB

	End of 2024		Beginning of 2024		Proportion increase/decrease	Explanation on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash at bank and on hand	377,971,359.69	14.57%	220,340,961.64	9.17%	5.40%	
Accounts receivable	46,564,067.14	1.79%	99,635,751.52	4.14%	-2.35%	
Inventory	127,432,191.55	4.91%	178,425,833.88	7.42%	-2.51%	
Investment properties	1,099,772,133.10	42.39%	1,008,137,341.80	41.94%	0.45%	
Long-term equity investments	85,091,833.20	3.28%	76,511,487.57	3.18%	0.10%	
Fixed assets	70,763,683.25	2.73%	78,935,843.49	3.28%	-0.55%	
Construction in progress	3,332,141.19	0.13%	7,279,570.05	0.30%	-0.17%	
Right-of-use assets	78,558,005.50	3.03%	71,904,716.50	2.99%	0.04%	
Short-term borrowings	120,101,444.43	4.63%	145,131,694.44	6.04%	-1.41%	
Contract liabilities	4,009,504.59	0.15%	7,079,975.38	0.29%	-0.14%	
Lease liabilities	76,541,985.55	2.95%	69,524,214.23	2.89%	0.06%	

High proportion of overseas assets

☐ Applicable ☒ Not applicable

2. Assets and liabilities at fair value

☑Applicable ☐ Not applicable

Unit: RMB

Item	Beginning balance	Gains or losses from changes in fair value during this period	Accumulated change in fair value included in equity	Impairment accrued in this period	Purchase amount in this period	Sales amount in this period	Other changes	Ending balance
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	206,294,931.94	134,917.39			656,000,000.00	622,000,000.00	-74,799,015.27	165,630,834.06
2. Derivative financial assets	298,320.00	-6,242.00						292,078.00
3. Other debt investments	67,627,948.60	3,898,673.52			13,197,506.64			84,724,128.76
4. Other equity instrument investments	383,317.67		-383,317.67					0.00
5. Other non-current financial assets	0.00							
Subtotal of financial assets	274,604,518.21	4,027,348.91	-383,317.67	0.00	669,197,506.64	622,000,000.00	-74,799,015.27	250,647,040.82
Hedged items	85,802,395.07	-1,299,627.74			3,015,428,700.40	2,985,074,594.58		114,856,873.15
Total of the above	360,406,913.28	2,727,721.17	-383,317.67	0.00	3,684,626,207.04	3,607,074,594.58	-74,799,015.27	365,503,913.97
Financial liabilities	56,883,334.76	-3,247,714.76			34,657,800.00	88,246,760.00		46,660.00

Other changes: After the Company regained control of its subsidiary and re consolidated its financial statements, the equity previously classified as trading financial assets was transferred out.

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

☐ Yes ☒ No

3. Restriction on asset rights as at the end of the reporting period

Item	Ending balance (RMB)
Security deposits for notes payable	33,113,263.10
Futures and options account margin	22,848,540.40
Gold leasing security deposits and interests	20,069,638.91
Amount under judicial control	663,948.65
Total	76,695,391.06

VII. Analysis of Investment

1. Overview

☒ Applicable ☐ Not applicable

Investment in the reporting period (RMB)	Investment in the same period of the previous year (RMB)	Change rate
20,337,984.62	81,106,905.72	-74.92%

2. Significant equity investment acquired in the reporting period

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

4. Financial assets investment

(1) Securities investment

☐ Applicable ☒ Not applicable

The Company had no securities investment during the reporting period.

(2) Investment in derivatives

☒ Applicable ☐ Not applicable

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

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Type of derivative	Initial investme	Beginning amount	Gains or	Accumulat ed change	Purchased amount	Selling amount	Ending amount	Proportion of the
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investment	nt amount		losses from changes in fair value during this period	in fair value included in equity	during the reporting period	during the reporting period		investment amount in net assets of the Company at the end of the reporting period
Futures (Everbright account)	38.20	0	0	0	221.60	221.60	0	0.00%
Futures (T+D account)	77.60	358.15	0	0	12,738.57	13,096.72	0	0.00%
Futures (Huatai account)	1,050.00	667.45	63.66	0	37,321.83	36,601.5	1,387.78	0.73%
Revenue swap (CITIC account)	50.00	0	0	0	360.94	360.94	0	0.00%
Futures (CITIC account)	290.60	0	8.07	0	7,363.24	6,933.38	429.86	0.23%
Yongan Futures (revenue swap)	0	0	0	0	35.41	35.41	0	0.00%
Futures (CITIC account)	57.20	146.61	-4.67	0	4,996.71	4,677.11	466.21	0.25%
Total	1,563.60	1,172.21	67.06	0	63,038.30	61,926.66	2,283.85	1.21%
Accounting policies and specific principles of accounting for hedging business during the reporting period and whether there was any significant change in them compared to the previous reporting period	No							
Explanation of actual gains and losses during the reporting period	During the reporting period, the futures account incurred an actual hedging loss of RMB 16.0240 million.							
Explanation of hedging effectiveness	Measurement method of hedge effectiveness: Hedge effectiveness = Change in Futures Price / Change in Spot Price. The closer this value is to 100%, the more effective the hedge. A hedge is considered highly effective when its effectiveness ranges from 80% to 125%. The Company's hedge effectiveness consistently exceeds 110%, indicating that its hedging strategy is highly effective.							
Source of funds for investment in derivatives	Owned funds							
Risk analysis and control measures for positions in derivatives during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks, and legal risks)	The Company's hedging transactions follow the following basic principles: The value changes of the futures varieties and contract quantities are roughly equivalent to those of the spot positions; futures positions are in the opposite direction to spot positions; and the time period in which the futures position is held corresponds to the time period in which the risk is borne by the spot market. The main risks of positions in gold futures include basis risks, forced liquidation risks, and operational error risks. To manage the basis risk, when the basis narrows, the Company strives to use leased gold as inventory and minimize or avoid building proprietary inventory. For the forced liquidation risk, a risk warning system has been established: In case of significant gold price fluctuations, capital planning is done in advance to ensure adequate funds in the margin account. If forced liquidation is triggered by emergency events, the incident is reported to the Company's senior management immediately, and the hedging positions that have undergone forced liquidation will be restored at an appropriate time. To mitigate the operational error risk, the Company has implemented a trader training mechanism, strictly adhered to internal policies							

	and workflow requirements for operation and review, and performed daily reporting. The Company has established a scientific and effective hedging management system, which is implemented through four key aspects: organizational structure design, planning systems, management and evaluation procedures, and dynamic risk monitoring.
For changes in market prices or fair value of invested derivatives during the reporting period, the analysis of derivative fair value shall disclose the specific valuation methods used and related hypotheses and parameter setting.	During the reporting period, the fair value change of the futures contracts held for hedging purposes was RMB 670,600. 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 December 2024 (December 31), with the floating gain and loss representing the change in fair value.
Involvement in litigation (if applicable)	None
Disclosure date of the announcement of the Board of Directors for derivatives investment approval (if any)	January 12, 2024

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

☐ Applicable ☒ Not applicable

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

5. Usage of raised funds

☐ Applicable ☒ Not applicable

The Company did not use any raised funds during the reporting period.

VIII. 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

IX. Analysis of main holding and joint-stock companies

☒ Applicable ☐ Not applicable

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

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
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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	49,730,332.22	36,657,263.32	6,797,752.71	-89,599.80	701,734.71
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Sales of gold bars for investment, gold recycling, and gold refining/exchange services	200,000,000	396,628,815.49	198,063,260.37	2,299,835,371.86	330,358.02	150,733.58
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Subsidiary	Purchase, sales and leasing of gold ornaments and precious metal products, supply chain management, and related supporting services	50,000,000	93,870,008.58	47,250,857.44	14,138,975.74	678,615.13	825,470.21
Shanghai Fanyue Diamond Co., Ltd.	Subsidiary	Diamond purchase and sales	3,500,000	4,201,478.36	3,492,569.90	69,068.22	40,222.12	21,203.08
Shenzhen Automobile Industry and Trade Co., Ltd.	Subsidiary	Sales of automobiles and spare parts	18,960,000	196,967,274.06	167,977,164.24	31,171,619.59	26,818,508.94	21,379,818.25
Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property leasing, safe deposit box leasing	366,221,900	589,848,664.83	490,917,852.87	123,822,331.50	78,267,816.73	58,458,027.54
Shenzhen Huari Automobile Sales and Service Co., Ltd.	Subsidiary	Automobile sales	2,000,000	6,279,985.48	9,399,247.04	884.25	1,699,988.79	1,924,139.23
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property leasing	9,607,800	13,797,946.59	7,860,981.72	6,757,673.12	2,776,108.48	2,642,913.74
Shenzhen Tellus Xinyongtong	Subsidiary	Property leasing	32,900,000	98,703,022.52	81,524,101.37	12,476,178.97	8,870,579.75	6,683,356.62

Automobile Development Co., Ltd.								
Shenzhen Tellus Chuangying Technology Co., Ltd.	Subsidiary	Property leasing	1,500,000	2,991,249.63	1,959,854.06	732.89	14,170.90	51,278.96
Shenzhen Tellus-Gmond Investment Co., Ltd.	Joint-stock company	Investment in industrial development, property management, and leasing	53,704,960	365,877,765.89	112,432,008.52	132,430,277.65	59,327,410.87	43,930,318.41
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary	Property leasing	USD 5,000,000	21,952,591.94	17,307,546.23	7,991,572.86	266,742.02	842,849.92

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable ☒ Not applicable

Description of main holding and joint-stock companies

X. Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

XI. Outlook of Future Development

(I) Development strategy

Since the Company formulated the strategy for the transformation to a third-party comprehensive service provider in the jewelry industry in 2014, it has been unwaveringly and steadily promoting its strategic transformation and project implementation in accordance with the established plan. After years of exploration and attempts, substantial results have been achieved. In the future, the Company will deepen its focus on third-party jewelry services, gradually building a nationally leading digital jewelry trading platform and becoming an international hub for jewelry and jade transactions. By 2025, the Company will comprehensively develop its business, technology, talent, and management capabilities around third-party jewelry services, continuously enhancing its platform's competitive advantages and driving breakthrough progress in various initiatives.

(II) Business plan for 2025

1. Promoting party-building collaboration and empowering merchants through party building leadership: The Company will uphold the leadership of Party building, aligning efforts with core business objectives and serving the overall development strategy. By leveraging several concrete

projects ("N" initiatives), the Company aims to drive breakthroughs in Party-led development within the jewelry industry ecosystem and promote the clustered growth of the Tellus Jewelry ecosystem.

2. Deepening development and intensifying efforts to accelerate platform construction: The Company will intensify efforts to build a digital jewelry element trading platform that integrates online and offline functions, including regular exhibitions and product viewing, transaction settlement, import/export agency, supply chain finance, and warehousing logistics insurance services. The jewelry trading team will be further strengthened to accelerate digital transformation.

3. Optimizing the existing product structure in the gold segment to build core competitiveness: The Company will enhance product R&D and design capabilities to develop a distinctive product portfolio. It will also strengthen its operations team to create a high-performing market expansion and operations unit, build robust data infrastructure, and drive business growth.

4. Benchmarking against industry leaders to fully enhance the comprehensive capabilities of commercial operations: The Company will complete the business layout and adjustment of its physical commercial platform, expand interconnectivity within its physical platform, and create a fashionable jewelry district in Shuibei. It will also continue improving management standards and build an efficient commercial operations management team.

5. Optimizing the organizational structure and continuously improving the strategic control capability: The Company will adopt a performance-driven approach to achieve practical outcomes through actual efforts. Based on actual needs, management tools and mindsets will be upgraded, and management efficiency will be improved to enhance the Company's competitiveness. The Company will refine its 4S control system and ensure strategy execution through an effective closed-loop management process.

6. Continuously improving the incentive mechanism and strengthening the construction of talent teams: The Company will implement a combined short- and long-term incentive policy, refine and optimize the performance assessment plan for business units, and complete the formation of an information technology development team.

7. Effectively consolidating work safety management: The Company will reinforce its work safety responsibility system, formalize and standardize procedures for scattered, small-scale projects, conduct regular work safety training, and improve the competency of grassroots safety personnel.

(III) Possible risks and countermeasures

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

1. Risk 1: market price fluctuations

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

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

2. Risk 2: insufficient talent team building

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

Countermeasures: First, the Company will accelerate training of internal professionals through industry research, learning, and hands-on business practices. Second, it will recruit additional business personnel with jewelry industry experience to comprehensively improve business capabilities from market expansion to risk management. Third, it will obtain internal and external resources, strengthen professional skills training, and provide a platform for employee growth.

XII. Reception of Investigation, Communication, Interview, and Other Activities during the Reporting Period

☒Applicable ☐ Not applicable

Reception date	Reception place	Way of reception	Types of visitor	Visitor	Main points talked about and information provided	Index of general investigation information
January 8, 2024	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A
January 11, 2024	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations	N/A
January 19, 2024	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A
February 27, 2024	Company	Telephone communication	Individual	Investor	Inquiry about the Company's ESG reporting progress	N/A
March 14, 2024	Company	Telephone communication	Individual	Investor	Inquiry about the Company's annual report disclosure timeline	N/A
March 19, 2024	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations and dividend	N/A

		ation			plans	
April 3, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about the Company's Q1 business performance	N/A
April 19, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about number of the Company's shareholders	N/A
May 21, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about the development of the industry	N/A
June 13, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about whether the Company purchases directors' liability insurance	N/A
August 9, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about semi-annual operation performance	N/A
September 26, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about the Company's business development	N/A
October 11, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about the Company's Q3 business performance	N/A
December 31, 2024	Comp any	Telephone communic ation	Individual	Investor	Inquiry about corporate strategy and business matters	N/A

XIII. 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

XIV. 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

I. Basic Information on Corporate Governance

During the reporting period, the Company continuously improved its corporate governance structure and internal control system in strict accordance with the *Company Law*, the *Securities Law*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1 — Standard Operation of Listed Companies on the Main Board*, and other relevant laws and regulations. During the reporting period, the Company operated in a standardized manner with strong independence and proper information disclosure. Its corporate governance complied with the requirements of normative documents for listed companies. The main aspects of corporate governance are as follows.

1. Shareholders and general meetings of shareholders

The convening and holding procedures of general meetings of shareholders, proposal review procedures, and decision-making procedures of the Company all conformed to the relevant provisions and requirements of the *Company Law*, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Shareholders*. The Company treated all shareholders fairly and especially ensured that minority shareholders enjoyed equal rights in proportion to their shareholdings. The Company strictly implemented the *Detailed Rules for the Implementation of Online Voting at the General Meeting of Shareholders* to ensure all shareholders' rights to participate in and vote on the Company's decision-making matters, allowing them to fully exercise their rights. All previous General Meetings of Shareholders were witnessed by lawyers to effectively maintain the legitimate rights and interests of the listed company and all the shareholders. The Company also communicated with minority shareholders through the investor relations column on the interactive platform of the Shenzhen Stock Exchange (<http://irm.cninfo.com.cn>) and the official website, telephone, and other means, ensuring a smooth and fair information exchange with minority shareholders. Meanwhile, it fully listened to the demands and suggestions of minority shareholders. During the reporting period, the Board of Directors of the Company convened and held the 2023 Annual General Meeting of Shareholders and one Extraordinary General Meeting of Shareholders. It exercised its functions and powers in accordance with laws and regulations, the *Articles of Association*, and the *Rules of Procedure for General Meetings of Shareholders* to form effective resolutions.

2. Directors and the Board of Directors

During the reporting period, the Company had 8 members on the Board of Directors, including 3 independent directors. The number of members on the Board of Directors and the board composition complied with the requirements of relevant laws and regulations and the *Articles of Association*. The Board of Directors has three special committees, namely, the Strategy Committee, the Audit Committee, and the Remuneration and Appraisal Committee. Each special committee strictly abides by the relevant systems and regulations and performs its own duties, effectively strengthening the standardized operation of the work of the Board of Directors of the Company and providing professional opinions and references for the decision-making of the Board of Directors. During the reporting period, the Company held 6 meetings of the Board of Directors and 9 meetings of special committees of the Board of Directors in accordance with laws and regulations, the *Articles of Association*, the *Rules of Procedure for the Board of Directors* and the rules of procedure for special committees. The convening procedures, proposal review procedures, and decision-making procedures of the meeting all complied with relevant regulations. The directors attended the board meetings with a serious and responsible attitude and actively participated in relevant training, with familiarity with relevant laws and regulations and an adequate understanding of their rights, obligations, and responsibilities. The members of the Board of Directors kept a diligent and responsible attitude with a reasonable structure of expertise in the performance of their duties and safeguarded the overall interests of the Company. The independent directors expressed independent opinions on relevant matters with a fair and diligent attitude, improving the scientific and fair decision-making of the Board of Directors.

3. Supervisors and the Board of Supervisors

During the reporting period, the Board of Supervisors of the Company consisted of 5 supervisors, including 2 employee representative supervisors. The number of supervisors on the Board of Supervisors and the board composition met the requirements of laws, regulations, and the *Articles of Association*. During the reporting period, the Company held 4 meetings of the Board of Supervisors in accordance with relevant laws and regulations, the *Articles of Association*, and the *Rules of Procedure for the Board of Supervisors*. The supervisors supervised the Company's operation and financial status and the legality and compliance of the Company's directors and senior executives in performing their duties and safeguarded the legitimate rights and interests of the Company and shareholders.

4. About senior executives

The senior executives of the Company assumed clear responsibilities and performed their duties in strict accordance with various management systems such as the *Articles of Association* and

the *Working Rules for General Manager*, held a diligent and responsible attitude, and earnestly implemented and executed the resolutions of the Board of Directors.

5. Information disclosure and investor relation management

The Company, in strict accordance with the requirements of the *Information Disclosure System*, designated the Secretary of the Board of Directors of the Company to be responsible for information disclosure, reception of shareholders' visits and consultation, and disclosure of relevant information in a true, accurate, complete and timely manner in strict accordance with relevant regulations. During the reporting period, the Company designated Securities Times and CNINFO as the newspaper and website for information disclosure, ensuring that all shareholders had equal opportunities to access information.

6. Relationship between the controlling shareholder and the listed company

The controlling shareholder legally exercised the rights of investors through the General Meeting of Shareholders without directly or indirectly intervening in the Company's decision-making and operations through any other means. There were no occurrences of misappropriating the funds of the listed company. The Company and the controlling shareholder maintained a clear separation in terms of assets, finances, personnel, organization, and business operations. The Company's Board of Directors, Board of Supervisors, and internal management organizations operated independently to ensure significant decisions of the Company were made following standardized procedures.

7. Performance evaluation and incentive and restraint mechanisms

The Company gradually established and improved the open and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors, and senior executives. The appointment of senior executives of the Company was open and transparent, complying with the provisions of laws and regulations.

8. About stakeholders

While pursuing economic benefits and protecting the interests of shareholders, the Company fully respected and safeguarded the legitimate rights and interests of stakeholders, and effectively communicated and cooperated with stakeholders. The Company paid attention to the protection of employees' rights and interests and supported the Congress of Employees and trade union organizations to exercise their functions and powers according to law. During the reporting period, the Company cultivated talents, attached importance to social responsibility, paid attention to social welfare undertakings such as welfare, environmental protection, and voluntary service, and achieved good social benefits while achieving economic benefits. As of the end of the reporting

period, the corporate governance status of the Company complied with the requirements specified in relevant normative documents concerning the governance of listed companies.

Is there any significant misalignment between the actual governance of the Company and the provisions of laws, administrative regulations, or the rules of CSRC governing the governance of listed companies?

☐ Yes ☒ No

There was no significant misalignment between the actual governance of the Company and the provisions of laws, administrative regulations, or the rules of CSRC governing the governance of listed companies.

II. Independence of the Company from Controlling Shareholder and Actual Controller in terms of Assets, Personnel, Finance, Organizations, and Business

The Company is independent of the controlling shareholder in terms of business, personnel, assets, organizations, and finance, possessing independent and complete business operations with autonomous operating capabilities.

1. Business: The Company is an independent legal entity. It is completely independent of the controlling shareholder in terms of business, possessing an independent and complete business system and the ability to operate independently. The Company has independent operation and service systems and its own leading business. There is no horizontal competition between the Company and the controlling shareholder or related parties.

2. Personnel: The Company operates completely independently in terms of labor, personnel, and wage management and has formulated an independent management system; the General Manager, Deputy General Managers, Chief Financial Officer, Secretary of the Board of Directors and other senior executives of the Company have all worked in the Company and received compensation while serving in their respective roles within the Company, without holding any positions in shareholder units. The directors, supervisors, and senior executives of the Company are all selected in strict accordance with the requirements and procedures of relevant laws and regulations such as the *Company Law*, *Articles of Association*, and rules of procedure for the General Meeting of Shareholders, the Board of Directors and the Board of Supervisors.

3. Assets: The Company independently and completely owns the business system and related assets related to its operations, and independently registers, establishes accounts for, accounts and manages the assets. The assets are independent of the controlling shareholder and other enterprises controlled by it.

4. Finance: The Company has set up an independent financial accounting department and established a complete set of accounting systems and financial management systems; There is no case where the controlling shareholder interferes with the Company's capital operation; The Company has opened an independent bank account, and there is no deposit of funds into the account of a finance company or a settlement center controlled by a major shareholder or other

related parties; The Company does not share bank accounts with the controlling shareholder or other enterprises under its control.

5. Organization: The Board of Directors, the Board of Supervisors and other internal organizations of the Company operate independently. All organizations within the Company are set up according to the requirements of the specifications of listed companies and the actual business characteristics of the Company. The Company has an independent office address.

III. Horizontal Competition

☐ Applicable ☒ Not applicable

IV. Annual General Meeting of Shareholders and Extraordinary General Meetings of Shareholders during the Reporting Period

1. General Meetings of Shareholders during the reporting period

Session	Type	Attendance proportion of investors	Holding date	Disclosure date	Meeting's resolutions
2023 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	54.36%	April 23, 2024	April 24, 2024	For details, please refer to the <i>Announcement on Resolutions of 2023 Annual General Meeting of Shareholders</i> (Announcement No.: 2024-015) on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).
The First Extraordinary General Meeting of Shareholders in 2024	Extraordinary General Meeting of Shareholders	54.65%	December 19, 2024	December 20, 2024	For details, please refer to the <i>Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2024</i> (Announcement No.: 2024-037) on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).

2. Preferred shareholders with resumed voting rights request to convene an Extraordinary General Meeting of Shareholders

☐ Applicable ☒ Not applicable

V. Directors, Supervisors and Senior Executives

1. Basic information

Name	Gender	Age	Position	Service status	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning	Number of increased shares in the period	Number of decreased shares in the period	Other increase/decrease (share)	Number of shares at the end of the period	Reasons for the increase/decrease
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							of the period (share)	(share)	(share)	e)	d (share)	se of share s
Fu Chunlong	Male	52	Chairman	In office	September 7, 2018		0	0	0	0	0	-
Hong Wenya	Male	51	Director	In office	September 13, 2021		0	0	0	0	0	-
Yang Xi	Male	44	Director	In office	April 29, 2022		0	0	0	0	0	-
Huang Liang	Male	38	Director	In office	September 15, 2022		0	0	0	0	0	-
Huang Tianyang	Female	42	Director	In office	October 12, 2023		0	0	0	0	0	-
Huang Tianyang	Female	42	Chief Financial Officer	In office	August 2, 2023		0	0	0	0	0	-
Hu Yuming	Male	60	Independent director	In office	January 4, 2018		0	0	0	0	0	-
Jiang Dinghang	Male	62	Independent director	In office	September 7, 2018		0	0	0	0	0	-
Zhang Dong	Male	51	Independent director	In office	September 7, 2018		0	0	0	0	0	-
Guo Xiaodong	Male	61	Chairman of Board of Supervisors	In office	September 7, 2018		0	0	0	0	0	-
Dai Zhiwei	Male	49	Supervisor	In office	May 18, 2023		0	0	0	0	0	-
Ye Cao	Female	40	Supervisor	In office	May 18, 2023		0	0	0	0	0	-
Liu Haicheng	Female	56	Employee Supervisor	Resigned	September 7, 2018		0	0	0	0	0	-
Zhang Zheng	Male	41	Employee Supervisor	Resigned	September 7, 2018		0	0	0	0	0	-
Tan Zhong	Male	57	Deputy Secretary of Party Committee	In office	September 7, 2018		0	0	0	0	0	-
Xie Jing	Male	60	Deputy General Manager	In office	October 25, 2018		0	0	0	0	0	-
Qi Peng	Male	52	Deputy General Manager	In office	September 29, 2021		0	0	0	0	0	-
Qi Peng	Male	52	Secretary of the Board of Directors	In office	December 28, 2015		0	0	0	0	0	-
Total	--	--	--	--	--	--	0	0	0	0	0	--

Note: The terms of office for the 10th Board of Directors and the Board of Supervisors of the Company have expired. As the preparation for nominating candidates for the new Board of Directors and the Board of Supervisors is still underway, and to ensure the continuity and stability of the work of the Board of Directors and the Board of Supervisors, the election of the Board of Directors and the Board of Supervisors of the Company will

be postponed and the terms of office for the special committees under the Board of Directors and the senior executives of the Company will also be extended accordingly. For details, please refer to the *Indicative Announcement on the Postponement of the Election of the Board of Directors and the Board of Supervisors* (Announcement No.: 2024-033) disclosed by the Company on *Securities Times* and CNINFO (<http://www.cninfo.com.cn>) on November 27, 2024.

Were there any resignations of directors or supervisors and dismissal of senior executives during the reporting period?

☒ Yes ☐ No

Mr. Zhang Zheng, the former Employee Supervisor of the Company, applied to resign from his position as an Employee Supervisor of the 10th Board of Supervisors due to work arrangements. For details, please refer to the *Announcement on the Resignation of the Employee Supervisor of the Company* (Announcement No.: 2024-013) published by the Company on April 9, 2024 via *Securities Times* and CNINFO (www.cninfo.com.cn).

Ms. Liu Haicheng, the former Employee Supervisor of the Company, applied to resign from her position as an Employee Supervisor of the 10th Board of Supervisors due to reaching the statutory retirement age. For details, please refer to the *Announcement on the Resignation of the Employee Supervisor* (Announcement No.: 2024-32) published by the Company on November 5, 2024 via *Securities Times* and CNINFO (www.cninfo.com.cn).

Change of Directors, Supervisors, and Senior Executives of the Company

☒ Applicable ☐ Not applicable

Name	Position	Type	Date	Reason
Zhang Zheng	Employee Supervisor	Resigned	April 9, 2024	Resigning from the position of Employee Supervisor due to work arrangements
Liu Haicheng	Employee Supervisor	Resigned	November 5, 2024	Resigning from the position of Employee Supervisor due to reaching the statutory retirement age

2. Employment

Professional background, the main work experience, and the current main duties of the Company's incumbent directors, supervisors, and senior executives

Name	Main Work Experience and Employment
Fu Chunlong	Born in 1973, he holds a master's degree and is a senior human resource manager. He once served as a Deputy Working Group Leader at Shenzhen SDG Huatong Packaging Co., Ltd., Deputy Business Manager, Business Manager, Deputy Director and Director of the Human Resources Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Vice President of Shenzhen Special Economic Zone Development Group Co., Ltd., Supervisor of Shenzhen State-Owned Duty Free Commodity (Group) Co., Ltd., and Supervisor of the Company. He is currently the Secretary of the Party Committee and Chairman of the Board of Directors of the Company.
Hong Wenya	Born in 1974, he holds a master's degree and is a senior accountant, certified public accountant, and Certified Internal Auditor (CIA). He once served as Financial Manager of the Business Department and Audit Manager of the Supervision and Audit Headquarters of Guosen Securities Co., Ltd., Chief Financial Officer of Shenzhen Institute of Building Research Co., Ltd., Deputy Director of the Finance Department of Shenzhen Yuanzhi Investment Co., Ltd., official responsible for the budget management and financial supervision of municipal state-owned enterprises at the Statistics and Budget Department of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government, and Deputy Director of the Finance Department and Director of the Compliance Risk Control

	Department of Shenzhen Kunpeng Capital Co., Ltd. He is currently a Member of the Party Committee, Director, and Chief Financial Officer of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Yang Xi	Born in 1981, he holds a master's degree. He successively held the posts of Engineer of AVIC SCC, Business Manager of the Secretariat of the Board of Directors of Shenzhen SDG Information Co., Ltd., Senior Director of the Asset Management Department of Shenzhen Yantian Port Holdings Co., Ltd., Secretary of the Board of Directors of Shenzhen Unilumin Technology Co., Ltd., and Capital Operation Manager of the Office of the Secretary of the Board of Directors, Capital Operation Manager of the Strategic Investment Department, and Deputy General Manager of the Strategic Investment Department of Shenzhen Special Economic Zone Development Group Co., Ltd. He is currently General Manager of the Strategic Investment Department of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Huang Liang	Born in 1987, he holds a bachelor's degree in economics. He also holds the SZSE Qualification Certificate for Secretary of the Board of Directors and the Securities Qualification Certificate. He successively worked at the Nanshan District Administration of Work Safety, Shenzhen Qixin Construction Group Co., Ltd., Hong Kong Litong International Holdings (Group) Limited, and China Baoan Group Co., Ltd. In May 2017, he joined Shenzhen Special Economic Zone Development Group Co., Ltd. and successively served as Office Secretarial Manager, Senior Secretarial Manager, and Deputy Office Director (presiding over the work), and Director. He is currently General Manager of the Enterprise Management and Legal Affairs Department (Board Secretary Office) of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Huang Tianyang	Born in December 1983, she has a bachelor's degree in management and is a non-practicing certified public accountant, tax advisor, and intermediate accountant. She successively served as an auditor at Baker Tilly China Certified Public Accountants Shenzhen Branch, a specialist responsible for consolidated statements at the Finance Department of the Company, and Accounting Manager, Senior Accounting Manager, and Deputy General Manager of the Financial Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. She currently serves as the Company's Director and Chief Financial Officer.
Hu Yuming	Born in 1965, he holds a doctor's degree and is a professor of accounting. He successively worked as a teaching assistant, lecturer, and associate professor at the School of Economics of Xiamen University, an associate professor at the Management School of Jinan University, Deputy Director and Director of the Accounting Department of the Management School of Jinan University, Deputy Dean of the International School of Jinan University, and Deputy Dean of the Management School of Jinan University. He is currently a professor and doctoral supervisor at the Management School of Jinan University, an Independent Director of By-Health Co., Ltd., and an Independent Director of the Company.
Jiang Dinghang	Born in 1963, he holds a master's degree and is a lawyer. He once served as Director of the Regulation Consultation Department of Shenzhen Social Security Bureau, Deputy Director of the Office of Shenzhen Labor Bureau, Office Director of Shenzhen Special Economic Zone Development Group Co., Ltd., Chairman of Shenzhen SDG Songli Co., Ltd., Party Branch Secretary, Chairman, and General Manager of Shenzhen Communication Industry Co., Ltd., and an apprentice lawyer at Guangdong Zhong An Law Office. He is now a Honorary Partner of Shanghai AllBright (Shenzhen) Law Firm, an arbitrator at the Shenzhen Court of International Arbitration and a representative to the Seventh Party Congress of Shenzhen. He is an independent director of the Company.
Zhang Dong	Born in 1974, he has a doctor's degree and is a postdoctoral fellow in economics, professorate senior economist, senior gold investment analyst, and GIA research gemologist. He once served as Deputy General Manager of Shenzhen Qiangzhuang Computer Technology Co., Ltd., Deputy General Manager of Shenzhen Brain Times Economy and Culture Co., Ltd., Assistant to the President of Hong Kong Leader Culture Media Co., Ltd., General Manager of Shenzhen Zhongshi Advertising Co., Ltd., General Manager of Heilongjiang Liuguifu Jewelry Co., Ltd., and President of Liuguifu Jewelry Group Co., Ltd. He serves as Chairman of the Board of Chaozuan Jewelry (Shenzhen) Co., Ltd. and Chairman of the Board of Kunmi Brand Culture (Hainan) Co., Ltd. and an independent director of the Company.
Guo Xiaodong	Born in 1964, he holds a master's degree and is a senior economist. He once served as Deputy General Manager of Shenzhen SDG Development Center Construction Supervision Company, Director and General Manager of Shenzhen SDG Development Center Property Management Company, Deputy General Manager of Shenzhen SDG Property Co., Ltd., Chairman of the Board of Supervisors of Shenzhen SDG Real Estate Co., Ltd. and Chairman of the Board of Supervisors of Shenzhen SDG Xiaomeisha Tourism Development Co., Ltd. During the reporting period, he served as Chairman of the Board of Supervisors of the Company.
Dai Zhiwei	Born in 1976, he is a member of the Communist Party of China with a bachelor's degree. He holds the titles of certified public accountant, accountant, and economist. He once served as Deputy General Manager and Chief Financial Officer of Guangdong Kaisa Jiayun Technology Co., Ltd., Manager of the Finance Department and Strategic Operation Department of Shenzhen SDG Real Estate Co., Ltd., and Deputy General Manager of the Financial Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. He is currently Chief Financial Officer of Shenzhen SDG Service Co., Ltd. and a Supervisor of the Company.
Ye Cao	Born in 1985, she is a member of the Communist Party of China with a bachelor's degree and an intermediate accountant. Previously, she was the head of the Audit Department of Shenzhen SDG Information Co., Ltd. She is currently the Deputy General Manager of the Audit Risk Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Supervisor of the Company.
Tan Zhong	Born in 1968, he holds a bachelor's degree and has a lawyer qualification certificate and an enterprise legal counsel

	qualification certificate. He once served as a legal counsel of Shenzhen Auto Motive Industry & Trade General Company, Deputy Director of the Secretariat of the Board of Directors, Legal Affairs Representative, and Manager of the Enterprise Management Department of the Company, and General Manager and Secretary of the Party General Branch of Shenzhen SDG Huari Automobile Enterprise Co., Ltd. He currently serves as the Company's Deputy Secretary of the Party Committee and Chairman of the Trade Union.
Xie Jing	Born in 1965, he is a Canadian and holds a bachelor's degree in Engineering. He is a senior engineer and certified supervision engineer. He once served as a structural engineer at Hunan Light Industry Design Institute, an engineer at the Hunan Branch of the Bank of China, General Manager Assistant of the Real Estate Department and Manager of the Engineering Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy General Manager of Shenzhen Jincheng Real Estate Group Co., Ltd., Executive President of Shenzhen Jiaanda Investment Group Co., Ltd., and General Manager of Land Reserve Center of Weiye Holdings Ltd. He currently serves as Deputy General Manager of the Company.
Qi Peng	Born in 1973, he holds a master's degree and is an economist. He has obtained the SZSE Qualification Certificate for Secretary of the Board of Directors. He once served as the Secretary of the Chairman and the head of the Information Center of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy Director of the Secretariat of the Board of Directors, Deputy Manager of the Enterprise Management Department, and Manager of the Business Department of the Automobile Business Division of Shenzhen Tellus Holding Co., Ltd., General Manager of Shenzhen Tellus Automobile Service Chain Co., Ltd., General Manager of Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd., and Director of the Secretariat of the Board of Directors of the Company. He currently serves as Deputy General Manager and Secretary of the Board of Directors of the Company.

Employment at shareholder units

☒ Applicable ☐ Not applicable

Individual	Shareholder unit	Position in the shareholder unit	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the shareholder unit or not
Hong Wenya	Shenzhen Special Economic Zone Development Group Co., Ltd.	Member of the Party Committee, Director and Chief Financial Officer	June 15, 2021		Yes
Yang Xi	Shenzhen Special Economic Zone Development Group Co., Ltd.	General Manager of Strategic Investment Department	December 6, 2021		Yes
Huang Liang	Shenzhen Special Economic Zone Development Group Co., Ltd.	General Manager of the Enterprise Management and Legal Affairs Department (Board Secretary Office)	April 16, 2024		Yes
Ye Cao	Shenzhen Special Economic Zone Development Group Co., Ltd.	Deputy General Manager of Audit Department	February 1, 2023		Yes
Conditions on service in shareholder unit	The positions of the Company's directors, supervisors and senior executives in other units are those of non-holding subsidiaries of the Company.				

Employment at other units

☒ Applicable ☐ Not applicable

Individual	Name of other units	Position held in other units	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the other units or not
Hong Wenya	Shenzhen SDG Information Co., Ltd.	Director	October 28, 2024	October 27, 2027	No

Hong Wenya	Shenzhen SEZ Construction Group Co., Ltd.	Supervisor	November 29, 2021		No
Yang Xi	Shenzhen SDG Information Co., Ltd.	Director	October 28, 2024	October 27, 2027	No
Yang Xi	Shenzhen Zhishenggao Technology Development Co., Ltd.	Chairman	June 26, 2023		No
Dai Zhiwei	Shenzhen SDG Property Asset Management Co., Ltd.	Director	November 20, 2024		No
Dai Zhiwei	Shenzhen Shenshan Special Cooperation Zone SDG Saige Technology Co., Ltd.	Supervisor	February 9, 2023		No
Dai Zhiwei	Shenzhen SDG Service Co., Ltd.	Chief Financial Officer	October 24, 2024		Yes
Ye Cao	Shenzhen SDG Shengao Club Management Co., Ltd.	Supervisor	November 10, 2023		No
Ye Cao	Shenzhen SDG Information Co., Ltd.	Supervisor	October 28, 2024	October 27, 2027	No
Ye Cao	Shenzhen Microgate Technology Co., Ltd.	Chairman of Board of Supervisors	April 24, 2023	April 20, 2026	No
Hu Yuming	Jinan University	Professor and Doctoral Supervisor of the School of Management	June 1, 2003		Yes
Hu Yuming	By-Health Co., Ltd.	Independent director	August 24, 2023	August 23, 2026	Yes
Jiang Dinghang	Shanghai Allbright (Shenzhen) Law Offices	Senior Partner	April 1, 2005		Yes
Jiang Dinghang	Shenzhen Court of International Arbitration	Arbitrator			No
Zhang Dong	Chaozuan Jewelry (Shenzhen) Co., Ltd.	Chairman	December 12, 2024		Yes
Zhang Dong	Kunmi Brand Culture (Hainan) Co., Ltd.	Chairman	October 25, 2022		Yes
Conditions on service in other units	The positions of the Company's directors, supervisors and senior executives in other units are those of non-holding subsidiaries of the Company.				

Penalties imposed by securities regulatory institution in past three years on directors, supervisors and senior executives who are in-service and left their posts during the reporting period

☐ Applicable ☒ Not applicable

3. Compensation of Directors, Supervisors and Senior Executives

The decision-making procedures, determination basis and actual payment of the compensation of directors, supervisors and senior executives shall be implemented in strict accordance with the Company's *Detailed Rules for the Implementation of Compensation and Appraisal Committee of the Board of Directors, Management Measures for Compensation and Performance of the Management Team, Compensation Management System for Headquarters Staff, Performance Management Measures for Headquarters Staff* and other relevant systems.

Compensation of the directors, supervisors and senior executives of the Company during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Service status	Total compensation before tax received from the Company	Whether to receive compensation from related parties of the Company
Fu Chunlong	Male	52	Chairman	In office	93.48	No
Hong Wenya	Male	51	Director	In office	0	Yes
Yang Xi	Male	44	Director	In office	0	Yes
Huang Liang	Male	38	Director	In office	0	Yes
Huang Tianyang	Female	42	Director, Chief Financial Officer	In office	60.39	No
Hu Yuming	Male	60	Independent director	In office	8	No
Jiang Dinghang	Male	62	Independent director	In office	8	No
Zhang Dong	Male	51	Independent director	In office	8	No
Guo Xiaodong	Male	61	Chairman of Board of Supervisors	In office	0	No
Dai Zhiwei	Male	49	Supervisor	In office	0	Yes
Ye Cao	Female	40	Supervisor	In office	0	Yes
Liu Haicheng	Female	56	Employee Supervisor	Resigned	25.5	No
Zhang Zheng	Male	41	Employee Supervisor	Resigned	3.38	No
Tan Zhong	Male	57	Deputy Secretary of Party Committee	In office	69.84	No
Xie Jing	Male	60	Deputy General Manager	In office	123.6	No
Qi Peng	Male	51	Deputy General Manager, Secretary of the Board of Directors	In office	67.84	No
Total	--	--	--	--	468.03	--

Other information

☐ Applicable ☒ Not applicable

VI. Duty Performance of Directors during the Reporting Period

1. Information of the Board of Directors during the reporting period

Session	Holding date	Disclosure date	Meeting's resolutions
The Fifteenth Extraordinary Meeting of the Tenth Board of Directors	January 11, 2024	January 12, 2024	For details, please refer to the <i>Announcement on Resolutions of the Fifteenth Extraordinary Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-001) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)
The Tenth Formal Meeting of the Tenth Board of Directors	March 26, 2024	March 28, 2024	For details, please refer to the <i>Announcement on Resolutions of the Tenth Formal Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-005) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)
The Eleventh Formal Meeting of the Tenth Board of Directors	April 23, 2024	April 25, 2024	For details, please refer to the <i>Announcement on Resolutions of the Eleventh Formal Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-016) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)
The Twelfth Formal Meeting of the Tenth Board of Directors	August 20, 2024	August 21, 2024	For details, please refer to the <i>Announcement on Resolutions of the Twelfth Formal Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-022) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)

			<i>Times</i> and CNINFO (www.cninfo.com.cn)
The Thirteenth Formal Meeting of the Tenth Board of Directors	October 23, 2024	October 24, 2024	For details, please refer to the <i>Announcement on Resolutions of the Thirteenth Formal Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-026) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)
The Sixteenth Extraordinary Meeting of the Tenth Board of Directors	December 2, 2024	December 3, 2024	For details, please refer to the <i>Announcement on Resolutions of the Sixteenth Extraordinary Meeting of the Tenth Board of Directors</i> (Announcement No.: 2024-034) of <i>Securities Times</i> and CNINFO (www.cninfo.com.cn)

2. Attendance of directors at the Board of Directors and General Meeting of Shareholders

Attendance of directors at the Board Meeting and General Meeting of Shareholders							
Name of Director	Number of attendances to the Board Meeting during the reporting period	Attendances at the Board Meeting in person	Attendances at the Board Meeting through communication tools	Attendances at the Board Meeting through entrusting others	Times of absence at the Board Meeting	Whether they have failed to attend the Board Meeting in person for two consecutive times	Attendances at the General Meeting of Shareholders
Fu Chunlong	6	2	4	0	0	No	2
Hong Wenya	6	2	4	0	0	No	0
Yang Xi	6	2	4	0	0	No	0
Huang Liang	6	2	4	0	0	No	1
Huang Tianyang	6	2	4	0	0	No	2
Jiang Dinghang	6	2	4	0	0	No	1
Hu Yuming	6	2	4	0	0	No	2
Zhang Dong	6	1	5	0	0	No	2

Explanation on failure to attend in person at the Board Meeting for two consecutive times

3. Objection to related matters of the Company by directors

Whether the directors have any objection to the related matters of the Company or not

☐ Yes ☒ No

The directors did not raise any objection to related matters during the reporting period.

4. Other instructions on the duty performance of directors

Whether the suggestions related to the Company proposed by the directors are accepted or not

☒ Yes ☐ No

Description on acceptance or non-acceptance of relevant suggestions related to the Company proposed by the directors

During the reporting period, all directors of the Company carried out their work in strict accordance with the *Company Law*, the *Securities Law*, the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1 — Standard Operation of Listed Companies on the Main Board* and other laws, regulations and normative documents, as well as the *Articles of Association* and the *Rules of Procedure of the Board of*

Directors, and were faithful to their duties, diligent and responsible. They all actively attended the Board Meeting, understood the operational substance of the matter under consideration, carefully reviewed and discussed various proposals, and put forward targeted suggestions for the Company's internal control, operation management and strategic layout. In accordance with the relevant provisions of the *Measures for the Administration of Independent Directors of Listed Companies*, the independent directors of the Company give full play to their own professional knowledge, make independent and impartial judgments, carry out effective supervision on the financial, production and operation activities and information disclosure of the Company, play a positive role in the scientific decision-making and standardized operation of the Board of Directors, and effectively safeguard the legitimate rights and interests of the Company and all shareholders. The Company listens carefully to the suggestions put forward by the directors and actively adopts reasonable suggestions that meet the development of the Company.

VII. Special Committees Set under the Board of Directors during the Reporting Period

Name of Committee	Members	Number of meetings held	Holding date	Content of meeting	Important comments and suggestions	Other performance of duties	Details of objections (if any)
Audit Committee of the Tenth Board of Directors	Fu Chunlong, Hong Wenya, Hu Yuming, Jiang Dinghang, Zhang Dong	6	January 10, 2024	1. Proposal on the Development of Hedging Business by Holding Subsidiary	Being approved	-	-
			January 18, 2024	1. Announcement on the preliminary arrangements for auditing the 2023 annual financial report	Being approved	-	-
			March 25, 2024	1. <i>2023 Annual Report and Summary</i> 2. <i>2023 Annual Internal Control Self-evaluation Report</i> 3. Report on Evaluation of Accounting Firm's Performance and Audit Committee's Performance of Supervisory Responsibilities in 2023	Being approved	-	-
			April 22, 2024	1. <i>Q1 Report of 2024</i>	Being approved	-	-
			August 19, 2024	1. <i>2024 Semi-annual Report</i> 2. Proposal on Changes in Accounting Estimates 3. Proposal on Amending the <i>Accounting System</i>	Being approved	-	-
			October 22, 2024	1. <i>Q3 Report of 2024</i> 2. Proposal on renewal of the Company's annual audit institution	Being approved	-	-
Compensation and Appraisal	Fu Chunlong, Hong Wenya, Hu Yuming,	3	March 26, 2024	1. Proposal on Performance Indicators of the Company's Management Team in 2024	Being approved	-	-
			October 21, 2024	1. Proposal on the Probationary Assessment Results of the Company's	Being approved	-	-

Committee of the Tenth Board of Directors	Jiang Dinghang, Zhang Dong			Chief Financial Officer			
			December 2, 2024	1. Proposal on the Performance Assessment Results of the Company's Management Team in 2023; 2. Proposal on Approval and Payment of Project Bonuses for Some Members of the Management Team	Being approved	-	-

VIII. Work of the Board of Supervisors

Whether the Board of Supervisors found any risks in the Company during its oversight activities in the reporting period.

☐ Yes ☒ No

The Supervisory Board has no objections to the oversight matters during the reporting period.

IX. Employees of the Company

1. Number of employees, professional composition and level of education

Number of existing employees in the parent company at the end of the reporting period (person)	104
Number of existing employees in the main subsidiaries at the end of the reporting period (person)	56
Total number of existing employees at the end of the reporting period (person)	160
Total number of employees payable in current period (person)	185
Number of retired employees with expenses incurred by the parent company and main subsidiaries (person)	0
Professions	
Type of professions	Number of professional persons (person)
Production personnel	0
Sales personnel	34
Technician	12
Financial personnel	15
Administrative personnel	99
Total	160
Level of education	
Category	Number of employees (person)
Master's degree and above	30
Bachelor's degree	93
Junior college and below	37
Total	160

2. Compensation policy

The Company shall strictly follow the *Compensation Management System for Headquarters Staff*, *Performance Appraisal Management System for Headquarters Staff* and other systems.

3. Training plan

The Company attaches great importance to employee training. During the reporting period, it established an employee training system, improved the new employee training manual, and produced a new employee training courseware package; organized induction training for new employees and face-to-face discussions with senior executives, and capacity improvement training for middle-level managers; established a mentor system for new employees; and helped improve professional skills through online books, offline magazines, and professional training.

4. Labor outsourcing

☐ Applicable ☒ Not applicable

X. Profit Distribution and Capital Reserve Converted into Share Capital of the Company

Preparation, implementation or adjustment of the profit distribution policy during the reporting period, especially the cash dividend policy

☒ Applicable ☐ Not applicable

The Company attaches great importance to the reasonable return to investors. The *Articles of Association* specifies the standards and proportions of cash dividends, decision-making procedures and mechanisms, and the form of profit distribution. The Company strictly implements the Articles of Association and the resolutions of the General Meeting of Shareholders. The standards and proportions of dividend distribution are clear and definite, the relevant decision-making procedures and mechanisms are complete, the minority shareholders have the opportunity to fully express their opinions and demands, and the legitimate rights and interests of minority shareholders are fully safeguarded.

Special Explanation on Cash Dividend Policy	
Whether it complies with the provisions of the Articles of Association or the requirements of resolutions of the general meeting of shareholders:	Yes
Whether the dividend standards and proportions are definite and clear:	Yes
Whether the relevant decision-making processes and mechanisms are complete:	Yes
Whether the independent directors perform their duties and play their due role:	Yes
If the Company does not make cash dividends, it shall disclose the specific reasons and the next measures to be taken to enhance the level of returns for investors:	N/A
Whether the minority shareholders have the opportunity to fully express their opinions and demands and whether their legitimate rights and interests are adequately protected	Yes
Whether the conditions and procedures for adjusting and changing the cash dividend policy are compliant and transparent:	N/A

During the reporting period, the Company had profits and the parent company had positive distributive profit for shareholders; however, the cash bonus distribution pre-plan was not proposed

☐ Applicable ☒ Not applicable

Profit distribution and capital reserve converted into share capital during the reporting period

☒ Applicable ☐ Not applicable

Number of bonus shares per 10 shares (share)	0
Number of dividends per 10 shares (RMB) (tax-inclusive)	1
Base of share capital in distribution pre-plan (share)	431,058,320
Amount of cash dividends (RMB) (tax-inclusive)	43,105,832.00
Amount of cash dividends in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	43,105,832.00
Distributable profit (RMB)	92,397,334.74
The proportion of total cash dividends (including other ways) to total profit distribution	100%
Cash dividends for the current reporting period	
Others	
Description of details on pre-plan of profit distribution or transfer from capital reserve to share capital	
To actively benefit shareholders and enable investors to participate in and share the operating results of the Company's development, according to the <i>Articles of Association</i> , the <i>Shareholder Return Plan for the Next Three Years (2023-2025)</i> of the Company, the <i>Stock Listing Rules of the Shenzhen Stock Exchange</i> and other regulations on cash dividends, and by taking into account the Company's future strategic layout and other capital expenditure needs, the Company planned to distribute a cash dividend of RMB 1 (including tax) for every 10 shares to all shareholders based on the total share capital of 431,058,320 shares as of December 31, 2024, with a total cash dividend of RMB 43,105,832.00, without bonus shares or capital increase. This profit distribution plan shall be implemented after being reviewed and approved by the General Meeting of Shareholders.	

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

☐ Applicable ☒ Not applicable

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

XII. Establishment and Implementation of Internal Control System during the Reporting Period

1. Establishment and implementation of internal control

During the reporting period, the Company strictly complied with the requirements of the *Company Law*, the *Articles of Association*, and the *Basic Standard for Enterprise Internal Control* and aligned with industry characteristics and the Company's actual operations to continue to establish, improve, and refine its internal control system. Efforts were made to strengthen internal audit supervision, enhance internal control training and awareness, and promote a culture of compliance operations. These measures ensured the effective implementation of internal control mechanisms, enhanced standardized operations, and supported the Company's healthy and sustainable development. Throughout the reporting period, the Company's internal control systems were effectively executed, with no material deficiencies in internal control identified. The expected

internal control objectives were met, safeguarding the interests of the Company and all shareholders. Based on the identification of significant deficiencies in the Company's internal control, as of the base date of the Internal Control Evaluation Report, the Company had no significant deficiencies in internal control over financial and non-financial reporting in 2024. The Company has maintained effective internal control in all material aspects in accordance with the requirements of its internal control standard system and relevant regulations.

2. Details about material deficiencies in internal control during the reporting period

☐ Yes ☒ No

XIII. Management Control over the Subsidiaries during the Reporting Period

Company name	Integration plan	Integration progress	Problems encountered in integration	Solution taken	Progress of resolution	Follow-up resolution plan
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XIV. Internal Control Evaluation Report or Auditor's Report on Internal Control

1. Internal control evaluation report

Disclosure date of the internal control evaluation report	March 28, 2025	
Disclosure index of the internal control evaluation report	For details, please refer to the 2024 Annual Internal Control Self-evaluation Report disclosed by the Company on CNINFO (http://www.cninfo.com.cn)	
Proportion of total unit assets included in the evaluation scope to total assets from the Company's consolidated financial statements	100.00%	
Proportion of unit operating revenue included in the evaluation scope to operating revenue from the Company's consolidated financial statements	100.00%	
Deficiency identification standards		
Type	Financial reports	Non-financial reports
Qualitative standards	1. Material deficiencies: A deficiency, or a combination of deficiencies, that results in the inability to promptly prevent, detect, or correct material misstatements in financial reports. The following circumstances shall be identified as material deficiencies in internal control: (1) Management fraud resulting in material misstatements in financial results or the issuance of false financial reports, thereby misleading users of financial statements, causing decision-making errors, and leading to litigation; (2)	1. Material deficiencies: A deficiency shall be deemed material if any of the following circumstances apply: (1) Major decisions are made in violation of the Company's prescribed procedures, resulting in significant losses to the Company; (2) Serious violations of laws or regulations that cause significant losses to the Company; (3) Lack of institutional control over key business operations, or systematic failure of

	<p>Ineffectiveness of the control environment; (3) Failure to rectify significant internal control deficiencies reported to management within a reasonable period; (4) Failure to follow appropriate decision-making procedures for major corporate matters, resulting in significant losses to the Company; (5) Lack of effective control over key business activities related to the Company's production and operations; (6) Other deficiencies that seriously mislead users of financial statements, resulting in significant compensation for the Company.</p> <p>2. Significant deficiencies: A deficiency, or a combination of deficiencies, that results in the inability to promptly prevent, detect, or correct misstatements in financial reports. Although these misstatements do not reach or exceed the materiality threshold, they should still draw the attention of management. The following circumstances shall be identified as significant deficiencies in internal control: (1) Failure to select and apply accounting policies in accordance with generally accepted accounting principles; (2) Failure to establish anti-fraud procedures and control measures; (3) Absence or lack of implementation of appropriate control mechanisms for the accounting treatment of non-routine or special transactions, and no corresponding compensation controls in place; (4) One or more deficiencies in the control over the period-end financial reporting process that do not provide reasonable assurance that the financial statements are prepared truthfully and accurately.</p> <p>3. General deficiency refers to other deficiencies in control other than the above-mentioned material deficiency and significant deficiency.</p>	<p>internal control systems; (4) Severe loss of core management personnel or key technicians; (5) Failure to rectify material deficiencies identified in internal control evaluations; (6) Failure of internal control over information disclosure, resulting in public censure by regulatory authorities.</p> <p>2. Significant deficiencies: A deficiency shall be deemed significant if it has any of the following characteristics: (1) Violation of internal corporate regulations resulting in substantial losses; (2) Significant loss of personnel in key business positions; (3) Deficiencies in the Company's critical business systems or procedures; (4) Failure to rectify significant deficiencies identified in the Company's internal control.</p> <p>3. General deficiency refers to other deficiencies in control other than the above-mentioned material deficiency and significant deficiency.</p>
Quantitative standards	<p>1. Material deficiencies: misstatement > 10% of the total profit, and the absolute amount > RMB 10 million;</p> <p>2. Significant deficiencies: 5% of the total profit < misstatement ≤ 10% of the total profit, and the absolute amount > RMB 5 million; or RMB 5 million < absolute amount ≤ RMB 10 million, and the misstatement amount > 5% of the total profit; 3. General deficiencies: misstatement ≤ 5% of the total profit, or the absolute amount ≤ RMB 5 million.</p>	<p>1. Material deficiencies: the amount of loss > 1.5% of the equity of the owner of the parent company, and the absolute amount > RMB 10 million;</p> <p>2. Significant deficiencies: 0.5% of equity of the owner of the parent company < loss amount ≤ 1.5% of equity of the owner of the parent company, or RMB 5 million < absolute amount ≤ RMB 10 million;</p> <p>3. General deficiencies: the amount of loss ≤ 0.5% of equity of the owner of the parent company, or the absolute amount ≤ RMB 5 million.</p>
Number of material deficiencies in the financial report (Nr.)		0
Number of material deficiencies in the non-financial report (Nr.)		0
Number of significant deficiencies in the financial report (Nr.)		0

Number of significant deficiencies in the non-financial report (Nr.)	0
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2. Auditor's report on internal control

☒ Applicable ☐ Not applicable

Review opinion paragraph in auditor's report on internal control	
In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2024 in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of auditor's report on internal control	Disclosure
Disclosure date of auditor's report on internal control	March 28, 2025
Disclosure index of auditor's report on internal control	CNINFO (http://www.cninfo.com.cn)
Type of opinion in auditor's report on internal control	Standard unqualified opinion
Whether there are material deficiencies in the non-financial report	No

Whether the accounting firm issues a non-standard opinion in the auditor's report on internal control

☐ Yes ☒ No

Whether the auditor's report on internal control issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors

☒ Yes ☐ No

XV. Rectification of Problems Identified in the Self-inspection over the Listed Company's Special Governance Measures

N/A

Section V Environmental and Social Responsibility

I. Major Environmental Protection Issues

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

☐ Yes ☒ No

Administrative punishment imposed for environmental problems during the reporting period

Name of company or subsidiary	Reason for punishment	Violation	Penalty	Impact on the production and operation of the listed company	Rectification measures of the company
None	None	None	None	None	None

Refer to other environmental information disclosed by key pollutant discharge units: The Company and its subsidiaries were not subject to administrative penalties due to environmental problems during the reporting period.

Measures to reduce carbon emissions during the reporting period and effects

☐ Applicable ☒ Not applicable

Reasons for failure to disclose other environmental information

The Company and its subsidiaries are not key pollutant discharge units announced by the environmental protection department, and there was no punishment due to violations of laws and regulations during the reporting period.

II. Social Responsibilities

The Company prioritized employee health by organizing the 2024 annual physical examination program; implemented labor union welfare support by visiting and offering care to over 20 employees; carried out a variety of labor union activities; and managed the allocation of talent housing and public rental housing, helping young employees settle down.

III. Details on Consolidating and Expanding Its Achievements in Poverty Alleviation and Rural Revitalization

The Company's Party Committee actively responded to the higher-level Party organization's arrangements for implementing the national rural revitalization strategy. In 2024, the Company allocated over RMB 100,000 to purchase poverty alleviation products. Additionally, from 2021 to August 2024, the Company dispatched one Party member to Shangyan Village, Chengtian Town, Shantou City, to support rural revitalization efforts, with a service period exceeding three years.

Section VI Important Matters

I. Performance of Commitments

1. Commitments that have been fulfilled during the reporting period and have not yet been fulfilled as at 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 acquisition report or report of equity change	Shenzhen Investment Holdings Co., Ltd.	Ensure the independence of listed companies	The Company will maintain the independence of the listed company and maintain personnel independence, institutional independence, financial independence and asset integrity with the listed company. The listed company will still have independent operation ability, independent procurement, production and sales system, and independent intellectual property rights. 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 business and activities that are in direct competition with or may constitute direct competition with Tellus and will not engage in business and activities that are in direct competition with or may constitute direct competition with Tellus in the future (except those arranged based on Shenzhen SASAC or similar government agencies); 2. During the period of being the indirect controlling shareholder of Tellus and during Tellus' listing on the Shenzhen Stock Exchange, the Company will fully respect the independent operation autonomy of all subsidiaries controlled by the Company and ensure that the legitimate rights and interests of Tellus and its minority shareholders will not be infringed; 3. The Company promises not to seek illegitimate interests with the status of controlling shareholder of Tellus, thus damaging the rights and interests of Tellus and its minority shareholders; 4. The Company promises not to assist any party to engage in any business activities that are in substantial competition or potential competition with the main business of Tellus by using the information learned or known from Tellus; 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	Reduce and	1. The Company and the companies, enterprises, and economic organizations controlled or actually controlled by the Company			

	Investment Holdings Co., Ltd.	standardize related party transactions	<p>(excluding enterprises controlled by listed companies, hereinafter collectively referred to as "affiliated companies") will exercise the rights of shareholders, fulfill the obligations of shareholders, and maintain the independence of listed companies in terms of assets, finance, personnel, business, and institutions in strict accordance with the provisions of laws, regulations, and other normative documents;</p> <p>2. The Company promises not to use its position as a controlling shareholder to urge the General Meeting of Shareholders or the Board of Directors of the listed company to make resolutions that infringe upon the legitimate rights and interests of other shareholders of the listed company;</p> <p>3. The Company or its affiliated companies will try to avoid related party transactions with listed companies. If it is inevitable to have related party transactions with listed companies, the Company or its affiliated companies will urge the controlled entities to trade with listed companies on an equal and voluntary basis per fair, reasonable, and normal commercial transaction conditions;</p> <p>4. The Company or its affiliated companies will perform the decision-making procedures of related party transactions and the corresponding information disclosure obligations in strict accordance with the Articles of Association of the listed company and relevant laws and regulations;</p> <p>5. The Company or its affiliated companies will ensure that they will not seek special interests beyond the above provisions through related party transactions with the listed company, illegally transfer the funds and profits of the listed company through related party transactions, and 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.</p>			
Commitment made during the initial public offering or refinancing	Shenzhen Tellus Holding Co., Ltd.	Others	In the future, the Company will disclose relevant information regarding the progress of its new business in a timely, accurate, and sufficient manner per relevant requirements.	October 17, 2014	Long-term	In performance
Other commitments made for minority shareholders of the Company	Shenzhen Special Economic Zone Development Group Co., Ltd.	Horizontal competition	<p>Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, issued the <i>Letter of Commitment to Avoiding Horizontal Competition</i> on May 26, 2014. The commitments are as follows:</p> <p>1. The Company and other enterprises controlled by the Company other than Tellus Holding are not engaged in business that is in substantial competition with the main business of Tellus Holding, and there is no horizontal competition relationship with Tellus Holding;</p> <p>2. The Company and its controlled enterprises will not, in any form, directly or indirectly engage in or participate in business that competes or may compete with the main business of Tellus Holding;</p> <p>3. If the Company and other enterprises controlled by the Company can engage in or participate in any business opportunity that may compete with the main business of Tellus</p>	May 26, 2014	Long-term	In performance

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

2. If the profit forecast can be carried out for the Company's assets or projects and the reporting period is within the period of profit forecast, the Company shall explain whether the assets and projects can realize the original profit forecast and specify the reasons

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

III. Illegal External Guarantees

☐ Applicable ☒ Not applicable

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

IV. Description of the Board of Directors on the Latest "Non-Standard Auditor's Report"

☐ Applicable ☒ Not applicable

V. Description of the Board of Directors, Board of Supervisors and Independent Directors (If Any) on the "Non-Standard Auditor's Report" Issued by the Accounting Firm during the Reporting Period

☐ Applicable ☒ Not applicable

VI. Description of the Changes in Accounting Policies and Accounting Estimates or Correction of Major Accounting Errors as Compared with Those in the Financial Report for the Previous Year

☒ Applicable ☐ Not applicable

1. Changes in significant accounting policies

Refer to Note V. 28 of section 10 for changes in significant Accounting Policies .

2.Changes in material accounting estimates

In response to the Company's business development and fixed asset management needs, and to fairly reflect its financial position and operating results, the Company has changed its accounting estimates for the depreciation period of fixed assets to better align with their actual service life.

Before this change in accounting estimates, the depreciation period of fixed assets is:

Category	Service life (year)	Residual value rate (%)	Annual depreciation rate (%)
Premises and buildings	10, 35-40	0,3	10, 2.43-2.77
Including: Decoration of self-owned houses	10	0	10
Machinery equipment	12	3	8.08
Electronic equipment	5-7	3	13.86-19.4
Transportation equipment	7	3	13.86
Office and other equipment	7	3	13.86

After this change in accounting estimates, the depreciation period of fixed assets is:

Category	Service life (year)	Residual value rate (%)	Annual depreciation rate (%)
Premises and buildings	10, 35-40	0,3	10, 2.43-2.77
Including: Decoration of self-owned houses	10	0	10
Machinery equipment	10	3	9.70
Electronic equipment	3	3	32.33
Transportation equipment	7	3	13.86
Office and other equipment	5	3	19.40

VII. Explanation on Change of Scope of Consolidated Financial Statements Compared with the Financial Statement of the Previous Year

☒Applicable ☐ Not applicable

On December 9, 2024, both the shareholders of SDG Huari signed an agreement to terminate the liquidation and resume operations. The Company submitted an application to the Shenzhen Qianhai Cooperation Zone People's Court for withdrawal of the compulsory liquidation application for SDG Huari. On December 27, 2024, the Company received the *Civil Ruling* ([2023] Y0391QQ No. 4) from the Shenzhen Qianhai Cooperation Zone People's Court, which approved the withdrawal of the compulsory liquidation application for SDG Huari. Consequently, the Company included SDG Huari in its consolidated financial statements as of December 27, 2024.

VIII. Employment and Dismissal of Accounting Firm

Current employed accounting firm

Name of domestic accounting firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Salary of domestic accounting firm (RMB 10,000)	75
Duration of audit service provided by domestic accounting firm	2
Names of CPAs of domestic accounting firm	Wu Liang, Xiao Na
Duration of audit service provided by CPA of domestic accounting firm	2 years for Wu Liang and 1 year for Xiao Na

Whether the employment of the accounting firm will be changed during the current period

☐Yes ☒ No

Employment of accounting firm, financial consultant or sponsor for internal control audit

☒Applicable ☐ Not applicable

The Company employed Grant Thornton Certified Public Accountants (Special General Partnership) as its 2024 annual financial and internal control audit firm. The employment term was one year, and the internal control audit fee was RMB 250,000.

IX. Delisting after Disclosure of Annual Report

☐ Applicable ☒ Not applicable

X. Matters Relating to Bankruptcy Reorganization

☐ Applicable ☒ Not applicable

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

XI. Major Litigation and Arbitration Matters

☒ Applicable ☐ Not applicable

Basic information of litigation (arbitration)	Amount involved (RMB 10,000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) trial results and impacts	Execution of litigation (arbitration) judgment	Disclosure date	Disclosure index
Dispute over land lease contract (Automobile Industry and Trade Company as the plaintiff)	1,403.76	No	In progress	The second trial has been held but no verdict has been issued. It has no major effects on the Company's production and operation.	-		
Project construction contract dispute (Zhongtian Company as the defendant in the original claim and the plaintiff in the counterclaim)	670.44	No	In progress	The second trial was held on December 23, but no verdict has been issued. It has no major effects on the Company's production and operation.	-		
Dispute over endowment insurance treatment (Automobile Industry and Trade Company as defendant)	156.97	No	Closed	On November 19, 2024, the Company received a court ruling dismissing the plaintiff's lawsuit. It has no major effects on the Company's production and operation.	None		
Unjust enrichment dispute (the Company as the plaintiff)	175.94	No	In progress	The Company has filed an appeal and the second trial has been held, but no verdict has been issued. It has no major effects on the Company's production and operation.	-		

XII. Punishment and Rectification

☐ Applicable ☒ Not applicable

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

XIII. Integrity Situation of the Company and its Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

XIV. Major Related Party Transactions

1. Related party transactions concerning daily operations

☒ Applicable ☐ Not applicable

Related transaction	Related-	Type of	Content	Pricing	Price of	Amount of	Proportion	Approved	Exceeded the	Settlement	Market price	Disclosure	Disclosure
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party	part y relat ions hip	relate d party trans action	of relat ed party trans action	princ iple of relat ed party trans action	relate d party trans action	relate d party trans action (RMB 10,00 0)	to trans action amou nt of the same kind	trans action amou nt (RMB 10,00 0)	appro ved amou nt or not	metho ds of relate d party trans action	of availa ble simila r trans action	date	index
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	A Director of the Company currently serves as its Director	Daily related party transactions	Provide property leasing services	Market pricing	545.00	545.00	1.92%	545	No	According to the contract amount or agreement	545.00	March 28, 2024	Announcement on Daily Related Party Transactions in 2024 (Announcement No.: 2024-009) of Securities Times and CNINFO
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing services	Market pricing	17.20	17.20	0.06%	18	No	According to the contract amount or agreement	17.20		
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing and management services	Market pricing	132.79	132.79	0.47%	503	No	According to the contract amount or agreement	132.79		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transactions	Provide property leasing and parking services	Market pricing	426.75	426.75	1.50%	542	No	According to the contract amount or agreement	426.75		
Shenzhen	A	Daily	Provi	Mar	30.00	30.00	100.0	30	No	Accor	30.00		

Telixing Investment Co., Ltd.	Director of the Company concurrently serves as its Director	related party transactions	de brokerage and agency services	market pricing			0%			according to the contract amount or agreement		
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept engineering supervision services	Market pricing	84.71	84.71	100.00%	140	No	According to the contract amount or agreement	84.71	
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management and security services	Market pricing	2,167.25	2,167.25	86.88%	4,022	No	According to the contract amount or agreement	2,167.25	
Shenzhen SDG Eastern Service Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management services	Market pricing	11.88	11.88	0.48%	0	Yes	According to the contract amount or agreement	11.88	
Shenzhen SDG Building Technology Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management services	Market pricing	21.60	21.60	0.87%	0	Yes	According to the contract amount or agreement	21.60	
Shenzhen SDG Tellus Property	Subsidiary of controlling shareholder	Daily related party transactions	Accept property management services	Market pricing	198.58	198.58	7.96%	198	No	According to the contract amount or agreement	198.58	

Management Co., Ltd.	rolling shareholder	transactions	management services							contract amount or agreement			
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by indirect controlling shareholders	Daily related party transactions	Accept insurance services	Market pricing	54.44	54.44	68.20 %	80	No	According to the contract amount or agreement	54.44		
ISSTech Information Technology Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transactions	Accept technical services	Market pricing	0	0		152	No	According to the contract amount or agreement	0		
Total				--	--	3,690.2	--	6,230	--	--	--	--	--
Details of large-sum sales return				None									
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				Normal performance									
Reasons for the great difference between the transaction price and market reference price (if applicable)				N/A									

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

☐ Applicable ☒ Not applicable

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

3. Related party transaction of joint outbound investment

☐ Applicable ☒ Not applicable

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

4. Transaction related to credit and debt

☒ Applicable ☐ Not applicable

Whether there are transactions of non-operating related credits and debts

☐ Yes ☒ No

During the reporting period, the Company had no transactions related to credit and debt.

5. Transactions with related finance companies

☐ Applicable ☒ Not applicable

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

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

☐ Applicable ☒ Not applicable

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

7. Other major related party transactions

☐ Applicable ☒ Not applicable

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

XV. Major Contracts and Performance

1. Trusteeship, contracting and leasing matters

(1) Trusteeship

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no trusteeship.

(2) Contracting

☐ Applicable ☒ Not applicable

During the reporting period, the Company had no contracting.

(3) Leasing

☐ Applicable ☒ Not applicable

During the reporting period, the Company has no leasing.

2. Significant guarantees

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

External guarantees of the Company and its subsidiaries (excluding the guarantees to subsidiaries)										
Name of guaranteed	Disclosure date of the	Guarantee	Actual date of	Actual guarant	Type of	Collateral (if	Counter-guarantee	Guarantee period	Whether it	Whether it is

party	relevant announceme nt of the guarantee amount	amount	occurrence	ee amount	guarantee	any)	(if any)		is fulfilled	provided to related parties
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	September 30, 2014	3,500		0	Pledge	No	No	Until the expiry date of the Joint Venture Contract	No	Yes
Total external guarantee amount approved during the reporting period (A1)		0		Total actual external guarantee amount during the reporting period (A2)		0				
Total external guarantee amount approved at the end of the reporting period (A3)		3,500		Total actual external guarantee balance at the end of reporting period (A4)		0				
The Company's guarantee to subsidiaries										
Name of guaranteed party	Disclosure date of the relevant announceme nt of the guarantee amount	Guara ntee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter- guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Guarantee between subsidiaries										
Name of guaranteed party	Disclosure date of the relevant announceme nt of the guarantee amount	Guara ntee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter- guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Total amount of the Company's guarantee (i.e. total of the first three items)										
Total guarantee amount approved during the reporting period (A1 + B1 + C1)		0		Total actual guarantee amount during the reporting period (A2 + B2 + C2)		0				
Total guarantee amount approved at the end of the reporting period (A3 + B3 + C3)		3,500		Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)		0				
Proportion of total actual guarantee amount (i.e. A4 + B4 + C4) to the Company's net assets				0.00%						

Including:

3. Management of cash assets by other entrusted parties**(1) Entrusted financial management**☒ Applicable ☐ Not applicable

Overview of entrusted financial management during the reporting period

Unit: RMB 10,000

Category	Capital source of entrusted financial management	Amount of entrusted financial management	Unexpired balance	Overdue unrecovered amount	The amount of impairment accrued for overdue unrecovered financial management products
Bank financial products	Owned funds	113,130	58,130	0	0
Total		113,130	58,130	0	0

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable**(2) Entrusted loan**☐ Applicable ☒ Not applicable

During the reporting period, the Company had no entrusted loans.

4. Other major contracts☐ Applicable ☒ Not applicable

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

XVI. Clarification on Other Major Matters☐ Applicable ☒ Not applicable

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

XVII. Major Matters of the Company's Subsidiaries☒ Applicable ☐ Not applicable

Both shareholders of SDG Huari reached a consensus and amended the *Articles of Association* to change SDG Huari's business term to "perpetual operation". On the same day, the Company submitted an application to the Shenzhen Qianhai Cooperation Zone People's Court to withdraw its

application for the compulsory liquidation of SDG Huari. The Company subsequently received a *Civil Ruling* ([2023] Y0391QQ No. 4 from the court, which ruled to approve the Company's application for withdrawal. For details, please refer to the *Announcement on the Progress of Compulsory Liquidation of Holding Subsidiary* (Announcement No.: 2024-036) published by the Company on December 10, 2024 and the *Announcement on the Progress of Compulsory Liquidation of Holding Subsidiary* (Announcement No.: 2024-038) published on December 31, 2024.

Section VII Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: share

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

3. Foreign listed foreign 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 amount of shares	431,058,320	100.00%	0	0	0	0	0	431,058,320	100.00%

Reasons for changes in shares

☐ Applicable ☒ Not applicable

Status of authorization for changes in shares

☐ Applicable ☒ Not applicable

Status of transfer for changes in shares

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

2. Changes in shares with restrictions on sale

☐ Applicable ☒ Not applicable

II. Conditions on Issuance and Listing of Securities

1. Conditions on issuance of securities (excluding preferred shares) during the reporting period

☐ Applicable ☒ Not applicable

2. Description of total number of shares of the Company, changes in shareholder structure and changes in the Company's asset and liability structure

☐ Applicable ☒ Not applicable

3. Shares of existing internal staff

☐ Applicable ☒ Not applicable

III. Shareholders and Actual Controller

1. Number of shareholders and shareholdings of the Company

Unit: share

Total number of ordinary shareholders as at the end of the reporting period	50,749	Total number of	50,093	Total number of preferred	0	Total number of preferred shareholders with restored voting	0
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		ordinary sharehold ers as at the end of the previous month before the disclosur e date of the annual report		shareholde rs with restored voting rights as at the end of the reporting period		rights as at the end of the previous month before the disclosure date of the annual report		
Shareholders holding more than 5% shares or shareholding of top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholde r	Sharehol ding proportio n	Number of shares held at the end of the reporting period	Increase/de crease during the reporting period	Numbe r of restricte d shares held	Number of unrestricted shares held	Pledged, marked or frozen shares	
							Status of shares	Qu ant ity
Shenzhen Special Economic Zone Development Group Co., Ltd.	State- owned legal person	49.09%	211,591,621	1,200,000	0	211,591,621	N/A	0
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	Domestic non-state- owned legal person	5.08%	21,919,153	0	0	21,919,153	N/A	0
Li Xiaoming	Domestic natural person	0.71%	3,069,500	0	0	3,069,500	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.60%	2,577,239	396,580	0	2,577,239	N/A	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas legal person	0.41%	1,783,491	42,000	0	1,783,491	N/A	0
China Merchants Bank Co., Ltd.—China Southern CSI 1000 ETF	Others	0.38%	1,627,070	1,383,770	0	1,627,070	N/A	0
Industrial and Commercial Bank of China Limited— China Southern CSI All Share Real Estate ETF	Others	0.36%	1,532,475	13,800	0	1,532,475	N/A	0
Ma Yongcheng	Domestic natural person	0.26%	1,139,180	499,880	0	1,139,180	N/A	0
Wang Hua	Overseas natural person	0.22%	965,000	965,000	0	965,000	N/A	0
China Merchants Bank Co., Ltd.—ChinaAMC CSI 1000 ETF	Others	0.20%	872,880	655,800	0	872,880	N/A	0
Status of the strategic investor or general legal person becoming one of top 10 shareholders due to rights issue			None					

(if any) (see Note 3)			
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 <i>Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.	
Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with the right to vote and giving up the right		N/A	
Special description of repurchase special account among the top 10 shareholders (if any) (see Note 10)		None	
Shareholdings of 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 as at the end of reporting period	Share type	
		Share type	Quantity
Shenzhen Special Economic Zone Development Group Co., Ltd.	211,591,621	Ordinary shares denominated in RMB	211,591,621
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	21,919,153	Ordinary shares denominated in RMB	21,919,153
Li Xiaoming	3,069,500	Ordinary shares denominated in RMB	3,069,500
Hong Kong Securities Clearing Company Limited	2,577,239	Ordinary shares denominated in RMB	2,577,239
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	1,783,491	Domestic listed foreign shares	1,783,491
China Merchants Bank Co., Ltd.—China Southern CSI 1000 ETF	1,627,070	Ordinary shares denominated in RMB	1,627,070
Industrial and Commercial Bank of China Limited—China Southern CSI All Share Real Estate ETF	1,532,475	Ordinary shares denominated in RMB	1,532,475
Ma Yongcheng	1,139,180	Ordinary shares denominated in RMB	1,139,180
Wang Hua	965,000	Domestic listed foreign shares	965,000
China Merchants Bank Co., Ltd.—ChinaAMC CSI 1000 ETF	872,880	Ordinary shares denominated in RMB	872,880
Description on the related relationship or concerted action among top 10 shareholders of unrestricted tradable shares and between top 10 shareholders of unrestricted tradable shares and top 10 shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd., a state-owned legal-person shareholder, was not related to other shareholders and was not a person acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.		
Description of participation of the top 10 shareholders of ordinary shares in securities margin trading (if any) (see Note 4)	1. Due to the refinancing business carried out by Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, the number of shares held at the end of this reporting period increased by 1,200,000 shares compared with that at the end of 2023. The increase in the number of shares		

	<p>held is due to the recovery of lent shares.</p> <p>2. The shareholder China Merchants Bank Co., Ltd.—China Southern CSI 1000 ETF Fund carried out the refinancing business. At the end of this reporting period, the number of shares held increased by 1,383,770 shares compared with that at the end of 2023, of which 54,600 shares were increased due to the recovery of lent shares.</p> <p>3. The shareholder China Merchants Bank Co., Ltd.—ChinaAMC CSI 1000 ETF carried out the refinancing business. At the end of this reporting period, the number of shares held increased by 665,800 shares compared with that at the end of 2023, of which 28,800 shares were increased due to the recovery of lent shares.</p> <p>4. The shareholder Ma Yongcheng held 1,139,180 shares of the Company through guaranteed credit accounts and 0 shares of the Company through ordinary securities accounts, holding a total of 1,139,180 shares.</p>
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The situation of shareholders holding more than 5% of shares, the top 10 shareholders, and the top 10 shareholders with unlimited tradable shares participating in the loan of shares in the refinancing business

☒ Applicable ☐ Not applicable

Unit: share

The situation of shareholders holding more than 5% of shares, the top 10 shareholders, and the top 10 shareholders with unlimited tradable shares participating in the loan of shares in the refinancing business								
Name of shareholder (full name)	Ordinary account and credit account shareholding at the beginning of the period		Shares lent through refinancing at the beginning of the period and not yet returned		Ordinary account and credit account shareholding at the end of the period		Shares lent through refinancing at the end of the period and not yet returned	
	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital	Total quantity	Proportion in total share capital
Shenzhen Special Economic Zone Development Group Co., Ltd.	210,391,621	48.81%	1,200,000	0.28%	211,591,621	49.09%	0	0.00%
China Merchants Bank Co., Ltd.—China Southern CSI 1000 ETF	243,300	0.06%	54,600	0.01%	1,627,070	0.38%	0	0.00%
China Merchants Bank Co., Ltd.—ChinaAMC CSI 1000 ETF	217,080	0.05%	28,800	0.01%	872,880	0.20%	0	0.00%

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

☐ Applicable ☒ Not applicable

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

☐ Yes ☒ No

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

2. Controlling shareholder of the Company

Nature of controlling shareholder: local state-owned holding

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative /person in charge	Date of establishment	Organization code	Main business
Shenzhen Special Economic Zone Development Group Co., Ltd.	Zhang Junlin	June 20, 1982	91440300192194195C	Investment in the development of industries (specific projects will be declared separately); investment in the development of the tourism industry; real estate development and operation; domestic trade and material supply and marketing (excluding monopoly, exclusive control and monopolized commodities); economic information consultation (excluding restricted items); operation of import and export business (subject to approval by the Industrial and Commercial Bureau).
Equity of other domestic and foreign listed companies controlled and participated by the controlling shareholder during the reporting period	At the end of the reporting period, in addition to holding the equity of the Company, SDG Group also held equity of other listed companies as follows: 1. Holding 36.18% equity of Shenzhen SDG Information Co., Ltd. (stock abbreviation: SDG Information), and controlling 1.10% equity of Shenzhen SDG Information Co., Ltd. through Hanseco Sanho Co., Ltd.; 2. Holding 47.78% equity of Shenzhen SDG Service Co., Ltd. (stock abbreviation: SDG Service), and holding 0.98% equity of Shenzhen SDG Service Co., Ltd. through Shenzhen SDG Investment Co., Ltd.; 3. Holding 8.28% equity of Shenzhen Microgate Technology Co., Ltd. (stock abbreviation: Microgate Technology), and controlling 14.46% equity of Shenzhen Microgate Technology Co., Ltd. through the Company's holding subsidiary Shenzhen Capital Fortune Electronic Information Investment Enterprise (Limited Partnership). 4. Holding 0.48% equity of Sichuan New Jinlu Group Co., Ltd. (stock abbreviation: New Jinlu).			

Change in the controlling shareholder during the reporting period

☐ Applicable ☒ Not applicable

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

3. Actual controllers and persons acting in concert of the Company

Nature of actual controller: local state-owned assets administrative authority

Type of actual controller: legal person

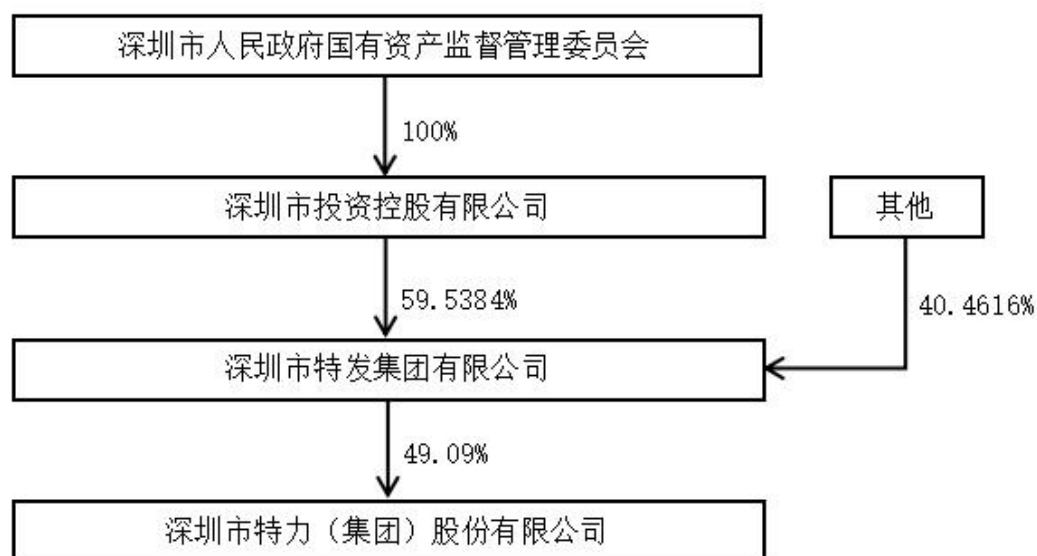
Name of actual controller	Legal representative/p erson in charge	Date of establishment	Organization code	Main business
State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government	Yang Jun	April 2, 2004	11440300K317280672	Perform the responsibilities of the investor on behalf of the state, and supervise and manage the state-owned assets authorized for supervision according to law.
Equity of other domestic and foreign listed companies controlled by the actual controller during the reporting period	N/A			

Changes in actual controller during the reporting period

☐ Applicable ☒ Not applicable

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

Block diagram of property rights and control relationship between the Company and the actual controller



Actual controller controlling the Company by way of trust or other asset management methods

☐ Applicable ☒ Not applicable

4. Shares pledged by the Company's controlling shareholder or the largest shareholder and its acting-in-concert parties account for 80% of the Company's shares held by them

☐ Applicable ☒ Not applicable

5. Other corporate shareholders with more than 10% shares held

☐ Applicable ☒ Not applicable

6. Restriction in reduction of shares held by controlling shareholder, actual controller, restructuring parties and other commitment units

☐ Applicable ☒ Not applicable

IV. Specific Implementation of Share Repurchase during the Reporting Period

Progress in the implementation of share repurchase

☐ Applicable ☒ Not applicable

Progress in the implementation of share repurchase reduction through call auction

☐ Applicable ☒ Not applicable

Section VIII Preferred Shares

☐ Applicable ☒ Not applicable

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

Section IX Bonds

☐ Applicable ☒ Not applicable

Section X Financial Reports

I. Auditor's Report

Type of auditor's opinion	Standard unqualified opinion
Signing date of the auditor's report	March 26, 2025
Name of audit institution	Grant Thornton Certified Public Accountants (Special General Partnership)
Auditor's Report No.	ZTSZ (2025) No. 441A004582
Name of CPA	Wu Liang, Xiao Na

Text of the Auditor's Report

All shareholders of Shenzhen Tellus Holding Co., Ltd.:

I. Auditor's Opinion

We have audited the attached financial statements of Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as "Tellus"), including Consolidated and Company's Balance Sheets as of December 31, 2024 and Consolidated and Company's Income Statements, Consolidated and Company's Cash Flow Statements and Consolidated and Company's Statements of Changes in Shareholders' Equity for 2024, as well as relevant Notes to Financial Statements.

In our opinion, the attached financial statements fairly present, in all material respects, the consolidated and Company's financial positions of Tellus as of December 31, 2024, and its consolidated and Company's financial performance and cash flows for the year in accordance with the ASBE.

II. Basis for Auditor's Opinion

We conducted our audit in accordance with the Chinese Certified Public Accountant Auditing Standards. The section in the Auditor's Report titled "CPAs' Responsibilities for the Audit of the Financial Statements" further describes our responsibilities under these standards. We are independent of Tellus in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

III. Key Audit Matters

Key audit matters are those matters that are deemed most important to the audit of the financial statements for the current period based on our professional judgment. These matters are addressed in the context of the audit of the financial statements as a whole and the formation of the Auditor's Opinion, and we do not express a separate opinion on these matters.

(I) Revenue recognition

See Notes III. 26 and V. 44 of the financial statements for details of relevant information disclosure.

1. Matter description

The Company's operating revenue mainly comes from property leasing and services, and gold and jewelry sales and services. In 2024, the operating revenue of Tellus reached RMB 2.614 billion, an increase of 41.53% over the same period last year. Since operating revenue is one of its key performance indicators, there may be a risk that the management of Tellus (hereinafter referred to as the "management") will achieve specific goals or expectations through inappropriate revenue recognition. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

Our audit procedures for revenue recognition mainly include:

(1) Understand the internal control design related to revenue recognition and test the effectiveness of key control processes.

(2) Assess the appropriateness of the specific method used by Tellus for revenue recognition by inquiring with the management, reviewing sales contracts, and analyzing the timing of control transfer related to revenue recognition.

(3) Implement analysis procedures for operating revenue, including the analysis of monthly revenue and gross profit margin fluctuations in 2024, comparative analysis of revenue, prices and gross profit margins of major products and services between the current period and the previous year, as well as comparative analysis with listed companies in the same industry.

(4) Select major customers to confirm sales for the current period; for samples that did not receive a response, verify the authenticity of transactions by examining subsequent payments and reviewing sales contracts, invoices, delivery receipts, and other supporting documents.

(5) Select test samples, check the supporting documents related to revenue recognition this year, including real estate lease contracts, commodity sales contracts, invoices, sales orders, outbound delivery orders, settlement statements and customer sign-off records, etc., and check whether the revenue recognition is accurate;

(6) Implement the cut-off test, check the operating revenue recognized before and after the balance sheet date against supporting documents such as invoices, commodity sales orders, outbound delivery orders and customer receipts, and evaluate whether the operating revenue is recognized in an appropriate period.

(7) Check the business information of new customers, customers with large sales changes and their related parties in 2024, and verify whether there are any unidentified potential related party relationships and transactions.

(II) Confirmation of the book value of investment real estate, fixed assets and construction projects under construction

For the disclosure, see Notes III15、16 and 17, V14、15 and 16.

1. Description of matters

As of December 31, 2024, the value of investment real estate, fixed assets account and project under construction surface of the Company is 1,173,867,957.54 yuan, accounting for 45.25% of the total assets. The book value of investment real estate, fixed assets and projects under construction involves significant management judgment, including the standard of the projects under construction reaching the predetermined usable state, and the economic usable life and residual value rate of fixed assets and investment real estate. Since the evaluation of the book value of investment real estate, fixed assets and the construction under construction involves the significant judgment of the management and its importance to the consolidated financial statements, we determine the book value of investment real estate, fixed assets and the construction under construction as the key audit matters.

2. Audit response

(1) Understand the key internal controls related to the existence, integrity and accuracy of investment real estate, fixed assets and construction under construction, evaluate the design of these internal controls, determine whether they are implemented, and test the operation effectiveness of relevant internal controls;

(2) Spot check the purchase contract, payment documents, invoices, acceptance documents

and other materials of large assets;

(3) Check the construction site under construction, understand and evaluate the progress of the project, and check with the entry records; Obtain the ownership certificate of investment real estate and fixed assets and the company inventory table, and draw the important assets on site;

(4) To evaluate whether the management is reasonable to evaluate the usable life and net residual value of investment real estate and fixed assets;

(5) Obtain the depreciation plan table of investment real estate and fixed assets, and recalculate whether the depreciation plan is accurate;

(6) Obtain the audit data of the pre-transfer project and confirm the rationality of the value of the pre-transfer assets;

(7) Check whether the information related to the investment real estate, fixed assets and the projects under construction has been properly reported and disclosed in the financial statements.

IV. Other Information

The management of Tellus (hereinafter referred to as the "Management") is responsible for other information. Other information comprises the information included in the 2024 Annual Report of Tellus, but does not include the financial statements and our auditor's report thereon.

Our auditor's opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Based on our audit of financial statements, we bear the responsibility of reading other information and considering whether there is any significant inconsistency or seemingly material misstatement between other information and the financial statements or situations obtained by us in the audit process.

If, based on the work we have executed, we conclude that there is a material misstatement of the other information, we should report that fact. In this regard, we have nothing to report.

V. Responsibilities of the Management and the Governance for the Financial Statements

The Management of Tellus is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and design, implementation and maintenance of necessary internal controls to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparation of the financial statement, the management is responsible for assessing Tellus' sustainable operation ability, disclosing the sustainable operation related items (if applicable) and applying the going-concern assumption, unless otherwise the management plans to liquidate Tellus, stop operation or it has no other practical choice.

The governance is responsible for supervising Tellus' financial reporting process.

VI. CPAs' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted according to auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users would take on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism in carrying out our audit according to the auditing standards. At the same time, we also:

(1) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence forming a sufficient and appropriate basis for our opinions. The risk of failing to detect a material misstatement due to fraud is higher than that due to mistakes, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control.

(2) Understand the internal control relating to the audit to design appropriate audit procedures. (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's adoption of the going-concern assumption. and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to any events or conditions that cast significant doubt on the ability of Tellus to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our Auditor's Report to the related disclosures in the Financial Statements; Where such disclosures are inadequate, we should modify our opinion. Our conclusions are based on information available up to the date of the Auditor's Report. However, future events or conditions may cause Tellus to cease to continue as a going concern.

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

(6) Obtain sufficient and appropriate audit evidence on the financial information of entities or business activities in Telco to express an opinion on the financial statements. We are responsible for directing, overseeing and performing the audit of the Group and assume full responsibility for the audit opinion.

We communicate with the governance layer on matters such as the scope and timing of the audit plan and significant audit findings, including those internal control deficiencies that we identified during the audit that are noteworthy.

We also provide a statement to the governance that we have complied with the ethical requirements related to independence and communicate with the governance all relationships and other matters that may be reasonably considered to affect our independence, as well as the relevant safeguards (if applicable).

From the matters communicated with the governance level, we determine which are most critical to the audit of this periods financial statements and thus constitute key audit matters. We describe these matters in our audit report unless laws and regulations prohibit their public disclosure, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the audit report would outweigh the benefits to public interest, we determine that such matters should not be communicated in the audit report.

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.

December 31, 2024

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	377,971,359.69	220,340,961.64
Settlement reserve fund		
Lendings to banks and other financial institutions		
Trading financial assets	165,630,834.06	206,294,931.94
Derivative financial assets	292,078.00	298,320.00
Notes receivable		
Accounts receivable	46,564,067.14	99,635,751.52
Receivables financing		
Prepayments	797,409.91	38,454,434.90
Premiums receivable		
Reinsurance premium receivable		
Capital reserves receivable from reinsurance contracts		
Other receivables	8,081,783.33	12,383,516.92
Including: Interest receivable		
Dividends receivable		1,305,581.86
Financial assets purchased under resale agreements		
Inventory	127,432,191.55	178,425,833.88
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	91,587,627.94	55,206,250.00
Other current assets	96,743,827.38	104,833,797.59
Total current assets	915,101,179.00	915,873,798.39
Non-current assets:		
Loans and advances issued		
Debt investment		
Other debt investments	84,724,128.76	67,627,948.60
Long-term receivables		
Long-term equity investments	85,091,833.20	76,511,487.57
Other equity instrument investments		383,317.67
Other non-current financial assets		
Investment properties	1,099,772,133.10	1,008,137,341.80
Fixed assets	70,763,683.25	78,935,843.49
Construction in progress	3,332,141.19	7,279,570.05
Productive biological assets		
Oil and gas assets		
Right-of-use assets	78,558,005.50	71,904,716.50
Intangible assets	3,775,834.45	3,915,770.61
Including: Data resources		
Development expenditures		

Including: Data resources		
Goodwill		
Long-term deferred expenses	48,095,409.37	38,392,179.02
Deferred income tax assets	5,496,778.78	37,836,657.43
Other non-current assets	199,748,111.29	97,053,053.32
Total non-current assets	1,679,358,058.89	1,487,977,886.06
Total assets	2,594,459,237.89	2,403,851,684.45
Current liabilities:		
Short-term borrowings	120,101,444.43	145,131,694.44
Borrowings from the central bank		
Loans from other banks and other financial institutions		
Trading financial liabilities		56,881,954.76
Derivative financial liabilities	46,660.00	1,380.00
Notes payable	110,000,000.00	
Accounts payable	125,555,693.13	135,834,414.39
Advances from customers	9,469,503.75	4,306,567.65
Contract liabilities	4,009,504.59	7,079,975.38
Financial assets sold under repurchase agreements		
Deposits from banks and other financial institutions		
Acting trading securities		
Acting underwriting securities		
Employee compensation payable	36,835,623.94	33,425,356.15
Taxes payable	36,109,740.02	28,857,448.06
Other payables	126,312,280.55	126,826,966.60
Including: Interest payable		
Dividends payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	8,674,869.40	7,304,647.32
Other current liabilities	6,142,814.36	3,388,998.35
Total current liabilities	583,258,134.17	549,039,403.10
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	76,541,985.55	69,524,214.23
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Provisions		268,414.80

Deferred income	7,837,477.60	9,617,683.53
Deferred tax liabilities	25,175,508.48	40,409,890.41
Other non-current liabilities		
Total non-current liabilities	113,475,131.99	123,740,363.33
Total liabilities	696,733,266.16	672,779,766.43
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	430,866,408.50	430,866,408.50
Less: Treasury shares		
Other comprehensive income	-7,606,040.90	-7,318,552.65
Special reserve		
Surplus reserve	74,222,656.99	63,956,286.46
General risk provisions		
Undistributed profit	798,343,284.97	685,342,592.62
Total equity attributable to owners of the parent company	1,726,884,629.56	1,603,905,054.93
Minority shareholders' equity	170,841,342.17	127,166,863.09
Total owners' equity	1,897,725,971.73	1,731,071,918.02
Total liabilities and owner's equity	2,594,459,237.89	2,403,851,684.45

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

2. Parent Company's Balance Sheet

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	25,182,064.77	8,805,213.07
Trading financial assets	121,340,400.00	205,942,363.02
Derivative financial assets		
Notes receivable		
Accounts receivable	19,714,030.82	22,080,192.24
Receivables financing		
Prepayments	96,692.05	16,240.74
Other receivables	2,839,370.67	47,432,527.04
Including: Interest receivable		
Dividends receivable		1,305,581.86
Inventory		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	91,587,627.94	
Other current assets	51,886,807.24	75,546,888.89
Total current assets	312,646,993.49	359,823,425.00

Non-current assets:		
Debt investment		
Other debt investments	63,517,795.43	47,081,615.27
Long-term receivables		
Long-term equity investments	798,702,607.61	770,687,026.69
Other equity instrument investments		383,317.67
Other non-current financial assets		
Investment properties	530,187,087.36	545,303,744.96
Fixed assets	13,330,517.88	15,211,321.18
Construction in progress	1,986,361.94	589,761.00
Productive biological assets		
Oil and gas assets		
Right-of-use assets	81,973,406.34	74,533,199.59
Intangible assets	2,203,851.20	2,559,885.65
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term deferred expenses	20,931,913.29	21,243,445.23
Deferred income tax assets		31,956,786.10
Other non-current assets	26,969,339.66	69,580,748.31
Total non-current assets	1,539,802,880.71	1,579,130,851.65
Total assets	1,852,449,874.20	1,938,954,276.65
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	59,250,518.21	71,449,469.14
Advances from customers	1,118,873.69	1,060,721.19
Contract liabilities		
Employee compensation payable	30,927,714.69	27,402,400.00
Taxes payable	21,432,181.88	13,335,268.63
Other payables	120,275,555.64	271,180,563.27
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	8,212,093.33	6,706,250.92
Other current liabilities	1,609,232.42	1,810,007.31
Total current liabilities	242,826,169.86	392,944,680.46
Non-current liabilities:		
Long-term borrowings		

Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	80,617,189.54	72,936,147.42
Long-term payables		
Long-term employee compensation payable		
Provisions		
Deferred income		
Deferred tax liabilities	7,188,936.09	40,269,279.16
Other non-current liabilities		
Total non-current liabilities	87,806,125.63	113,205,426.58
Total liabilities	330,632,295.49	506,150,107.04
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	428,256,131.23	428,256,131.23
Less: Treasury shares		
Other comprehensive income	-7,632,462.90	-7,344,974.65
Special reserve		
Surplus reserve	74,222,656.99	63,956,286.46
Undistributed profit	595,912,933.39	516,878,406.57
Total owners' equity	1,521,817,578.71	1,432,804,169.61
Total liabilities and owner's equity	1,852,449,874.20	1,938,954,276.65

3. Consolidated Income Statement

Unit: RMB

Item	2024	2023
I. Total operating revenue	2,613,678,204.37	1,846,738,841.89
Including: Operating revenue	2,613,678,204.37	1,846,738,841.89
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating cost	2,473,190,056.25	1,783,821,294.20
Including: Operating cost	2,376,764,300.06	1,648,337,199.60
Interest expenses		
Handling charges and commission expenditure		
Surrender value		
Net payments for insurance claims		
Net provision for insurance contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	13,172,648.28	23,230,109.06
Selling expenses	22,232,680.89	19,128,514.75

Administrative expenses	51,362,592.45	85,621,795.09
R&D expenses	3,268,819.88	1,965,795.78
Financial expenses	6,389,014.69	5,537,879.92
Including: Interest expenses	9,096,305.49	9,444,953.16
Interest income	2,984,792.54	4,682,945.54
Add: Other income	6,597,836.15	8,491,050.39
Investment income (loss to be listed with "-")	19,470,482.47	93,873,513.18
Including: Income from investment in associates and joint ventures	24,212,981.63	19,872,836.15
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 fair value changes (loss to be listed with "-")	-10,567,743.62	-12,008,283.18
Credit impairment loss (loss to be listed with "-")	5,596,513.26	-714,346.29
Asset impairment loss (loss to be listed with "-")		-1,046,935.57
Income from assets disposal (loss to be listed with "-")	-227.20	-59,110.10
III. Operating profit (loss to be listed with "-")	161,585,009.18	151,453,436.12
Add: Non-operating revenue	3,900,953.07	2,390,834.30
Less: Non-operating expenses	2,195,959.84	319,297.02
IV. Total profit (total loss to be listed with "-")	163,290,002.41	153,524,973.40
Less: Income tax expenses	24,258,270.37	42,084,506.48
V. Net profit (net loss to be listed with "-")	139,031,732.04	111,440,466.92
(I) Classified by operating continuity		
1. Net profit from continuing operations (net loss to be listed with "-")	139,031,732.04	111,440,466.92
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by attribution of ownership		
1. Net profit attributable to the parent company's shareholders	136,629,870.80	118,255,140.84
2. Minority shareholders' gains and losses	2,401,861.24	-6,814,673.92
VI. Net after-tax amount of other comprehensive income	-287,488.25	-7,344,974.65
Net after-tax amounts of other comprehensive income attributable to the owner of the parent company	-287,488.25	-7,344,974.65
(I) Other comprehensive income that cannot be reclassified into profit and loss	-287,488.25	-7,344,974.65
1. Changes arising from the remeasurement of net liabilities 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 investment by other equity instruments	-287,488.25	-7,344,974.65
4. Changes in fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		
6. Translation differences arising from the financial statements of foreign currency		
7. Others		
Net after-tax amount of other comprehensive income attributable to minority		

shareholders		
VII. Total comprehensive income	138,744,243.79	104,095,492.27
Total comprehensive income attributable to the owner of the parent company	136,342,382.55	110,910,166.19
Total comprehensive income attributable to minority shareholders	2,401,861.24	-6,814,673.92
VIII. Earnings per share		
(I) Basic earnings per share	0.3170	0.2743
(II) Diluted earnings per share	0.3170	0.2743

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

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

4. Parent Company's Income Statement

Unit: RMB

Item	2024	2023
I. Operating revenues	118,323,197.59	86,993,917.15
Less: Operating cost	51,537,706.69	39,689,422.24
Taxes and surcharges	1,711,412.68	13,736,806.06
Selling expenses	3,339,658.26	4,396,824.98
Administrative expenses	42,011,001.83	50,763,196.78
R&D expenses		
Financial expenses	1,410,770.64	3,446,761.53
Including: Interest expenses	2,904,506.30	5,274,288.75
Interest income	1,598,304.15	1,929,975.93
Add: Other income	73,023.60	500.00
Investment income (loss to be listed with "-")	103,747,991.59	164,693,779.53
Including: Income from investment in associates and joint ventures	24,212,981.63	19,872,836.15
Income from derecognition of financial assets measured at amortized cost (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-12,693,036.25	-10,680,391.42
Credit impairment loss (loss to be listed with "-")	-305,769.74	-350,592.82
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")		
II. Operating profit (loss to be listed with "-")	109,134,856.69	128,624,200.85
Add: Non-operating revenue	1,187,007.86	577,326.80
Less: Non-operating expenses	788,792.71	111,423.00
III. Total profit (total loss to be listed with "-")	109,533,071.84	129,090,104.65
Less: Income tax expenses	6,869,366.57	14,518,961.36
IV. Net profit (net loss to be listed with "-")	102,663,705.27	114,571,143.29
(I) Net profit from continuing operations (net loss to be listed with "-")	102,663,705.27	114,571,143.29
(II) Net profit from discontinued operations (net loss to be listed with "-")		
V. Net after-tax amount of other comprehensive income	-287,488.25	-7,344,974.65
(I) Other comprehensive income that cannot be reclassified into profit and loss	-287,488.25	-7,344,974.65
1. Changes arising from the remeasurement of net liabilities 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 investment by other equity instruments	-287,488.25	-7,344,974.65
4. Changes in fair value of the Company's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserves for cash flow hedge		
6. Translation differences arising from the financial statements of foreign currency		
7. Others		
VI. Total comprehensive income	102,376,217.02	107,226,168.64
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	4,572,552,357.58	1,963,588,534.65
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums of original insurance contracts		
Net amount of cash received from reinsurance business		
Net increase in deposits of the insured and investments		
Cash received from interests, handling charges, and commissions		
Net increase in loans from banks and other financial institutions		
Net increase of repurchasing business funds		
Net amount of cash received from acting trading securities		
Tax refunds received	13,271,889.24	2,622,913.63
Other cash received relating to operating activities	76,743,352.97	53,294,743.09
Subtotal of cash inflows from operating activities	4,662,567,599.79	2,019,506,191.37
Cash paid for purchase of goods and receipt of labor services	4,066,869,141.07	1,817,964,267.12
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claims on original insurance contracts		
Net increase in lendings to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	50,261,809.42	92,874,692.73
Various taxes paid	75,339,841.21	61,298,201.45
Other cash paid relating to operating activities	79,807,994.24	107,509,036.53
Subtotal of cash outflows from operating activities	4,272,278,785.94	2,079,646,197.83
Net cash flows from operating activities	390,288,813.85	-60,140,006.46
II. Cash flow from investing activities:		

Cash received from disposal of investments	820,139,644.49	628,726,990.40
Cash received from acquirement of investment income	15,712,636.00	28,100,805.87
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	1,974.82	9,871,552.72
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	5,964,034.76	10,712,284.16
Subtotal of cash inflows from investing activities	841,818,290.07	677,411,633.15
Cash paid to acquire fixed assets, intangible assets and other long-term assets	34,257,817.98	84,887,465.21
Cash paid for investments	985,536,930.32	717,659,265.39
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	14,659,543.80	8,072,396.24
Subtotal of cash outflows from investing activities	1,034,454,292.10	810,619,126.84
Net cash flows from investing activities	-192,636,002.03	-133,207,493.69
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: Cash received by subsidiaries from minority shareholders' investments		
Cash received from borrowings	415,000,000.00	359,669,472.83
Other cash received relating to financing activities		253,420.00
Subtotal of cash inflows from financing activities	415,000,000.00	359,922,892.83
Cash paid for repayment of debts	440,000,000.00	358,930,058.69
Cash paid for distribution of dividends, profits, or interest repayment	19,419,827.42	31,604,191.60
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	12,180,403.46	7,224,685.15
Sub-total of cash outflows from financing activities	471,600,230.88	397,758,935.44
Net cash flows from financing activities	-56,600,230.88	-37,836,042.61
IV. Effect of exchange rate changes on cash and cash equivalents		101.09
V. Net increase in cash and cash equivalents	141,052,580.94	-231,183,441.67
Add: Beginning balance of cash and cash equivalents	160,223,387.69	391,406,829.36
VI. Ending balance of cash and cash equivalents	301,275,968.63	160,223,387.69

6. Parent Company's Cash Flow Statement

Unit: RMB

Item	2024	2023
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	131,659,527.09	70,665,037.25
Tax refunds received		
Other cash received relating to operating activities	110,406,614.70	82,641,549.03
Subtotal of cash inflows from operating activities	242,066,141.79	153,306,586.28
Cash paid for purchase of goods and receipt of labor services	28,450,836.37	9,354,262.26
Cash paid to and on behalf of employees	32,839,148.01	44,299,496.50
Various taxes paid	9,851,486.55	5,286,561.86
Other cash paid relating to operating activities	144,407,205.44	61,287,642.06
Subtotal of cash outflows from operating activities	215,548,676.37	120,227,962.68
Net cash flows from operating activities	26,517,465.42	33,078,623.60
II. Cash flow from investing activities:		
Cash received from disposal of investments	492,856,726.33	414,826,990.40
Cash received from acquirement of investment income	15,000,000.00	96,430,863.56
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	47,180,211.11	10,712,284.16
Subtotal of cash inflows from investing activities	555,036,937.44	521,970,138.12
Cash paid to acquire fixed assets, intangible assets and other long-term assets	22,657,919.30	74,600,974.42

Cash paid for investments	512,236,930.32	467,006,215.27
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	6,400,000.00	0.00
Subtotal of cash outflows from investing activities	541,294,849.62	541,607,189.69
Net cash flows from investing activities	13,742,087.82	-19,637,051.57
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		25,693,122.83
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	0.00	25,693,122.83
Cash paid for repayment of debts	0.00	169,953,708.69
Cash paid for distribution of dividends, profits, or interest repayment	13,408,159.80	15,656,389.63
Other cash paid relating to financing activities	10,474,541.74	1,787,614.75
Sub-total of cash outflows from financing activities	23,882,701.54	187,397,713.07
Net cash flows from financing activities	-23,882,701.54	-161,704,590.24
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	16,376,851.70	-148,263,018.21
Add: Beginning balance of cash and cash equivalents	8,805,213.07	157,068,231.28
VI. Ending balance of cash and cash equivalents	25,182,064.77	8,805,213.07

7. Consolidated Statement of Changes in Owners' Equity

Amount in the current period

Unit: RMB

Item	2024														
	Equity attributable to the owners of the parent company													Min ority share hold ers' equit y	Total own ers' equit y
	Share capita l	Other equity instruments			Capit al reser ves	Less: Trea sury share s	Othe r com preh ensiv e inco me	Spec ial reser ve	Surp lus reser ve	Gene ral risk provi sions	Undi strib uted profi t	Othe rs	Subt otal		
		Pre ferr ed sha res	Perp etual bond s	Ot her s											
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		-7,318,552.65		63,956,286.46		685,342,592.62		1,603,905,054.93	127,166,863.09	1,731,071,918.02
Add: Changes in accounting policies															
Correction of prior errors															

thers															
II. Beginn ing balance of the current year	431,0 58,32 0.00				430, 866, 408. 50		- 7,31 8,55 2.65		63,9 56,2 86.4 6		685, 342, 592. 62		1,60 3,90 5,05 4.93	127, 166, 863. 09	1,73 1,07 1,91 8.02
III. Increas es/decr eases in the current period (decrea ses to be listed with "- ")							- 287, 488. 25		10,2 66,3 70.5 3		113, 000, 692. 35		122, 979, 574. 63	43,6 74,4 79.0 8	166, 654, 053. 71
(I) Total compre hensive income							- 287, 488. 25				136, 629, 870. 80		136, 342, 382. 55	2,40 1,86 1.24	138, 744, 243. 79
(II) Capital investe d and decreas ed by owners															
1. Ordinar y shares investe d by the owner															
2. Capital contrib uted by the holders of other equity instrum ents															
3. Amoun ts of															

share-based payments included in owners' equity															
4. Others															
(III) Profit distribution								10,266,370.53		-23,629,178.45		-13,362,807.92		-13,362,807.92	
1. Appropriation to surplus reserve								10,266,370.53		-10,266,370.53					
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)										-13,362,807.92		-13,362,807.92		-13,362,807.92	
4. Others															
(IV) Internal carryover of owners' equity															
1. Capital reserves converted to capital (or share capital)															
2.															

Surplus reserve s convert ed to capital (or share capital)															
3. Surplus reserve s to recover loss															
4. Retaine d earning s carried forwar d from change s in the defined benefit plan															
5. Retaine d earning s carried forwar d from other compre hensive income															
6. Others															
(V) Special reserve															
1. Approp riation in the current period															
2. Utilizat ion in the															

current period															
(VI) Others														41,272,617.84	41,272,617.84
IV. Ending balance of the current period	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

Amount in the previous period

Unit: RMB

Item	2023														
	Equity attributable to the owners of the parent company													Min ority share holders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provisions	Undistributed profit	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance of the previous year	431,058,320.00				431,449,554.51		26,422.00		52,499,172.13		590,605,394.67		1,505,638,863.31	150,588,880.59	1,656,227,743.90
Added: Changes in accounting policies											8,804.40		8,804.40		8,804.40
Correction of prior errors															
Others															
II. Beginning balance of the current year	431,058,320.00				431,449,554.51		26,422.00		52,499,172.13		590,614,199.07		1,505,647,767.71	150,588,880.59	1,656,236,548.30
III.					-		-		11,4		94,7		98,2	-	74,8

Increases/decreases in the current period (decreases to be listed with "-")					583,146.01		7,344,974.65		57,114.33		28,393.55		57,387.22	23,422,017.50	35,369.72
(I) Total comprehensive income							-7,344,974.65				118,255,140.84		110,910,166.19	-6,814,673.92	104,095,492.27
(II) Capital invested and decreased by owners														-4,900,000.00	-4,900,000.00
1. Ordinary shares invested by the owner														-4,900,000.00	-4,900,000.00
2. Capital contributed by the holders of other equity instruments															
3. Amounts of share-based payments included in owners' equity															
4.															

Others															
(III) Profit distribu tion									11,4 57,1 14.3 3		- 23,5 26,7 47.2 9		- 12,0 69,6 32.9 6		- 12,0 69,6 32.9 6
1. Approp riation to surplus reserve									11,4 57,1 14.3 3		- 11,4 57,1 14.3 3				
2. Approp riation to general risk provisi on															
3. Distrib ution to owners (or shareh olders)											- 12,0 69,6 32.9 6		- 12,0 69,6 32.9 6		- 12,0 69,6 32.9 6
4. Others															
(IV) Interna l carryov er of owners ' equity															
1. Capital reserve s convert ed to capital (or share capital)															
2. Surplus reserve s convert ed to capital (or															

share capital)															
3. Surplus reserves to recover loss															
4. Retained earnings carried forward from changes in the defined benefit plan															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserve															
1. Appropriation in the current period															
2. Utilization in the current period															
(VI) Others					- 583, 146. 01								- 583, 146. 01	- 11,7 07,3 43.5 8	- 12,2 90,4 89.5 9

IV. Ending balance of the current period	431,0 58,32 0.00				430, 866, 408. 50		- 7,31 8,55 2.65		63,9 56,2 86.4 6		685, 342, 592. 62		1,60 3,90 5,05 4.93	127, 166, 863. 09	1,73 1,07 1,91 8.02
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8. Statement of Changes in Owners' Equity of Parent Company

Amount in the current period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve s	Less: Treasu ry shares	Other compr ehensi ve incom e	Specia l reserve	Surplu s reserve	Undist ributed profit	Others	Total owners ' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Ending balanc e of the previo us year	431,05 8,320. 00				428,25 6,131. 23		- 7,344, 974.65		63,956 ,286.4 6	516,87 8,406. 57		1,432, 804,16 9.61
A dd: Chang es in accoun ting policie s												
orrecti on of prior errors												
thers												
II. Beginn ing balanc e of the current year	431,05 8,320. 00				428,25 6,131. 23		- 7,344, 974.65		63,956 ,286.4 6	516,87 8,406. 57		1,432, 804,16 9.61
III. Increas es/decr eases in the							- 287,48 8.25		10,266 ,370.5 3	79,034 ,526.8 2		89,013 ,409.1 0

current period (decreases to be listed with "-")												
(I) Total comprehensive income							- 287,488.25			102,663,705.27		102,376,217.02
(II) Capital invested and decreased by owners												
1. Ordinary shares invested by the owner												
2. Capital contributed by the holders of other equity instruments												
3. Amounts of share-based payments included in owners' equity												
4. Others												

(III) Profit distrib ution									10,266 ,370.5 3	- 23,629 ,178.4 5		- 13,362 ,807.9 2
1. Appro priatio n to surplus reserve									10,266 ,370.5 3	- 10,266 ,370.5 3		
2. Distrib ution to owners (or shareh olders)										- 13,362 ,807.9 2		- 13,362 ,807.9 2
3. Others												
(IV) Interna l carryo ver of owners ' equity												
1. Capital reserve s conver ted to capital (or share capital)												
2. Surplu s reserve s conver ted to capital (or share capital)												
3. Surplu s reserve												

s to recove r loss												
4. Retain ed earnin gs carried forwar d from change s in the define d benefit plan												
5. Retain ed earnin gs carried forwar d from other compr ehensi ve incom e												
6. Others												
(V) Specia l reserve												
1. Appro priatio n in the current period												
2. Utiliza tion in the current period												
(VI) Others												
IV. Ending balanc	431,05 8,320. 00				428,25 6,131. 23		- 7,632, 462.90		74,222 ,656.9 9	595,91 2,933. 39		1,521, 817,57 8.71

e of the current period												
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Amount in the previous period

Unit: RMB

Item	2023											
	Share capital	Other equity instruments			Capital reserve s	Less: Treasu ry shares	Other compr ehensi ve incom e	Specia l reserve	Surplu s reserve	Undist ributed profit	Others	Total owners ' equity
		Preferr ed shares	Perpet ual bonds	Others								
I. Ending balanc e of the previo us year	431,05 8,320. 00				428,25 6,131. 23				52,499 ,172.1 3	425,83 4,010. 57		1,337, 647,63 3.93
Add: Chang es in accoun ting policie s												
Correcti on of prior errors												
Others												
II. Beginn ing balanc e of the current year	431,05 8,320. 00				428,25 6,131. 23				52,499 ,172.1 3	425,83 4,010. 57		1,337, 647,63 3.93
III. Increas es/decr eases in the current period (decre ases to be listed							- 7,344, 974.65		11,457 ,114.3 3	91,044 ,396.0 0		95,156 ,535.6 8

with "-")												
(I) Total comprehensive income							- 7,344, 974.65			114,571,143.29		107,226,168.64
(II) Capital invested and decreased by owners												
1. Ordinary shares invested by the owner												
2. Capital contributed by the holders of other equity instruments												
3. Amounts of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution									11,457,114.33	- 23,526,747.29		- 12,069,632.96
1. Appro									11,457,114.33	- 11,457		

priation to surplus reserve									3	,114.33		
2. Distribution to owners (or shareholders)										-12,069,632.96		-12,069,632.96
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital reserves converted to capital (or share capital)												
2. Surpluses reserved converted to capital (or share capital)												
3. Surpluses reserved to recover loss												
4. Retained												

earnings carried forward from changes in the defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserve												
1. Appropriation in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23		-7,344,974.65		63,956,286.46	516,878,406.57		1,432,804,169.61

III. Basic Information of the Company

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

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

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

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

According to the resolution of the Company's 1994 Annual General Meeting of Shareholders, based on the share capital of 200,256,000 shares as of December 31 of that year, the Company distributed a cash dividend of RMB 0.5 and issued 0.5 bonus shares to all shareholders for every 10 shares held, with 0.5 additional shares, totaling 20,025,600 shares, which was implemented in 1995. The registered capital was increased to RMB 220,281,600.00 after the share distribution and transfer. According to the resolution of the 4th Extraordinary General Meeting of Shareholders of the Company in 2014, upon the approval of the *Reply to the Approval of Non-public Offering of Shares by Shenzhen Tellus Holding Co., Ltd.* (ZJXK [2015] No.173) issued by the China Securities Regulatory Commission, the Company issued 77,000,000 ordinary A shares to Shenzhen Special Economic Zone Development Group Co., Ltd. and Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership) in 2015. After the issuance, the registered capital was increased to RMB 297,281,600.00.

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

Main business activities: property leasing and services, jewelry operation.

The financial statements and notes to the financial statements were approved by the Fourteenth Formal Meeting of the Tenth Board of Directors of the Company on March 26, 2025.

IV. Preparation Fundamentals for Financial Statements

1. Preparation fundamentals

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

2. Continuing operations

The financial statements have been prepared based on continuing operations.

V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

The Company has determined its capitalization criteria for the depreciation of investment properties, depreciation of fixed assets, and research and development expenditures and policies for revenue recognition based on the characteristics of its production and operations. For details, please refer to Notes V. 14, V.15, and V.23 to the financial statements.

1. Declaration on compliance with ASBE

The financial statements prepared by the Company met the requirements of ASBE and truly and fully reflected the consolidated and Company's financial position as of December 31, 2024 and information such as consolidated and Company's financial performance and consolidated and Company's cash flow for the year then ended.

2. Accounting period

The accounting period of the Company is from January 1 to December 31 of each calendar year.

3. Business cycle

The business cycle of the Company is 12 months.

4. Bookkeeping base currency

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

5. Method of determining significance criteria and basis of selection

☒Applicable ☐ Not applicable

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

6. Accounting treatment method for business mergers under common control and not under common control**(1) Business mergers under common control**

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

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

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

(2) Business mergers not under common control

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

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

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

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

(3) Disposal of related handling charges for business mergers

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

consideration shall be included in the initially recognized amount of equity securities or debt securities.

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

(1) Judgment standard for control

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

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

(2) Preparation of consolidated financial statements

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

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

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

The portion of shareholders' equity of subsidiaries not belonging to the Company shall be listed separately under the item "Shareholders' Equity" in the consolidated balance sheet as minority

shareholders' equity. The portion of net profit or loss of subsidiaries in the current period belonging to minority shareholders' equity shall be listed separately under the item "Minority Shareholders' Profit or Loss" in the consolidated income statement. If the loss of a subsidiary borne by minority shareholders exceeds its share in the owner's equity of the subsidiary at the beginning of the period, the balance shall still offset the minority equity.

(3) Acquisition of equity from minority shareholders of subsidiaries

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

(4) Disposal of the loss of control over subsidiaries

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

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

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

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

(1) Joint 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 quantum of interest in joint operations and carries out accounting treatment per relevant provisions of ASBE:

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

(2) Joint ventures

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

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

9. Standards for defining cash and cash equivalents

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

10. Foreign currency transaction and foreign currency statement translation

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

On the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rate on that date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and that at initial recognition or on the previous balance sheet date shall be included in current profit and 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 current profit and loss or other comprehensive incomes according to the nature of the non-monetary items.

11. Financial instruments

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

(1) Recognition and derecognition of the financial instruments

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

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

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

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

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

(2) Classification and measurement of financial assets

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

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

Financial assets measured at amortized cost

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

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

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

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

Financial assets at fair value with changes into other comprehensive income

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

The Company manages the financial asset in a business mode 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 current profits and losses, and other gains or losses are included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out from other comprehensive income and included in current profits and losses.

Financial assets at fair value through profit or loss

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

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

However, for non-trading equity instrument investments, the Company irrevocably designates them as financial assets at fair value with changes into other comprehensive income upon initial

recognition. The designation is made on a single investment basis and the related investments meet the definition of equity instruments from the perspective of the issuer.

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

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

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

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

(3) Classification and measurement of financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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 current profits and losses.

Difference between financial liabilities and equity instruments

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

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

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

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

If a financial instrument must or can be settled with the Company's equity instrument, it is necessary to consider whether the Company's equity instruments used for the settlement of such instruments are used as substitutes for cash or other financial assets or to enable the instrument holder to enjoy residual equity in the assets of the issuer after all liabilities are deducted. If the situation is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

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

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

(5) Fair value of financial instruments

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

(6) Impairment of financial assets

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

Financial assets measured at amortized cost;

Receivables and debt instrument investments at fair value with changes into other comprehensive income;

Contract assets as defined in the *Accounting Standards for Business Enterprises No. 14 - Revenue*;

Lease receivables;

Financial guarantee contracts (except for those measured at fair value through profit or loss, where the transfer of financial assets does not meet derecognition conditions or is continuously involved in the transferred financial assets).

Measurement of expected credit loss

The expected credit loss refers to the weighted average of the credit losses of financial instruments, with the risk of default as weight. Credit loss refers to the difference between all contract cash flow that the Company discounts at the original effective interest rate and is receivable per the contract and all cash flow expected to be received, that is, the present value of all cash shortages.

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

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

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

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

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

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

For notes receivable, accounts receivable, financing of accounts receivable, contract assets and other receivables, 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 their loss provision according to the amount equivalent to the expected credit loss in the whole duration.

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

A. Notes receivable

Notes receivable portfolio 1: bank acceptance bill

Notes receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

Accounts receivable portfolio 1: Leasing and other portfolio

Accounts receivable portfolio 2: Jewelry sales business portfolio

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

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

Other receivables

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

Other receivables portfolio 1: Aging portfolio

Other receivables portfolio 1: Portfolio of deposits and security deposits receivable

Other receivables portfolio 3: Portfolio of related party transactions within the consolidation scope

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

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

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

Assessment of significant increase in credit risk

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

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

The debtor fails to pay the principal and interest by the contract expiration date;

A significant deterioration (if any) in the external or internal credit ratings of a financial instrument, whether it has occurred or is anticipated;

A significant deterioration in the operating performance of the debtor, whether it has occurred or is anticipated;

Changes in the existing or expected technical, market, economic, or legal environment, which will have a significant adverse impact on the debtor's ability to repay the Company.

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

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

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

The borrower is unlikely to pay in full what is owed to the Company and the assessment does not cover the realization of the collateral (if held) or other recourse actions by the Company;

Financial assets are overdue for more than 90 days.

Credit-impaired financial assets

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

The issuer or debtor is caught in a serious financial difficulty;

The debtor breaches the agreement of contract, such as default or overdue payment of interest or principal;

The Company grants concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties, which would not be made under any other circumstances;

There lies a great probability of bankruptcy or other financial restructuring for the debtor;

The issuer or debtor is caught in financial difficulties, which leads to the disappearance of the active market of the financial asset;

Presentation of provision for expected credit loss

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

Write-off

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

the Company's procedures for recovering due amounts, written-down financial assets may still be affected by implementation activities.

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

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

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

12. Inventories

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

(1) Classification of inventories

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

(2) Valuation method for dispatched inventories

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

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

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

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

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

(4) Inventory system

The Company adopts the perpetual inventory system.

(5) Amortization methods for low-value consumables and packing 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 formed by business combination: For long-term equity investment acquired through business combination under common control, the book value share of the owner's equity of the combined party in the consolidated financial statements of the ultimate controlling party shall be recognized as the investment cost on the combination date; for long-term equity investment acquired through business combination under different control, the combination cost shall be recognized as the investment cost of long-term equity investment.

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

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

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

For long-term equity investments calculated by 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 current profits and losses.

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 current profits and losses.

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

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

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

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

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

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

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

Joint control refers to the sharing of control over certain arrangements under related agreements, and associated activities of the arrangement can be determined only when the unanimous consent of the parties sharing the control right is obtained. When determining the existence of joint control, the first step is to assess whether the arrangement is collectively controlled by all parties involved or a combination of the parties. The next step is to evaluate whether decisions about the relevant activities of the arrangement require the unanimous consent of those parties who collectively

control the arrangement. If all participants or a group of participants must act in concert to decide the relevant activities of an arrangement, it is considered that all participants or a group of participants collectively control the arrangement; if two or more participants can collectively control an arrangement, it does not constitute joint control. Protective rights are not considered in determining whether or not there is joint control.

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

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

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

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

14. Investment properties

Measurement model of investment properties

Cost method

Depreciation or amortization method

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

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

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

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

15. Fixed assets

(1) Recognition conditions

Fixed assets of the Company refer to the tangible assets held for producing goods, rendering labor services, renting, or business management with a useful 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 current profits and losses 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

Type	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 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 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 assets 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 current profits and losses. 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 and construction or production of the asset qualifying for capitalization;
- ② Borrowing costs have been occurred;
- ③ The acquisition, construction, or production activities necessary to bring the assets to their intended use or sale have started.

(2) Period of borrowing costs capitalization

The capitalization of borrowing costs shall cease when the assets eligible for capitalization acquired, constructed, or produced by the Company are ready for their intended use or sale. Borrowing costs incurred after the assets meeting capitalization conditions are ready for their intended use or sale shall be recognized as expenses according to the amount incurred and included in the current profits or losses.

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

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

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

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

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, trademark, etc.

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 finite 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 current profits and losses.

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

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

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

shared for R&D activities and other production and operation activities are included in R&D expenditures according to the proportion of working hours and area.

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

Expenditures at the research stage shall be included in current profits or losses when incurred.

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

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

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

19. Impairment of long-term assets

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

The Company judges whether there is a sign of impairment to assets on the balance sheet date. If such a sign exists, the Company estimates the recoverable amount and conducts the impairment test. The goodwill formed due to 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 and loss, and the provision for impairment of assets is recognized.

For the impairment test of goodwill, the book value of goodwill formed by the business combination shall be amortized to relevant asset groups with a reasonable method since the acquisition date; if it is difficult to amortize to relevant asset groups, it shall be amortized to relevant asset group portfolios. Asset group or portfolio of asset group is an asset group or portfolio of asset group that can benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

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

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

20. Long-term deferred expenses

Long-term deferred expenses of the Company shall be valued as per actual cost and averagely amortized as per the expected benefit period. If the long-term deferred expense project will not benefit the future accounting period, the amortized value of the project shall be included in the current profit and 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 a defined contribution plan.

Defined contribution plan

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

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

Defined benefit plans

For defined benefit plans, an independent actuary shall carry out actuarial valuation on the annual balance sheet date, and determine the cost of providing benefits with the expected cumulative welfare unit method. Employee compensation costs arising from the defined benefit plan of the Company shall include the following components:

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

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

(3) Accounting treatment for termination benefits

If the Company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits shall be recognized at the earliest of the following two dates and included in current profits and losses: The Company cannot unilaterally withdraw

the termination benefits provided due to the labor relationship termination plan or layoff proposal; the Company recognizes the costs or expenses related to the restructuring involving the payment of termination benefits.

If an employee's internal retirement plan is implemented, the economic compensation before the official retirement date belongs to the termination benefits. During the period from the date when the employee stops providing services to the normal retirement date, the wages to be paid to the early retired employees and the social insurance premiums to be paid are included in current profits and losses 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

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

22. Estimated liabilities

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

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

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

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

23. Revenue

Accounting policies of revenue disclosure recognition and measurement by business types

(1) General principle

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

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

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

- ① The customer simultaneously obtains and consumes the economic benefits arising from the contract performance of the Company.
- ② The customer can control the goods under construction during the performance of the Company.
- ③ The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect payments for the accumulated performance portion to date throughout the contract period.

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

In the case of a performance obligation satisfied at a certain time point, the revenue shall be recognized by the Company at a certain time point when a customer obtains control of 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., customers have the obligation to pay immediately concerning the goods.

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

(2) Specific method

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

① Property leasing and services

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

② Sales and services of gold and jewelry

The Company determines whether it is the main responsible person or the agent during transactions according to its control over goods or services before transferring them to customers. If the Company has control over the goods or services before transferring them to customers, the Company is the main responsible person and recognizes the revenue according to the total consideration received or receivable; otherwise, the Company acts as an agent, and recognizes the revenue according to the amount of commission or handling charge expected to be entitled, which is determined according to the net amount of the total consideration received or receivable after deducting the price payable to other related parties, or according to the established commission amount or proportion.

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

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

- ① In wholesaler sales, purchasers cooperate with the Company directly. The time point is when the goods-related control rights have been transferred to the purchasers, which signifies that the

performance obligation is completed according to the sales contract. The revenue will then be recognized after customers accept the goods and issue receipts. This is a performance obligation performed at a certain time point.

② In e-commerce sales, the Company sells goods on e-commerce platforms. The sales revenue will be recognized when customers have signed for the goods and the Company has received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.

③ In retail through direct-sales stores, the Company sells its goods in its self-owned real estate. The sales revenue will be recognized when the Company has sold goods to customers and received payments or obtained the right to claim payments. This is a performance obligation performed at a certain time point.

④ In the sales agency model, the Company sends products to stores of entrusted sellers. The sales revenue will be recognized when the sellers have sold goods to end consumers, end consumers have signed for goods, and the control right has been transferred to end consumers. This is also the time point signifying that the obligation performance for the contract is done. This is a performance obligation performed at a certain time point.

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

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

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

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

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

The Company shall abide by the disclosure requirements of the *Business Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3 — 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 of monetary assets shall be measured at the amount received or receivable. The government subsidies considered non-monetary assets are measured based on the fair value, or the nominal amount of RMB 1 if the fair value cannot be acquired reliably.

Asset-related government subsidies refer to the ones that are acquired by the Company and used for establishing 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 deemed as asset-related government subsidies while the rest are deemed as revenue-related government subsidies. For the government subsidies that are difficult to differentiate, the government subsidies as a whole are deemed 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 and 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 and loss during the period when the related costs or losses are recognized. Government subsidies measured at the nominal amount shall be directly included in current profits and losses. 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 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 current profits and losses. In other cases, they shall be directly included in current profits and losses.

25. Deferred tax assets/deferred tax liabilities

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

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

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

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

(2) For taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, it can control the time of the reversal of the temporary difference and, likely, the temporary difference will not reverse in the foreseeable future.

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

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

(2) For deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, if the following conditions are satisfied at the same time, corresponding deferred 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 tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled and reflect the income tax effect of the method of the expected recovery of assets and settlement of liability on the balance sheet date.

On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is likely that sufficient taxable profits will not be available in future periods to deduct the benefit of the deferred tax assets, the book value of the deferred tax assets will be reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable incomes will be available.

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

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

26. Leases

(1) Accounting treatment method for lease as the lessee

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

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

Short-term lease

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

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

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

Low-value asset lease

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

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

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

Lease change

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

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

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

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

(2) Accounting treatment method for lease as the lessor

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

Financial lease

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

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

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

Operating leasing

Lease income from operating leases is included in current profits and losses by the Company as per the straight-line method in different stages over the lease term. The occurred initial direct cost 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 profits and losses by stages. The variable lease receipts obtained by the Company related to operating leases and not charged to the lease receipts shall be included in current profits and losses when actually incurred.

Lease change

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

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

If the change of finance lease is not accounted for as a separate lease, the Company shall deal with the changed lease based on the following circumstances: ① If the change takes effect on the commencement date of the lease and the lease is classified as an operating lease, the Company shall take it as a new lease for the accounting treatment from the effective date of lease change and take the net lease investment made before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the commencement date of the lease and the lease is classified as a finance lease, the Company shall carry out accounting treatment according to the regulations on modifying or renegotiating contracts described in *Accounting Standards for 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 of managing financial assets at the level of financial asset portfolios, considering the way of evaluating and reporting financial asset performance to key executives, the risks affecting the financial asset performance and their management methods, and the way for the relevant business management personnel to obtain the remuneration.

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

Measurement of expected credit loss of accounts receivable

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

Deferred income tax assets

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

Determination of the fair value of unlisted equity investment

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

28. Changes in significant accounting policies and accounting estimates**(1) Changes in significant accounting policies**

☒ Applicable ☐ Not applicable

Accounting Standards for Business Enterprises Interpretation No.17

In November 2023, the Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No.17 (Accounting No.21,2023) (hereinafter referred to as "Interpretation No.17").

Division of current liabilities and non-current liabilities

Interpretation No.17, the right of the enterprise to delay its repayment to more than one year after the balance sheet date may depend on whether the enterprise follows the conditions specified in the loan arrangement (hereinafter referred to as the conditions of contract). The conditions of contract on or before the balance sheet date, even after evaluating the compliance after the balance sheet date (if the conditions of contract are assessed after the balance sheet date), affects the judgment of the rights on the balance sheet date, thus affecting the liquidity division of the liabilities on the balance sheet date. The conditions of contract that the enterprise shall follow after the balance sheet date (if the conditions of contract are assessed based on the financial position of the 6 months after the balance sheet date) do not affect the judgment of the existence of the right on the balance sheet date and has nothing to do with the liquidity division of the liability on the balance sheet date.

If the clause of the liabilities causes the enterprise to repay by delivering its own equity instrument at the choice of the counterparty, if the option is classified as an equity instrument according to the guidelines and is recognized as a separate part of the equity component of the compound financial instrument, the clause shall not affect the liquidity division of the liabilities.

The Company shall implement this regulation from January 1,2024 and adjust the comparable period information.

The adopted Interpretation No.17 did not have a material impact on the Company's financial position and operating results.

Disclosure of provider financing arrangements

Interpretation No.17 stipulates that the supplier financing arrangement shall disclose: (1) the terms and conditions of the supplier financing arrangement (such as the extension of the payment term and the guarantee provision, etc.). (2) ① Listed items and book amount in the balance sheet of the financial liabilities belonging to the supplier financing arrangement. ② If the supplier has received payment from the financing provider, it shall disclose the listed items and book amounts of the corresponding financial liabilities; the payment maturity date of the ③ and related financial liabilities and the payment maturity date of comparable accounts payable not part of the supplier

financing arrangement. If the scope of payment maturity date is large, the enterprise shall also disclose explanatory information or additional interval information about these intervals; (3) the type and influence of current changes in the book amount of relevant financial liabilities that do not involve cash receipts and payments (including business mergers, exchange rate changes, and other transactions or matters that do not require the use of cash or cash equivalents).

When disclosing liquidity risk information in accordance with the requirements of Accounting Standards for Business Enterprises No.37-Financial Instruments, enterprises should consider whether it has obtained or has obtained credit to provide deferred payment to enterprises or advance payment to their suppliers through supplier financing arrangements. When identifying the concentration of liquidity risk according to the requirements of the relevant standards, the enterprises should consider the factor that the supplier financing arrangements cause the enterprises to concentrate part of their financial liabilities payable to the suppliers on the financing provider.

The Company shall implement this regulation from January 1, 2024. At the first implementation of this provision, the Company is not required to disclose the information concerning the comparable period and the beginning information required by ② and ③ under items (2).

The adopted Interpretation No.17 did not have a material impact on the Company's financial position and operating results.

Accounting Standards for Business Enterprises Interpretation No.18

On December 31, 2024, the Ministry of Finance of the Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No.18 (Accounting No.24,2024, Interpretation No.18).

Accounting treatment of assurance type quality assurance that does not belong to single performance obligations

Explain no. 18, in the accounting of guaranteed quality assurance liabilities, enterprises shall be according to the "accounting standards for enterprises no. 13-contingent matters" relevant provisions, according to the estimated liabilities amount, debit "operating cost, "other operating cost," credit "estimated liabilities" account, in the balance sheet and corresponding "operating costs" and "other current liabilities", "non-current liabilities", "estimated liabilities" due within one year.

The Company shall implement the provisions from the date of issuance of Interpretation No.18 and make retroactive adjustments.

The execution Interpretation No.18 does not have a material impact on the Company's financial position and operating results.

(2) Changes in material accounting estimates

☑Applicable ☐ Not applicable

Unit: RMB

Changes of accounting estimates and reasons	Name of significantly affected items in the statements	Point of commencement of application	Affected amount
In response to the Company's business development and fixed asset management needs, and to fairly reflect its financial position and operating results, the Company has changed its accounting estimates for the depreciation period of fixed assets to better align with their actual service life.	Accumulated depreciation	September 1, 2024	1,623,505.35
In response to the Company's business development and fixed asset management needs, and to fairly reflect its financial position and operating results, the Company has changed its accounting estimates for the depreciation period of fixed assets to better align with their actual service life.	Total profits	September 1, 2024	-1,623,505.35
In response to the Company's business development and fixed asset management needs, and to fairly reflect its financial position and operating results, the Company has changed its accounting estimates for the depreciation period of fixed assets to better align with their actual service life.	Income tax expenses	September 1, 2024	-402,428.57
In response to the Company's business development and fixed asset management needs, and to fairly reflect its financial position and operating results, the Company has changed its accounting estimates for the depreciation period of fixed assets to better align with their actual service life.	Net profit	September 1, 2024	-1,221,076.78

Before this change in accounting estimates, the depreciation period of fixed assets is:

Category	Service life (year)	Residual value rate (%)	Annual depreciation rate (%)
Premises and buildings	10, 35-40	0,3	10, 2.43-2.77
Including: Decoration of self-owned houses	10	0	10
Machinery equipment	12	3	8.08
Electronic equipment	5-7	3	13.86-19.4
Transportation equipment	7	3	13.86
Office and other equipment	7	3	13.86

After this change in accounting estimates, the depreciation period of fixed assets is:

Category	Service life (year)	Residual value rate (%)	Annual depreciation rate (%)
Premises and buildings	10, 35-40	0,3	10, 2.43-2.77
Including: Decoration of self-owned houses	10	0	10
Machinery equipment	10	3	9.70

Electronic equipment	3	3	32.33
Transportation equipment	7	3	13.86
Office and other equipment	5	3	19.40

(3) Conditions of the first implementation of new accounting standards from 2024 to adjust the relevant items in financial statements at the beginning of the first implementation year

☐ Applicable ☒ Not applicable

VI. Taxes

1. Main taxes and tax rates

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

Disclosure statement of taxable entities with different corporate income tax rates

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

2. Tax preference

① Corporate income tax

According to the *Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement [2022] No.13 of the Ministry of Finance and the State Taxation Administration), from January 1, 2022 to December 31, 2024, for small micro-profit enterprises, the portion of their annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be calculated at a reduced rate of 25% in their taxable income, and they shall pay enterprise income tax at a rate of 20%. According to the *Announcement on*

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

② Value-added tax

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

③ Educational surcharges

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

VII. Notes to Consolidated Financial Statements

1. Cash at bank and on hand

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	20,879.87	17,215.98
Bank deposits	280,040,887.67	120,961,253.61

Other cash at bank and on hand	97,909,592.15	99,362,492.05
Total	377,971,359.69	220,340,961.64

Other notes:

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

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

Item	Ending balance	Ending Balance of the Previous Year
Security deposits for notes payable	33,113,263.10	-
Futures and options account margin	22,848,540.40	8,188,990.60
Gold leasing security deposits and interests	20,069,638.91	51,328,583.35
Amount under judicial control	663,948.65	600,000.00
Total	76,695,391.06	60,117,573.95

2. Trading financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through profit or loss	165,630,834.06	206,294,931.94
Including:		
Structured deposits and finance products	165,630,834.06	131,495,916.67
Equity instrument investment		74,799,015.27
Including:		
Total	165,630,834.06	206,294,931.94

3. Derivative financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Hedging instruments—derivative financial assets in designated hedging relationship	292,078.00	298,320.00
Total	292,078.00	298,320.00

4. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	44,225,898.09	100,107,755.14
1-2 years	2,520,681.03	555,132.97
2 to 3 years	508,387.31	

Over 3 years	48,781,485.16	48,749,943.16
More than 5 years	48,781,485.16	48,749,943.16
Total	96,036,451.59	149,412,831.27

Other notes: The inconsistency in the logic of account receivable ages over three years is due to the consolidation of Shenzhen SDG Huari Automobile Enterprise Co., Ltd. on December 31, 2024.

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provisions for bad debts		Book value	Book balance		Provisions for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts on a single basis	48,781,485.16	50.79%	48,781,485.16	100.00%	0.00	48,746,583.16	32.63%	48,746,583.16	100.00%	0.00
Including:										
Accounts receivable for which provision for bad debts is made by portfolio	47,254,966.43	49.21%	690,899.29	1.46%	46,564,067.14	100,666,248.11	67.37%	1,030,496.59	1.02%	99,635,751.52
Including:										
Including: Portfolio of leasing and other	35,498,139.36	36.96%	573,331.02	1.62%	34,924,808.34	41,303,639.85	27.64%	436,870.51	1.06%	40,866,769.34
Jewelry sales business portfolio	11,756,827.07	12.24%	117,568.27	1.00%	11,639,258.80	59,362,608.26	39.73%	593,626.08	1.00%	58,768,982.18
Total	96,036,451.59	100.00%	49,472,384.45	51.51%	46,564,067.14	149,412,831.27	100.00%	49,777,079.75	33.32%	99,635,751.52

Provision for bad debts made on an individual basis

Unit: RMB

Description	Beginning balance		Ending balance			
	Book balance	Provisions for bad debts	Book balance	Provisions 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 Engineering Co., Ltd.	2,021,657.70	2,021,657.70	2,021,657.70	2,021,657.70	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong GW Holdings Group Co., Ltd.	1,862,000.00	1,862,000.00	1,862,000.00	1,862,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Jiangling Motors Factory	1,191,059.98	1,191,059.98	1,191,059.98	1,191,059.98	100.00%	Long account receivable age, and expected to be unrecoverable
Yangjiang Automobile Trading Co., Ltd.	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	26,244,168.64	26,244,168.64	26,279,070.64	26,279,070.64	100.00%	Long account receivable age, and expected to be unrecoverable
Total	48,746,583.16	48,746,583.16	48,781,485.16	48,781,485.16		

Provision for bad debts drawn by portfolio: Portfolio of leasing and other

Unit: RMB

Description	Ending balance		
	Book balance	Provisions for bad debts	Proportion of provision
Within 1 year	32,469,071.02	322,296.93	0.99%
1-2 years	2,520,681.03	126,034.06	5.00%
2 to 3 years	508,387.31	125,000.03	24.59%

Over 3 years			
Total	35,498,139.36	573,331.02	

Provision for bad debts drawn by portfolio: portfolio of jewelry sales business

Unit: RMB

Description	Ending balance		
	Book balance	Provisions for bad debts	Proportion of provision
Within 1 year	11,756,827.07	117,568.27	1.00%
Total	11,756,827.07	117,568.27	

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

☒Applicable ☐ Not applicable

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2024	1,030,496.59		48,746,583.16	49,777,079.75
Balance on January 1, 2024 in the current period				
Reversal in the current period	339,597.30			339,597.30
Other changes			34,902.00	34,902.00
Balance as of December 31, 2024	690,899.29		48,781,485.16	49,472,384.45

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

Bad debt provision in the reporting period:

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts	49,777,079.75		339,597.30		34,902.00	49,472,384.45
Total	49,777,079.75		339,597.30		34,902.00	49,472,384.45

(4) Accounts receivable and contractual assets with top five ending balance collected as per the borrowers

Unit: RMB

Company name	Period-end balance of accounts receivable	Period-end balance of contract assets	Period-end balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Period-end balance of bad debt proportion of accounts receivable and impairment provision of contractual assets
Shenzhen Jinlu Industry & Trade	9,846,607.00		9,846,607.00	10.25%	9,846,607.00

Co., Ltd.					
Henan Post and Telecommunications Technology Co., Ltd.	8,788,494.90		8,788,494.90	9.15%	87,884.95
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44		4,060,329.44	4.23%	4,060,329.44
Shenzhen Showking Jewelry Industry Co., Ltd.	2,573,309.28		2,573,309.28	2.68%	257,330.93
Wang Changlong	2,370,760.40		2,370,760.40	2.47%	2,370,760.40
Total	27,639,501.02		27,639,501.02	28.78%	16,622,912.72

5. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable		1,305,581.86
Other receivables	8,081,783.33	11,077,935.06
Total	8,081,783.33	12,383,516.92

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

Project (or the investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.		1,305,581.86
Total		1,305,581.86

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

Unit: RMB

Project (or the investee)	Ending original value	Account receivable age	Reason for no recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	2-3 years	Not paid yet	The company has huge losses in its financial positions and operating conditions, and the dividends receivable may not be recovered, so full impairment is accrued.
Total	1,305,581.86			

3) Classification and disclosure through the method for recognizing bad debt

☒ Applicable ☐ Not applicable

Unit: RMB

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

Provision for bad debts made on an individual basis

Unit: RMB

Description	Beginning balance		Ending balance			
	Book balance	Provisions for bad debts	Book balance	Provisions 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	100.00%	The company's financial position is poor
Total	1,305,581.86		1,305,581.86	1,305,581.86		

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

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2024 in the current period				
Provision in the current period			1,305,581.86	1,305,581.86
Balance as of December 31, 2024			1,305,581.86	1,305,581.86

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

☒Applicable ☐ Not applicable

China Pufa Machinery Industry Co., Ltd. has huge losses in its financial position and operating conditions and the dividends receivable may not be recovered, so full impairment is accrued.

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

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provisions 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	Period-end book balance	Period-beginning book balance
Temporary payments receivable	57,088,093.88	58,543,570.60
Deposits and security deposits	3,195,494.08	3,092,523.97
Total	60,283,587.96	61,636,094.57

(2) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	5,141,214.58	6,100,909.61
1-2 years	3,209,073.66	982,244.61
2 to 3 years	916,546.35	192,615.11
Over 3 years	51,016,753.37	54,360,325.24
3 to 4 years		249,895.55
More than 5 years	51,016,753.37	54,110,429.69
Total	60,283,587.96	61,636,094.57

3) Classification and disclosure through the method for recognizing bad debt☒Applicable ☐ Not applicable

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provisions for bad debts		Book value	Book balance		Provisions for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on a single	53,819,547.79	89.28%	51,612,683.54	95.90%	2,206,864.25	52,224,555.56	84.73%	50,017,691.31	95.77%	2,206,864.25

basis										
Including:										
Provision for bad debts made on a portfolio basis	6,464,040.17	10.72%	589,121.09	9.11%	5,874,919.08	9,411,539.01	15.27%	540,468.20	5.74%	8,871,070.81
Including:										
Account receivable age portfolio	3,268,546.09	5.42%	230,887.66	7.06%	3,037,658.43	6,319,015.04	10.25%	433,367.62	6.86%	5,885,647.42
Portfolio of deposit and security deposit receivable	3,195,494.08	5.30%	358,233.43	11.21%	2,837,260.65	3,092,523.97	5.02%	107,100.58	3.46%	2,985,423.39
Total	60,283,587.96	100.00%	52,201,804.63	86.59%	8,081,783.33	61,636,094.57	100.00%	50,558,159.51	82.03%	11,077,935.06

Provision for bad debts made on a portfolio basis:

Unit: RMB

Description	Ending balance		
	Book balance	Provisions for bad debts	Proportion of provision
Account receivable age portfolio	3,268,546.09	230,887.66	7.06%
Portfolio of deposit and security deposit receivable	3,195,494.08	358,233.43	11.21%
Total	6,464,040.17	589,121.09	

Explanation of the basis for determining the portfolio:

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

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2024	540,468.20		50,017,691.31	50,558,159.51
Balance on January 1, 2024 in the current period				
Provision in the current period	114,397.54		77,356.71	191,754.25
Reversal in the current period	67,387.34		1,148,160.36	1,215,547.70
Other changes	1,642.69		2,665,795.88	2,667,438.57
Balance as of December 31, 2024	589,121.09		51,612,683.54	52,201,804.63

Division basis at each stage and proportion of bad debt provision accrual

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

☐ Applicable ☒ Not applicable

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

Bad debt provision in the reporting period:

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off or cancellation	Others	
Provisions for bad debts	50,558,159.51	191,754.25	1,215,547.70		2,667,438.57	52,201,804.63
Total	50,558,159.51	191,754.25	1,215,547.70		2,667,438.57	52,201,804.63

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

Unit: RMB

Company name	Nature	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Period-end balance of provision for bad debts
China Automobile South China Automobile Sales Co., Ltd.	Intercourse funds	9,832,956.37	Over 3 years	16.31%	9,832,956.37
Shenzhen Nanfang Industry and Trade Industrial Co., Ltd.	Intercourse funds	7,359,060.75	Over 3 years	12.21%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	8.29%	5,000,000.00
Shenzhen Kaifeng Special Automobile Industry Co., Ltd.	Intercourse funds	4,413,728.50	Over 3 years	7.32%	2,206,864.25
Shenzhen Jinbeili Electric Appliance Co., Ltd.	Collection and payment on behalf of others	2,706,983.51	Over 3 years	4.49%	2,706,983.51
Total		29,312,729.13		48.62%	27,105,864.88

6. Prepayments

(1) Prepayments listed by account receivable age

Unit: RMB

Account receivable age	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	795,544.97	99.77%	38,395,924.17	99.85%
1-2 years	261.00	0.03%	45,984.79	0.12%
Over 3 years	1,603.94	0.20%	12,525.94	0.03%
Total	797,409.91		38,454,434.90	

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

None

(2) Prepayments with top five period-end balance collected as per the object of prepayment

Name of debtor	Book balance	Proportion in total prepayments	Provisions for bad debts
Shenzhen Branch of Guoren Property and Casualty Insurance Co., Ltd.	162,704.37	20.40%	-
Shenzhen Nanfang Chengtong Logistics Co., Ltd.	138,985.00	17.43%	-
Shenzhen Wuhua Tianbao Software Co., Ltd.	115,200.00	14.45%	-
Guangdong Mingfa Precious Metal Co., Ltd.	102,906.64	12.91%	-
Shenzhen Tiebao Cabinet Co., Ltd.	78,900.00	9.89%	-
Total	598,696.01	75.08%	-

7. Inventories

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 provisions of contract performance cost	Book value	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance cost	Book value
Raw materials	8,281,211.63		8,281,211.63	89,296,099.66		89,296,099.66
Goods in stocks	29,558,580.97	29,094,882.38	463,698.59	23,817,853.14	23,817,853.14	
Hedged items	114,856,873.15		114,856,873.15	85,802,395.07		85,802,395.07
Consigned processing materials				327,656.05		327,656.05
Goods sold on a commission basis	3,830,408.18		3,830,408.18	2,999,683.10		2,999,683.10
Total	156,527,073.93	29,094,882.38	127,432,191.55	202,243,687.02	23,817,853.14	178,425,833.88

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

(2) Provision for decline in the value of inventories/contract performance cost impairment

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Goods in stocks	23,817,853.14		5,423,369.69	146,340.45		29,094,882.38

Total	23,817,853.14		5,423,369.69	146,340.45		29,094,882.38
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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 1 year	91,587,627.94	55,206,250.00
Total	91,587,627.94	55,206,250.00

(1) Creditors' investment due within one year☐ Applicable ☒ Not applicable**(2) Other debt investments due within one year**☐ Applicable ☒ Not applicable**9. Other current assets**

Unit: RMB

Item	Ending balance	Beginning balance
Input tax to be deducted	25,711,444.95	27,618,761.58
Taxes pre-paid	167,748.29	1,423,927.12
Large-denomination certificates of deposit, time deposits and interest	54,969,057.53	75,791,108.89
Unamortized expenses	313,322.22	
Advances offered for agency business	15,582,254.39	
Total	96,743,827.38	104,833,797.59

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

Unit: RMB

Item	Beginning balance	Accrued interests	Interest adjustment	Changes in fair value in the current period	Ending balance	Costs	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Remarks
Transferable large-sum certificate of deposit	67,627,948.60				84,724,128.76				
Total	67,627,948.60				84,724,128.76				

11. Other equity instrument investments

Unit: RMB

Item name	Ending balance	Beginning balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Divided income recognized in the current period	Reasons for being measured at designated fair value with their changes included in other comprehensive income
Investment in unlisted equity instruments	0.00	383,317.67		-383,317.67		-10,176,617.20		
Total		383,317.67		-383,317.67		-10,176,617.20		

12. Long-term receivables**(1) Long-term receivables**

Unit: RMB

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

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provisions for bad debts		Book value	Book balance		Provisions for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on a single basis	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	
Incl										

uding:										
Incl uding:										
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	Period - beginning balance (book value)	Period - beginning balance of impairment provision	Changes in the current period								Period -end balance (book value)	Period -end balance of impairment provision
			Additional investment	Reduced investments	Investment profit or loss recognized through the 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.	49,250,845.06				21,965,159.20			15,000,000.00			56,216,004.26	
Shenzhen Telixing Investment Co., Ltd.	13,302,311.60				384,591.77						13,686,903.37	
Subtotal	62,553,156.66				22,349,750.97			15,000,000.00			69,902,907.63	
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	13,958,330.91				1,230,594.66						15,188,925.57	
Shenzhen Tellus												

Automobile Service Chain Co., Ltd.												
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.												
Hunan Changyang Industrial Co., Ltd.		1,810,540.70										1,810,540.70
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00										3,225,000.00
Shenzhen Xiandao New Materials Co., Ltd.		4,751,621.62										4,751,621.62
China Automotive Industry Shenzhen Trading Co., Ltd.		400,000.00										400,000.00
Shenzhen Universal Standard Parts Co.,		500,000.00										500,000.00

Ltd.												
Shenz hen China Autom obile South China Autom obile Sales Co., Ltd.		2,250, 000.00									2,250, 000.00	
Shenz hen Bailiy uan Power Supply Co., Ltd.		1,320, 000.00									1,320, 000.00	
Shenz hen Yimin Auto Tradin g Co., Ltd.		200,00 1.10									200,00 1.10	
Shenz hen Torch Spark Plug Industr y Co., Ltd.		17,849 .20			632,63 6.00			632,63 6.00			17,849 .20	
Shenz hen Hanli High Tech Ceram ics Co., Ltd.		1,956, 000.00									1,956, 000.00	
Shenz hen Nanfa ng Autom obile Repair Center		6,700, 000.00									6,700, 000.00	
Subtot al	13,958 ,330.9 1	23,131 ,012.6 2			1,863, 230.66			632,63 6.00			15,188 ,925.5 7	23,131 ,012.6 2
Total	76,511	23,131			24,212			15,632			85,091	23,131

	,487.5 7	,012.6 2			,981.6 3			,636.0 0			,833.2 0	,012.6 2
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Whether the recoverable amount is determined according to the net amount with fair value deducting disposal expenses?

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

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

Other notes:

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 carrying value				
1. Beginning balance	1,104,591,317.70	95,667,082.86		1,200,258,400.56
2. Amount increase in the current year	178,673,271.38			178,673,271.38
(1) Outsourcing				
(2) Transfer from inventory/fixed assets/construction in progress				
(3) Increase from business merger	178,673,271.38			178,673,271.38
3. Decrease in the current period	708,715.60			708,715.60
(1) Disposal				
(2) Other transfer-out	708,715.60			708,715.60
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	185,791,265.90	6,329,792.86		192,121,058.76
2. Amount increase in the current year	85,326,816.12	1,115,448.36		86,442,264.48
(1) Provision or amortization	30,561,057.74	1,115,448.36		31,676,506.10
(2) Changes in consolidation scope	54,765,758.38			54,765,758.38
3. Decrease in the current period	112,500.00			112,500.00

(1) Disposal				
(2) Other transfer-out	112,500.00			112,500.00
4. Ending balance	271,005,582.02	7,445,241.22		278,450,823.24
III. Impairment provision				
1. Beginning balance				
2. Amount increase in the current year				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	1,011,550,291.46	88,221,841.64		1,099,772,133.10
2. Beginning book value	918,800,051.80	89,337,290.00		1,008,137,341.80

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

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

Other notes:

(2) Investment properties measured at fair value

☐ Applicable ☒ Not applicable

(3) Investment properties whose property certificates are not obtained

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
CNNC office building	3,723,631.89	The property ownership certificate has not been handled due to historical reasons.
Shops in Building 12, Sungang	15,287.19	The property ownership certificate has not been handled due to historical reasons.
Building 12, Sungang	5,231.57	The property ownership certificate has not been handled due to historical reasons.
Total	3,744,150.65	

15. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	70,699,928.84	78,935,843.49
Disposal of fixed assets	63,754.41	
Total	70,763,683.25	78,935,843.49

(1) Fixed assets

Unit: RMB

Item	Premises and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Fixed asset decoration	Office and other equipment	Total
I. Original book value:							
1. Beginning balance	218,581,348.20	16,398,875.37	2,086,527.73	7,934,543.38	1,141,459.06	7,924,470.72	254,067,224.46
2. Amount increase in the current year	79,266.00	5,125,654.81	1,116,476.65	4,267,446.58	427,835.53	302,695.18	11,319,374.75
(1) Purchase	79,266.00		150,265.49	692,144.58		7,728.73	929,404.80
(2) Transfer from construction in progress							
(3) Increase from business merger		5,125,654.81	966,211.16	3,575,302.00	427,835.53	294,966.45	10,389,969.95
3. Decrease in the current period	191,120.85	87,363.20		3,220,345.76		850,984.06	4,349,813.87
(1) Disposal or scrapping	191,120.85	87,363.20		3,220,345.76		850,984.06	4,349,813.87
4. Ending balance	218,469,493.35	21,437,166.98	3,203,004.38	8,981,644.20	1,569,294.59	7,376,181.84	261,036,785.34
II. Accumulated depreciation							

1. Beginning balance	149,723,225. 51	7,679,528.26	1,751,569.49	5,060,533.11	860,076.33	4,876,398.96	169,951,331. 66
2. Amount increase in the current year	5,873,830.18	4,869,553.68	898,598.95	5,057,515.96	243,866.14	1,325,629.27	18,268,994.1 8
(1) Provision	5,873,830.18	988,573.29	54,220.61	1,905,263.09	-	1,085,268.05	9,907,155.22
(2) Other increases		3,880,980.39	844,378.34	3,152,252.87	243,866.14	240,361.22	8,361,838.96
3. Decrease in the current period	189,170.85	84,837.20		2,800,450.79		840,214.57	3,914,673.41
(1) Disposal or scrapping	189,170.85	84,837.20		2,800,450.79		840,214.57	3,914,673.41
4. Ending balance	155,407,884. 84	12,464,244.7 4	2,650,168.44	7,317,598.28	1,103,942.47	5,361,813.66	184,305,652. 43
III. Impairment provision							
1. Beginning balance	3,555,385.70	736,597.13	6,165.00	455,627.38	281,382.73	144,891.37	5,180,049.31
2. Amount increase in the current year		663,552.47	55,819.82	301,719.29	183,969.39	15,505.02	1,220,565.99
(1) Provision							
(2) Other increases		663,552.47	55,819.82	301,719.29	183,969.39	15,505.02	1,220,565.99
3. Decrease in the current period				369,411.23			369,411.23
(1) Disposal or scrapping				369,411.23			369,411.23
4. Ending balance	3,555,385.70	1,400,149.60	61,984.82	387,935.44	465,352.12	160,396.39	6,031,204.07
IV. Book value							
1.	59,506,222.8 1	7,572,772.64	490,851.12	1,276,110.48		1,853,971.79	70,699,928.8 4

Ending book value							
2. Beginning book value	65,302,736.99	7,982,749.98	328,793.24	2,418,382.89		2,903,180.39	78,935,843.49

(2) Fixed assets leased out by operating lease

Unit: RMB

Item	Ending book value
Premises and buildings	51,461,033.63

(3) Fixed assets whose property certificates are not obtained

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	19,560,136.03	The property ownership certificate has not been handled due to historical reasons.
Automobile Building	19,423,183.24	The property ownership certificate has not been handled due to historical reasons.
Parking Lot of Tellus Building	6,937,664.36	The property ownership certificate of the parking lot cannot be handled.
Floor 3-5, Plants 1#, 2# and 3#, Taoyuan Road	2,496,213.79	The property ownership certificate has not been handled due to historical reasons.
Transfer floor(s) of Tellus Building	1,090,719.80	Unable to apply for property ownership certificate
No.16 Apartment of Taohuayuan	884,416.26	The property ownership certificate has not been handled due to historical reasons.
Warehouse	663,180.37	The property ownership certificate has not been handled due to historical reasons.
1/F, Bao'an Commercial and Residential Building	612,921.08	The property ownership certificate has not been handled due to historical reasons.
Shuibei Zhongtian Building	604,158.52	The property ownership certificate has not been handled due to historical reasons.
Warehouse of the Trade Department	41,813.41	The property ownership certificate has not been handled due to historical reasons.
Shops, Plants No. 5-7, Buxin	24,948.02	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	52,361,338.66	

Other notes:

(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	63,754.41	
Total	63,754.41	

16. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	3,332,141.19	7,279,570.05
Total	3,332,141.19	7,279,570.05

(1) Information of construction in progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Restoration Project after Reinforcement of Building No. 5, Buxin	1,885,589.69		1,885,589.69			
Renovation of the exhibition hall and treasury area of the sunken area on B1 of the Tellus Jewelry Building				4,740,393.23		4,740,393.23
Reconstruction and upgrading of the Shuibei Zhongtian Building				808,507.65		808,507.65
Decoration project for the annex building of the Tellus Gold and Diamond Building				108,945.00		108,945.00
Other projects	1,446,551.50		1,446,551.50	1,621,724.17		1,621,724.17
Total	3,332,141.19		3,332,141.19	7,279,570.05		7,279,570.05

(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 carrying value		

1. Beginning balance	80,401,818.61	80,401,818.61
2. Amount increase in the current year	16,421,565.70	16,421,565.70
(1) Leasing	16,421,565.70	16,421,565.70
3. Decrease in the current period	439,783.14	439,783.14
(1) Due	439,783.14	439,783.14
4. Ending balance	96,383,601.17	96,383,601.17
II. Accumulated depreciation		
1. Beginning balance	8,497,102.11	8,497,102.11
2. Amount increase in the current year	9,474,215.37	9,474,215.37
(1) Provision	9,474,215.37	9,474,215.37
3. Decrease in the current period	145,721.81	145,721.81
(1) Disposal		
(2) Due	145,721.81	145,721.81
4. Ending balance	17,825,595.67	17,825,595.67
III. Impairment provision		
1. Beginning balance		
2. Amount increase in the current year		
(1) Provision		
3. Decrease in the current period		
(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	78,558,005.50	78,558,005.50
2. Beginning book value	71,904,716.50	71,904,716.50

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

☐ Applicable ☒ Not applicable

18. Intangible assets

(1) Intangible assets

Unit: RMB

Item	Land use right	Patent rights	Non-patented technology	Trademark	Computer software	Total
I. Original carrying value						
1. Beginning balance	1,967,851.00			128,500.00	7,196,385.90	9,292,736.90
2. Amount increase in the current year					593,082.30	593,082.30
(1) Purchase					420,082.30	420,082.30
(2) Internal R&D						
(3) Increase from business merger					173,000.00	173,000.00

3. Decrease in the current period						
(1) Disposal						
4. Ending balance	1,967,851.00			128,500.00	7,789,468.20	9,885,819.20
II. Accumulated amortization						
1. Beginning balance	802,676.49			110,987.78	4,463,302.02	5,376,966.29
2. Amount increase in the current year	103,571.05			3,792.78	625,654.63	733,018.46
(1) Provision	103,571.05			3,792.78	452,654.63	560,018.46
(2) Changes in consolidation scope					173,000.00	173,000.00
3. Decrease in the current period						
(1) Disposal						
4. Ending balance	906,247.54			114,780.56	5,088,956.65	6,109,984.75
III. Impairment provision						
1. Beginning balance						
2. Amount increase in the current year						
(1) Provision						
3. Decrease in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	1,061,603.46			13,719.44	2,700,511.55	3,775,834.45
2. Beginning book value	1,165,174.51			17,512.22	2,733,083.88	3,915,770.61

Ratio of intangible assets formed through internal R&D to the balance of intangible assets at the end of the current period.

(2) Data resources recognized as intangible assets

☐ Applicable ☒ Not applicable

(3) 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 decreases	Ending balance
Decoration engineering	38,392,179.02	22,719,349.38	13,046,045.39	-	48,065,483.01
Information System Service Fee		43,577.00	13,650.64	-	29,926.36

Total	38,392,179.02	22,762,926.38	13,059,696.03		48,095,409.37
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20. Deferred tax assets/deferred tax liabilities

(1) Deferred 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
Deductible losses			12,429,491.12	3,107,372.77
Provision for credit impairment	34,988,635.30	8,747,158.83	35,059,422.28	8,764,855.57
Deferred income	556,473.76	139,118.44	687,408.75	171,852.19
Changes in the fair value of trading financial assets	398,515.24	99,628.81	13,705,388.76	3,426,347.19
Changes in the fair value of other equity instrument investments	10,176,617.20	2,544,154.30	9,793,299.53	2,448,324.88
Lease liabilities	84,443,765.66	21,110,941.41	79,671,619.30	19,917,904.83
Total	130,564,007.16	32,641,001.79	151,346,629.74	37,836,657.43

(2) Deferred tax liabilities not offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Accelerated depreciation of fixed assets	126,577.00	31,644.25	562,445.00	140,611.25
Time difference of income tax due to allocation of rent-free period income	17,094,258.40	4,273,564.60	19,145,855.24	4,786,463.81
Measurement of remaining equity fair value			67,398,061.80	16,849,515.45
Increase in assessed value from business combinations under different control	114,326,295.47	28,581,570.00		
Right-of-use assets	77,731,810.56	19,432,952.64	74,533,199.60	18,633,299.90
Total	209,278,941.43	52,319,731.49	161,639,561.64	40,409,890.41

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

Unit: RMB

Item	Amount of offsetting of deferred income tax assets against liabilities at the end of the period	Period-end balance of deferred tax assets or liabilities after offset	Mutual off-set amount of deferred tax assets and liabilities at the beginning of the period	Period-beginning balance of deferred tax assets or liabilities after offset
Deferred income tax		5,496,778.78		37,836,657.43

assets	27,144,223.01			
Deferred tax liabilities	27,144,223.01	25,175,508.48		40,409,890.41

(4) Breakdown of unrecognized deferred tax assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	149,654,149.86	123,519,997.09
Deductible losses	44,519,904.21	22,073,706.37
Total	194,174,054.07	145,593,703.46

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

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2024			
2025	6,285,169.81	3,230,232.35	
2026	8,589,171.35	8,589,171.35	
2027	2,693,238.23	4,821,009.13	
2028	24,987,453.67	5,433,293.54	
2029	1,964,871.15		
Total	44,519,904.21	22,073,706.37	

21. Other non-current assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepaid project payment	47,062,569.00		47,062,569.00	47,071,710.51		47,071,710.51
Reclassification of VAT debit balance	7,237,158.45		7,237,158.45	8,385,565.03		8,385,565.03
Large-denomination certificates of deposit and interest due over one year	145,315,608.13		145,315,608.13	41,431,777.78		41,431,777.78
Prepayments for software	132,775.71		132,775.71	164,000.00		164,000.00
Total	199,748,111.29		199,748,111.29	97,053,053.32		97,053,053.32

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

Unit: RMB

Item	Period end				Period beginning			
	Book balance	Book value	Restricted type	Restriction	Book balance	Book value	Restricted type	Restriction
Cash at bank and on hand	76,695,391.06	76,695,391.06	Security deposit	Security deposits and futures margin for bank gold leasing	60,117,573.95	60,117,573.95	Security deposit	Security deposits and futures margin for bank gold leasing
Total	76,695,391.06	76,695,391.06			60,117,573.95	60,117,573.95		

23. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Credit borrowings	120,101,444.43	145,131,694.44
Total	120,101,444.43	145,131,694.44

Notes on the classification of short-term borrowings:

24. Trading financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Trading financial liabilities		56,881,954.76
Including:		
Gold leasing		56,881,954.76
Including:		
Total		56,881,954.76

25. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Derivative financial liabilities with designated hedging relationship	46,660.00	1,380.00
Total	46,660.00	1,380.00

26. Notes payable

Unit: RMB

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

27. Accounts payable**(1) Presentation of accounts payable**

Unit: RMB

Item	Ending balance	Beginning balance
Purchase payment for goods and services	7,874,360.75	6,150,884.19
Payment for engineering equipment	117,681,332.38	129,683,530.20
Total	125,555,693.13	135,834,414.39

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

Unit: RMB

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

28. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	126,312,280.55	126,826,966.60
Total	126,312,280.55	126,826,966.60

(1) Other payables**1) Other payables presented by the nature of payment**

Unit: RMB

Item	Ending balance	Beginning balance
Guarantee and security deposits	73,630,322.35	61,572,033.08
Associated intercourse funds	7,845,985.83	13,217,780.83
Withdrawal in advance	14,104,886.38	14,559,784.33
Temporary receipts payable	30,731,085.99	37,477,368.36
Total	126,312,280.55	126,826,966.60

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

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
Hongkong Yujia Investment Limited	2,255,339.58	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
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3) The top ten other payables by ending balance aggregated by counterparty

29. Advances from customers

(1) Presentation of advances from customers

Unit: RMB

Item	Ending balance	Beginning balance
Rent	9,469,503.75	4,306,567.65
Total	9,469,503.75	4,306,567.65

30. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Goods fees receivable in advance	2,404,815.58	2,628,855.25
Services fees receivable in advance	1,604,689.01	4,451,120.13
Total	4,009,504.59	7,079,975.38

31. Employee compensation payable

(1) Employee compensation payable

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the Current Period	Ending balance
I. Short-term compensation	33,425,356.15	48,633,497.23	45,284,502.19	36,774,351.19
II. Post-employment benefits-defined contribution plans		4,405,374.25	4,376,101.50	29,272.75
III. Dismissal benefits		633,205.73	601,205.73	32,000.00
Total	33,425,356.15	53,672,077.21	50,261,809.42	36,835,623.94

(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	33,338,217.09	40,960,185.92	38,153,409.76	36,144,993.25
2. Employee benefits	85,500.00	1,595,410.64	1,162,739.02	518,171.62
3. Social insurance premiums		1,779,353.45	1,768,762.24	10,591.21
Including: Medical insurance premiums		1,371,562.54	1,362,664.06	8,898.48
Work-related injury insurance premium		175,659.99	174,895.60	764.39
Maternity insurance premiums		232,130.92	231,202.58	928.34
4. Housing provident fund	1,012.80	3,288,945.98	3,288,945.98	1,012.80

5. Labor union funds and staff education funds	626.26	1,009,601.24	910,645.19	99,582.31
Total	33,425,356.15	48,633,497.23	45,284,502.19	36,774,351.19

(3) Presentation of defined contribution plan

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the Current Period	Ending balance
1. Basic endowment insurance		4,168,578.11	4,140,834.14	27,743.97
2. Unemployment insurance premium		236,796.14	235,267.36	1,528.78
3. Enterprise annuity				
Total		4,405,374.25	4,376,101.50	29,272.75

32. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance
Value-added tax	5,266,527.71	1,753,636.75
Consumption tax	964.82	
Corporate income tax	11,454,335.79	7,692,722.34
Individual income tax	1,297,785.08	1,174,933.55
Urban maintenance and construction tax	105,007.68	98,752.51
Educational surcharges	74,959.48	70,691.09
Land use tax	26,460.00	
Land VAT	17,360,372.46	17,386,832.46
Stamp duty	518,448.66	526,135.54
Other taxes	4,878.34	153,743.82
Total	36,109,740.02	28,857,448.06

33. Non-current liabilities due within one year

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities due within one year	8,674,869.40	7,304,647.32
Total	8,674,869.40	7,304,647.32

34. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Taxes of items to be written off	6,142,814.36	3,388,998.35
Total	6,142,814.36	3,388,998.35

35. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	76,541,985.55	69,524,214.23
Total	76,541,985.55	69,524,214.23

36. 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 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

37. Estimated liabilities

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation		268,414.80	
Total		268,414.80	

38. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the Current Period	Ending balance	Reason for formation
Government subsidies	9,617,683.53		1,780,205.93	7,837,477.60	
Total	9,617,683.53		1,780,205.93	7,837,477.60	--

39. Share capital

Unit: RMB

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

40. Capital reserves

Unit: RMB

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

41. Other comprehensive income

Unit: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: Amount included in other comprehensive incomes in the previous period but transferred to profit and loss in the current period	Less: Amount included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income items not to be reclassified into profits and losses	- 7,344,974.65					- 287,488.25		- 7,632,462.90
Changes in the fair value of other equity instrument investments	- 7,344,974.65					- 287,488.25		- 7,632,462.90
II. Other comprehensive income items to be reclassified into profits	26,422.00							26,422.00

and losses								
Including: Other comprehensive income items to be reclassified into profits and losses through the equity method	26,422.00							26,422.00
Total other comprehensive income	7,318,552.65	-				287,488.25	-	7,606,040.90

42. Surplus reserve

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the Current Period	Ending balance
Statutory surplus reserves	63,956,286.46	10,266,370.53		74,222,656.99
Total	63,956,286.46	10,266,370.53		74,222,656.99

43. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	685,342,592.62	590,605,394.67
Total number of undistributed profit at the beginning of adjustment period (increase to be listed with "+", decrease to be listed with "-")		8,804.40
Undistributed profits at the beginning of the period after adjustment	685,342,592.62	590,614,199.07
Add: Net profits attributable to owners of parent company in the current period	136,629,870.80	118,255,140.84
Less: Appropriation to statutory surplus reserve	10,266,370.53	11,457,114.33
Ordinary share dividends payable	13,362,807.92	12,069,632.96
Undistributed profits at the end of the period	798,343,284.97	685,342,592.62

Breakdown of adjusted undistributed profits at the beginning of the period:

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

44. Operating revenue and operating cost

Unit: RMB

Item	Amount incurred in the current period		Amount Incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Main business	2,613,678,204.37	2,376,764,300.06	1,840,775,590.72	1,644,301,037.12
Other business			5,963,251.17	4,036,162.48
Total	2,613,678,204.37	2,376,764,300.06	1,846,738,841.89	1,648,337,199.60

Audited net profit before and after deducting non-recurring gains and losses (whichever is lower, negative value or not)

☐ Yes ☒ No

Breakdown information of operating revenues and operating costs:

Unit: RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type								
Including:								
Jewelry sales and services	2,320,842,052.78	2,273,354,439.85					2,320,842,052.78	2,273,354,439.85
Leasing and services	292,836,151.59	103,409,860.21					292,836,151.59	103,409,860.21
By operating region								
Including:								
South China	1,971,504,250.32	1,743,354,212.66					1,971,504,250.32	1,743,354,212.66
East China	241,495,799.74	238,075,580.05					241,495,799.74	238,075,580.05
North China	260,881,606.21	257,355,619.98					260,881,606.21	257,355,619.98
Central China	121,099,408.56	119,547,197.35					121,099,408.56	119,547,197.35
Other regions	18,697,139.54	18,431,690.02					18,697,139.54	18,431,690.02
By market or customer type								
Including:								
By contract type								
Including:								
By time of transfer of goods								

Including:								
By contract term								
Including:								
By sales channel								
Including:								
Total	2,613,678,204.37	2,376,764,300.06					2,613,678,204.37	2,376,764,300.06

45. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Urban maintenance and construction tax	1,830,648.40	1,077,410.34
Educational surcharges	784,536.01	461,747.20
Property tax	7,172,545.32	7,253,212.27
Land use tax	442,956.07	412,099.40
Land VAT		11,997,689.82
Stamp duty	2,405,663.01	1,718,798.56
Local educational surcharges	523,024.00	307,831.47
Vehicle and vessel use tax	13,275.47	1,320.00
Total	13,172,648.28	23,230,109.06

46. Administrative expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Employee compensation	38,432,977.77	68,670,655.46
Depreciation and amortization	4,766,354.91	4,513,002.32
Consulting and service fees	4,538,253.56	7,233,752.18
Office expenses	992,490.75	899,835.11
Property management fee\cleaning fee\utilities	811,611.67	911,298.57
Transport and travel expenses	289,228.68	257,294.53
Advertising expenses	162,934.17	151,938.34
Communication expenses	137,608.06	101,964.65
Business entertainment expenses	81,061.23	130,697.36
Others	1,150,071.65	2,751,356.57
Total	51,362,592.45	85,621,795.09

47. Selling expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Employee compensation	6,552,554.33	7,129,402.58
E-commerce channel operation service fee	6,284,555.98	

Depreciation and amortization	3,089,169.78	2,562,163.21
Advertising marketing expenses	1,514,296.05	1,946,341.18
Consultation and service expenses	1,054,392.27	2,570,164.71
Insurance expenses	548,338.28	362,748.38
Communication expense	424,139.87	159,849.95
Utilities and cleaning fees	423,458.67	1,735,848.97
Transportation and travel expenses	271,940.20	495,863.28
Office expenses	171,365.99	291,536.03
Business entertainment expenses	60,070.06	301,268.22
Material consumption expenses	444.42	9,253.40
Others	1,837,954.99	1,564,074.84
Total	22,232,680.89	19,128,514.75

48. R&D expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Employee compensation	2,980,237.50	1,849,878.34
Depreciation and amortization	70,296.60	115,917.44
Others	218,285.78	
Total	3,268,819.88	1,965,795.78

49. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Net interest expenses	9,096,305.49	9,444,953.16
Interest income	-2,984,792.54	-4,682,945.54
Exchange profit and loss	-53,888.97	670,928.14
Handling expenses and others	331,390.71	104,944.16
Total	6,389,014.69	5,537,879.92

50. Other incomes

Unit: RMB

Sources of other incomes	Amount incurred in the current period	Amount Incurred in the previous period
I. Government subsidies included in other incomes	6,524,396.47	8,480,891.46
Including: Government subsidies related to deferred income	1,780,205.93	1,747,472.18
Government subsidies directly included in current profits and losses	4,744,190.54	6,733,419.28
II. Other items related to daily activities and included in other incomes	73,439.68	10,158.93
Including: Individual income tax withholding fees	73,439.68	10,158.93
Total	6,597,836.15	8,491,050.39

51. 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
Trading financial assets	-12,410,718.88	-10,477,822.50
Trading financial liabilities	3,002,660.00	-2,215,610.00
Income from changes in fair value of hedging instruments	139,823.00	786,300.00
Income from changes in fair value of hedging items	-1,299,627.74	-101,030.68
Others	120.00	-120.00
Total	-10,567,743.62	-12,008,283.18

52. Investment incomes

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Income from long-term equity investments calculated through the equity method	24,212,981.63	19,872,836.15
Investment income from trading financial assets during the holding period	5,770,977.63	3,132,190.40
Profit from re-measurement of residual equity at fair value after loss of the right of control		69,552,580.12
Interest income from large-denomination certificates of deposit and time deposits	5,703,743.63	7,570,633.50
Closing income from commodity futures contracts and T+D contracts (hedging)	-15,331,164.53	-5,314,788.02
Closing income from commodity futures contracts and T+D contracts (no hedging specified)	-886,055.89	-939,938.97
Total	19,470,482.47	93,873,513.18

53. 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	339,597.30	-607,094.36
Loss on bad debts of other receivables	6,719,894.33	-107,251.93
Impairment loss of other current assets	-157,396.51	
Bad debt loss of dividends receivable	-1,305,581.86	
Total	5,596,513.26	-714,346.29

54. Asset impairment losses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
I. Loss on diminution in value of inventories and impairment loss on contract performance cost		-208,813.79
IV. Loss on impairment of fixed assets		-838,121.78
Total		-1,046,935.57

55. 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 "-")	-227.20	-59,110.10

56. Non-operating incomes

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period	Amount included in current non-recurring profits and losses
Gains from unpayable payments	492,565.25	58,629.97	492,565.25
Revenue from liquidated damages	3,405,795.28	1,561,760.57	3,405,795.28
Others	2,592.54	770,443.76	2,592.54
Total	3,900,953.07	2,390,834.30	3,900,953.07

57. Non-operating expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period	Amount included in current non-recurring profits and losses
Loss from scrapping of non-current assets		17,991.92	
Overdue payments and liquidated damage expenditure	1,383,776.06	185,239.70	1,383,776.06
Others	812,183.78	116,065.40	812,183.78
Total	2,195,959.84	319,297.02	2,195,959.84

58. Income tax expenses

(1) List of income tax expenses

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Current income tax expenses	35,638,514.23	29,670,941.56
Deferred tax expenses	-11,380,243.86	12,413,564.92
Total	24,258,270.37	42,084,506.48

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Amount incurred in the current period
Total profits	163,290,002.41
Income tax expenses based on statutory/applicable tax rate	40,822,500.60
Effect of different tax rates applied to subsidiaries	-1,053,341.75
Effect of income tax during the period before adjustment	-31,159.40

Impact of non-deductible costs, expenses, and losses	2,088,898.27
Profit or loss of joint ventures and associated enterprises calculated by equity method	-5,895,086.41
Income exempted from taxation (to be listed with "-")	-172,644.40
Effect of using previously unrecognized deductible losses of previous years and deductible temporary differences (to be listed with "-")	-13,133,718.97
Effect of using previously unrecognized deductible losses and deductible temporary differences	2,244,876.91
Tax effect of additional deduction for R&D expenses (to be listed with "-")	-612,054.48
Income tax expenses	24,258,270.37

59. Other comprehensive income

Refer to Note VII. 41 for details.

60. Items in the cash flow statement

(1) Cash related to operating activities

Other cash received relating to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Guarantee and security deposits	33,248,403.97	30,178,690.12
Interest income	1,595,629.53	4,601,226.17
Government subsidies received	4,822,034.27	5,489,668.98
Receipt of payment security deposits	22,987,350.00	4,040,160.00
Current accounts and others	14,089,935.20	8,984,997.82
Total	76,743,352.97	53,294,743.09

Other cash paid relating to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Out-of-pocket expenses	30,628,305.96	24,693,611.96
Guarantee and security deposits	33,767,616.06	18,200,617.62
Penalty for breach of contract	1,300,150.00	78,857.09
Payment of gold leasing security deposits and note margins, etc.	2,063,282.98	49,095,661.55
Current accounts and others	12,048,639.24	15,440,288.31
Total	79,807,994.24	107,509,036.53

(2) Cash related to investing activities

Other cash received relating to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Supervision funds received		10,665,656.00
Incorporation of SDG Huari into consolidated funds	5,964,034.76	
Others		46,628.16
Total	5,964,034.76	10,712,284.16

Important cash received related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Principals and interests of structured deposits, wealth management products, large-denomination certificates of deposit and time deposits	820,139,644.49	628,726,990.40
Total	820,139,644.49	628,726,990.40

Other cash paid relating to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Security deposit for hedging instruments	14,659,543.80	1,466,070.40
List of SDG Huari		6,527,338.78
Others		78,987.06
Total	14,659,543.80	8,072,396.24

Important cash paid related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Structured deposits, wealth management products, large-denomination certificates of deposit and time deposits	985,536,930.32	717,659,265.39
Total	985,536,930.32	717,659,265.39

(3) Cash related to financing activities

Other cash received related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Lease security deposit received		253,420.00
Total		253,420.00

Other cash paid relating to other financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Capital paid to minority shareholders		4,900,000.00
Lease security deposit paid		1,515,467.96
Principal and interest on lease liabilities paid	12,180,403.46	809,217.19
Total	12,180,403.46	7,224,685.15

Changes in liabilities arising from financing activities

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the Current Period		Ending balance
		Cash change	Non-cash change	Cash change	Non-cash change	
Short-term borrowings	145,131,694.44	415,000,000.00	5,981,417.61	446,011,667.62		120,101,444.43
Long-term borrowings						

Lease liabilities	76,828,861.55		18,825,686.25	10,437,692.85		85,216,854.95
Total	221,960,555.99	415,000,000.00	24,807,103.86	456,449,360.47		205,318,299.38

61. Supplementary information to the cash flow statement

(1) Supplementary information to 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	139,031,732.04	111,440,466.92
Add: Provision for impairment of assets	-5,596,513.26	1,761,281.86
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	41,583,661.32	37,924,212.30
Depreciation of right-of-use assets	9,474,215.37	6,481,996.22
Amortization of intangible assets	560,018.46	1,178,005.72
Amortization of long-term deferred expenses	13,059,696.03	6,447,382.15
Losses on the disposal of fixed assets, intangible assets, and other long-term assets (gain to be listed with "-")	227.20	59,110.10
Losses from the scrapping of fixed assets (gains to be listed with "-")		17,991.92
Loss from changes in fair value (gain to be listed with "-")	10,567,743.62	12,008,283.18
Financial expense (gain to be listed with "-")	9,100,270.87	9,444,953.16
Investment loss (gain to be listed with "-")	-19,470,482.47	-93,873,513.18
Decrease of deferred income tax assets (increase to be listed with "-")	32,339,878.65	-29,318,423.66
Increases in deferred tax liabilities (decrease to be listed with "-")	-15,330,211.35	36,817,730.02
Decrease of inventory (increase to be listed with "-")	45,716,613.09	-54,724,534.68
Decrease in operating receivables (increase to be listed with "-")	100,475,881.49	-102,166,911.92
Increase in operating items payable (decrease to be listed with "-")	28,776,082.79	-3,638,036.57
Others		
Net cash flows from operating activities	390,288,813.85	-60,140,006.46
2. Major investment and financing activities not relating to cash deposit and withdrawal		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired through financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	301,275,968.63	160,223,387.69
Less: Period-beginning balance of cash	160,223,387.69	391,406,829.36
Add: Period-end balance of cash equivalents		

Less: Period-beginning balance of cash equivalents		
Net increase in cash and cash equivalents	141,052,580.94	-231,183,441.67

(2) Net cash paid for acquisition of subsidiaries in the current period

Unit: RMB

	Amount
Including:	
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	-5,964,034.76
Including:	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	-5,964,034.76
Including:	
Net cash paid for acquisition of subsidiaries	5,964,034.76

(3) Composition of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	301,275,968.63	160,223,387.69
Including: Cash on hand	20,879.87	17,215.98
Cash at bank available for payment at any time	241,190,505.42	120,361,253.61
Other monetary funds available for payment on demand	60,064,583.34	39,844,918.10
III. Period-end balance of cash and cash equivalents	301,275,968.63	160,223,387.69

(4) Monetary funds not belonging to cash or cash equivalents

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Reasons for not belonging to cash and cash equivalents
Security deposits for notes payable	33,113,263.10		Guarantee deposits of notes
Futures and options account margin	22,848,540.40	8,188,990.60	Deposits for gold futures trading business restricted
Gold leasing security deposits and interests	20,069,638.91	51,328,583.35	Deposits for gold leasing business restricted
Amount under judicial control	663,948.65	600,000.00	Judicial control
Total	76,695,391.06	60,117,573.95	

62. Monetary items in foreign currency**(1) Foreign currency monetary items**

Unit: RMB

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand			
Including: USD	861.56	7.1884	6,193.24
EUR			

HKD	49,698.96	0.92604	46,023.22
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	205,381.99	7.1884	1,476,367.90
Other payables			
Including: HKD	3,376,679.37	0.92604	3,126,940.16

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

☐ Applicable ☒ Not applicable

63. Lease

(1) The Company as the lessee

☒ Applicable ☐ Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

Situations involving sale and leaseback transactions

(2) The Company as the lessor

Operating leases with the Company as the lessor

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Lease income	Including: Incomes related to variable lease payments that are not included in the measurement of lease receipts
Lease	292,836,151.59	
Total	292,836,151.59	

Finance lease with the Company as the lessor

☐ Applicable ☒ Not applicable

Annual undiscounted lease receipts in the next five years

☐ Applicable ☒ Not applicable

VIII. R&D Expenditures

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Labor cost	2,999,634.82	1,849,878.34
Depreciation expenses	70,296.60	115,917.44
Other expenses	198,888.46	
Total	3,268,819.88	1,965,795.78
Including: Expense account-based R&D expenses	3,268,819.88	1,965,795.78

IX. Changes in Consolidation Scope

1. Changes in consolidation scope for other reasons

Changes in the scope of consolidation due to other reasons (such as establishing new subsidiaries, liquidating subsidiaries) and related information:

On December 9, 2024, both the shareholders of SDG Huari signed an agreement to terminate the liquidation and resume operations. The Company submitted an application to the Shenzhen Qianhai Cooperation Zone People's Court for withdrawal of the compulsory liquidation application for SDG Huari. On December 27, 2024, the Company received the Civil Ruling ([2023] Y0391QQ No. 4) from the Shenzhen Qianhai Cooperation Zone People's Court, which approved the withdrawal of the compulsory liquidation application for SDG Huari. Consequently, the Company included SDG Huari in its consolidated financial statements as of December 27, 2024.

X. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of enterprise groups

Unit: RMB

Subsidiary name	Registered capital	Principal place of business	Registered location	Business nature	Shareholding proportion		Acquisition method
					Direct	Indirect	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	32,900,000.00	Shenzhen	Shenzhen	Commerce	5.00%	95.00%	Establishment
Shenzhen Bao'an Shiquan Industry Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,150,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Tellus Chuangying Technology Co.,	1,500,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment

Ltd.							
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%	0.00%	Establishment
Shenzhen Automobile Industry and Trade 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.	35,712,710.50	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Establishment
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment

Unit: RMB

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

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

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

voting at the shareholders' meeting and the board of directors of Guorun Gold Shenzhen Co., Ltd. Therefore, the Company and its subsidiaries actually hold 51% of the voting rights of Guorun Gold Shenzhen Co., Ltd., and have control over Guorun Gold Shenzhen Co., Ltd.

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

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

Basis to determine whether the company is the agent or the principal:

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Subsidiary name	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority interests at the end of the period
Guorun Gold Shenzhen Co., Ltd.	60.75%	91,947.48		120,818,588.83

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

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

Unit: RMB

Subsidiary name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guorun Gold Shenzhen Co., Ltd.	389,613,130.69	7,015,684.80	396,628,815.49	194,653,052.28	3,912,502.84	198,565,555.12	401,436,296.18	7,409,377.22	408,845,673.40	205,997,337.37	4,935,809.24	210,933,146.61

Unit: RMB

Subsidiary name	Amount incurred in the current period				Amount Incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Guorun Gold Shenzhen Co., Ltd.	2,299,835,371.86	150,733.58	150,733.58	204,070,004.99	1,492,021,725.24	-	-	-
						1,528,616.54	1,528,616.54	182,332,552.52

2. Equities in joint ventures or associates

(1) Important associates and joint ventures

Name of joint	Principal place	Registered	Business nature	Shareholding proportion	Accounting
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venture or associate	of business	location		Direct	Indirect	Methods for Investment in Joint Ventures or Associates
I. Joint ventures						
Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen	Shenzhen	Leasing services	50.00%		Equity method-based accounting
II. Associates						
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen	Shenzhen	Automobile sales	35.00%		Equity method-based accounting

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

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

(2) Main financial information of important joint ventures

Unit: RMB

	Period-end balance/amount incurred in the current period	Period-beginning balance/amount incurred in the previous period
	Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen Tellus-Gmond Investment Co., Ltd.
Current assets	64,308,170.72	60,614,147.72
Including: Cash and cash equivalents	63,261,490.89	59,631,516.56
Non-current assets	301,569,595.17	326,363,493.98
Total assets	365,877,765.89	386,977,641.70
Current liabilities	46,770,664.57	47,521,951.61
Non-current liabilities	206,675,092.80	240,954,000.00
Total liabilities	253,445,757.37	288,475,951.61
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	112,432,008.52	98,501,690.09
Shares of net assets calculated as per the shareholding proportion	56,216,004.26	49,250,845.06
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments to joint ventures	56,216,004.26	49,250,845.06
Fair value of equity investment in joint ventures with public offers		
Operating revenue	132,430,277.65	114,967,524.80
Financial expenses	9,163,348.96	10,656,384.56

Income tax expenses	15,182,681.66	11,463,999.39
Net profit	43,930,318.41	34,214,249.85
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	43,930,318.41	34,214,249.85
Dividends received from joint ventures in the current year	15,000,000.00	15,000,000.00

(3) Major financial information of important associates

Unit: RMB

	Period-end balance/amount incurred in the current period	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	142,897,387.81	167,519,575.18
Non-current assets	23,459,468.10	32,145,888.83
Total assets	166,356,855.91	199,665,464.01
Current liabilities	122,597,583.76	158,552,555.81
Non-current liabilities	362,341.96	1,231,962.74
Total liabilities	122,959,925.72	159,784,518.55
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	43,396,930.19	39,880,945.46
Shares of net assets calculated as per the shareholding proportion	15,188,925.57	13,958,330.91
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in associates	15,188,925.57	13,958,330.91
Fair value of equity investments in associates with public offers		
Operating revenue	814,278,410.46	1,023,951,420.71
Net profit	3,515,984.72	10,469,419.27
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	814,278,410.46	10,469,419.27
Dividends received from associates in the current year	0.00	9,385,714.52

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

Unit: RMB

	Period-end balance/amount incurred in the current period	Period-beginning balance/amount incurred in the previous period
Joint ventures:		
Total book value of investments	13,680,093.35	13,302,311.60
Total amount of the following items at the shareholding percentage		
-- Net profit	754,101.51	-898,585.53
-- Other comprehensive income	754,101.51	-898,585.53
Associates:		
Total amount of the following items at the shareholding percentage		

(5) Explanation on major restrictions on the capability of transferring capital from joint ventures or associates to the Company

Unit: RMB

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

XI. Government Subsidies**1. Government subsidies recognized as receivable amounts at the end of the reporting period**☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable**2. Liability-related projects with government subsidies**☒ Applicable ☐ Not applicable

Unit: RMB

Accounting item	Beginning balance	New granted amount in the current period	Amount included non-operating revenues in the current period	Amount transferred to other incomes in the current period	Other changes in the current period	Ending balance	Asset/income-related
Deferred income	9,617,683.53			1,780,205.93		7,837,477.60	Asset-related

3. Government subsidies included in current profits and losses

☑Applicable ☐ Not applicable

Unit: RMB

Accounting item	Amount incurred in the current period	Amount Incurred in the previous period
Other incomes	4,744,190.54	6,733,419.28

XII. Risks Related to Financial Instruments**1. Various risks arising from financial instruments**

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

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.

The Company disseminates risks in financial instruments through appropriate diversified investments and business portfolios and formulates corresponding risk management policies to reduce risks concentrated in a single industry, specific regions, or specific counterparties.

(1) Credit risks

Credit risk is the risk of financial loss of the Company caused by a counterparty's failure to meet its obligations in a contract.

The Company manages credit risks through portfolio classification. Credit risk mainly arises from bank deposits, accounts receivable, other receivables, long-term receivables, debt investment, etc.

For expected bank deposits, no major credit risk is generated as the Company's bank deposits are mainly kept in state-owned banks and other large and medium-sized listed banks.

For notes receivable, accounts receivable, other receivables, and long-term receivables, relevant policies are established by the Company to control credit risk exposure. The Company evaluates customers' credit qualifications based on their financial status, credit records, and other factors such as current market conditions, and sets corresponding credit periods. The Company will monitor the credit records of customers periodically. For customers with poor credit records, measures such as written payment demand, shortening the credit period, or canceling the credit period will be adopted by the Company, to ensure the overall credit risk is in the controllable scope.

The Company's debtors of accounts receivable are customers distributed in different industries and areas. The Company continuously conducts credit assessments on the financial status of accounts receivable and, when appropriate, purchases credit guarantee insurance.

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

Among the accounts receivable of the Company, the accounts receivable from the top five customers account for 28.78% of the total accounts receivable (2023: 43.23%). Additionally, among the other receivables, the amounts owed by the top five companies in amount in arrear represent 48.62% of the Company's total other receivables (2023: 47.55%).

(2) Liquidity risks

Liquidity risk refers to the risk of a shortage of funds arising from the performance of the Company's obligations to settle through the delivery of cash or for other financial assets.

In managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed necessary by management and monitors them to meet operational needs and mitigate the impact of cash flow volatility. The management of the Company monitors the utilization of bank loans and ensures compliance with borrowing agreements. Meanwhile, the Company has obtained commitments from major financial institutions regarding the provision of adequate reserve funds to meet the Company's fund requirements in the short and long terms.

Sources of the Company's working capital include funds generated from operating activities, bank loans, and other borrowings. At the end of the period, the unused bank borrowing limit of the Company was RMB 20 million (RMB 667 million at the end of the previous year).

At the end of the period, financial liabilities and off-balance sheet guaranteed items held by the Company are analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Item	Ending balance				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	12,010.14	-	-	-	12,010.14
Trading financial liabilities	-	-	-	-	-
Derivative financial liabilities	4.67	-	-	-	4.67
Accounts payable	3,624.12	3,825.94	0.71	5,104.80	12,555.57
Other payables	4,145.11	2,375.5	364.18	5,746.43	12,631.23
Current portion of non-current liabilities	867.49	-	-	-	867.49
Lease liabilities	-	1,129.41	1,149.10	6,471.98	8,750.49
Long-term payables	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	20,651.53	7,330.85	1,513.99	17,715.23	47,211.61

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	Ending Balance of the Previous Year				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	14,513.17	-	-	-	14,513.17
Trading financial liabilities	5,688.20	-	-	-	5,688.20
Derivative financial liabilities	0.14	-	-	-	0.14
Accounts payable	6,939.87	942.36	40.44	5,660.77	13,583.44
Other payables	4,168.24	1,641.53	1,908.76	4,964.17	12,682.70
Current portion of non-current liabilities	1,066.04	-	-	-	1,066.04
Lease liabilities	-	995.42	912.07	6,102.07	8,009.56
Long-term payables	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	32,375.66	3,579.31	2,861.27	17,119.03	55,935.27

The amount of financial liabilities disclosed in the above table is undiscounted contractual cash flows and may therefore differ from their carrying amount in the balance sheet.

The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

(3) Market risks

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development. Market risks include interest rate risk, exchange rate risk, and other price risks.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in the market interest rate. Interest rate risk can come from recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The interest rate risk of the Company mainly arises from long-term borrowings from banks, bonds payable, and other long-term debts with interest. Financial liabilities with a floating interest rate expose the Company to cash flow interest rate risk, and financial liabilities with a fixed interest rate expose it to a fair value interest rate risk. The Company determines the ratio of fixed-rate and floating-rate contracts based on the market environment and maintains an appropriate combination of fixed-rate and floating-rate instruments through regular review and monitoring.

The Company keeps an eye on the effect of changes in interest rates on the Company's interest rate risk. At present, the Company does not take any interest rate hedging policy. However, the management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risks when necessary. The increase in interest rates will increase the cost of new interest-bearing debts and the Company's unpaid interest expense on interest-bearing debts accrued at floating interest rates, which will have a significant adverse effect on the Company's financial results. The management will duly make adjustments according to the latest market conditions. These adjustments may reduce interest rate risks via interest rate swaps.

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact after re-measurement of the above financial instruments according to the new interest rate assuming that the interest rate on the balance sheet date changes. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the estimated annual interest expenses or income. The previous year's analysis was based on the same assumption and methodology.

Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Exchange rate risk may come from financial instruments valued at a foreign currency other than the bookkeeping base currency.

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

The Company keeps an eye on the effect of the fluctuation in exchange rates on its exchange rate risk. At present, the Company does not take any action to avoid the exchange rate risk. However,

the management is responsible for monitoring exchange rate risks and will consider hedging significant interest rate risks when necessary.

Capital management

The objective of the Company's capital management policy is to ensure the sustainability of operations, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the financing method and the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce liabilities.

The Company monitors capital structure based on the asset-liability ratio (i.e. total liabilities divided by total assets). At the end of the period, the Company's asset-liability ratio is 26.85% (27.99% at the end of the previous year).

2. Hedging

(1) The Company conducts hedging business for risk management

☒Applicable ☐ Not applicable

To avoid the risk of changes in the fair value of gold raw materials held by them (i.e. the hedged risk), the subsidiaries of the Company, Guorun Gold Shenzhen Co., Ltd. and Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd., analyzed the expected purchase transactions of gold raw materials based on the number of gold bars booked and invested by customers and, on this basis, used hedging instruments such as deferred delivery contracts for spot gold of Shanghai Gold Exchange, gold futures contracts of Shanghai Futures Exchange, and exchange gold options. In this way, the risk of gold product price decline caused by the sharp drop in gold price can be avoided. Guorun Gold, a subsidiary of the Company, formulated the *Hedging Transaction Management Guidelines*, which clearly stipulates the approval authority, operation process, and risk control for the Company to carry out hedging business. The hedge is a fair value hedge and the accounting period specified for the hedging relationship is from January 1, 2024 to December 31, 2024.

The approval procedures for the Company to use its own funds to carry out hedging business comply with relevant national laws, regulations, and the *Articles of Association*. The gold deferred transaction hedging business carried out to avoid fluctuations in gold prices is conducive to controlling operational risks and improving the Company's ability to resist market fluctuations.

(2) The Company carries out eligible hedging business and applies hedge accounting

Unit: RMB

The book value of the hedged items and related adjustments are as follows:

2024

Item	Book value of the hedged item		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2024 (note)
	Asset	Liability	Asset	Liability		
Commodity price risk-inventory	115,731,218.89	-	-874,345.74	-	Inventory	-

2023

Item	Book value of the hedged item		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2023 (note)
	Asset	Liability	Asset	Liability		
Commodity price risk-inventory	85,802,395.07	-	442,847.41	-	Inventory	-

Changes in the book value and fair value of hedging instruments are as follows:

2024

Item	Nominal amount of hedging instrument	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2024 (note)
		Asset	Liability		
Commodity price risk-inventory	115,731,218.89	292,078.00	46,660.00	Derivative financial asset/liability	-

2023

Item	Nominal amount	Book value of hedging instruments	Listed items of the	Changes in the
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	of hedging instrument	Asset	Liability	balance sheet including hedging instruments	fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2023 (note)
Commodity price risk-inventory	85,802,395.07	298,320.00	1,380.00	Derivative financial asset/liability	-

Note: The invalid portion of hedging mainly comes from basis risk, supply and demand change risks in the spot or futures market, and uncertainty risks in other spot or futures markets. The invalid portions of hedging recognized in the current and previous years are not significant.

(3) The Company carries out hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

☐ Applicable ☒ Not applicable

3. Financial assets

(1) Classification of transfer methods

☐ Applicable ☒ Not applicable

(2) Financial assets derecognized due to transfers

☐ Applicable ☒ Not applicable

(3) Continuing involvement in the transfer of financial assets

☐ Applicable ☒ Not applicable

XIII. Disclosure of Fair Value

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

Unit: RMB

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(I) Trading financial assets		165,630,834.06		165,630,834.06
1. Financial assets at fair value through profit or loss		165,630,834.06		165,630,834.06
(4) Structured deposits and financial products		165,630,834.06		165,630,834.06
(II) Derivative financial assets	292,078.00			292,078.00

1. Hedging instruments	292,078.00			292,078.00
(III) Other debt investments		84,724,128.76		84,724,128.76
1. Large-denomination certificate of deposit		84,724,128.76		84,724,128.76
(IV) Other equity instrument investments				
(V) Hedged items	114,856,873.15			114,856,873.15
Total amount of assets continuously measured at fair value	115,148,951.15	250,354,962.82		365,503,913.97
(1) Gold leasing				
(VII) Derivative financial liabilities	46,660.00			46,660.00
1. Hedging instruments	46,660.00			46,660.00
Total amount of liabilities continuously measured at fair value	46,660.00			46,660.00
II. Non-continuous fair value measurement	--	--	--	--

2. Basis for determining the market price of items subject to continuous and non-continuous level 1 fair value measurement

Level 1: Quotations for the same assets or liabilities in active markets (unadjusted).

The Company designates the financial liabilities measured at fair value through profit or loss as the physical gold leasing business from banks by the Company. There is an active market for gold (i.e. Shanghai Gold Exchange), and the Shanghai Gold Exchange publishes the closing price of gold contract transactions on each trading day. At the end of the period, the Company uses the closing price published by the Shanghai Gold Exchange on the last trading day as the basis for determining the market price.

The hedged items of the Company are gold product inventories, and the hedging instruments are assets/liabilities arising from changes in the fair value of gold futures contracts and gold spot deferred settlement contracts held by the Company. The Company determines the fair value based on the public quotations of gold spot transactions and futures transactions of Shanghai Gold Exchange and Shanghai Futures Exchange.

3. Qualitative and quantitative information about valuation techniques and key parameters of items concerning continuous and non-continuous level 2 fair value measurement

Level 2: Observable input values other than market quotations for assets or liabilities in level 1 are used directly (i.e. price) or indirectly (i.e. derived from price).

The trading financial assets held by the Company are bank financial products with one-year principal guaranteed floating income, and their fair value is determined based on discounted future cash flows calculated at an agreed expected rate of return. There is no material difference between the fair value and book cost of other non-current financial assets held by the Company.

Information on level 2 fair value measurement

Content	Ending fair value	Valuation technique	Input value
Derivative instrument:			
Derivative financial assets	--	Discounted cash flow method	Expected interest rate

Derivative financial liabilities	--	Discounted cash flow method	Expected interest rate
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4. Qualitative and quantitative information about valuation techniques and key parameters of items concerning continuous and non-continuous level 3 fair value measurement

5. Information on adjustment between beginning book value and ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of unobservable parameters

Level 3: Any input value (unobservable input value) that is not based on observable market data is used for assets or liabilities.

Equity instrument investments are measured by the Company based on the investment cost as a reasonable estimate of the fair value, because the operating environment, operating conditions, and financial conditions of the investee, China PUFA Machinery Industry Co., Ltd., have not changed significantly.

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

Content	Ending fair value	Valuation technique	Unobservable input value	Range (weighted average)
Equity instrument investment:				
Unlisted equity investment				
		Net assets	N/A	N/A

6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period

In this year, the fair value measurement of financial assets and financial liabilities of the Company did not transfer between Level 1 and Level 2, or transfer into or out of Level 3.

For financial instruments traded in active markets, the Company determines their fair value based on active market quotes. For financial instruments not traded in active markets, the Company uses valuation techniques to establish their fair value. The used valuation model mainly includes the discounted cash flow model, market comparable company model, etc. The input values of valuation techniques mainly include the risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, discount for lack of marketability (DLOM), etc.

XIV. Related Parties and Related Party Transactions

1. Information of the parent company

Name of parent company	Registered location	Business nature	Registered capital	Shareholding proportion of the parent company to the Company	Vote proportion of the parent company to the Company
Shenzhen Special Economic Zone Development Group	Shenzhen	Real estate development and operation,	RMB 6,179,406,000	49.09%	49.09%

Co., Ltd.		domestic commerce			
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Information of the parent company

SDG Group was established on June 20, 1982, and invested by the Shenzhen SASAC. The company currently holds a business license with a unified social credit code of 91440300192194195C and a registered capital of RMB 6,179,406,000.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government.

2. Information of the subsidiaries of the Company

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

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

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

The information on other joint ventures or associates that produced balance by conducting related-party transactions with the Company in the current period or in the earlier period is shown as follows:

Name of joint venture or associate	Relationship with the Company
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Associate of the Company
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associate of the Company
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Associate of the Company
Shenzhen Torch Spark Plug Industry Co., Ltd.	Associate of the Company
Shenzhen Xiandao New Materials Co., Ltd.	Associate of the Company
Shenzhen Telixing Investment Co., Ltd.	Joint venture of the Company

4. Information of other related parties

Name of other related party	Relationship between other related party and the Company
Shenzhen SDG Microfinance Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Urban Renewal Investment Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Machinery & Equipment Import & Export Co., Ltd.	Controlled subsidiary of the Company's parent company
Hongkong Yujia Investment Limited	Controlled subsidiary of the Company's parent company
Shenzhen SDG Engineering Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Tellus Yangchun Company	Controlled subsidiary of the Company's parent company
Shenzhen SDG Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Longgang Tellus Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Tellus Property Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Service Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Building Technology Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Eastern Service Co., Ltd.	Controlled subsidiary of the Company's parent company
ISSTech Information Technology Co., Ltd.	Subsidiary controlled by the parent company of the Company within 12 months
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Associate of the Company's parent company
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Enterprise subject to significant impact by key management personnel
Shenzhen ZHL Industrial Co., Ltd.	Minority shareholder of important subsidiary
Beijing Caishikou Department Store Co., Ltd.	Minority shareholder of important subsidiary
Shenzhen Shuntian Electric Vehicle Technology Development	Investment company of the Company

Co., Ltd.	
Shenzhen Zhongminglong Investment Co., Ltd.	Enterprises in which the former president of an important subsidiary holds shares
Shenzhen Jinliantong Digital Technology Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Shenzhen Yuepengjin Jewelry Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Shenzhen Yuepengjin E-commerce Co., Ltd.	Enterprise controlled by minority shareholders of important subsidiary
Guoren Property & Casualty Insurance Co., Ltd.	Holding subsidiary of the parent company of the Company's parent company
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Other related parties

5. Information of related transactions

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

Information on purchase of commodities/receipt of labor services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Approved transaction amount	Exceeding the transaction amount or not	Amount Incurred in the previous period
Shenzhen SDG Service Co., Ltd.	Receiving services	20,270,819.23	40,220,000.00	No	16,915,283.92
Shenzhen SDG Tellus Property Management Co., Ltd.	Receiving services	1,734,135.69	1,980,000.00	No	2,130,623.04
Shenzhen ZHL Industrial Co., Ltd.	Receiving services	841,272.75		No	3,023,066.13
Shenzhen SDG Engineering Management Co., Ltd.	Receiving services	775,830.53	1,400,000.00	No	1,314,123.15
Guoren Property & Casualty Insurance Co., Ltd.	Purchasing services	541,600.54	800,000.00	No	414,886.00
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Purchasing services	453,552.39		No	
Shenzhen SDG Building Technology Co., Ltd.	Purchasing services	203,773.59		No	
Shenzhen SDG Eastern Service Co., Ltd.	Purchasing services	117,768.00		No	
Shenzhen Yuepengjin Jewelry Co., Ltd.	Receiving services	54,091.15		No	173,547.82
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Procurement of goods	25,994.42		No	56,492.11
Shenzhen Zhigu Jinyun Technology	Software usage fee			No	990,566.01

Co., Ltd.					
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Information on selling goods and rendering labor services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Amount Incurred in the previous period
Shenzhen Yuepengjin E-commerce Co., Ltd.	Sales of goods	83,815,902.66	105,249,451.43
Beijing Caishikou Department Store Co., Ltd.	Sales of goods	5,942,165.99	2,832,890.26
Shenzhen SDG Service Co., Ltd.	Provision of services	3,868,613.35	3,251,252.21
Shenzhen ZHL Industrial Co., Ltd.	Provision of services	452,001.02	274,809.68
Shenzhen Telixing Investment Co., Ltd.	Provision of services	283,018.87	
Shenzhen Yuepengjin Jewelry Co., Ltd.	Provision of services	357,459.71	368,035.44
Shenzhen SDG Microfinance Co., Ltd.	Provision of services	161,205.25	161,205.24
Shenzhen Jinliantong Digital Technology Co., Ltd.	Provision of services		2,615,621.84
Shenzhen Zhongminglong Investment Co., Ltd.	Provision of services		8,490.60
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Provision of services		566.04

(2) Information of related lease

The Company as 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 Renfu Tellus Automobiles Service Co., Ltd.	Lease of houses	5,190,476.19	5,190,476.11
Shenzhen SDG Microfinance Co., Ltd.	Lease of houses	1,101,847.98	1,020,346.44
Shenzhen Yuepengjin Jewelry Co., Ltd.	Lease of houses	357,182.10	1,886,387.76
Shenzhen SDG Service Co., Ltd.	Lease of houses	153,792.04	99,521.16
Shenzhen SDG Tellus Property Management Co., Ltd.	Lease of houses	163,762.85	158,518.11
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Lease of houses	8,000.00	32,000.04
Shenzhen Torch Spark Plug Industry Co., Ltd.	Safe deposit box leasing	2,293.58	
Shenzhen Zhongminglong Investment Co., Ltd.	Lease of houses		52,231.80
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Lease of houses		7,428.58

(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	4,680,300.00	6,993,000.00

6. Receivables and payables by related parties**(1) Receivables**

Unit: RMB

Item name	Related party	Ending balance		Beginning balance	
		Book balance	Provisions for bad debts	Book balance	Provisions for bad debts
Accounts receivable	Beijing Caishikou Department Store	544,715.30	5,447.15	656,267.50	6,562.68

	Co., Ltd.				
Accounts receivable	Shenzhen SDG Service Co., Ltd.	1,043,536.03	10,435.36		
Accounts receivable	Shenzhen Jinliantong Digital Technology Co., Ltd.			246,015.46	2,460.15
Accounts receivable	Shenzhen SDG Tellus Property Management Co., Ltd.			127.66	1.28
Accounts receivable	Shenzhen SDG Microfinance Co., Ltd.			142,112.35	1,421.12
Accounts receivable	Shenzhen Yuepengjin Jewelry Co., Ltd.			1,401,995.50	14,019.96
Prepayments	Guoren Property & Casualty Insurance Co., Ltd.	162,704.37		93,081.75	
Prepayments	Shenzhen SDG Service Co., Ltd.	7,200.00			
Prepayments	ISSTech Information Technology Co., Ltd.			593,247.17	
Prepayments	Shenzhen SDG Engineering Management Co., Ltd.			21,226.42	
Other receivables	Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	2,886.00	2,886.00	2,886.00	2,886.00
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	18,834.77	3,641.74	33,318.36	1,473.18
Other receivables	Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	Shenzhen Telixing Investment Co., Ltd.	733,103.55	36,057.45	259,566.39	2,595.66
Other receivables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	Shenzhen Zhigu Jinyun Technology Co., Ltd.	50,000.00	500.00		
Other receivables	Shenzhen ZHL Industrial Co., Ltd.	633,580.65	6,335.81	2,607,443.00	26,074.43
Other receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,360,390.00	1,360,390.00	1,360,390.00	1,360,390.00
Other receivables	Shenzhen Xiandao New Materials Co., Ltd.	660,790.09	660,790.09	660,790.09	660,790.09
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 name	Related party	Period-end book balance	Period-beginning book balance
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	5,371,011.83	334,493.34
Accounts payable	Shenzhen SDG Service Co., Ltd.	3,865,062.67	3,368,791.51
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	1,365,692.04	79,000.00
Accounts payable	Shenzhen Tellus-Gmond Investment Co., Ltd.	200,000.00	
Accounts payable	Shenzhen Zhigu Jinyun Technology Co., Ltd.	45,652.00	53,714.23
Accounts payable	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	45,300.00	45,300.00
Accounts payable	Shenzhen Yuepengjin Jewelry Co., Ltd.	28,000.00	20,680.00
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	669.57	212,993.43
Accounts payable	Shenzhen SDG Real Estate Co., Ltd.		6,054,855.46
Accounts payable	Shenzhen SDG Tellus Property Management Co., Ltd.		336,533.57
Advances from customers	Shenzhen SDG Microfinance Co., Ltd.	42,625.39	
Advances from customers	Shenzhen SDG Tellus Property Management Co., Ltd.	1,243.34	
Advances from customers	Shenzhen Yongtong Xinda Testing Equipment Co.,	68.00	

	Ltd.		
Advances from customers	Shenzhen SDG Engineering Management Co., Ltd.		21,226.42
Other payables	Hongkong Yujia Investment Limited	2,255,339.58	2,146,404.58
Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,575,452.52	1,554,196.80
Other payables	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50
Other payables	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	833,334.00	833,334.00
Other payables	Shenzhen Tellus Yangchun Company	476,217.49	476,217.49
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	441,842.84	15,841.59
Other payables	Shenzhen Yuepengjin Jewelry Co., Ltd.	388,102.00	
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	150,929.85	401,140.08
Other payables	Shenzhen SDG Engineering Management Co., Ltd.	148,302.24	149,338.46
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.	143,746.10	2,000.00
Other payables	Shenzhen SDG Service Co., Ltd.	50,506.00	40,992.00
Other payables	Shenzhen SDG Urban Renewal Investment Co., Ltd.	28,766.05	23,930.50
Other payables	Shenzhen Zhongminglong Investment Co., Ltd.	14,100.00	
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.	3,000.00	3,000.00
Other payables	Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	2,000.00	
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	800.00	800.00
Other payables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.		5,602.99
Other payables	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.		11,436,392.71

XV. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

(1) Capital commitment

As of December 31, 2024, the Company had no significant capital commitments.

2. Contingencies

(1) Important contingencies existing on the balance sheet date

As of December 31, 2024, the Company had no pending litigation, external guarantees and other contingencies that should be disclosed.

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

The Company has no important contingencies to be disclosed.

XVI. Events after the Balance Sheet Date

1. Profit distribution

Number of dividends per 10 shares to be distributed (RMB)	1.00
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Number of dividends per 10 shares declared after deliberation and approval (RMB)	1.00
Profit distribution scheme	According to the proposal passed in the tenth meeting of the tenth Board of Directors of the Company on March 26, 2025, regarding the "Proposal on the Profit Distribution Plan for the Year 2024", the Company intends to distribute a cash dividend of CNY 1.00 (including tax) for every 10 shares to all shareholders, based on the total share capital of 431,058,320 shares as of December 31, 2024. The total cash dividend distribution amounted to CNY43,105,832.00. There will be no bonus shares issued and no capital reserve converted into share capital for the current year.

2. Descriptions for other events after the balance sheet date

As of March 26, 2025, the Company will have no other post-balance sheet events that should be disclosed.

XVII. Other Important Matters

1. Segmented information

(1) Determination basis and accounting policy of reporting segments

According to the Company's internal organizational structure, management requirements, and internal reporting system, the business of the Company is divided into four reporting segments. These reporting segments are determined based on the financial information required by the Company's daily internal management. The Group's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources to them and evaluate their performance.

The reporting segments of the Company include:

- (1) Jewelry sales and services, and wholesale and retail of gold and jewelry;
- (2) Leasing and services, real estate, and commercial real estate leasing;
- (3) Vehicle sales, and 4S store-based sales of vehicles;
- (4) Vehicle maintenance and detection, and 4S store-based detection and maintenance of vehicles;

The segment reporting information is disclosed according to the accounting policy and measurement standard adopted when each segment reports to the management, and the accounting policy and measurement basis are in correspondence with those of formulating financial statements.

(2) Financial information of reporting segments

Unit: RMB

Item	Automobile sales	Vehicle inspection, maintenance, and testing	Leasing and services	Jewelry wholesale and retail services	Inter-segment offset	Total
Operating revenue			297,565,080.67	2,320,842,052.78	-4,728,929.08	2,613,678,204.37
Operating cost			106,803,428.99	2,273,354,439.85	-3,393,568.78	2,376,764,300.06
Total assets			2,815,496,452.17	540,229,156.29	-761,266,370.57	2,594,459,237.89
Total liabilities			513,961,364.49	258,257,775.16	-75,485,873.49	696,733,266.16

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

1. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	17,614,712.56	22,182,052.01
1-2 years	2,352,446.33	124,487.53
2 to 3 years	77,741.87	
Over 3 years	484,803.08	488,163.08
More than 5 years	484,803.08	488,163.08
Total	20,529,703.84	22,794,702.62

(2) Disclosure by bad debt accrual method

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provisions for bad debts		Book value	Book balance		Provisions for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts on a single basis	484,803.08	2.36%	484,803.08	100.00%		484,803.08	2.13%	484,803.08	100.00%	
Including:										
Accounts	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24

receivable for which provision for bad debts is made by portfolio										
Including:										
Including: Ageing portfolio	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24
Total	20,529,703.84	100.00%	815,673.02	3.97%	19,714,030.82	22,794,702.62	100.00%	714,510.38	3.13%	22,080,192.24

Provision for bad debts made on an individual basis

Unit: RMB

Description	Beginning balance		Ending balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Proportion of provision	Reasons for provision
Shenzhen Bijiaoshan Club Co., Ltd.	172,000.00	172,000.00	172,000.00	172,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Gong Yanqing	97,806.64	97,806.64	97,806.64	97,806.64	100.00%	Long account receivable age, and expected to be unrecoverable
Guangzhou Tianhe Lemin Computer Center	86,940.00	86,940.00	86,940.00	86,940.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	128,056.44	128,056.44	128,056.44	128,056.44	100.00%	Long account receivable age, and expected to be unrecoverable
Total	484,803.08	484,803.08	484,803.08	484,803.08		

Provision for bad debts made by portfolio: account receivable age portfolio

Unit: RMB

Description	Ending balance		
	Book balance	Provisions for bad debts	Proportion of provision
Within 1 year	17,437,667.82	174,376.68	1.00%
1-2 years	2,352,446.33	117,622.32	5.00%
2 to 3 years	77,741.87	38,870.94	50.00%
Over 3 years			
Total	19,867,856.02	330,869.94	

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

☒ Applicable ☐ Not applicable

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses	Expected credit loss	Expected credit loss throughout	

	for the next 12 months	throughout the duration (no credit impairment occurs)	the duration (credit impairment has occurred)	
Balance on January 1, 2024	229,707.30		484,803.08	714,510.38
Balance on January 1, 2024 in the current period				
Provision in the current period	101,162.64			101,162.64
Balance as of December 31, 2024	330,869.94		484,803.08	815,673.02

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

Bad debt provision in the reporting period:

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provisions for bad debts	714,510.38	101,162.64				815,673.02
Total	714,510.38	101,162.64				815,673.02

(4) Accounts receivable and contractual assets with top five ending balance collected as per the borrowers

Unit: RMB

Company name	Period-end balance of accounts receivable	Period-end balance of contract assets	Period-end balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Period-end balance of bad debt proportion of accounts receivable and impairment provision of contractual assets
Zhongbao Jinyuan (Shenzhen) Industrial Development Co., Ltd.	1,461,484.68		1,461,484.68	7.12%	146,148.47
Chow Sang Sang (China) Co., Ltd.	1,320,000.46		1,320,000.46	6.43%	132,000.05
Shenzhen Helin Jewelry Co., Ltd.	1,192,639.28		1,192,639.28	5.81%	119,263.93
Shenzhen Xinyufu Jewelry Co., Ltd.	526,304.98		526,304.98	2.56%	52,630.50
Shenzhen Le En Ai Jewelry Co., Ltd.	520,147.37		520,147.37	2.53%	17,626.37
Total	5,020,576.77		5,020,576.77	24.45%	467,669.32

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends receivable		1,305,581.86
Other receivables	2,839,370.67	46,126,945.18
Total	2,839,370.67	47,432,527.04

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

Unit: RMB

Project (or the investee)	Ending balance	Beginning balance
China Pufa Machinery Industry Co., Ltd.		1,305,581.86
Total		1,305,581.86

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

Unit: RMB

Project (or the investee)	Ending original value	Account receivable age	Reason for no recovery	Whether impairment has occurred and the basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	2-3 years	Not paid yet	The company has huge losses in its financial positions and operating conditions, and the dividends receivable may not be recovered, so full impairment is accrued.
Total	1,305,581.86			

3) Classification and disclosure through the method for recognizing bad debt☒Applicable ☐ Not applicable

Unit: RMB

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

Provision for bad debts made on an individual basis

Unit: RMB

Description	Beginning balance		Ending balance			
	Book balance	Provisions for bad debts	Book balance	Provisions for bad debts	Proportion of provision	Reasons for provision
China Pufa Machinery Industry Co.,	1,305,581.86		1,305,581.86	1,305,581.86	100.00%	The company's financial position is poor

Ltd.						
Total	1,305,581.86		1,305,581.86	1,305,581.86		

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

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2024 in the current period				
Provision in the current period			1,305,581.86	1,305,581.86
Balance as of December 31, 2024			1,305,581.86	1,305,581.86

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

☒ Applicable ☐ Not applicable

China Pufa Machinery Industry Co., Ltd. has huge losses in its financial position and operating conditions and the dividends receivable may not be recovered, so full impairment is accrued.

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

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provisions 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	Period-end book balance	Period-beginning book balance
Other temporary payments receivable	13,967,525.96	15,738,436.97
Deposits and security deposits	1,556,456.36	1,774,070.79
Concerned intercourse funds within the consolidation scope of receivables	61.00	42,400,084.74
Total	15,524,043.32	59,912,592.50

(2) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	404,467.63	43,614,137.53
1-2 years	2,557,254.64	1,937,642.51
2 to 3 years	1,091.61	643,606.04
Over 3 years	12,561,229.35	13,717,206.42

3 to 4 years		39,273.66
More than 5 years	12,561,229.35	13,677,932.76
Total	15,524,043.23	59,912,592.50

3) Classification and disclosure through the method for recognizing bad debt

Unit: RMB

Type	Ending balance					Beginning balance				
	Book balance		Provisions for bad debts		Book value	Book balance		Provisions for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on a single basis	12,511,524.83	80.59%	12,511,524.83	100.00%	0.00	13,644,641.06	22.77%	13,644,641.06	100.00%	
Including:										
Provision for bad debts made on a portfolio basis	3,012,518.40	19.41%	173,147.73	5.75%	2,839,370.67	46,267,951.44	77.23%	141,006.26	0.30%	46,126,945.18
Including:										
Account receivable age portfolio	1,456,062.04	9.38%	63,267.36	4.35%	1,392,794.68	2,093,795.91	3.49%	72,610.51	3.47%	2,021,185.40
Portfolio of deposit and security deposit receivable	1,556,456.36	10.03%	109,880.37	7.06%	1,446,575.99	1,774,070.79	2.96%	68,395.75	3.86%	1,705,675.04
Related intercorporate funds within the consolidation scope						42,400,084.74	70.77%			42,400,084.74
Total	15,524,043.23	100.00%	12,684,672.56	81.71%	2,839,370.67	59,912,592.50	100.00%	13,785,647.32	23.01%	46,126,945.18

Provision for bad debts made on a portfolio basis:

Unit: RMB

Description	Ending balance		
	Book balance	Provisions for bad debts	Proportion of provision
Account receivable age portfolio	1,456,062.04	63,267.36	4.35%
Portfolio of deposit and security deposit receivable	1,556,456.36	109,880.37	7.06%
Total	3,012,518.40	173,147.73	

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

Unit: RMB

Provisions for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit loss throughout the duration (no credit impairment occurs)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance on January 1, 2024	141,006.26		13,644,641.06	13,785,647.32
Balance on January 1, 2024 in the current period				
Provision in the current period	32,141.47			32,141.47
Reversal in the current period			1,145,709.33	1,145,709.33
Other changes			12,593.10	12,593.10
Balance as of December 31, 2024	173,147.73		12,511,524.83	12,684,672.56

Division basis at each stage and proportion of bad debt provision accrual

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

☐ Applicable ☒ Not applicable**4) Bad debt provision provided, recovered, or reversed in the current period**

Bad debt provision in the reporting period:

Unit: RMB

Type	Beginning balance	Amount of change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off or cancellation	Others	
Provisions for bad debts	13,785,647.32	32,141.47	1,145,709.33		12,593.10	12,684,672.56
Total	13,785,647.32	32,141.47	1,145,709.33		12,593.10	12,684,672.56

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

Unit: RMB

Company name	Nature	Ending balance	Account receivable age	Proportion to ending balance of other receivables	Period-end balance of provision for bad debts
Shenzhen Zhonghao (Group)	Intercourse	5,000,000.00	Over 3 years	32.21%	5,000,000.00

Co., Ltd.	funds				
Shenzhen Jinbeili Electric Appliance Co., Ltd.	Intercourse funds	2,706,983.51	Over 3 years	17.44%	2,706,983.51
Shenzhen Petrochemical Group Co., Ltd.	Intercourse funds	1,927,833.34	Over 3 years	12.42%	1,927,833.34
Shenzhen Jinzhou Precision Technology Corp.	Security deposit	1,515,467.96	Over 3 years	9.76%	75,773.40
Shenzhen Xiandao New Materials Co., Ltd.	Intercourse funds	660,790.09	Over 3 years	4.26%	660,790.09
Total		11,811,074.90		76.09%	10,371,380.34

3. Long-term equity investments

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	715,566,774.41	1,956,000.00	713,610,774.41	696,131,539.12	1,956,000.00	694,175,539.12
Investment in associates and joint ventures	94,878,995.52	9,787,162.32	85,091,833.20	86,298,649.89	9,787,162.32	76,511,487.57
Total	810,445,769.93	11,743,162.32	798,702,607.61	782,430,189.01	11,743,162.32	770,687,026.69

(1) Investment in subsidiaries

Unit: RMB

Investee	Period-beginning balance (book value)	Period-beginning balance of impairment provision	Changes in the current period				Period-end balance (book value)	Period-end balance of impairment provision
			Additional investment	Reduced investments	Provision for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	3,000,000.00			2,473,691.48			526,308.52	
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	2,883,644.26						2,883,644.26	
Shenzhen Zhongtian	369,680.522.90						369,680.522.90	

Industry Co., Ltd.								
Shenzhen Automobile Industry and Trade Co., Ltd.	126,251,071.57			40,000,000.00			86,251,071.57	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.			61,908,926.77				61,908,926.77	
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 Hanli High Tech Ceramics Co., Ltd.		1,956,000.00						1,956,000.00
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	694,175,539.12	1,956,000.00	61,908,926.77	42,473,691.48			713,610,774.41	1,956,000.00

(2) Investment in associates and joint ventures

Unit: RMB

Investee	Period - beginning	Period - beginning	Changes in the current period								Period -end balance	Period -end balance of
			Additi onal invest	Reduc ed invest	Invest ment profit	Adjust ment to	Other equity change	Cash divide nd or	Provisi on for impair	Others		

	balance (book value)	balance of impairment provision	ment	ments	or loss recognized through the equity method	other comprehensive income	s	profit declared to be distributed	ment		(book value)	impairment provision
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	49,250 ,845.06				21,965 ,159.20			15,000 ,000.00			56,216 ,004.26	
Shenzhen Telixing Investment Co., Ltd.	13,302 ,311.60				384,591.77						13,686 ,903.37	
Subtotal	62,553 ,156.66				22,349 ,750.97			15,000 ,000.00			69,902 ,907.63	
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	13,958 ,330.91				1,230, 594.66						15,188 ,925.57	
Hunan Changyang Industrial Co., Ltd.		1,810, 540.70										1,810, 540.70
Shenzhen Jiecheng Electronics Co., Ltd.		3,225, 000.00										3,225, 000.00
Shenzhen Xiandao New		4,751, 621.62										4,751, 621.62

Materials Co., Ltd.												
Shenzhen Tellus Automobile Service Chain Co., Ltd.												
Subtotal	13,958,330.91	9,787,162.32			1,230,594.66						15,188,925.57	9,787,162.32
Total	76,511,487.57	9,787,162.32			23,580,345.63			15,000,000.00			85,091,833.20	9,787,162.32

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

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

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

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

4. Operating revenue and operating cost

Unit: RMB

Item	Amount incurred in the current period		Amount Incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Main business	118,323,197.59	51,537,706.69	86,993,917.15	39,689,422.24
Total	118,323,197.59	51,537,706.69	86,993,917.15	39,689,422.24

5. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount Incurred in the previous period
Income from long-term equity investments calculated by the cost method	71,225,000.00	69,369,094.20
Income from long-term equity investments calculated through the equity method	23,580,345.63	19,872,836.15
Investment income from trading financial assets during the holding period	5,549,257.07	3,132,190.40
Interest income from large-sum certificates of deposit	3,393,388.89	4,921,596.99

Profit from re-measurement of residual equity at fair value after loss of the right of control		67,398,061.79
Total	103,747,991.59	164,693,779.53

XIX. Supplementary Information

1. Breakdown of non-recurring profits and losses of the current period

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Notes
Profits and losses from disposal of non-current assets	-227.20	
Government subsidies included in the current gains and losses (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, with a continuous influence on the Company's gains and losses)	6,524,396.47	
Gains or losses from changes in the fair value of financial assets and financial liabilities held by the non-financial company, as well as gains or losses from the disposal of the financial assets and financial liabilities, except for effective hedging related to normal operations of the Company	-10,293,994.77	
Reserves of impairment provision for account receivables individually tested for impairment	6,856,854.34	
Other non-operating revenues and expenditures apart from the aforesaid items	1,704,993.23	
Less: Effect on income tax	-9,511,450.05	
Effect on minority shareholders' equity (after tax)	4,144,488.72	
Total	10,158,983.40	--

Specific conditions of other gains or losses conforming to the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not Applicable

Item	Amount involved (RMB)	Reason
Effective hedging	-16,490,969.27	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1—Non-Recurring Profits and Losses (2023 Revision)</i> as recurring profit and loss items: effective hedging related to the normal operations of non-financial enterprises; gains and losses from changes in the fair value of financial assets and financial liabilities held; and gains and losses from the disposal of financial assets and financial liabilities.
Refund of handling charges for individual income tax	73,439.68	According to the <i>Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1—Non-Recurring Profits and Losses (2023 Revision)</i> , the refund of handling fees withheld for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.

2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributed to ordinary shareholders of the Company	8.21%	0.3170	0.3170
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	7.60%	0.2934	0.2934

3. Difference in accounting data under domestic and foreign accounting rules**(1) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the international accounting standards and Chinese accounting standards**

☐ Applicable ☒ Not applicable

(2) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the foreign accounting standards and Chinese accounting standards

☐ Applicable ☒ Not applicable

(3) Specify the reasons for differences in accounting data under domestic and foreign accounting standards; if the adjustment is made to data audited by the overseas audit firm, specify the name of the audit firm

☐ Applicable ☒ Not applicable