

SHENZEN TELLUS HOLDING CO., LTD.

2024 Semi-annual Report

August 2024

Section I Important Notes, Contents, and Interpretations

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

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

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

The Company has described the potential risks in detail in this report. Investors are hereby kindly requested to pay attention to and read "X. Risks Faced by the Company and Countermeasures" of "Section III Management Discussion and Analysis" within this report.

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

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List of Reference Documents

I. Accounting statements signed and sealed by the legal representative, the person in charge of accounting, and the person in charge of the accounting firm.

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

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

Interpretations

Interpretation term	refers to	Interpretation content
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	SHENZEN TELLUS HOLDING CO., LTD.
Reporting period, this reporting period	refers to	The first half of 2024
Shenzhen SASAC	refers to	the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government
SDG, 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, Treasury	refers to	Shenzhen Tellus Treasury Supply Chain Treasury Supply Chain Company
Shanghai Fanyue, 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 Toyota	refers to	Shenzhen Huari Toyota Sales & Service Co., Ltd.
Renfu Tellus	refers to	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.
GAC	refers to	Gems & Jewelry Trade Association of China
Tellus Jewelry Building, Jewelry Building	refers to	Tellus Shuibe Jewelry Building
Tellus Gold and Diamond Building, Gold and Diamond Building	refers to	Tellus Gold and Diamond Trading Building
Comprehensive Trade Platform	refers to	Shenzhen International Jewelry and Jade Comprehensive Trade Platform

Section II Company Profile and Major Financial Indicators

I. Company Profile

Stock abbreviation	Tellus A, Tellus B	Stock code	000025 and 200025
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	深圳市特力（集团）股份有限公司		
Chinese abbreviation (if any)	Tellus A		
English name of the Company (if any)	SHENZEN TELLUS HOLDING CO., LTD.		
English abbreviation (if any)	N/A		
Legal representative of the Company	Fu Chunlong		

II. Contact Persons and Contact Information

	Secretary of the Board of Directors	Securities affairs representative
Name	Qi Peng	Liu Menglei
Address	3/F, Tellus Building, 2nd Shuibei Road, Luohu District, Shenzhen	3/F, Tellus Building, 2nd Shuibei Road, Luohu District, Shenzhen
Tel.	(0755) 83989390	(0755) 88394183
Fax	(0755) 83989386	(0755) 83989386
E-mail	ir@tellus.cn	liuml@tellus.cn

III. Other Information

1. Contact information

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

Applicable Not applicable

There was no change in the Company's registered address, office address and postal code, website, e-mail, etc. during the reporting period. Please refer to the 2023 Annual Report for details.

2. Information disclosure and designated location

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

Applicable Not applicable

The names and websites of the stock exchange websites and media on which the Company disclosed the semi-annual report and the designated location of the Company's semi-annual report remained unchanged during the reporting period. For details, please refer to the 2023 annual report.

3. Other relevant information

Whether other relevant information changed during the reporting period?

Applicable Not applicable

IV. Major Accounting Data and Financial Indicators

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

Yes No

	Reporting period	Same period of the previous year	Increase/decrease in the reporting period over the same period of the previous year
Operating revenue (RMB)	1,580,023,748.85	704,836,410.94	124.17%
Net profit attributable to shareholders of the listed company (RMB)	76,662,479.69	44,139,962.93	73.68%
Net profit attributable to shareholders of the listed company after non-recurring gains and losses (RMB) are deducted	70,454,786.31	37,650,680.93	87.13%
Net cash flows from operating activities (RMB)	107,309,488.92	-10,241,941.90	1,147.75%
Basic earnings per share (RMB/share)	0.1778	0.1024	73.63%
Diluted earnings per share (RMB/share)	0.1778	0.1024	73.63%
Weighted average ROE	4.66%	2.89%	1.77%
	End of the reporting period	End of the previous year	Increase/decrease at the end of the reporting period as compared with the end of the previous year
Total assets (RMB)	2,493,228,681.47	2,403,851,684.45	3.72%
Net assets attributable to shareholders of the listed company (RMB)	1,667,204,726.70	1,603,905,054.93	3.95%

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

1. Discrepancy in net profit and net assets in the financial report disclosed simultaneously according to international accounting standards and Chinese accounting standards

Applicable Not applicable

There is no discrepancy in net profit and net assets in the financial reports disclosed by the Company following international accounting standards and Chinese accounting standards in the reporting period.

2. Discrepancy in net profit and net assets in the financial report disclosed simultaneously according to overseas accounting standards and Chinese accounting standards

Applicable Not applicable

There is no discrepancy in net profit and net assets in the financial reports disclosed by the Company following overseas accounting standards and Chinese accounting standards in the reporting period.

VI. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount	Note
Profit and loss of non-current assets disposal (including the write-off part of the provision for impairment of assets)	-227.20	
Government subsidies included in the current profits and losses (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted per defined criteria, with a continuous influence on the Company's profits and losses)	5,606,545.82	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	2,373,536.49	Mainly from money management returns
Other non-operating incomes and expenditures apart from the aforesaid items	1,004,694.78	
Less: Amount of influence of income tax	2,237,809.41	
Amount of influence of minority stockholder's interests (after-tax)	539,047.10	
Total	6,207,693.38	

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

The Company does not define any 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.

Section III Management Discussion and Analysis

I. Main Business of the Company during the Reporting Period

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

1. Jewelry third-party services: With the development vision of "being committed to providing high-quality service supply and growing with the jewelry industry", 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 the needs of the vast industry. The company has set up subsidiaries such as Shenzhen Jewelry, Guorun Gold, Tellus Treasury, and Shanghai Fanyue. Through the construction and operation of a comprehensive jewelry and jade trade platform, gold circulation business, and third-party depository business for high-end jewelry, it creates a wide range of service products to fully meet various needs from customers at different levels, and gradually builds and enriches the service ecosystem of the jewelry industry through a sound service industrial chain. It strives to fill the market gap, solve customers' pain points, play a benchmarking role in the industry, and promote the compliance process of the industry.

2. Commercial complex operation and property leasing business: The Company is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park in the Shuibe area. The Tellus Jewelry Building and Tellus Gold and Diamond Trading Building invested by the Company have been put into operation, 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 is transitioning 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

At present, the Company adopts both wholesale and retail as the main sales models for gold and jewelry.

Additionally, it provides supporting services such as customs declaration, gold exchange, and safe deposit box leasing. The sales revenue composition of the jewelry business in H1 2024 is as follows:

Model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross profit rate
Wholesale	101,708.16	99,565.35	2.11%
Retail sales	41,920.73	41,155.49	1.83%
Other services	543.57	321.84	40.79%
Total	144,172.46	141,042.68	2.17%

2. Production model

At present, the Company's gold and related products mainly use a commissioned processing model, while diamonds, colored gemstones, and other products do not involve processing. The production mode composition in H1 2024 is as follows:

Production model	Amount (RMB 10,000)	Proportion
Finished products through the commissioned processing	140,688.84	100.00%
Total	140,688.84	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 procurement model in H1 2024 is as follows:

Purchase model	Raw materials	Purchase quantity	Purchase amount
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		(kg)	(RMB 10,000)
Spot trading	Gold	2,698.00	127,457.16
Spot trading	Panda gold coin	50.31	2,479.47
Spot trading	Silver panda coin	352.60	244.31
Rental business	Gold	36.00	1,540.51
Total		3,136.91	131,721.45

4. Operational situation of physical stores during the reporting period

Store No.	Address	Opening time	Sales volume (kg) in H1 2024	Operating revenue in H1 2024 (RMB 10,000)	Operating cost in H1 2024 (RMB 10,000)
1	1/F, Tellus Jewelry Building	September 2023	150.01	6,775.46	6,755.53
2	B1, Annex Building, Tellus Jewelry Building	March 2024	39.65	1,923.40	1,915.04

5. Online sales during the reporting period

S/N	Store name	Opening time	Operating revenue in H1 2024 (RMB 10,000)	Operating cost in H1 (RMB 10,000)
1	Tellus Shuibeis Tmall flagship store	November 2023	6,350.17	6,202.66
2	Tellus Shuibeis JD flagship store	November 2023	9,855.19	9,385.74
3	"Self-operated mini-program private-sphere store" on WeChat	March 2024	131.27	129.34
4	Tellus Shuibeis Alibaba auction store	May 2024	16,792.39	16,675.18
5	Tellus Shuibeis Pinduoduo flagship store	June 2024	92.84	91.76

6. Inventory of gold and jewelry business during the reporting period

As of June 30, 2024, the inventory balance of the Company's jewelry business was RMB 92.1375 million, of which the amount measured at fair value was RMB 91.4249 million, corresponding to hedged items with commodity futures contracts and T+D contracts as hedging instruments and the value of gold leased from the bank.

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

II. Analysis of Core Competitiveness

(I) Location advantage

The company is located in Shuibei, the core area of the jewelry industry in Shenzhen, and an influential professional trading center in China's jewelry industry. Shuibei occupies over 70% of the Chinese gold and jewelry market and houses over 10,000 gold and jewelry enterprises within a one-square-kilometer area of its core region. According to data from the Shenzhen Gold & Jewelry Association, Luohu District is home to more than 40 leading jewelry companies and 29 "China Famous Companies", accounting for 30% of the total in the country. Shuibei has established a complete industrial chain covering design and R&D, production and manufacturing, exhibition and trading, brand operation, headquarters offices, inspection and testing, and talent training.

The Shuibei area gathers numerous jewelry suppliers and strong merchants, providing the Company with an excellent business environment and development platform. The Company can quickly capture market dynamics, respond promptly to market changes, and provide comprehensive third-party jewelry services that meet industry needs.

(II) Resource advantage

By leveraging the endorsement of state-owned assets and harnessing industrial synergies, the Company deeply integrates resources from both the supply and demand sides of the jewelry industry. This positions the Company with a certain advantage in coordinating upstream resources. The Company has established direct

cooperation with domestic and foreign gold jewelry suppliers and processors and held many domestic commodity inspection meetings and bonded exhibitions to reduce the cost of commodity inspection and raw material procurement and improve its operation efficiency. In the first half of the year, a second-hand diamond inspection meeting was held, showcasing nearly 10,000 carats of loose diamonds and rough diamonds. The event attracted over 200 professionals, with nearly 70% coming from international diamond businesses abroad. The platform is creating a new trading model for the jewelry element market, introducing greater liquidity and flexibility, and injecting new vitality into the diamond market. In terms of customer expansion, the Company has accumulated certain industry resources and influence. It closely cooperates with the Gems & Jewelry Trade Association of China and Shenzhen Gold & Jewelry Association, actively participates in and organizes various industry activities, participates in the formulation of industry standards, and continuously expands the popularity and influence of the industry. At the same time, it has grasped the trend of digitalization and developed an online platform through digital transformation. The platform has preliminarily established a certain level of business support and digital service capabilities.

In addition, the Company has also brought stable business income and cash flow through commercial complex operations and property value improvement, which lays a solid foundation for its long-term development.

(III) Management advantage

In terms of strategic control, the company continues to improve its management level, strengthen strategic decomposition and implementation, optimize and adjust the organizational structure, and enhance its functional guarantee capability. From the perspective of promoting operations through management, the Company has established a "4S" management mainline system based on the management orientation and the actual situation of the Company. Scientific and closed-loop management concepts have been established and various management links have been linked, which serve the Company's strategic implementation in a unified way.

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 strengthened internal self-inspection and risk control system construction, continuously optimized business processes and internal control systems in the process of business implementation, and carried out research and innovation on new categories and new business models under the premise of controllable risks. With the help of information system construction, system data analysis, and foresight, the risk early warning capability of business and risk control departments has been improved.

In terms of human resources, the Company has optimized the employee employment mechanism and interview process to unleash organizational vitality through two-way communication. It has optimized and improved the training system, established a mentorship system to rapidly enhance the work capabilities and efficiency of new employees, preliminarily built a middle-level management training mechanism centered around management ability assessment and feedback, and increased efforts in talent development.

III. Analysis of Main Business

Overview

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

YoY changes in main financial data

Unit: RMB

	Reporting period	Same period of the previous year	Year-on-year increase/decrease	Reason of change
Operating revenue	1,580,023,748.85	704,836,410.94	124.17%	The business volume of gold increased during the reporting period
Operating cost	1,451,925,990.76	608,604,638.40	138.57%	Increasing with the gold business increase
Selling expenses	10,655,583.07	11,963,099.01	-10.93%	
Administrative expenses	23,758,940.40	28,817,829.38	-17.55%	
Financial expenses	3,685,893.43	1,391,732.79	164.84%	The main factor was loan interest expenses for increased gold business
Income tax expenses	19,663,631.30	12,466,659.92	57.73%	The main reason was the increase in total profit compared to the same period last year
R&D input	1,525,705.48			Mainly R&D input for the jewelry platform
Net cash flow from operating activities	107,309,488.92	-10,241,941.90	1,147.75%	Firstly, the reduction in inventory for the gold business; secondly, an

				increase in rental income from the Tellus Gold and Diamond Building.
Net cash flows from investing activities	-136,462,605.64	-272,561,687.30	49.93%	The main reason is that the on-maturity redemptions related to money management during this reporting period increased compared to the same period last year.
Net cash flows from financing activities	24,828,865.44	152,917,899.92	-83.76%	The main reason is that the increase in loans for the gold business during this reporting period decreased.
Net increase in cash and cash equivalents	-4,323,672.93	-129,885,729.28	96.67%	Firstly, a year-on-year decrease in money management redemptions during the reporting period; secondly, a reduction in inventory for the gold business; thirdly, an increase in rental income from the Tellus Gold and Diamond Building.

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

Applicable Not applicable

There are no significant changes in the Company's profit composition or source during the reporting period.

Operating revenue composition

Unit: RMB

	Reporting period		Same period of the previous year		Year-on-year increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	1,580,023,748.85	100%	704,836,410.94	100%	124.17%
分行业					
Wholesale and retail of jewelry	1,441,734,815.25	91.25%	536,696,671.25	76.14%	168.63%
Property lease and service	138,078,049.35	8.74%	115,235,431.84	16.35%	19.82%
Others	210,884.25	0.01%	52,904,307.85	7.51%	-99.60%
分产品					
Wholesale and retail of jewelry	1,441,734,815.25	91.25%	536,696,671.25	76.14%	168.63%
Property lease and service	138,078,049.35	8.74%	115,235,431.84	16.35%	19.82%
Others	210,884.25	0.01%	52,904,307.85	7.51%	-99.60%
分地区					
South China	1,017,725,204.81	64.41%	648,208,941.49	91.97%	57.01%
East China	89,258,835.53	5.65%	0.00	0.00%	
North China	426,593,372.53	27.00%	56,627,469.45	8.03%	653.33%
Central China	37,329,652.67	2.36%	0.00	0.00%	
Other regions	9,116,683.31	0.58%	0.00	0.00%	

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

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit rate	Year-on-year movement in operating revenue	Year-on-year movement in operating cost	Year-on-year movement in gross profit rate
By industry						
Wholesale and retail of jewelry	1,441,734,815.25	1,410,424,605.61	2.17%	168.63%	170.55%	-0.70%
Property lease and service	138,078,049.35	41,501,385.15	69.94%	19.82%	7.49%	3.45%
分产品						
Wholesale and retail of jewelry	1,441,734,815.25	1,410,424,605.61	2.17%	168.63%	170.55%	-0.70%
Property lease and service	138,078,049.35	41,501,385.15	69.94%	19.82%	7.49%	3.45%
分地区						
South China	1,017,514,320.56	897,350,269.66	11.81%	70.92%	78.15%	-3.58%
East China	89,258,835.53	87,765,772.74	1.67%			
North China	426,593,372.53	421,213,393.61	1.26%	653.33%	649.17%	0.55%
Central China	37,329,652.67	36,682,757.99	1.73%			
Other regions	9,116,683.31	8,913,796.76	2.23%			

The Company's main business data for the most recent period after adjustment based on the caliber at the end of the reporting period if the statistical caliber of the Company's main business data is adjusted during the reporting period

Applicable Not applicable

IV. Analysis of Non-Main Business

Applicable Not applicable

Unit: RMB

	Amount	Proportion in total profit	Reason	Sustainable or not
Investment income	14,706,604.25	14.83%	Wealth management income and investment income with the recognition of the equity method of shareholding enterprises	No
Profits and losses of changes in fair value	-2,981,593.36	-3.01%	Changes in fair value of unexpired wealth management products, gold leasing business, and hedging tools	No
Non-operating income	1,112,033.25	1.12%	Changes fee for businesses to change contracts, and the liquidated damages for early cancellation of leases.	No
Non-operating expenses	107,338.47	0.11%	Liquidated damages repaid to businesses due to renovation	No

V. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: RMB

	End of the reporting period		As of the end of the previous year		Proportion increase/d decrease	Explanation of major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash at bank and on hand	228,605,222.29	9.17%	220,340,961.64	9.17%	0.00%	
Accounts receivable	197,419,232.54	7.92%	99,635,751.52	4.14%	3.78%	
Inventories	92,137,538.10	3.70%	178,425,833.88	7.42%	-3.72%	
Investment properties	992,091,283.53	39.79%	1,008,137,341.80	41.94%	-2.15%	
Long-term equity investment	81,390,604.97	3.26%	76,511,487.57	3.18%	0.08%	
Fixed assets	74,890,303.79	3.00%	78,935,843.49	3.28%	-0.28%	
Construction in progress	15,159,796.57	0.61%	7,279,570.05	0.30%	0.31%	
Right-of-use assets	67,177,997.92	2.69%	71,904,716.50	2.99%	-0.30%	
Short-term borrowings	160,119,111.11	6.42%	145,131,694.44	6.04%	0.38%	
Contract liabilities	5,509,635.75	0.22%	7,079,975.38	0.29%	-0.07%	
Long-term borrowings		0.00%	0.00	0.00%	0.00%	
Lease liabilities	64,188,913.70	2.57%	69,524,214.23	2.89%	-0.32%	

2. Primary overseas assets

Applicable Not applicable

3. Assets and liabilities at fair value

Applicable Not applicable

Unit: RMB

Item	Period-beginning amount	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	Period-end amount
Financial assets								
1. Trading	206,294,93	219,551.09			411,000,000.0	240,000,000.0		377,514,483.

financial assets (excluding derivative financial assets)	1.94				0	0		03
2. Derivative financial assets	298,320.00	-298,320.00						0.00
3. Other debt investments	67,627,948.60	1,706,900.00			62,161,530.32	25,510,300.00		105,986,078.92
4. Other equity instrument investments	383,317.67							383,317.67
Subtotal of financial assets	274,604,518.21	1,628,131.09			473,161,530.32	265,510,300.00		483,883,879.62
Hedged items	85,802,395.07	-420,864.45			1,648,441,608.31	1,664,937,066.37		68,886,072.56
Total of the above	360,406,913.28	1,207,266.64			2,121,603,138.63	1,930,447,366.37		552,769,952.18
Financial liabilities	56,883,334.76	2,208,355.98			17,407,800.00	39,065,860.00		37,433,630.74

Other changes

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

Yes No

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

(Unit: RMB)

Item	Book value on June 30, 2024
Futures and options account margin	4,104,642.60
Gold leasing security deposits and interests	40,477,138.89
Margin payable security deposits and interests	28,123,726.04
Total	72,705,507.53

VI. Analysis of Investment

1. Overview

Applicable Not applicable

Investment in the reporting period (RMB)	Amount of investment in the same period of the previous year (RMB)	Change range
13,519,694.27	81,253,722.19	-83.36%

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) Security investment**

Applicable Not applicable

The Company had no securities investment during the reporting period.

(2) Investment in derivatives

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 10,000

Type of investment in derivatives	Initial investment amount	Period-beginning amount	Gains or losses from changes in fair value during this period	Accumulated change in fair value included in equity	Buying amount during the reporting period	Selling amount during the reporting period	Period-end amount	Proportion of the investment amount in net assets of the Company at the end of the reporting period
Futures (Everbright account)	38.2	0	0	0	221.60	221.60	0	0.00%
Futures (T+D account)	77.6	358.15	0	0	701.37	1,055.12	4.39	0.00%
Futures (Huatai account)	1,050	667.45	-19.54	0	20,718.97	21,127.95	258.47	0.14%
Revenue swap (CITIC account)	50	0	0	0	154.18	154.18	0	0.00%
Futures (CITIC account)	57.2	146.61	-37.96	0	55,199.07	52,727.25	611.90	0.34%
Total	1,273	1,172.21	-57.50	0	76,995.19	75,286.10	874.76	0.48%
Accounting policies and specific principles of accounting for hedging business during the reporting period and whether there was any	No							

significant change in them compared to the previous reporting period	
Explanation of actual gains and losses during the reporting period	Due to the rise in gold price, the actual hedging loss of futures account during the reporting period was RMB 9.8331 million.
Explanation of hedging effectiveness	Measurement method of hedge effectiveness: Hedge effectiveness = change in the price of futures/change in the price of spot goods. The closer this value is to 100%, the higher the effectiveness of the hedging will be. The losses from futures due to price fluctuations amounted to RMB 9.8331 million, while the spot goods saw an increase of RMB 8.3144 million during the reporting period. This was due to the significant efforts to expand the online e-commerce retail model during the reporting period. Additionally, the gold prices experienced considerable volatility in May and June of this reporting period, which weakened the effectiveness of hedging under the retail model. Overall, the Company's hedging strategy remains effective.
Source of funds for investment in derivatives	Self-owned funds
Risk analysis and control measures for positions in derivatives during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks, and legal risks)	<p>The Company's hedging transactions follow the following basic principles: The value change of futures variety and contract quantity is roughly equivalent to that of 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.</p> <ol style="list-style-type: none"> 1. For the basis risk, when the basis risk shrinks, prioritize using gold leases as inventory and minimize or keep no proprietary stock; 2. For the risk of forced liquidation, establish a risk alert system that triggers a set capital plan when there are significant fluctuations in gold price to maintain adequate funds in margin accounts; if there is an emergency triggering forced liquidation, report it to the Company's management promptly and replenish the hedging position that has been forced liquidated in an appropriate time; 3. For the risk of operational errors, implement a trader training mechanism, strictly adhere to system and workflow requirements to perform operations and reviews accordingly, and provide daily reports consistently. <p>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.</p>
For changes in market price or product fair value during the reporting period of invested derivatives, analysis of the fair value of derivatives shall disclose the specific measures used and related hypotheses and parameter setting.	During the reporting period, the fair value change of the futures contract hedging the holding position was RMB -575,000. The Company adopted the closing price of the futures contract held in the Shanghai Gold Exchange on the last trading day in June 2024 (June 28) as the fair value, and the floating profit and loss was the change in fair value.
Involvement in litigation (if applicable)	None

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

Applicable Not applicable

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

5. Usage of raised funds

Applicable Not applicable

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

VII. Sales of Major Assets and Equity**1. Sales of major assets**

Applicable Not applicable

No major asset was sold during the reporting period of the Company.

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

Main subsidiaries and joint-stock companies that have an impact on the Company's net profit of 10% or more

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profits
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	60,317,832.10	39,818,475.89	4,885,485.65	3,887,147.28	3,862,947.28
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Sales of gold bars for investment, gold recycling, and gold purification/exchange services	200,000,000	410,840,604.30	198,582,706.09	1,427,534,581.98	488,490.37	670,179.30
Shenzhen Tellus Treasury Supply Chain Treasury	Subsidiary	Purchase, sales, and leasing of gold ornaments and precious metal products, leasing of safe	50,000,000	118,905,938.53	44,918,583.66	9,245,679.34	-1,506,800.77	-1,506,803.57

Supply Chain Company		deposit boxes, and warehousing services						
Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property lease	366,221,900	606,395,560.10	462,204,351.13	55,717,572.41	38,792,461.21	29,744,525.80
Shenzhen Automobile Industry and Trade Co., Ltd.	Subsidiary	Property lease	58,960,000	233,769,120.91	199,440,254.87	16,984,909.89	17,672,810.03	12,842,908.88
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property lease	9,607,800	13,093,868.31	7,302,422.22	3,356,228.73	2,194,179.81	2,084,354.24
Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd.	Subsidiary	Property lease	32,900,000	96,549,794.12	77,888,966.31	6,152,466.75	4,061,708.41	3,048,221.56
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Joint-stock company	Automobile sales and maintenance	30,000,000	229,844,773.37	75,433,079.98	385,757,907.13	46,885,304.56	35,552,134.52
Shenzhen Tellus-Gmond Investment Co., Ltd.	Joint-stock company	Investment in industrial development, property management, and leasing	53,704,960	342,612,566.25	83,061,356.64	68,891,890.69	19,400,904.56	14,559,666.49

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Description of main holding companies and joint-stock companies

IX. Structured Entities Controlled by the Company

Applicable Not applicable

X. Risks Faced by the Company and Countermeasures

(I) Market environment changes:

The increase in international friction and disputes has a significant impact on the price trends of raw materials such as gold. At the same time, changes in the domestic economic environment greatly influence consumers' purchasing power and willingness to spend, posing challenges for the development of the jewelry industry.

To address this risk, the Company will actively implement various preventive measures: Firstly, continuously strengthen risk management by establishing a compliance management department, innovate risk prevention and control methods, and enhance risk management capabilities; secondly, firmly advance the Company's 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 continuously improve the Company's competitiveness and provide a solid foundation for the Company's long-term stable development.

(II) Insufficient reserve of professionals

Talent is the foundation of enterprise development. After continuous optimization and adjustment, the talent issue has been alleviated to a certain extent. However, with the continuous deepening and expansion of transformation business, the shortage of talent is still serious.

In response to this risk, the company conducted a comprehensive talent demand analysis, clarifying the required number of personnel, professional skills, and quality requirements for each position. A precise recruitment strategy was developed to attract and select outstanding talent. Talent cultivation and development were strengthened, and employees' professional qualities and overall capabilities were enhanced through both internal and external training programs. A mentoring system was implemented to provide one-on-one guidance for young employees, facilitating their continuous growth and development within the Company. A solid talent foundation for the Company was constructed through various measures.

XI. Implementation of the Action Plan for "Improvement in Quality and Return"

Has the Company disclosed the announcement on the action plan for "improvement in quality and return"?

Yes No

Section IV Corporate Governance

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

1. General Meeting of Shareholders during the reporting period

Meeting	Meeting type	Investor attendance ratio	Holding date	Disclosure date	Meeting's resolutions
2023 Annual General Meeting	Annual general meeting	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 (Announcement No.: 2024-015)</i> on <i>Securities Times</i> and CNINFO (www.cninfo.com.cn).

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

Applicable Not applicable

II. Changes in the Company's Directors, Supervisors, and Senior Executives

Applicable Not applicable

Name	Position	Type	Date	Reason
Zhang Zheng	Supervisor	Resigned	April 8, 2024	Resigned from the position due to work arrangements.

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

Applicable Not applicable

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

IV. 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.

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 penalties 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

Disclosure of other environmental information with reference to key pollutant discharge units: Not applicable

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's Party Committee actively responded to the arrangements and arrangements by higher-level Party organizations to implement the national rural revitalization initiative. In the first half of 2024, it invested RMB 87,200 to purchase poverty alleviation products. It has also selected a Party member to Shangyan Village, Chengtian Town, Shantou, a front-line rural area starting from 2021 to assist in rural revitalization work, serving for three years so far.

Section VI Important Matters

I. Commitments that have been fulfilled by the actual controllers, shareholders, related parties, purchasers, and other relevant parties of the Company during the reporting period and have not yet been fulfilled as of the end of the reporting period

Applicable Not applicable

Commitment cause	Commitment party	Commitment type	Commitment content	Commitment time	Commitment period	Performance
Commitment made in acquisition report or report of equity change	Shenzhen Investment Holdings Co., Ltd.	Ensure the independence of listed companies	<p>The Company will maintain the independence of the listed company and maintain personnel independence, institutional independence, financial independence, and asset integrity with the listed company. The listed company will still have independent operation ability, independent procurement, production, and sales system, and independent intellectual property rights.</p> <p>In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>	December 30, 2022	During the period of being the indirect controlling shareholder of Tellus Holding, a listed company	In performance
	Shenzhen Investment Holdings Co., Ltd.	Avoid horizontal competition	<p>1. As of the signing date of this Letter of Commitment, the Company and other enterprises controlled by the Company have not engaged in business and activities that are in direct competition with or may constitute direct competition with Tellus and will not engage in business and activities that are in direct competition with or may constitute direct competition with Tellus in the future (except those arranged based on Shenzhen SASAC or similar government agencies);</p> <p>2. During the period of being the indirect controlling shareholder of Tellus and during Tellus' listing on the Shenzhen Stock Exchange, the Company will fully respect the independent operation autonomy of all subsidiaries controlled by the Company and ensure that the legitimate rights and interests of Tellus and its minority shareholders will not be infringed;</p> <p>3. The Company promises not to seek illegitimate interests with the status of controlling shareholder of Tellus, thus damaging the rights and interests of Tellus and its minority shareholders;</p> <p>4. The Company promises not to assist any party to engage in any business activities that are in substantial competition or potential competition with the main</p>	December 30, 2022	During the period of being the indirect controlling shareholder of Tellus Holding, a listed company	In performance

			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 Investment Holdings Co., Ltd.	Reduce and standardize related party transactions	<p>1. The Company and the companies, enterprises, and economic organizations controlled or actually controlled by the Company (excluding enterprises controlled by listed companies, hereinafter collectively referred to as "affiliated companies") will exercise the rights of shareholders, fulfill the obligations of shareholders, and maintain the independence of listed companies in terms of assets, finance, personnel, business, and institutions in strict accordance with the provisions of laws, regulations, and other normative documents;</p> <p>2. The Company promises not to use its position as a controlling shareholder to urge the General Meeting of Shareholders or the Board of Directors of the listed company to make resolutions that infringe upon the legitimate rights and interests of other shareholders of the listed company;</p> <p>3. The Company or its affiliated companies will try to avoid related party transactions with listed companies. If it is inevitable to have related party transactions with listed companies, the Company or its affiliated companies will urge the controlled entities to trade with listed companies on an equal and voluntary basis per fair, reasonable, and normal commercial transaction conditions;</p> <p>4. The Company or its subsidiaries will strictly adhere to the decision-making procedures for related-party transactions and the corresponding information disclosure obligations as stipulated in 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, or 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>	December 30, 2022	During the period of being the indirect controlling shareholder of Tellus Holding, a listed company	In performance
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	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: 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; 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; 3. If the Company and other enterprises controlled by the Company can engage in or participate in any business opportunity that may compete with the main business of Tellus Holding, they shall notify Tellus Holding of the above business opportunity before implementing or signing relevant agreements. If Tellus Holding makes a positive reply within a reasonable period specified in the notice that it is willing to take advantage of the business opportunity, the business opportunity will be first offered to Tellus Holding.	May 25, 2014	Long term	In performance
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 normal operations and long-term development, the Company will implement an active profit distribution method to return it to 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					
If the commitment is not fulfilled after the time limit, the specific reasons for the failure of fulfillment and the next work plan shall be specified.	N/A					

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

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. Employment and Dismissal of Accounting Firms

Whether the Semi-Annual Financial Report has been audited?

Yes No

The Semi-Annual Report of the Company is unaudited.

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

Applicable Not applicable

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

Applicable Not applicable

VII. Matters Relating to Bankruptcy Reorganization

Applicable Not applicable

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

VIII. Lawsuit Proceedings

Major litigation and arbitration matters

Applicable Not applicable

Basic information of litigation (arbitration)	Amount involved (RMB 10,000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) trial results and impacts	Execution of litigation (arbitration) judgment	Disclosure date	Disclosure index
Dispute over land lease contract (the Company is the plaintiff)	1,403.76	No	Ongoing	The second-instance trial took place on March 19, 2024, and the judgment for the second-instance trial has not yet been issued. At present, the matter has not caused effects on the Company's production and operation.	None		

Other contentious matters

Applicable Not applicable

IX. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XI. Major Related Party Transactions

1. Related party transactions concerning daily operations

Applicable Not applicable

Related transaction party	Relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price of related party transaction (RMB 10,000)	Amount of related party transaction (RMB 10,000)	Proportion to transaction amount of the same kind	Approved transaction amount (RMB 10,000)	Exceeded the approved amount or not	Settlement method of related party transaction	Market price of available similar transaction (RMB 10,000)	Disclosure date	Disclosure index
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	The Company's related natural person and its director	Daily related party transaction	Provide property leasing services	Market pricing	272.50	272.5	1.88%	545	No	According to the contract amount or agreement	272.50	March 28, 2024	<i>Announcement on Daily Related Party Transactions in 2024 (Announcement No.: 2024-009) of Securities Times and CNINFO</i>
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Provide property leasing services	Market pricing	8.69	8.69	0.06%	18	No	According to the contract amount or agreement	8.69	March 28, 2024	
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Provide property leasing and man	Market pricing	64.15	64.15	0.44%	503	No	According to the contract amount or agree	64.15	March 28, 2024	

			agement services							ment		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transaction	Provide property leasing and parking services	Market pricing	139.61	139.61	0.96%	542	No	According to the contract amount or agreement	139.61	March 28, 2024
Shenzhen Telixing Investment Co., Ltd.	The Company's related natural person and the director of a joint stock company	Daily related party transaction	Provide brokerage and agency services	Market pricing	30.00	30	3.78%	30	No	According to the contract amount or agreement	30.00	March 28, 2024
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Accept engineering supervision services	Market pricing	12.00	12	100.00%	140	No	According to the contract amount or agreement	12.00	March 28, 2024
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of controlling shareholder	Daily related party transaction	Accept property management and security services	Market pricing	1,071.77	1,071.77	90.15%	4,022	No	According to the contract amount or agreement	1071.77	March 28, 2024
Shenzhen SDG Tellus Property Management	Subsidiary of controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	92.35	92.35	7.77%	198	No	According to the contract amount or agreement	92.35	March 28, 2024

Co., Ltd.			ces							ment			
Shenzhen SDG Building Technology Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	14.40	14.4	1.21%	0	Yes	According to the contract amount or agreement	14.40	March 28, 2024	
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by indirect controlling shareholders	Daily related party transaction	Accept insurance services	Market pricing	24.68	24.68	90.84%	80	No	According to the contract amount or agreement	24.68	March 28, 2024	
ISSTech Information Technology Co., Ltd.	Subsidiary of controlling shareholder	Daily related party transaction	Accept technical services	Market pricing	-			152	No	According to the contract amount or agreement	0.00	March 28, 2024	
Total				--	--	1,730.15	--	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.

XII. Major Contracts and Performance

1. Trusteeship, contracting, and leasing matters

(1) Trusteeship

Applicable Not applicable

During the reporting period, the Company had no trusteeship.

(2) Contracting

Applicable Not applicable

During the reporting period, the Company had no contracting.

(3) Leasing

Applicable Not applicable

During the reporting period, the Company had no leasing.

2. Significant guarantees

Applicable Not applicable

Unit: RMB 10,000

External guarantees of the Company and its subsidiaries (excluding the guarantees to subsidiaries)										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	September 30, 2014	3,500	March 15, 2022	0	Pledge	No	No	Before the expiration 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 announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Guarantee between subsidiaries										
Name of guaranteed party	Disclosure date of the relevant announcement of the guarantee amount	Guarantee amount	Actual date of occurrence	Actual guarantee amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it is fulfilled	Whether it is provided to related parties
Total amount of the Company's guarantee (i.e. total of the first three items)										
Total guarantee amount approved during the reporting period (A1 + B1 + C1)		0		Total actual guarantee amount during the reporting period (A2 + B2 + C2)		0				
Total guarantee amount approved at the end of the reporting period (A3 + B3 + C3)		3,500		Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)		0				

Proportion of total actual guarantee amount (i.e. A4 + B4 + C4) to the Company's net assets	0.00%
Including:	

Specific description of the composite guarantee

3. Entrusted financial management

Applicable Not applicable

Unit: RMB 10,000

Category	Capital source of entrusted financial management	Amount of entrusted financial management	Unexpired balance	Overdue unrecovered amount	The amount of impairment accrued for overdue unrecovered financial management products
Bank financial products	Self-owned funds	52,900	52,900	0	0
Total		52,900	52,900	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

4. Other major contracts

Applicable Not applicable

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

XIII. Description of Other Major Matters

Applicable Not applicable

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

XIV. Major Matters of the Company's Subsidiaries

Applicable Not applicable

Section 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	Share donation	Conversion of the reserved funds into shares	Others	Subtotal	Quantity	Proportion
I. Shares with Restrictions on Sale	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: Domestic legal person shareholding	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. Shares without Restrictions on Sales	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

Progress in the implementation of share repurchase

Applicable Not applicable

Progress in the implementation of share repurchase reduction through centralized bidding

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in shares with restrictions on sale

Applicable Not applicable

II. Conditions on Issuance and Listing of Securities

Applicable Not applicable

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

Unit: share

Total number of ordinary share shareholders as at the end of the reporting period		54,345		Total number of preferred share shareholders (if any) with restored voting rights as at the end of the reporting period (see Note 8)		0			
Shareholders holding more than 5% of ordinary shares or shareholdings of top 10 shareholders of ordinary shares (excluding shares lent through refinancing)									
Name of shareholder	Nature of shareholder	Shareholding proportion	Number of ordinary shares held at the end of the reporting period	Increase/decrease during the reporting period	Number of ordinary shares with restrictions on sale held	Number of ordinary shares without restrictions on sale held	Pledged, marked, or frozen shares		
							Status of shares	Quantity	
Shenzhen Special Economic Zone Development Group Co., Ltd.	State-owned legal person	49.09%	211,591,621	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	
Industrial and Commercial Bank of China Limited—	Others	0.46%	1,983,775	465,100	0	1,983,775	N/A	0	

China Southern CSI All Share Real Estate ETF								
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Overseas legal person	0.40%	1,741,491	0	0	1,741,491	N/A	0
Wang Hua	Overseas natural person	0.24%	1,020,024	1,020,024	0	1,020,024	N/A	0
Shang Fusheng	Domestic natural person	0.21%	902,045	902,045	0	902,045	N/A	0
Industrial and Commercial Bank of China Limited—China Southern CSI 1000 ETF	Others	0.21%	894,845	651,545	0	894,845	N/A	0
Ma Yongcheng	Domestic natural person	0.20%	868,000	228,700	0	868,000	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.19%	838,870	-1,341,789	0	838,870	N/A	0
Status of the strategic investor or general legal person becoming one of the top 10 ordinary shareholders due to equity offering (if any) (see Note 3)	None							
Explanations of the related relationship or concerted action of the above shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd. was not related to other shareholders and was not a person acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.							
Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with the right to vote and giving up the right	N/A							
Special description of repurchase special account among the top 10 shareholders (if any) (see Note 11)	None							
Shareholdings of top 10 shareholders of ordinary shares (excluding shares lent through refinancing and locked shares of senior executives)								
Name of shareholder	Number of ordinary shares without restrictions on sale as of the end of the reporting period	Share type						
		Share type	Quantity					
Shenzhen Special Economic Zone Development Group Co., Ltd.	211,591,621	Common shares denominated in RMB	0					
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership)	21,919,153	Common shares denominated in RMB	0					
Li Xiaoming	3,069,500	Common shares denominated in	0					

		RMB	
Industrial and Commercial Bank of China Limited—China Southern CSI All Share Real Estate ETF	1,983,775	Common shares denominated in RMB	0
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	1,741,491	Domestic listed foreign shares	0
Wang Hua	1,020,024	Domestic listed foreign shares	0
Shang Fusheng	902,045	Common shares denominated in RMB	0
Industrial and Commercial Bank of China Limited—China Southern CSI 1000 ETF	894,845	Common shares denominated in RMB	0
Ma Yongcheng	868,000	Common shares denominated in RMB	0
Hong Kong Securities Clearing Company Limited	838,870	Common shares denominated in RMB	0
Description of the related relationship or acting in concert among the top 10 ordinary shareholders without trading limited conditions, and between the top 10 ordinary shareholders without trading limited conditions and the top 10 ordinary 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)	The shareholder Shang Fusheng holds 449,700 shares of the Company through guaranteed credit accounts and 452,345 shares of the Company through ordinary securities accounts, totaling 902,045 shares.		

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%
Industrial and Commercial Bank of China	243,300	0.06%	54,600	0.01%	894,845	0.21%	24,600	0.01%

Limited—China Southern CSI 1000 ETF								
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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.

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

Applicable Not applicable

There was no change in the shareholding of directors, supervisors, and senior executives during the reporting period. Please refer to the 2023 Annual Report for details.

V. Change of the Controlling Shareholder or Actual Controller

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.

Change in the actual controller during the reporting period

Applicable Not applicable

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

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 Report

I. Auditor's Report

Whether the Semi-Annual Report has been audited

Yes No

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

II. Financial Statements

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

1. Consolidated Balance Sheet

Prepared by: SHENZEN TELLUS HOLDING CO., LTD.

June 30, 2024

Unit: RMB

Item	Period-end balance	Period-beginning balance
Current assets:		
Cash at bank and on hand	228,605,222.29	220,340,961.64
Settlement reserve fund		
Lendings to banks and other financial institutions		
Trading financial assets	377,514,483.03	206,294,931.94
Derivative financial assets		298,320.00
Notes receivable		
Accounts receivable	197,419,232.54	99,635,751.52
Receivables financing		
Prepayment	1,323,763.51	38,454,434.90
Premiums receivable		
Reinsurance account receivables		
Capital reserves receivable from reinsurance contracts		
Other receivables	26,387,609.87	12,383,516.92
Including: Interest receivable		
Dividends receivable	1,305,581.86	1,305,581.86
Financial assets purchased under agreements to resell		
Inventories	92,137,538.10	178,425,833.88
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	25,510,300.00	55,206,250.00

Other current assets	30,394,430.19	104,833,797.59
Total current assets	979,292,579.53	915,873,798.39
Non-current assets:		
Loans and advances issued		
Debt investments		
Other creditor's rights investment	105,986,078.92	67,627,948.60
Long-term receivables		
Long-term equity investment	81,390,604.97	76,511,487.57
Other equity instrument investments	383,317.67	383,317.67
Other non-current financial assets		
Investment properties	992,091,283.53	1,008,137,341.80
Fixed assets	74,890,303.79	78,935,843.49
Construction in progress	15,159,796.57	7,279,570.05
Productive biological assets		
Oil and gas assets		
Right-of-use assets	67,177,997.92	71,904,716.50
Intangible assets	4,007,937.65	3,915,770.61
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	40,462,492.20	38,392,179.02
Deferred tax assets	35,941,610.71	37,836,657.43
Other non-current assets	96,444,678.01	97,053,053.32
Total non-current assets	1,513,936,101.94	1,487,977,886.06
Total assets	2,493,228,681.47	2,403,851,684.45
Current liabilities:		
Short-term borrowings	160,119,111.11	145,131,694.44
Borrowings from the central bank		
Loans from other banks and other financial institutions		
Trading financial liabilities	36,858,570.74	56,881,954.76
Derivative financial liabilities	575,060.00	1,380.00
Notes payable	28,000,000.00	
Accounts payable	124,603,804.95	135,834,414.39
Advances from customers	9,428,923.84	4,306,567.65
Contract liabilities	5,509,635.75	7,079,975.38
Financial assets sold under agreements to repurchase		
Deposits from customers and interbanks		
Acting trading securities		
Acting underwriting securities		

Employee compensation payable	37,843,857.27	33,425,356.15
Taxes payable	33,252,332.29	28,857,448.06
Other payables	132,054,687.73	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	7,155,499.75	7,304,647.32
Other current liabilities	3,172,726.99	3,388,998.35
Total current liabilities	578,574,210.42	549,039,403.10
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	64,188,913.70	69,524,214.23
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Estimated liabilities	268,414.80	268,414.80
Deferred income	8,737,537.71	9,617,683.53
Deferred tax liabilities	40,320,590.34	40,409,890.41
Other non-current liabilities		
Total non-current liabilities	117,435,616.91	123,740,363.33
Total liabilities	696,009,827.33	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	-7,318,552.65	-7,318,552.65
Special reserves		
Surplus reserves	63,956,286.46	63,956,286.46
General risk reserve		
Undistributed profit	748,642,264.39	685,342,592.62
Total equity attributable to owners of the parent company	1,667,204,726.70	1,603,905,054.93
Minority interests	130,014,127.44	127,166,863.09
Total owners' equity	1,797,218,854.14	1,731,071,918.02
Total liabilities and owner's equity	2,493,228,681.47	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	Period-end balance	Period-beginning balance
Current assets:		
Cash at bank and on hand	7,999,390.25	8,805,213.07
Trading financial assets	236,071,464.39	205,942,363.02
Derivative financial assets		
Notes receivable		
Accounts receivable	21,427,362.90	22,080,192.24
Receivables financing		
Prepayment	109.81	16,240.74
Other receivables	56,368,045.13	47,432,527.04
Including: Interest receivable		
Dividends receivable	1,305,581.86	1,305,581.86
Inventories		
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	25,510,300.00	
Other current assets		75,546,888.89
Total current assets	347,376,672.48	359,823,425.00
Non-current assets:		
Debt investments		
Other creditor's rights investment	85,109,745.59	47,081,615.27
Long-term receivables		
Long-term equity investment	773,092,452.61	770,687,026.69
Other equity instrument investments	383,317.67	383,317.67
Other non-current financial assets		
Investment properties	537,661,376.75	545,303,744.96
Fixed assets	14,506,158.01	15,211,321.18
Construction in progress	3,625,167.12	589,761.00
Productive biological assets		
Oil and gas assets		
Right-of-use assets	70,752,693.08	74,533,199.59
Intangible assets	2,402,136.95	2,559,885.65
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term deferred expenses	23,444,497.31	21,243,445.23

Deferred tax assets	29,878,606.40	31,956,786.10
Other non-current assets	68,972,373.00	69,580,748.31
Total non-current assets	1,609,828,524.49	1,579,130,851.65
Total assets	1,957,205,196.97	1,938,954,276.65
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	65,860,382.55	71,449,469.14
Advances from customers	2,197,608.80	1,060,721.19
Contract liabilities		
Employee compensation payable	32,502,750.22	27,402,400.00
Taxes payable	13,512,206.82	13,335,268.63
Other payables	202,257,793.39	271,180,563.27
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Current portion of non-current liabilities	6,706,250.92	6,706,250.92
Other current liabilities	1,810,007.31	1,810,007.31
Total current liabilities	324,847,000.01	392,944,680.46
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	69,804,336.84	72,936,147.42
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities	40,269,279.16	40,269,279.16
Other non-current liabilities		
Total non-current liabilities	110,073,616.00	113,205,426.58
Total liabilities	434,920,616.01	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	-7,344,974.65	-7,344,974.65

Special reserves		
Surplus reserves	63,956,286.46	63,956,286.46
Undistributed profit	606,358,817.92	516,878,406.57
Total owners' equity	1,522,284,580.96	1,432,804,169.61
Total liabilities and owner's equity	1,957,205,196.97	1,938,954,276.65

3. Consolidated Income Statement

Unit: RMB

Item	The first half of 2024	The first half of 2023
I. Total Operating Revenue	1,580,023,748.85	704,836,410.94
Including: Operating revenue	1,580,023,748.85	704,836,410.94
Interest income		
Earned premium		
Service charges and commission incomes		
II. Total Operating Cost	1,498,402,354.66	655,633,026.03
Including: Operating cost	1,451,925,990.76	608,604,638.40
Interest expenses		
Service charges and commission expenses		
Surrender value		
Net payments for insurance claims		
Net provision for insurance liability reserves		
Bond insurance expense		
Reinsurance expenses		
Taxes and surcharges	7,022,914.20	4,855,726.45
Selling expenses	10,655,583.07	11,963,099.01
Administrative expenses	23,758,940.40	28,817,829.38
R&D expenses	1,353,032.80	
Financial expenses	3,685,893.43	1,391,732.79
Including: Interest expenses	5,197,620.36	3,437,880.65
Interest income	2,112,971.50	1,835,834.14
Add: Other incomes	5,680,047.59	4,475,465.94
Investment incomes (loss to be listed with "-")	14,706,604.25	8,923,017.80
Including: Income from investment in associates and joint ventures	20,511,753.40	3,011,611.29
Income from derecognition of financial assets at amortized cost		
Exchange income (loss to be listed with "-")		
Net exposure hedging income		

(losses to be listed with "-")		
Income from changes in fair value (losses to be listed with "-")	-2,981,593.36	-5,265,810.16
Credit impairment loss (loss to be listed with "-")	-857,544.91	6,669.80
Asset impairment loss (loss to be listed with "-")		-3,700.50
Income from assets disposal (loss to be listed with "-")	-227.20	-81,800.45
III. Operating Profit (loss to be listed with "-")	98,168,680.56	57,257,227.34
Add: Non-operating revenue	1,112,033.25	417,182.13
Less: Non-operating expenses	107,338.47	119,683.12
IV. Total Profit (total loss to be listed with "-")	99,173,375.34	57,554,726.35
Less: Income tax expenses	19,663,631.30	12,466,659.92
V. Net profit (net loss to be listed with "-")	79,509,744.04	45,088,066.43
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss to be listed with "-")	79,509,744.04	45,088,066.43
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by attribution of ownership		
1. Net profit (or loss) attributable to shareholders of the parent company	76,662,479.69	44,139,962.93
2. Minority interest income (net loss to be listed with "-")	2,847,264.35	948,103.50
VI. Net Amounts after Tax of Other Comprehensive Income		
Net after-tax amounts of other comprehensive income attributable to the owner of the parent company		
(I) Other comprehensive income that cannot be reclassified into profit and loss		
1. Changes arising from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
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. Reserves for credit impairment in other creditors' investments		
5. Reserves for cash flow hedge		
6. Differences from the translation of foreign currency financial statements		
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total Comprehensive Income	79,509,744.04	45,088,066.43
Total comprehensive income attributable to the owner of the parent company	76,662,479.69	44,139,962.93
Total comprehensive income attributable to minority shareholders	2,847,264.35	948,103.50
VIII. Earnings per Share:		
(I) Basic earnings per share	0.1778	0.1024
(II) Diluted earnings per share	0.1778	0.1024

In the 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	The first half of 2024	The first half of 2023
I. Operating Revenue	55,668,957.83	34,050,043.81
Less: operating costs	21,857,801.26	14,948,857.82
Taxes and surcharges	666,504.17	98,447.27
Selling expenses	1,613,067.79	436,485.01
Administrative expenses	19,676,080.08	22,825,529.80
R&D expenses		
Financial expenses	314,066.15	1,078,785.57
Including: Interest expenses	1,410,977.14	1,763,223.12
Interest income	1,152,266.18	691,617.24
Add: Other incomes	60,704.40	
Investment incomes (loss to be listed with "-")	94,855,787.41	10,449,577.73
Including: Income from investment in associates and joint ventures	19,879,117.40	3,011,611.29
Income from derecognition of financial assets measured at amortized cost (loss to be		

listed with "-")		
Net exposure hedging income (losses to be listed with "-")		
Income from changes in fair value (losses to be listed with "-")	129,101.37	-2,783,204.51
Credit impairment loss (loss to be listed with "-")		
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 "-")	106,587,031.56	2,328,311.56
Add: Non-operating revenue	167,555.00	48,428.55
Less: Non-operating expenses		111,423.00
III. Total Profit (total losses to be listed with "-")	106,754,586.56	2,265,317.11
Less: Income tax expenses	3,911,367.29	
IV. Net Profit (net losses to be listed with "-")	102,843,219.27	2,265,317.11
(I) Net profit from continuing operations (net loss to be listed with "-")	102,843,219.27	2,265,317.11
(II) Net profit from discontinued operations (net loss to be listed with "-")		
V. Net Amount after Tax of Other Comprehensive Income		
(I) Other comprehensive income that cannot be reclassified into profit and loss		
1. Changes arising from the remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in the fair value of other equity instrument investments		
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. Reserves for credit impairment in other creditors' investments		
5. Reserves for cash flow hedge		
6. Differences from the		

translation of foreign currency financial statements		
7. Others		
VI. Total Comprehensive Income	102,843,219.27	2,265,317.11
VII. Earnings per Share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	The first half of 2024	The first half of 2023
I. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	2,365,424,815.77	935,209,100.94
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		
Refund of taxes and surcharges received	37,746.08	1,968,553.13
Other cash received relating to operating activities	110,631,913.79	167,102,933.78
Subtotal of cash inflows from operating activities	2,476,094,475.64	1,104,280,587.85
Cash paid for purchase of goods and receipt of labor services	2,196,783,671.76	865,723,685.98
Net increase in customer loans and advances		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claim settlements on the original insurance contract		
Net increase in lending funds		
Cash paid for interest, service charges, and commission		

Cash paid for policy dividends		
Cash paid to and on behalf of employees	24,123,668.90	39,083,559.60
Various taxes paid	41,216,137.40	33,660,817.78
Other cash paid relating to operating activities	106,661,508.66	176,054,466.39
Subtotal of cash outflows from operating activities	2,368,784,986.72	1,114,522,529.75
Net cash flow from operating activities	107,309,488.92	-10,241,941.90
II. Cash Flow from Investing Activities:		
Cash received from the return on investment	418,023,375.56	132,000,000.00
Cash received from returns on investments	21,365,841.08	21,303,117.33
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets	1,974.82	1,644,282.00
Net cash received from the disposal of subsidiaries and other business units		
Cash received relating to other investing activities	669,327.72	827,883.63
Subtotal of cash inflows from investing activities	440,060,519.18	155,775,282.96
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	14,170,382.92	50,769,515.45
Cash paid for investments	554,236,930.32	370,000,000.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	8,115,811.58	7,567,454.81
Subtotal of cash outflows from investment activities	576,523,124.82	428,336,970.26
Net cash flows from investing activities	-136,462,605.64	-272,561,687.30
III. Cash Flow from Financing Activities:		
Cash received from absorbing investment		
Including: Cash received by subsidiaries from absorbing investments of minority shareholders		
Cash received from borrowings	263,000,000.00	175,693,122.83
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	263,000,000.00	175,693,122.83
Cash repayments of borrowings	220,000,000.00	13,535,116.94
Cash paid for distribution of dividends, profits, or interest repayment	17,416,675.48	3,711,261.97
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Cash paid relating to other financing activities	754,459.08	5,528,844.00
Subtotal of cash outflows from financing activities	238,171,134.56	22,775,222.91

Net cash flows from financing activities	24,828,865.44	152,917,899.92
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	578.35	
V. Net Increase in Cash and Cash Equivalents	-4,323,672.93	-129,885,729.28
Add: Opening balance of cash and cash equivalents	160,223,387.69	391,406,829.36
VI. Closing Balance of Cash and Cash Equivalents	155,899,714.76	261,521,100.08

6. Parent Company's Cash Flow Statement

Unit: RMB

Item	The first half of 2024	The first half of 2023
I. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	62,729,612.62	13,832,800.09
Refund of taxes and surcharges received		
Other cash received relating to operating activities	95,110,233.33	63,832,096.54
Subtotal of cash inflows from operating activities	157,839,845.95	77,664,896.63
Cash paid for purchase of goods and receipt of labor services	16,964,957.26	2,170,256.29
Cash paid to and on behalf of employees	16,012,236.59	21,827,096.56
Various taxes paid	4,315,386.13	4,568,154.92
Other cash paid relating to operating activities	97,680,119.77	9,260,460.69
Subtotal of cash outflows from operating activities	134,972,699.75	37,825,968.46
Net cash flow from operating activities	22,867,146.20	39,838,928.17
II. Cash Flow from Investing Activities:		
Cash received from the return on investment	330,497,067.04	137,100,000.00
Cash received from returns on investments	15,058,727.78	21,303,117.33
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from the disposal of subsidiaries and other business units		
Cash received relating to other investing activities		46,628.16
Subtotal of cash inflows from investing activities	345,555,794.82	158,449,745.49
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	13,583,673.72	50,544,766.31
Cash paid for investments	342,236,930.32	290,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
Subtotal of cash outflows from	355,820,604.04	340,544,766.31

investment activities		
Net cash flows from investing activities	-10,264,809.22	-182,095,020.82
III. Cash Flow 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		25,693,122.83
Cash repayments of borrowings		1,192,522.00
Cash paid for distribution of dividends, profits, or interest repayment	13,408,159.80	2,711,261.96
Cash paid relating to other financing activities		
Subtotal of cash outflows from financing activities	13,408,159.80	3,903,783.96
Net cash flows from financing activities	-13,408,159.80	21,789,338.87
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		
V. Net Increase in Cash and Cash Equivalents	-805,822.82	-120,466,753.78
Add: Opening balance of cash and cash equivalents	8,805,213.07	157,068,231.28
VI. Closing Balance of Cash and Cash Equivalents	7,999,390.25	36,601,477.50

7. Consolidated Statement of Changes in Owners' Equity

Amount in the current period

Unit: RMB

Item	The first half of 2024														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
Preferrred shares		Perpetual bonds	Others												
I. Ending Balance of the Previous Year	431,058,320.00				430,866,408.50		-7,318,552.65		63,956,286.46		685,342,592.62		1,603,905,493	127,166,863.09	1,731,071,918.02
Add: Changes in accounting policies															
Corrections of errors in the preliminary															

stage														
Others														
II. Beginning Balance of the Current Year	431,058,320.00			430,866,408.50	-7,318,552.65			63,956,286.46		685,342,592.62		1,603,905,054.93	127,166,863.09	1,731,071,918.02
III. Increase/Decrease in the Current Period (decrease to be listed with "-")										63,299,671.77		63,299,671.77	2,847,264.35	66,146,936.12
(I) Total comprehensive income										76,662,479.69		76,662,479.69	2,847,264.35	79,509,744.04
(II) Capital invested and decreased by owners														
1. Ordinary shares contributed by owners														
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payment included in owners' equity														
4. Others														
(III) Profit distribution										-13,362,807.92		-13,362,807.92		-13,362,807.92
1. Appropriation to surplus reserve														
2. Appropriation to general risk provision														
3.										-		-		-

Balance of the Current Period	058,320.00				866,408.50		7,318,552.65		56,286.46		642,264.39		7,204,726.70	014,127.44	7,218,854.14
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Amount in the previous year

Unit: RMB

Item	The first half of 2023														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Subtotal		
Preferrred 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
Add: Changes in accounting policies															
Corrections of errors in the preliminary stage															
Others															
II. Beginning Balance of the Current 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
III. Increase/Decrease in the Current Period (decrease to be listed with "-")											32,070,329.97		32,070,329.97	-15,677,397.48	16,392,932.49
(I) Total comprehensive income											44,139,962.93		44,139,962.93	948,103.50	45,088,066.43
(II) Capital invested and decreased by owners														-4,900.00	-4,900.00
1. Ordinary shares														-4,900.00	-4,900.00

contributed by owners														0,00	0,00
														0.00	0.00
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owners' equity															
4. Others															
(III) Profit distribution										-		-		-	
										12,0		12,0		12,0	
										69,6		69,6		69,6	
										32.9		32.9		32.9	
										6		6		6	
1. Appropriation to surplus reserve															
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)										-		-		-	
										12,0		12,0		12,0	
										69,6		69,6		69,6	
										32.9		32.9		32.9	
										6		6		6	
4. Others															
(IV) Internal transfers of owner's equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserve into paid-in capital (or share capital)															
3. Surplus reserves to															

cover losses															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained earnings carried forward from other comprehensive income															
6. Others															
(V) Special reserves															
1. Appropriation in the current period															
2. Amount used in the current period															
(VI) Others													-11,725,500.98	-11,725,500.98	
IV. Ending Balance of the Current Period	431,058,320.00				431,449,554.51		26,422.00		52,499,172.13		622,675,724.64		1,537,709,148.328	134,911,483.11	1,672,620,676.39

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

Amount in the current period

Unit: RMB

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

Changes in accounting policies												
Corrections of errors in the preliminary stage												
Others												
II. Beginning Balance of the Current Year	431,058,320.00			428,256,131.23		-7,344,974.65		63,956,286.46	516,878,406.57			1,432,804,169.61
III. Increase/Decrease in the Current Period (decrease to be listed with "-")									89,480,411.35			89,480,411.35
(I) Total comprehensive income									102,843,219.27			102,843,219.27
(II) Capital invested and decreased by owners												
1. Ordinary shares contributed by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners' equity												
4. Others												
(III) Profit distribution									-13,362,807.92			-13,362,807.92
1. Appropriation to surplus reserve												

2. Distribution to owners (or shareholders)										-		-
										13,36		13,36
										2,807.		2,807.
										92		92
3. Others												
(IV) Internal transfers of owner's equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserve into paid-in capital (or share capital)												
3. Surplus reserves to cover losses												
4. Retained earnings carried over from changes in defined benefit plans												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending	431,0				428,2		-		63,95	606,3		1,522,

Balance of the Current Period	58,320.00				56,131.23		7,344,974.65		6,286.46	58,817.92		284,580.96
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Amount in the previous year

Unit: RMB

Item	The first half of 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending Balance of the Previous Year	431,058,320.00				428,256,131.23				52,499,172.13	425,834,010.57		1,337,647,633.93
Add: Changes in accounting policies												
Corrections of errors in the preliminary stage												
Others												
II. Beginning Balance of the Current Year	431,058,320.00				428,256,131.23				52,499,172.13	425,834,010.57		1,337,647,633.93
III. Increase/Decrease in the Current Period (decrease to be listed with "-")										-9,804,315.85		-9,804,315.85
(I) Total comprehensive income										2,265,317.11		2,265,317.11
(II) Capital invested and decreased by owners												
1. Ordinary shares contributed by owners												
2. Capital invested by												

holders of other equity instruments												
3. Amount of share-based payment included in owners' equity												
4. Others												
(III) Profit distribution									-		-	
									12,06		12,06	
									9,632.		9,632.	
									96		96	
1. Appropriation to surplus reserve												
2. Distribution to owners (or shareholders)									-		-	
									12,06		12,06	
									9,632.		9,632.	
									96		96	
3. Others												
(IV) Internal transfers of owner's equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserve into paid-in capital (or share capital)												
3. Surplus reserves to cover losses												
4. Retained earnings carried over from changes in defined benefit plans												
5. Retained earnings carried forward from												

other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Amount used in the current period												
(VI) Others												
IV. Ending Balance of the Current Period	431,058,320.00				428,256,131.23				52,499,172.13	416,029,694.72		1,327,843,318.08

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 dividend 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 dividend 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 SHENZEN 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 operations, etc.

The financial statements and notes to the financial statements were approved by the 12th Formal Meeting of the 10th Board of Directors on August 20, 2024.

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 the policies for investment property depreciation, fixed asset depreciation, and revenue recognition based on its own production and operational characteristics. Please see Notes 27 and 28 for specific accounting policies.

1. Statement of compliance with ASBE

These financial statements comply with the requirements of ASBE and truly and completely reflect the Company's merger and financial situation as of June 30, 2024, as well as the merger in the first half of 2024 and its operating results, merger, cash flows, and other information.

2. Accounting period

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

3. Business cycle

The business cycle of the Company is 6 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 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 derivative financial instruments of the Company are initially measured at the fair value on the date of signing the derivative deal contract, and subsequently measured at 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

See "Disclosure of Fair Value" for methods for determining the fair value 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 accrual reduced-value allowance) and the effective interest rate.

For notes receivable, accounts receivable, 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, 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, the Company divides the notes receivable and accounts receivable 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 bills
- 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 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 2: Portfolio of deposits and security deposits receivable
- Other receivables portfolio 3: Portfolio of concerned intercourse funds within the consolidation scope of receivables

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.

Long-term receivables

The long-term receivables of the Company include concerned intercourse funds receivable, etc.

The Company divides concerned intercourse funds receivable 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:

- Long-term receivables portfolio 1: Other receivables

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

For other receivables and long-term receivables divided into portfolios except for concerned intercourse funds receivable and labor payments receivable, the expected credit loss is calculated based on the default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.

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. Besides, 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 for "jewelry-related business" in the *Guidelines of Shenzhen Stock Exchange for Self-Regulatory Supervision of Listed Companies No. 3 — Industry Information Disclosure*.

(1) Classification of inventories

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

(2) Valuation method for dispatched inventories

The Company's inventories are measured at the actual cost when acquired. Raw materials and inventory items are valued using the first-in, first-out method, and the specific valuation method when issued.

(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 method for low-value consumables

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

Category	Depreciation method	Depreciation period	Residual ratio	Annual depreciation rate
Premises and buildings	Straight-line method	10, 35-40	0, 3	10, 2.43-2.77
Including: Decoration of self-owned houses	Straight-line method	10	0	10
Machinery and equipment	Straight-line method	12	3	8.08
Electronic equipment	Straight-line method	5-7	3	13.86-19.4
Transportation equipment	Straight-line method	7	3	13.86
Offices and other equipment	Straight-line method	7	3	13.86

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.

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 useful life, and intangible assets that have not yet reached the usable state 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, jewelry sales and services.

① Property leasing and services

The Company recognizes the lease receipts as rental income with the straight-line method during each period of the lease term, capitalizes the incurred initial direct costs and amortizes them on the same basis for rental income recognition, and includes them in current profits and losses by stages. The Company's variable lease payment obtained that is related to operating leasing and not included in lease receipts is included in the current profits and losses when it actually occurs.

The contract for the provision of services between the Company and customers includes the performance obligation of services related to the lease of real estate. Since customers obtain and consume the economic benefits brought by the Company's performance at the same time, the Company regards it as the performance obligation to be performed within a certain period of time, and the revenue is equally apportioned and recognized during the service provision period.

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

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

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

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

24. Government subsidies

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

The government subsidies 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 tax assets

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

Determination of the fair value of unlisted equity investment

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

28. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Not applicable

(2) Changes in significant accounting estimates

Applicable Not applicable

(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%, 3%
Urban maintenance and construction tax	Actually paid turnover tax	7%
Corporate income tax	Taxable income	25%, 20%
Property tax	For taxation according to price, the taxes payable shall be calculated based on 1.2% of the remaining price after deducting 30% of the original value of house properties; for taxation according to lease, the taxes payable shall be calculated based on 12% of the rent revenue.	1.2%, 12%

Educational surcharge	Actually paid turnover tax	3%
Local educational surcharges	Actually paid turnover tax	2%

If there are taxpayers with different enterprise income tax rates, the disclosure shall be as follows.

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
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 No.6 [2023] 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, and Xinyongtong Testing, 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.

VII. Notes to Consolidated Financial Statements

1. Cash at bank and on hand

Unit: RMB

Item	Period-end balance	Period-beginning balance
Cash on hand	324.59	17,215.98
Deposit in bank	119,615,641.97	120,961,253.61
Other monetary funds	108,989,255.73	99,362,492.05
Total	228,605,222.29	220,340,961.64

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

Item	Period-end balance	Balance at the end of the previous year
Gold leasing security deposits and interests	40,477,138.89	51,328,583.35
Futures and options account margin	4,104,642.60	8,188,990.60
Amount under judicial control		600,000.00
Margin payable security deposits and interests	28,123,726.04	
Total	72,705,507.53	60,117,573.95

2. Trading financial assets

Unit: RMB

Item	Period-end balance	Period-beginning balance
Financial assets at fair value through profit or loss	377,514,483.03	206,294,931.94
Including:		
Structured deposits and finance products	302,715,467.76	131,495,916.67
Equity instrument investment	74,799,015.27	74,799,015.27
Including:		
Total	377,514,483.03	206,294,931.94

3. Derivative financial assets

Unit: RMB

Item	Period-end balance	Period-beginning balance
Hedging instruments	0.00	298,320.00
Total		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)	198,642,445.18	100,107,755.14
1-2 years	555,132.97	555,132.97
Over 3 years	48,749,943.16	48,749,943.16
Over 5 years	48,749,943.16	48,749,943.16
Total	247,947,521.31	149,412,831.27

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Period-end balance					Period-beginning balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Provision proportion		Amount	Proportion	Amount	Provision proportion	
Accounts receivable with provision for bad debts on a single basis	48,746,583.16	19.66%	48,746,583.16	100.00%		48,746,583.16	32.63%	48,746,583.16	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by portfolio	199,200,938.15	80.34%	1,781,705.61	0.89%	197,419,232.54	100,666,248.11	67.37%	1,030,496.59	1.02%	99,635,751.52
Including:										
Lease and other business portfolio	39,575,689.70	15.96%	436,870.51	1.10%	39,138,819.19	41,303,639.85	27.64%	436,870.51	1.06%	40,866,769.34
Jewelry sales business portfolio	159,625,248.45	64.38%	1,344,835.10	0.84%	158,280,413.35	59,362,608.26	39.73%	593,626.08	1.00%	58,768,982.18
Total	247,947,521.31	100.00%	50,528,288.77	20.38%	197,419,232.54	149,412,831.27	100.00%	49,777,079.75	33.32%	99,635,751.52

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

Unit: RMB

Name	Period-beginning balance		Period-end balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reasons for provision
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00	9,846,607.00	9,846,607.00	9,846,607.00	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44	4,060,329.44	4,060,329.44	4,060,329.44	100.00%	Long account receivable age, and expected to be unrecoverable
Wang Changlong	2,370,760.40	2,370,760.40	2,370,760.40	2,370,760.40	100.00%	Long account receivable age, and expected to be unrecoverable
Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.	2,021,657.70	2,021,657.70	2,021,657.70	2,021,657.70	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong GW Holdings Group Co., Ltd.	1,862,000.00	1,862,000.00	1,862,000.00	1,862,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Jiangling Motors Factory	1,191,059.98	1,191,059.98	1,191,059.98	1,191,059.98	100.00%	Long account receivable age, and expected to be unrecoverable
Yangjiang Automobile Trading Co., Ltd.	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	26,244,168.64	26,244,168.64	26,244,168.64	26,244,168.64	100.00%	Long account receivable age, and expected to be unrecoverable
Total	48,746,583.16	48,746,583.16	48,746,583.16	48,746,583.16		

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

Unit: RMB

Name	Period-end balance		
	Book balance	Bad-debt provision	Provision proportion
Within 1 year	39,017,196.73	407,433.86	1.04%
1-2 years	555,132.97	27,756.65	5.00%
2-3 years			
Over 3 years	3,360.00	1,680.00	50.00%

Total	39,575,689.70	436,870.51	
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Category name of bad debt provision made on a portfolio basis: Jewelry sales business portfolio

Unit: RMB

Name	Period-end balance		
	Book balance	Bad-debt provision	Provision proportion
Within 1 year (inclusive)	159,625,248.45	1,344,835.10	0.84%
Total	159,625,248.45	1,344,835.10	

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

Applicable Not applicable

Unit: RMB

Bad-debt provision	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				
Provision in the current period	1,297,727.90			1,297,727.90
Reversal in the current period	546,518.88			546,518.88
Balance as of June 30, 2024	1,781,705.61		48,746,583.16	50,528,288.77

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

Bad debt provision in the reporting period:

Unit: RMB

Category	Period-beginning balance	Amount of change during the current period				Period-end balance
		Provision	Accounts recovered or transferred back	Write-off	Others	
Provision for bad debts made on an individual basis	48,746,583.16					48,746,583.16
Provision for bad debts made on a portfolio basis	1,030,496.59	1,297,727.90	546,518.88			1,781,705.61
Total	49,777,079.75	1,297,727.90	546,518.88	0.00	0.00	50,528,288.77

(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
Guojin Gold Co., Ltd.	44,144,845.00		44,144,845.00	17.80%	441,448.45
Shenzhen Yongjitai Jewelry Co., Ltd.	22,367,000.00		22,367,000.00	9.02%	223,670.00
Shenzhen Yuepengjin E-commerce Co., Ltd.	19,649,000.00		19,649,000.00	7.92%	196,490.00
Xieruilin (Guangzhou) Jewelry Co., Ltd.	16,042,263.46		16,042,263.46	6.47%	160,422.63
Shenzhen Xingguangda Jewelry Industrial Co., Ltd.	14,992,020.00		14,992,020.00	6.05%	149,920.20
Total	117,195,128.46		117,195,128.46	47.26%	1,171,951.28

5. Other receivables

Unit: RMB

Item	Period-end balance	Period-beginning balance
Dividends receivable	1,305,581.86	1,305,581.86
Other receivables	25,082,028.01	11,077,935.06
Total	26,387,609.87	12,383,516.92

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

Unit: RMB

Project (or the investee)	Period-end balance	Period-beginning balance
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86
Total	1,305,581.86	1,305,581.86

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

Unit: RMB

Project (or the investee)	Period-end balance	Account receivable age	Reason for no recovery	Whether impairment has occurred and the
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				basis for determining impairment
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1-2 years	Not paid yet	The financial and operating conditions of the Company are normal, and the dividends receivable are not impaired.
Total	1,305,581.86			

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

Applicable Not applicable

(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	61,647,633.85	58,543,570.60
Deposits and security deposits	14,098,889.56	3,092,523.97
Total	75,746,523.41	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)	20,211,338.45	6,100,909.61
1-2 years	982,244.61	982,244.61
2-3 years	192,615.11	192,615.11
Over 3 years	54,360,325.24	54,360,325.24
3-4 years	249,895.55	249,895.55
Over 5 years	54,110,429.69	54,110,429.69
Total	75,746,523.41	61,636,094.57

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

Applicable Not applicable

Unit: RMB

Category	Period-end balance					Period-beginning balance					
	Book balance		Bad-debt provision			Book value	Book balance		Bad-debt provision		
	Amount	Proportion	Amount	Proportion	Proportion		Amount	Proportion	Amount	Proportion	Book value
Provision for bad	52,224,555.56	68.95%	50,017,691.31	95.77%	2,206,864.25	52,224,555.56	84.73%	50,017,691.31	95.77%	2,206,864.25	

debts made on an individual basis										
Including:										
Provision for bad debts made on a portfolio basis	23,521,967.85	31.05%	646,804.09	2.75%	22,875,163.76	9,411,539.01	15.27%	540,468.20	5.74%	8,871,070.81
Including:										
Account receivable age portfolio	9,423,078.29	12.44%	433,367.62	4.60%	8,989,710.67	6,319,015.04	10.25%	433,367.62	6.86%	5,885,647.42
Portfolio of deposit and security deposit receivable	14,098,889.56	18.61%	213,436.47	1.51%	13,885,453.09	3,092,523.97	5.02%	107,100.58	3.46%	2,985,423.39
Total	75,746,523.41	100.00%	50,664,495.40	66.89%	25,082,028.01	61,636,094.57	100.00%	50,558,159.51	82.03%	11,077,935.06

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

Unit: RMB

Name	Period-beginning balance		Period-end balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reasons for provision
Provision for bad debts made on an individual basis	52,224,555.56	50,017,691.31	52,224,555.56	50,017,691.31	95.77%	Long account receivable age, and expected to be unrecoverable
Total	52,224,555.56	50,017,691.31	52,224,555.56	50,017,691.31		

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

Unit: RMB

Name	Period-end balance		
	Book balance	Bad-debt provision	Provision proportion
Account receivable age portfolio	9,423,078.29	433,367.62	4.60%
Portfolio of deposit and security deposit receivable	14,098,889.56	213,436.47	1.51%
Total	23,521,967.85	646,804.09	

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

Unit: RMB

Bad-debt provision	Stage I	Stage II	Stage III	Total
	Expected credit losses	Expected credit loss throughout the duration	Expected credit loss throughout the duration	

	for the next 12 months	(no credit impairment occurs)	(credit impairment has occurred)	
Balance on January 1, 2024	540,468.20	0.00	50,017,691.31	50,558,159.51
Balance on January 1, 2024 in the current period				
Provision in the current period	135,034.32	0.00	0.00	135,034.32
Reversal in the current period	28,698.43	0.00	0.00	28,698.43
Balance as of June 30, 2024	646,804.09	0.00	50,017,691.31	50,664,495.40

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

Category	Period-beginning balance	Amount of change during the current period				Period-end balance
		Provision	Accounts recovered or transferred back	Write-off or verification	Others	
Bad-debt provision	50,558,159.51	135,034.32	28,698.43		0.00	50,664,495.40
Total	50,558,159.51	135,034.32	28,698.43	0.00	0.00	50,664,495.40

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

Unit: RMB

Company name	Nature of payment	Period-end balance	Account receivable age	Proportion to ending balance of other receivables	Period-end balance of provision for bad debts
Shanghai Gold Coin Investment Co., Ltd.	Security deposits	11,243,890.60	Within 1 year	14.84%	112,438.91
China Automobile South China Automobile Sales Co., Ltd.	Intercourse funds	9,832,956.37	Over 3 years	12.98%	9,832,956.37
Shenzhen Nanfang Industry and Trade Industrial Co., Ltd.	Intercourse funds	7,359,060.75	Over 3 years	9.72%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 3 years	6.60%	5,000,000.00
Shenzhen Kaifeng	Intercourse funds	4,413,728.50	Over 3 years	5.83%	2,206,864.25

Special Automobile Industry Co., Ltd.					
Total		37,849,636.22		49.97%	24,511,320.28

6. Prepayment items

(1) Prepayment items listed by account receivable age

Unit: RMB

Account receivable age	Period-end balance		Period-beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	1,265,252.78	95.58%	38,395,924.17	99.85%
1-2 years	45,984.79	3.47%	45,984.79	0.12%
2-3 years		0.00%		0.00%
Over 3 years	12,525.94	0.95%	12,525.94	0.03%
Total	1,323,763.51		38,454,434.90	

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

Company name	Balance as of June 30, 2024	Proportion in the total period-end balance of prepayment (%)
ISSTech Information Technology Co., Ltd.	593,247.17	44.82%
Shenzhen Gas Corporation Ltd.	177,963.50	13.44%
Shenzhen Jurongfeng Technology Co., Ltd.	175,689.32	13.27%
Huaqiangbei Branch, Shenzhen Shengshi Kaiyuan Automobile Sales Co., Ltd.	169,800.00	12.83%
Shenzhen Youyu Construction Labor Service Co., Ltd.	100,000.00	7.55%
Total	1,216,699.99	91.91%

7. Inventories

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

No

(1) Inventory classification

Unit: RMB

Item	Period-end balance			Period-beginning balance		
	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance	Book value	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance	Book value

		cost			cost	
Raw materials	35,581,620.46	15,028,496.75	20,553,123.71	104,324,596.41	15,028,496.75	89,296,099.66
Goods in stocks	8,789,356.39	8,789,356.39		8,789,356.39	8,789,356.39	
Hedged items	68,886,072.56		68,886,072.56	85,802,395.07		85,802,395.07
Consigned processing materials	703,719.27		703,719.27	327,656.05		327,656.05
Goods sold on a commission basis	1,994,622.56		1,994,622.56	2,999,683.10		2,999,683.10
Total	115,955,391.24	23,817,853.14	92,137,538.10	202,243,687.02	23,817,853.14	178,425,833.88

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

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

Unit: RMB

Item	Period-beginning balance	Amount increase in the current period		Decrease in the current period		Period-end balance
		Provision	Others	Reversal write-off	or Others	
Raw materials	15,028,496.75					15,028,496.75
Goods in stocks	8,789,356.39					8,789,356.39
Total	23,817,853.14					23,817,853.14

8. Non-current assets due within one year

Unit: RMB

Item	Period-end balance	Period-beginning balance
Other debt investments due within one year	25,510,300.00	55,206,250.00
Total	25,510,300.00	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

1) Other debt investments due within one year

Unit: RMB

Item	Period-beginning balance	Accrued interest	Changes in fair value in the current period	Period-end balance	Costs	Accumulated changes in fair value	Accumulated impairment provision recognized	Remarks
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							in other comprehensive income	
Certificates of deposit and interests due within one year	55,206,250.00		578,950.00	25,510,300.00	25,000,000.00	510,300.00		
Total	55,206,250.00		578,950.00	25,510,300.00	25,000,000.00	510,300.00		

9. Other current assets

Unit: RMB

Item	Period-end balance	Period-beginning balance
Input tax to be deducted	26,878,080.49	27,618,761.58
Taxes pre-paid	263,431.62	1,423,927.12
Certificates of deposit due within one year	3,252,918.08	75,791,108.89
Total	30,394,430.19	104,833,797.59

10. Other debt investments

(1) Information on other debt investments

Unit: RMB

Item	Period-beginning balance	Accrued interest	Interest adjustment	Changes in fair value in the current period	Period-end 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			1,706,900.00	105,986,078.92	104,141,678.92	1,844,400.00		
Total	67,627,948.60			1,706,900.00	105,986,078.92	104,141,678.92	1,844,400.00		

Changes in provision for impairment of other debt investments in the current period

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
Transferable large-sum certificate of deposit	67,627,948.60	63,868,430.32	25,510,300.00	105,986,078.92
Total	67,627,948.60	63,868,430.32	25,510,300.00	105,986,078.92

11. Other equity instrument investments

Unit: RMB

Project name	Period-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	Dividend income recognized in the current period	Period-end balance	Reasons for being measured at designated fair value with their changes included in other comprehensive income
Investment in unlisted equity instruments	383,317.67						383,317.67	
Total	383,317.67						383,317.67	

12. Long-term receivables

(1) Long-term receivables

Unit: RMB

Item	Period-end balance			Period-beginning balance			Discount rate range
	Book balance	Bad-debt provision	Book value	Book balance	Bad-debt provision	Book value	
Transactions with related parties	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		
Total	6,146,228.91	6,146,228.91		6,146,228.91	6,146,228.91		

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Period-end balance					Period-beginning balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on an individual basis	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	

Including:										
Including:										
Total	6,146,228.91	100.00%	6,146,228.91	100.00%		6,146,228.91	100.00%	6,146,228.91	100.00%	

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

Unit: RMB

Category	Period-beginning balance	Amount of change during the current period				Period-end balance
		Provision	Accounts recovered or transferred back	Write-off or verification	Others	
Bad-debt provision	6,146,228.91					6,146,228.91
Total	6,146,228.91					6,146,228.91

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	
			Additi onal invest ment	Reduc ed invest ment	Invest ment profit or loss recogn ized throug h the equity metho d	Adjust ment to other compr ehensi ve incom e	Chang es in other equity	Cash divide nd or profit declare d to be distrib uted	Provisi on for impair ment			Others
I. Joint ventures												
Shenz hen Tellus-Gmond Invest ment Co., Ltd.	49,250,845.06				7,279,833.26				15,000,000.00		41,530,678.32	
Shenz hen Telixing Invest ment Co., Ltd.	13,302,311.60				156,037.06						13,458,348.66	
Subtotal	62,553,156.66				7,435,870.32				15,000,000.00		54,989,026.98	

II. Associates											
Shenzhen Renfu Tellus Automobile Service Co., Ltd.	13,958,330.91				12,443,247.08						26,401,577.99
Shenzhen Xinyongtong Oil Pump and Environmental Protection Co., Ltd.											
Shenzhen Xinyongtong Consulting Co., Ltd.											
Shenzhen Tellus Automobile Service Chain Co., Ltd.											
Shenzhen Xinyongtong Automobile Service Co., Ltd.											
Shenzhen Yongtong Xinda Testin											

g Equip ment Co., Ltd.												
Hunan Chang yang Industr ial Co., Ltd.												1,810, 540.70
Shenz hen Jieche ng Electro nics Co., Ltd.												3,225, 000.00
Shenz hen Xianda o New Materi als Co., Ltd.												4,751, 621.62
China Autom otive Industr y Shenz hen Tradin g Co., Ltd.												400,00 0.00
Shenz hen Univer sal Standa rd Parts Co., Ltd.												500,00 0.00
Shenz hen China Autom obile South China Autom obile Sales Co., Ltd.												2,250, 000.00

Shenz hen Bailiy uan Power Supply Co., Ltd.												1,320, 000.00
Shenz hen Yimin Auto Tradin g Co., Ltd.												200,00 1.10
Shenz hen Torch Spark Plug Industr y Co., Ltd.					632,63 6.00			632,63 6.00				17,849 .20
Shenz hen Hanli High Tech Ceram ics Co., Ltd.												1,956, 000.00
Shenz hen Nanfa ng Autom obile Repair Center												6,700, 000.00
Subtot al	13,958 ,330.9 1				13,075 ,883.0 8			632,63 6.00			26,401 ,577.9 9	23,131 ,012.6 2
Total	76,511 ,487.5 7				20,511 ,753.4 0			15,632 ,636.0 0			81,390 ,604.9 7	23,131 ,012.6 2

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

14. Investment properties

(1) Investment properties measured at cost

Applicable Not applicable

Unit: RMB

Item	Buildings structures	and	Land use right	Construction progress	in	Total
I. Original book value						
1. Period- beginning balance	1,104,591,317.70		95,667,082.86			1,200,258,400.56
2. Amount increase in the current year						
(1) Outsourcing						
(2) Transfer from inventory/fixed assets/construction in progress						
(3) Increase from business merger						
3. Amount decrease in the current period						
(1) Disposal						
(2) Other transfer-out						
4. Period-end balance	1,104,591,317.70		95,667,082.86	0.00		1,200,258,400.56
II. Accumulated depreciation and accumulated amortization						
1. Period- beginning balance	185,791,265.90		6,329,792.86			192,121,058.76
2. Amount increase in the current year	14,894,477.21		1,151,581.06			16,046,058.27
(1) Provision or amortization	14,894,477.21		1,151,581.06			16,046,058.27
3. Amount decrease in the current period						
(1) Disposal						
(2) Other						

transfer-out				
4. Period-end balance	200,685,743.11	7,481,373.92		208,167,117.03
III. Provision for impairment				
1. Period-beginning balance				
2. Amount increase in the current year				
(1) Provision				
3. Amount decrease in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Period-end balance				
IV. Book value				
1. Period-end book value	903,905,574.59	88,185,708.94	0.00	992,091,283.53
2. Period-beginning book value	918,800,051.80	89,337,290.00	0.00	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

(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	3,838,800.75	The property ownership certificate has not been handled due to historical reasons.
Building 12, Sungang	9,208.73	The property ownership certificate has not been handled due to historical reasons.
Shops in Building 12, Sungang	19,225.47	The property ownership certificate has not been handled due to historical reasons.

Total	3,867,234.95	
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15. Fixed assets

Unit: RMB

Item	Period-end balance	Period-beginning balance
Fixed assets	74,890,303.79	78,935,843.49
Total	74,890,303.79	78,935,843.49

(1) Fixed assets

Unit: RMB

Item	Premises and buildings	Machinery and equipment	Transportation equipment	Electronic equipment	Fixed asset decoration	Offices and other equipment	Total
I. Original book value:							
1. Period-beginning balance	218,581,348.20	16,663,683.34	2,086,527.73	7,418,557.34	1,141,459.06	8,175,648.79	254,067,224.46
2. Amount increase in the current year				113,771.82		6,798.66	120,570.48
(1) Purchase				113,771.82		6,798.66	120,570.48
(2) Transfer from construction in progress							
(3) Increase from business merger							
3. Amount decrease in the current period				4,849.56			4,849.56
(1) Disposal or scrapping				4,849.56			4,849.56
4. Period-end balance	218,581,348.20	16,663,683.34	2,086,527.73	7,527,479.60	1,141,459.06	8,182,447.45	254,182,945.38

II. Accumulated depreciation							
1. Period-beginning balance	149,723,225.51	7,731,863.65	1,751,569.49	4,843,137.73	860,076.33	5,041,458.95	169,951,331.66
2. Amount increase in the current year	2,936,269.76	490,640.64	22,772.28	350,972.22		363,480.46	4,164,135.36
(1) Provision	2,936,269.76	490,640.64	22,772.28	350,972.22		363,480.46	4,164,135.36
3. Amount decrease in the current period				2,874.74			2,874.74
(1) Disposal or scrapping				2,874.74			2,874.74
4. Period-end balance	152,659,495.27	8,222,504.29	1,774,341.77	5,191,235.21	860,076.33	5,404,939.41	174,112,592.28
III. Provision for impairment							
1. Period-beginning balance	3,555,385.70	871,618.28	6,165.00	276,816.12	281,382.73	188,681.48	5,180,049.31
2. Amount increase in the current year							
(1) Provision							
3. Amount decrease in the current period							
(1) Disposal or scrapping							
4. Period-end	3,555,385.70	871,618.28	6,165.00	276,816.12	281,382.73	188,681.48	5,180,049.31

balance							
IV. Book value							
1. Period-end book value	62,366,467.23	7,569,560.77	306,020.96	2,059,428.27	0.00	2,588,826.56	74,890,303.79
2. Period-beginning book value	65,302,736.99	8,060,201.41	328,793.24	2,298,603.49	0.00	2,945,508.36	78,935,843.49

(2) Fixed assets leased out by operating lease

Unit: RMB

Item	Book value at the end of the period
Premises and buildings	59,539,656.85

(3) Fixed assets whose property certificates are not obtained

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	20,993,115.61	The property ownership certificate has not been handled due to historical reasons.
Automobile Building	20,055,818.44	The property ownership certificate has not been handled due to historical reasons.
Underground parking lot of Tellus Building	7,194,383.00	The property ownership certificate of the parking lot cannot be handled.
3-5/F, Plants 1#, 2# and 3#, Taoyuan Road	2,624,489.41	The property ownership certificate has not been handled due to historical reasons.
Transfer floor(s) of Tellus Building	1,146,690.08	Unable to apply for a property ownership certificate
Building 16, Taohuayuan	945,697.62	The property ownership certificate has not been handled due to historical reasons.
Warehouse	685,198.81	The property ownership certificate has not been handled due to historical reasons.
1/F, Bao'an Commercial and Residential Building	491,644.59	The property ownership certificate has not been handled due to historical reasons.
Shuibei Zhongtian Building	472,913.10	The property ownership certificate has not been handled due to historical reasons.
Warehouse of the Trade Department	45,478.45	The property ownership certificate has not been handled due to historical reasons.
Shops, Plants No. 5-7, Buxin	30,263.42	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	54,707,676.31	

(4) Impairment test of fixed assets

Applicable Not applicable

16. Construction in progress

Unit: RMB

Item	Period-end balance	Period-beginning balance
Construction in progress	15,159,796.57	7,279,570.05
Total	15,159,796.57	7,279,570.05

(1) Information on construction in progress

Unit: RMB

Item	Period-end balance			Period-beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Renovation of the exhibition hall and treasury area of the sunken area on B1 of the Tellus Jewelry Building	5,889,728.96		5,889,728.96	4,740,393.23		4,740,393.23
Renovation project for 16/F, Building A and 17-18/F, Building B of the Tellus Gold and Diamond Building	2,975,801.10		2,975,801.10			
Layout adjustment project at the connection point between B1 and Shuibei International Center	2,212,300.55		2,212,300.55			
Decoration renovation	1,184,913.11		1,184,913.11			

project for 1/F, Jewelry Building						
Reconstruction and upgrading of the Shuibei Zhongtian Building	808,507.65		808,507.65	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	108,945.00		108,945.00
Other projects	1,979,600.20		1,979,600.20	1,621,724.17		1,621,724.17
Total	15,159,796.57		15,159,796.57	7,279,570.05		7,279,570.05

(2) Impairment provision for construction in progress in the current period

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance	Reason for provision

(3) Impairment test of projects under construction

Applicable Not applicable

17. Right-of-use assets

(1) Right-of-use assets

Unit: RMB

Item	Premises and buildings	Total
I. Original book value		
1. Period-beginning balance	80,631,305.71	80,631,305.71
2. Amount increase in the current year		
3. Amount decrease in the current period		
4. Period-end balance	80,631,305.71	80,631,305.71
II. Accumulated depreciation		
1. Period-beginning balance	8,726,589.21	8,726,589.21
2. Amount increase in the current year	4,726,718.58	4,726,718.58
(1) Provision	4,726,718.58	4,726,718.58
3. Amount decrease in the current		

period		
(1) Disposal		
4. Period-end balance	13,453,307.79	13,453,307.79
III. Provision for impairment		
1. Period-beginning balance		
2. Amount increase in the current year		
(1) Provision		
3. Amount decrease in the current period		
(1) Disposal		
4. Period-end balance		
IV. Book value		
1. Period-end book value	67,177,997.92	67,177,997.92
2. Period-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 technologies	Trademark	Computer software	Total
I. Original book value						
1. Period-beginning balance	1,967,851.00			128,500.00	7,196,385.90	9,292,736.90
2. Amount increase in the current year					372,557.55	372,557.55
(1) Purchase					372,557.55	372,557.55
(2) Internal R&D						
(3) Increase from business merger						
3. Amount decrease in the						

current period						
(1) Disposal						
4. Period-end balance	1,967,851.00	0.00	0.00	128,500.00	7,568,943.45	9,665,294.45
II. Accumulated amortization						0.00
1. Period-beginning balance	802,676.49			110,987.78	4,463,302.02	5,376,966.29
2. Amount increase in the current year	51,785.53			2,112.63	226,492.35	280,390.51
(1) Provision	51,785.53			2,112.63	226,492.35	280,390.51
3. Amount decrease in the current period						
(1) Disposal						
4. Period-end balance	854,462.02	0.00	0.00	113,100.41	4,689,794.37	5,657,356.80
III. Provision for impairment						
1. Period-beginning balance						
2. Amount increase in the current year						
(1) Provision						
3. Amount decrease in the current period						
(1) Disposal						
4. Period-end balance						
IV. Book value						
1. Period-end book value	1,113,388.98	0.00	0.00	15,399.59	2,879,149.08	4,007,937.65
2. Period-beginning book value	1,165,174.51	0.00	0.00	17,512.22	2,733,083.88	3,915,770.61

(2) Impairment test of intangible assets□ Applicable Not applicable**19. Long-term deferred expenses**

Unit: RMB

Item	Period-beginning balance	Amount increase in the current period	Amortization amount in the current period	Other decreased amount	Period-end balance
Decoration engineering	38,392,179.02	5,518,897.27	3,448,584.09		40,462,492.20
Total	38,392,179.02	5,518,897.27	3,448,584.09		40,462,492.20

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

Unit: RMB

Item	Period-end balance		Period-beginning balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deductible losses	4,116,772.28	1,029,193.07	12,429,491.12	3,107,372.77
Provision for credit impairment	35,059,422.28	8,764,855.57	35,059,422.28	8,764,855.57
Deferred income	687,408.75	171,852.19	687,408.75	171,852.19
Changes in the fair value of trading financial assets	14,437,920.68	3,609,480.17	13,705,388.76	3,426,347.19
Changes in the fair value of other equity instrument investments	9,793,299.53	2,448,324.88	9,793,299.53	2,448,324.88
Lease liabilities	79,671,619.30	19,917,904.83	79,671,619.30	19,917,904.83
Total	143,766,442.82	35,941,610.71	151,346,629.74	37,836,657.43

(2) Deferred tax liabilities not offset

Unit: RMB

Item	Period-end balance		Period-beginning balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Accelerated depreciation of fixed assets	205,244.72	51,311.18	562,445.00	140,611.25
Time difference of income tax due to allocation of rent-free period income	19,145,855.24	4,786,463.81	19,145,855.24	4,786,463.81
Measurement of remaining equity fair value	67,398,061.80	16,849,515.45	67,398,061.80	16,849,515.45

Right-of-use assets	74,533,199.60	18,633,299.90	74,533,199.60	18,633,299.90
Total	161,282,361.36	40,320,590.34	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 tax assets		35,941,610.71		37,836,657.43
Deferred tax liabilities		40,320,590.34		40,409,890.41

(4) Details of unrecognized deferred tax assets

Unit: RMB

Item	Period-end balance	Period-beginning balance
Deductible temporary differences	123,519,997.09	123,519,997.09
Deductible losses	19,550,649.41	22,073,706.37
Total	143,070,646.50	145,593,703.46

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

Unit: RMB

Year	Period-end amount	Period-beginning amount	Remarks
2025		3,230,232.35	
2026	7,956,456.42	8,589,171.35	
2027	4,821,009.13	4,821,009.13	
2028	5,266,380.29	5,433,293.54	
2029	1,506,803.57		
Total	19,550,649.41	22,073,706.37	

21. Other non-current assets

Unit: RMB

Item	Period-end balance			Period-beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid project payment	47,071,710.51		47,071,710.51	47,071,710.51		47,071,710.51
Reclassification of VAT debit balance	7,205,934.16		7,205,934.16	8,385,565.03		8,385,565.03
Large-denomination certificates of deposit and interest due over one year	42,167,033.34		42,167,033.34	41,431,777.78		41,431,777.78

Prepaid software payment				164,000.00		164,000.00
Total	96,444,678.01		96,444,678.01	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	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Cash at bank and on hand	72,705,507.53	72,705,507.53	Security deposits	Used for bank gold leasing, payable notes, and futures margin	60,117,573.95	60,117,573.95	Security deposits	Used for bank gold leasing, futures margin, and judicial-controlled amounts
Total	72,705,507.53	72,705,507.53			60,117,573.95	60,117,573.95		

23. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Period-end balance	Period-beginning balance
Credit borrowing	160,119,111.11	145,131,694.44
Total	160,119,111.11	145,131,694.44

24. Trading financial liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance
Including:		
Financial liabilities designated as measured at fair value through profit or loss	36,858,570.74	56,881,954.76
Including:		
Gold leasing	36,858,570.74	56,881,954.76
Total	36,858,570.74	56,881,954.76

25. Derivative financial liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance
Hedging instruments	575,060.00	1,380.00

Total	575,060.00	1,380.00
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26. Notes payable

Unit: RMB

Category	Period-end balance	Period-beginning balance
Bank acceptance bill	28,000,000.00	
Total	28,000,000.00	

27. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Period-end balance	Period-beginning balance
Purchase payment for goods and services	10,491,743.79	6,150,884.19
Payment for engineering equipment	114,112,061.16	129,683,530.20
Total	124,603,804.95	135,834,414.39

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

Unit: RMB

Item	Period-end balance	Reasons for not repaying or carrying over
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,298,954.80	Project(s) unsettled
China Construction First Building (Group) Corporation Limited	7,341,720.70	Project(s) unsettled
Shenzhen Yinuo Construction Engineering Co., Ltd.	3,555,095.22	Project(s) unsettled
Beijing Fugonglide Technology Development Co., Ltd.	1,038,109.61	Project(s) unsettled
Shenzhen Building Decorating Group Co., Ltd.	787,548.52	Project(s) unsettled
Total	41,021,428.85	

28. Other payables

Unit: RMB

Item	Period-end balance	Period-beginning balance
Other payables	132,054,687.73	126,826,966.60
Total	132,054,687.73	126,826,966.60

(1) Other payables

1) Other payables presented by the nature of payment

Unit: RMB

Item	Period-end balance	Period-beginning balance
Guarantee and security deposits	55,743,015.44	61,572,033.08
Associated intercourse funds	18,248,958.83	13,217,780.83
Withdrawal in advance	9,979,843.96	14,559,784.33
Temporary receipts payable	48,082,869.50	37,477,368.36
Total	132,054,687.73	126,826,966.60

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

Unit: RMB

Item	Period-end balance	Reasons for not repaying or carrying over
Hongkong Yujia Investment Limited	2,146,404.58	Amount owed to related party companies, not yet repaid
Total	2,146,404.58	

29. Accounts collected in advance

(1) Presentation of accounts collected in advance

Unit: RMB

Item	Period-end balance	Period-beginning balance
Rent	9,428,923.84	4,306,567.65
Total	9,428,923.84	4,306,567.65

30. Contract liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance
Goods fees receivable in advance	3,549,355.25	2,628,855.25
Services fees receivable in advance	1,960,280.50	4,451,120.13
Total	5,509,635.75	7,079,975.38

31. Employee compensation payable

(1) Employee compensation payable

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
I. Short-term compensation	33,425,356.15	25,652,764.93	21,234,263.81	37,843,857.27
II. Post-employment benefits-defined contribution plan		2,147,050.34	2,147,050.34	0.00
III. Dismissal benefits		72,490.10	72,490.10	0.00
Total	33,425,356.15	27,872,305.37	23,453,804.25	37,843,857.27

(2) Presentation of short-term compensation

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
1. Wages, bonuses, allowances, and subsidies	33,338,217.09	22,327,642.62	17,974,004.84	37,691,854.87
2. Employee benefits				0.00
3. Social insurance premiums		809,845.40	809,845.40	0.00
Including: Medical insurance premiums		675,065.34	675,065.34	0.00
Work-related injury insurance premiums		65,164.19	65,164.19	0.00
Maternity insurance premiums		69,615.87	69,615.87	0.00
4. Housing provident fund	1,012.80	1,586,036.31	1,586,036.31	1,012.80
5. Labor union funds and staff education funds	626.26	431,285.51	369,803.79	62,107.98
8. Others	85,500.00	497,955.09	494,573.47	88,881.62
Total	33,425,356.15	25,652,764.93	21,234,263.81	37,843,857.27

(3) Defined contribution plan

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
1. Basic endowment insurance		2,031,314.15	2,031,314.15	
2. Unemployment insurance premium		115,736.19	115,736.19	
Total		2,147,050.34	2,147,050.34	0.00

32. Taxes payable

Unit: RMB

Item	Period-end balance	Period-beginning balance
Value-added tax	1,592,103.44	1,753,636.75
Corporate income tax	9,362,933.66	7,692,722.34
Individual income tax	505,406.02	1,174,933.55
Urban maintenance and construction tax	47,779.64	89,600.86
Educational surcharge	27,707.89	79,842.74
Land use tax	224,037.74	
Land value increment tax	17,386,832.46	17,386,832.46

Stamp duty	434,366.59	526,135.54
Property tax	3,530,269.81	
Other taxes	140,895.04	153,743.82
Total	33,252,332.29	28,857,448.06

33. Non-current liabilities due within one year

Unit: RMB

Item	Period-end balance	Period-beginning balance
Lease liabilities due within one year	7,155,499.75	7,304,647.32
Total	7,155,499.75	7,304,647.32

34. Other current liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance
Taxes of items to be written off	3,172,726.99	3,388,998.35
Total	3,172,726.99	3,388,998.35

35. Lease liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance
Lease payment	64,188,913.70	69,524,214.23
Total	64,188,913.70	69,524,214.23

36. Long-term payables

Unit: RMB

Item	Period-end balance	Period-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	Period-end balance	Period-beginning balance
Employee housing deposit	3,908,848.40	3,908,848.40
Grant for technology innovation projects	11,311.96	11,311.96
Total	3,920,160.36	3,920,160.36

37. Estimated liabilities

Unit: RMB

Item	Period-end balance	Period-beginning balance	Reason for formation
Pending litigation	268,414.80	268,414.80	Pending litigation
Total	268,414.80	268,414.80	

38. Deferred income

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance	Reason for formation
Government subsidy	9,617,683.53		880,145.82	8,737,537.71	Asset-related
Total	9,617,683.53	0.00	880,145.82	8,737,537.71	

39. Share capital

Unit: RMB

	Period-beginning balance	Increase or decrease (+, -)					Period-end balance
		Issuance of new shares	Share donation	Conversion of the reserved funds into shares	Others	Subtotal	
Total shares	431,058,320.00						431,058,320.00

40. Capital reserves

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
Capital premium (share premium)	425,768,053.35			425,768,053.35
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	Period-beginning balance	Amount incurred in the current period						Period-end 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	After-tax amount attributable to minority shareholders	

I. Other comprehensive income items not to be reclassified into profits and losses	- 7,344,974.65								- 7,344,974.65
Changes in the fair value of other equity investments	- 7,344,974.65								- 7,344,974.65
II. Other comprehensive income items to be reclassified into profits and losses	26,422.00								26,422.00
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								- 7,318,552.65

42. Surplus reserve

Unit: RMB

Item	Period-beginning balance	Increase in the current period	Decrease in the current period	Period-end balance
Statutory surplus reserves	63,956,286.46			63,956,286.46
Total	63,956,286.46			63,956,286.46

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
Undistributed profits at the end of the period after adjustment	685,342,592.62	590,605,394.67
Add: Net profit attributable to owners of the parent company during the period	76,662,479.69	44,139,962.93
Ordinary share dividends payable	13,362,807.92	12,069,632.96
Undistributed profits at the end of the period	748,642,264.39	622,675,724.64

Breakdown of adjusted undistributed profits at the beginning of the period

- 1) Due to retroactive adjustment of ASBE and relevant new regulations, the affected undistributed profit at the beginning of the period is RMB 0.00.
- 2) Due to changes in accounting policies, the affected undistributed profit at the beginning of the period is RMB 0.00.
- 3) Due to the correction of major accounting errors, the undistributed profit of RMB 0.00 at the beginning of the period was affected.
- 4) Due to the change in the scope of consolidation caused by the same control, the undistributed profit of RMB 0.00 at the beginning of the period was affected.
- 5) The amount of undistributed profits at the beginning of the period that was affected due to the total of other adjustments 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	1,580,023,748.85	1,451,925,990.76	702,184,781.46	608,012,821.75
Other business			2,651,629.48	591,816.65
Total	1,580,023,748.85	1,451,925,990.76	704,836,410.94	608,604,638.40

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	1,580,023,748.85	1,451,925,990.76					1,580,023,748.85	1,451,925,990.76
Including:								
Wholesale and retail of jewelry	1,441,734,815.25	1,410,424,605.61					1,441,734,815.25	1,410,424,605.61
Leasing and services	138,078,049.35	41,501,385.15					138,078,049.35	41,501,385.15
Others	210,884.25						210,884.25	
By								

operating region								
Including:								
South China	1,017,725,204.81	897,350,269.66					1,017,725,204.81	897,350,269.66
East China	89,258,835.53	87,765,772.74					89,258,835.53	87,765,772.74
North China	426,593,372.53	421,213,393.61					426,593,372.53	421,213,393.61
Central China	37,329,652.67	36,682,757.99					37,329,652.67	36,682,757.99
Other regions	9,116,683.31	8,913,796.76					9,116,683.31	8,913,796.76
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								

45. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	1,233,347.07	625,625.14
Educational surcharge	893,173.74	446,539.19
Property tax	3,530,269.75	3,126,665.09

Land use tax	197,577.76	136,660.83
Stamp duty	1,164,004.73	518,916.20
Other taxes	4,541.15	1,320.00
Total	7,022,914.20	4,855,726.45

46. Administrative expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	19,829,421.54	24,654,297.67
Office expenses	110,795.99	119,662.56
Transport and travel expenses	44,514.01	7,695.23
Business entertainment expenses	48,702.75	52,838.20
Depreciation and amortization	2,224,953.37	2,118,529.00
Intermediary agency service fees	269,351.37	906,265.09
Others	1,231,201.37	958,541.63
Total	23,758,940.40	28,817,829.38

47. Selling expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	3,521,903.27	6,048,479.76
Advertising marketing expenses	4,453,697.92	2,008,639.20
Depreciation and amortization	1,361,625.33	1,576,507.45
Office expenses	173,640.67	178,798.04
Property management, water, and electricity fees	65,294.90	81,594.29
Transport and travel expenses	134,013.99	344,110.00
Insurance and supervisory charges	273,533.86	173,654.37
Others	671,873.13	1,551,315.90
Total	10,655,583.07	11,963,099.01

48. R&D expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,203,314.39	
Information technology service expenses	20,222.89	
Depreciation and amortization	24,087.95	
Others	105,407.57	
Total	1,353,032.80	

49. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	5,197,620.36	4,751,743.88
Less: Interest income	2,112,971.50	1,835,834.14
Less: Capitalized interest	0.00	1,510,324.98

Exchange profits and losses	409,047.03	-64,306.88
Others	192,197.54	50,454.91
Total	3,685,893.43	1,391,732.79

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	5,606,545.82	4,465,807.01
Including: Government subsidies related to deferred income	880,145.82	626,237.73
Government subsidies directly included in current profits and losses	4,726,400.00	3,839,569.28
II. Other items related to daily activities and included in other incomes	73,501.77	9,658.93
Including: Individual income tax withholding fees	73,501.77	9,658.93
Total	5,680,047.59	4,475,465.94

51. Income from changes in fair value

Unit: RMB

Source of gain from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets	219,551.09	-2,783,204.51
Trading financial liabilities	-1,908,400.00	-2,464,470.00
Derivative instruments of effective hedges	-1,292,744.45	-18,135.65
Total	-2,981,593.36	-5,265,810.16

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	20,511,753.40	3,011,611.29
Investment income from trading financial assets during the holding period	4,062,385.40	8,468,244.22
Closing income from commodity futures contracts and T+D contracts (hedging)	-9,867,534.55	-2,556,837.71
Total	14,706,604.25	8,923,017.80

53. Credit impairment losses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss of accounts receivable	-751,209.02	6,669.80
Bad debt loss of other receivables	-106,335.89	

Total	-857,544.91	6,669.80
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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		-3,700.50
Total		-3,700.50

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	-81,800.45

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 the exchange of non-monetary assets		22,690.35	0.00
Gains from unpayable payments	667,747.57	262,274.08	667,747.57
Others	444,285.68	132,217.70	444,285.68
Total	1,112,033.25	417,182.13	1,112,033.25

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		338.65	
Inventory loss of fixed assets			
Overdue payments and liquidated damage expenditure	107,338.47	119,344.47	107,338.47
Others			
Total	107,338.47	119,683.12	107,338.47

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	17,857,884.67	12,664,515.42
Deferred tax expenses	1,805,746.63	-197,855.50
Total	19,663,631.30	12,466,659.92

(2) Accounting profit and income tax expense adjustment process

Unit: RMB

Item	Amount incurred in the current period
Total profit	99,173,375.34
Income tax expenses based on statutory/applicable tax rate	24,793,343.84
Effect of different tax rates applied to subsidiaries	-172,289.02
Effect of income tax during the period before adjustment	857,973.45
Effect of non-taxable income	-5,127,938.35
Impact of non-deductible costs, expenses, and losses	959,784.57
Effect of using deductible losses of unrecognized deferred income tax assets in the previous period	-1,270,542.30
Effect of deductible temporary difference or deductible losses on unrecognized deferred tax assets in the current period	-376,700.89
Income tax expenses	19,663,631.30

59. Other comprehensive income

Refer to Note VII. 41 for details

60. Items in the cash flow statement**(1) Other 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	32,184,951.83	12,249,467.54
Interest income	597,641.87	1,848,535.56
Current accounts and others	77,849,320.09	153,004,930.68
Total	110,631,913.79	167,102,933.78

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	20,185,486.98	15,722,806.60
Guarantee and security deposits	18,341,700.56	7,957,202.52

Current accounts and others	68,134,321.12	152,374,457.27
Total	106,661,508.66	176,054,466.39

(2) Other 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
Income from futures liquidation	669,327.72	827,883.63
Total	669,327.72	827,883.63

Other cash paid relating to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Futures trading fee and liquidation losses	8,115,811.58	7,567,454.81
Total	8,115,811.58	7,567,454.81

(3) Cash related to financial activities

Other cash paid related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Refund of minority shareholders' capital		4,900,000.00
Principal and interest on lease liabilities paid	754,459.08	628,844.00
Total	754,459.08	5,528,844.00

Changes in liabilities arising from financing activities

Applicable Not applicable

61. Supplementary information to the cash flow statement

(1) Supplementary information for the cash flow statement

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Adjustment of net profit to cash flow from operating activities:		
Net profits	79,509,744.04	45,088,066.43
Add: Impairment provision for assets	857,544.91	-2,969.30
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	20,210,193.63	17,367,778.17
Depreciation of right-of-use assets	4,726,718.58	1,801,160.77
Amortization of intangible assets	280,390.51	1,098,090.38
Amortization of long-term prepaid expenses	3,448,584.09	2,042,705.37

Losses on the disposal of fixed assets, intangible assets, and other long-term assets (gain to be listed with "-")	227.20	81,800.45
Losses from the scrapping of fixed assets (gains to be listed with "-")		
Losses from changes in fair value (gains to be listed with "-")	2,981,593.36	5,265,810.16
Financial expenses (gains to be listed with "-")	3,685,893.43	1,391,732.79
Investment losses (gains to be listed with "-")	-14,706,604.25	-8,923,017.80
Decrease of deferred income tax assets (increase to be listed with "-")	1,895,046.72	-253,211.24
Increases in deferred tax liabilities (decrease to be listed with "-")	-89,300.07	55,355.72
Decrease of inventory (increase to be listed with "-")	86,288,295.78	74,299,085.33
Decrease in operating receivables (increase to be listed with "-")	-95,752,549.66	-174,414,312.99
Increase in operating items payable (decrease to be listed with "-")	13,973,710.65	24,859,983.86
Others		
Net cash flow from operating activities	107,309,488.92	-10,241,941.90
2. Major investment and financing activities that do not involve cash receipts and expenditures:		
Transfer 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:		
Period-end balance of cash	155,899,714.76	261,521,100.08
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	-4,323,672.93	-129,885,729.28

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Period-end balance	Period-beginning balance
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I. Cash	155,899,714.76	160,223,387.69
Including: Cash on hand	324.59	17,215.98
Cash at bank available for payment at any time	119,615,641.97	120,361,253.61
Other monetary funds available for payment on demand	36,283,748.20	39,844,918.10
III. Period-end balance of cash and cash equivalents	155,899,714.76	160,223,387.69

(3) 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
Futures and options account margin	4,104,642.60	51,328,583.35	
Gold leasing security deposits and interests	40,477,138.89	8,188,990.60	
Margin payable security deposits and interests	28,123,726.04		
Amount under judicial control		600,000.00	
Total	72,705,507.53	60,117,573.95	

62. Monetary items in foreign currency

(1) Foreign currency monetary items

Unit: RMB

Item	Period-end foreign currency balance	Conversion exchange rate	Period-end equivalent RMB balance
Cash at bank and on hand			
Including: USD	23,634.26	7.11	168,074.30
EUR			
HKD	41,198.56	0.90	37,237.65
Accounts receivable			
Including: USD			
EUR			
HKD			
Long-term borrowings			
Including: USD			
EUR			
HKD			

(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. Leasing

(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	138,078,049.35	0.00
Total	138,078,049.35	

Finance lease with the Company as the lessor

Applicable Not applicable

Annual undiscounted lease receipts in the next five years

Applicable Not applicable

Reconciliation of undiscounted lease payments to net lease investment

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

Applicable Not applicable

VIII. R&D Expenditures

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,375,987.07	
Consulting expenses	57,193.66	
Travel expenses	39,312.82	
Amortization expenses	24,087.95	
Information technology service expenses	20,222.89	

Other expenses	8,901.09	
Total	1,525,705.48	
Including: Expense account-based R&D expenses	1,353,032.80	
Capitalized R&D expenses	172,672.68	

1. R&D projects eligible for capitalization

Unit: RMB

Item	Period-beginning balance	Amount increase in the current period			Decrease in the current period			Period-end balance
		Internal development expenditure	Others		Recognized as intangible assets	Transferred to current profits and losses		
Material buying mini-program R&D		172,672.68			172,672.68			
Total		172,672.68			172,672.68			

IX. Equity in Other Entities

1. Interests in subsidiaries

(1) Composition of the group

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		100.00%	Establishment
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,150,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Tellus Chuangying Technology Co., Ltd.	1,500,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%		Establishment

Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.							t
Shenzhen Automobile Industry and Trade Co., Ltd.	58,960,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Automobile Industry Supply and Marketing Company	11,110,000.00	Shenzhen	Shenzhen	Commerce		100.00%	Establishment
Shenzhen Zhongtian Industry Co., Ltd.	366,221,900.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Huari Toyota Sales & Service Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%		Establishment
Shenzhen Tellus Treasury Supply Chain Treasury Supply Chain Company	50,000,000.00	Shenzhen	Shenzhen	Commerce	100.00%		Establishment
Shenzhen Jewelry Industry Service Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Commerce	65.00%		Establishment
Shanghai Fanyue Diamond Co., Ltd.	3,500,000.00	Shanghai	Shanghai	Commerce		100.00%	Establishment
Guorun Gold Shenzhen Co., Ltd.	200,000,000.00	Shenzhen	Shenzhen	Commerce	36.00%	3.25%	Establishment

Explanation of the fact that the shareholding percentage is different from the 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 shareholders' equity at the end of the period
Guorun Gold Shenzhen Co., Ltd.	60.75%	407,133.92		117,138,993.94

Explanation of 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	Period-end balance						Period-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.	403,498,614.75	7,341,989.55	410,840,604.30	207,883,243.47	4,374,654.74	212,257,898.21	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 profits	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flows from operating activities
Guorun Gold Shenzhen Co., Ltd.	1,427,534,581.98	670,179.30	670,179.30	90,487,735.85	520,277,948.63	-792,883.11	-792,883.11	-46,812,821.71

2. Equity in joint ventures or associates

(1) Important associates and joint ventures

Name of joint venture or associate	Principal place of business	Registered location	Business nature	Shareholding proportion		Accounting method for the investment in joint ventures or associates
				Direct	Indirect	
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	28,679,203.46	60,614,147.72
Including: Cash and cash equivalents	39,278,424.27	59,631,516.56
Non-current assets	313,933,362.79	326,363,493.98
Total assets	342,612,566.25	386,977,641.70
Current liabilities	45,375,209.61	47,521,951.61
Non-current Liabilities	214,176,000.00	240,954,000.00
Total liabilities	259,551,209.61	288,475,951.61
Minority interests		
Equity attributable to shareholders of the parent company	83,061,356.64	98,501,690.09
Shares of net assets calculated as per the shareholding proportion	41,530,678.32	49,250,845.05
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments to joint	41,530,678.32	49,250,845.05

ventures		
Fair value of equity investment in joint ventures with public offers		
Operating revenue	68,891,890.69	54,145,037.15
Financial expenses	4,854,802.36	5,391,641.93
Income tax expenses	5,728,222.17	5,589,775.67
Net profits	14,559,666.49	16,769,327.00
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	14,559,666.49	16,769,327.00
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	203,424,177.68	167,519,575.18
Non-current assets	26,420,595.69	32,145,888.83
Total assets	229,844,773.37	199,665,464.01
Current liabilities	154,411,693.39	158,552,555.81
Non-current Liabilities		1,231,962.74
Total liabilities	154,411,693.39	159,784,518.55
Minority interests		
Equity attributable to shareholders of the parent company	75,433,079.98	39,880,945.46
Shares of net assets calculated as per the shareholding proportion	26,401,577.99	13,958,330.91
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in associates	26,401,577.99	13,958,330.91
Fair value of equity investments in associates with public offers		
Operating revenue	385,757,907.13	529,459,351.87
Net profits	35,552,134.52	-14,291,457.36
Net profit from discontinued operations		
Other comprehensive income		

Total comprehensive income	35,552,134.52	-14,291,457.36
Dividends received from associates in the current year		

(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	13,458,348.66	13,302,311.60
Total amount of the following items at the shareholding percentage		
--Net profit	156,037.06	-371,042.13
--Total comprehensive income	156,037.06	-371,042.13
Associates:		
Total amount of the following items at the shareholding percentage		
--Net profit	632,636.00	
--Total comprehensive income	632,636.00	

(5) Excess losses incurred by joint ventures or associates

Unit: RMB

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

X. Government Subsidies

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

Applicable Not applicable

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

Applicable Not applicable

(2) Liability-related projects with government subsidies

Applicable Not applicable

Unit: RMB

Accounting item	Period-beginning balance	New granted amount in the current	Amount included non-	Amount transferred to other	Other changes in the current	Period-end balance	Asset/income-related
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		period	operating revenues in the current period	incomes in the current period	period		
Deferred income	9,617,683.53			880,145.82		8,737,537.71	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	5,680,047.59	4,475,465.94

XI. Risks Related to Financial Instruments

1. Various risks arising from financial instruments

The major financial instruments of the Company include monetary capitals, notes receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, trading financial assets, other investment on bonds, other equity instrument investment, long-term receivables, 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.

Objectives and policies of risk management

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

The Company's overall risk management plan aims to mitigate the potential adverse effects on the Company's financial performance caused by the unpredictability of the financial market.

The Company has formulated risk management policies to identify and analyze all the risks faced by the Company, set up the acceptable risk level, and design corresponding internal control procedures to monitor the Company's risk level. These risk management policies and related internal control systems will be reviewed regularly to accommodate market conditions or changes in the Company's operating activities. The internal audit department will also regularly or irregularly check whether the implementation of such internal control systems complies with risk management policies.

The Company disseminates risks in financial instruments through appropriate diversified investments and business portfolios and formulates corresponding risk management policies to reduce risks concentrated in a single industry, specific regions, or specific counterparties.

(1) Credit risks

Credit risk is the risk of financial loss of the Company caused by a counterparty's failure to meet its obligations in a contract.

The Company manages credit risks through portfolio classification. Credit risks mainly arise from deposits in banks, notes receivable, accounts receivable, other receivables, long-term receivables, other debt investments, etc.

Bank deposits of the Company are mainly kept in state-owned banks and other large and medium-sized listed banks, which are mainly deposited in financial institutions with good reputations and high credit ratings. It is expected that there will be no significant credit risk for bank deposits of the Company. 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 47.26% 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 49.97% 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 560 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):

Project name	June 30, 2024				
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	16,011.91				16,011.91
Trading financial liabilities	3,685.86				3,685.86
Derivative financial liabilities	57.51				57.51
Accounts payable	12,460.38				12,460.38
Other payables	13,205.47				13,205.47
Current portion of non-current liabilities	715.55				715.55
Lease liabilities		521.00	912.07	6,102.07	7,535.14
Long-term payables				392.02	392.02
Total	46,136.67	521.00	912.07	6,494.09	54,063.83

At the end of the previous year, financial liabilities and off-balance sheet guaranteed items held by the Company were analyzed as follows based on the expiration date of undiscounted remaining contract cash flow (unit: RMB 10,000):

Project name	December 31, 2023				
	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	13,583.44				13,583.44
Other payables	12,682.70				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	47,533.69	995.42	912.07	6,494.09	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 27.92% (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 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

The book value of the hedged items and related adjustments are as follows:

H1 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 2023 (note)
	Asset	Liability	Asset	Liability		
Commodity price risk-inventory	68,886,072.56	-	21,982.96			-

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	-	Inventories	-

Changes in the book value and fair value of hedging instruments are as follows:

H1 2024

Item	Nominal amount	Book value of hedging instrument		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 2023 (note)
	of hedging instrument	Asset	Liability		
Commodity price risk-inventory	68,886,072.56	0	575,060.00	Derivative financial asset/liability	-

2023

Item	Nominal amount	Book value of hedging instrument		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 2023 (note)
	of hedging instrument	Asset	Liability		
Commodity price risk-inventory	85,802,395.07	298,320.00	1,380.00	Derivative financial asset/liability	-

(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

XII. Disclosure of Fair Value

1. Ending fair value of the assets and liabilities measured at fair value

Unit: RMB

Item	Period-end 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		302,715,467.76	74,799,015.27	377,514,483.03
1. Financial assets at fair value through profit or loss		302,715,467.76	74,799,015.27	377,514,483.03
(2) Equity instrument investments			74,799,015.27	74,799,015.27
(4) Structured deposits and financial products		302,715,467.76		302,715,467.76
(II) Other debt investments		105,986,078.92		105,986,078.92
(III) Other equity instrument investments			383,317.67	383,317.67
(VI) Arbitrated items	68,886,072.56			68,886,072.56
Total assets continuously measured at fair value	68,886,072.56	408,701,546.68	75,182,332.94	552,769,952.18
(VII) Specified as financial liabilities at fair value with changes into current profits and losses	36,858,570.74			36,858,570.74
(VIII) Derivative financial liabilities	575,060.00			575,060.00
1. Hedging instruments	575,060.00			575,060.00
Total amount of	37,433,630.74	0.00	0.00	37,433,630.74

liabilities continuously measured at fair value				
II. Non-continuous fair value measurement	--	--	--	--

2. Basis for determining the market price of items concerning 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	Period-end 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

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	Period-end fair value	Valuation technique	Unobservable input value	Range (weighted average)
Equity instrument investment:				
Unlisted equity investment	383,317.67	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.

XIII. Related Parties and Related Transactions

1. Information of the parent company

Name of the 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 Co., Ltd.	Shenzhen	Real estate development and operation, domestic commerce	RMB 6,179,406,000	49.09%	49.09%

Information of the parent company

Shenzhen Special Economic Zone Development Group Co., Ltd. (hereinafter referred to as "SDG Group") was established on June 20, 1982 with the investment of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government. The Company now holds a business license with a unified social credit code of 91440300192194195C, and a registered capital of RMB 6,179,406,000.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government.

2. Information of the subsidiaries of the Company

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

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

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

The information on other joint ventures or associates that produced balance by conducting related-party transactions with the Company in the current period or in the earlier period is shown as follows:

Name of joint venture or associate	Relationship with the Company
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Associate of the Company
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associate of the Company
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Associate of the Company
Shenzhen 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 Tiane Industrial 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
Shenzhen SDG Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Hongkong Yujia Investment Limited	Controlled subsidiary of the Company's parent company
Shenzhen SDG Engineering Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Tellus Yangchun Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen 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 Building Technology 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 Wahlai Decoration & Furniture Co., Ltd.	Associate of the Company's parent company
Gu Zhiming	Key managerial staff member
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 Niubisi Jewelry Trading 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.	Controlled subsidiary of the parent company of the Company's parent company

Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary previously controlled within 12 months
ISSTech Information Technology Co., Ltd.	Controlled subsidiary of the Company's parent company

5. Information of related transactions

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

Information on purchase of commodities/receipt of labor services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Approved transaction amount	Exceeding the transaction amount or not	Amount incurred in the previous period
Shenzhen SDG Service Co., Ltd.	Receiving labor services	10,111,049.17	40,220,000.00	No	6,681,836.37
Shenzhen SDG Tellus Property Management Co., Ltd.	Receiving labor services	872,337.13	1,980,000.00	No	1,782,277.76
Shenzhen SDG Building Technology Co., Ltd.	Receiving labor services	135,849.06			
Shenzhen ZHL Industrial Co., Ltd.	Receiving labor services	412,229.08			1,863,167.50
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Purchasing goods	3,274.32			
Shenzhen Yuepengjin Jewelry Co., Ltd.	Receiving labor services	40,625.67			61,212.43
Shenzhen SDG Engineering Management Co., Ltd.	Receiving labor services	120,000.00	1,400,000.00	No	671,200.00
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Software usage fees	0.00			1,248,224.49
Guoren Property & Casualty Insurance Co., Ltd.	Purchasing services	232,830.19	800,000.00	No	
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Receiving labor services	7,474,168.85			7,373,982.82

Information on Sales of Commodities/Provision of Labor Services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Beijing Caishikou Department Store Co., Ltd.	Sales of goods	3,391,541.93	
Shenzhen Niubisi Jewelry Trading Co., Ltd.	Rendering labor services	0.00	1,897,096.53
Shenzhen ZHL Industrial Co., Ltd.	Rendering labor services	339,874.20	44,150.94

Shenzhen Yuepengjin E-commerce Co., Ltd.	Sales of goods	66,320,646.02	79,086,389.48
Shenzhen SDG Tellus Property Management Co., Ltd.	Rendering labor services		1,126.55
Shenzhen Special Economic Zone Development Group Co., Ltd.	Rendering labor services		7,244.25
Shenzhen Telixing Investment Co., Ltd.	Rendering labor services	283,018.88	

(2) Information of related lease

The Company as the lessor:

Unit: RMB

Name of the lessee	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	House leasing	2,595,238.09	2,725,000.00
Shenzhen SDG Service Co., Ltd.	House leasing	1,309,654.02	1,150,990.47
Shenzhen SDG Tellus Property Management Co., Ltd.	House leasing	82,730.47	65,730.00
Shenzhen SDG Microfinance Co., Ltd.	House leasing	610,182.85	604,295.03
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	House leasing	8,400.00	16,000.00
Shenzhen Yuepengjin Jewelry Co., Ltd.	House leasing	1,116,635.87	1,199,121.84

(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	2,201,400.00	4,131,300.00

6. Receivables and payables by related parties

(1) Receivables

Unit: RMB

Project name	Related party	Period-end balance		Period-beginning balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivable	Shenzhen Yuepengjin E-commerce Co., Ltd.	19,649,000.00	196,490.00		
Accounts receivable	Beijing Caishikou Department Store	409,309.20	4,093.09	656,267.50	6,562.68

	Co., Ltd.				
Accounts receivable	Shenzhen Niubisi Jewelry Trading Co., Ltd.	0.00	0.00	246,015.46	2,460.15
Accounts receivable	Shenzhen SDG Tellus Property Management Co., Ltd.	127.66	1.28	127.66	1.28
Accounts receivable	Shenzhen SDG Microfinance Co., Ltd.	18,420.25	1,421.12	142,112.35	1,421.12
Accounts receivable	Shenzhen Yuepengjin Jewelry Co., Ltd.	1,640,346.94	14,019.96	1,401,995.50	14,019.96
Prepayments	Shenzhen SDG Engineering Management Co., Ltd.	21,226.42	0.00	21,226.42	
Prepayments	Shenzhen Branch of Guoren Property and Casualty Insurance Co., Ltd.	42,767.29	0.00		
Prepayments	ISSTech Information Technology Co., Ltd.	593,247.17	0.00		
Other receivables	Shenzhen SDG Tellus Electronics Co., Ltd.	23,852.64	23,852.64	23,852.64	23,852.64
Other receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,359,297.00	1,359,297.00	1,359,297.00	1,359,297.00
Other receivables	Shenzhen Xiandao New Materials Co., Ltd.	660,790.09	660,790.09	660,790.09	660,790.09
Other receivables	Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	2,886.00	2,886.00	2,886.00	2,886.00
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	33,318.36	1,473.18	33,318.36	1,473.18
Other receivables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	Shenzhen Telixing Investment Co., Ltd.	195,430.93	2,595.66	259,566.39	2,595.66
Other receivables	Shenzhen ZHL	566,013.23	5,660.13	2,607,443.00	26,074.43

	Industrial Co., Ltd.				
Long-term receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	6,146,228.91	6,146,228.91	6,146,228.91	6,146,228.91

(2) Payables

Unit: RMB

Project name	Related party	Period-end book balance	Period-beginning book balance
Accounts payable	Shenzhen SDG Real Estate Co., Ltd.		6,054,855.46
Accounts payable	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	45,300.00	45,300.00
Accounts payable	Shenzhen SDG Tellus Property Management Co., Ltd.	263,224.88	336,533.57
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	32,639.21	212,993.43
Accounts payable	Shenzhen Yuepengjin Jewelry Co., Ltd.	21,100.00	20,680.00
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	5,578,143.86	334,493.34
Accounts payable	Shenzhen SDG Service Co., Ltd.	5,828,787.92	3,368,791.51
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	4,000.00	79,000.00
Accounts payable	Shenzhen Zhigu Jinyun Technology Co., Ltd.	45,652.00	53,714.23
Advances from customers	Shenzhen SDG Engineering Management Co., Ltd.		21,226.42
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen SDG Service Co., Ltd.	40,992.00	40,992.00
Other payables	Shenzhen Yuepengjin Jewelry Co., Ltd.	388,102.00	
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.		2,000.00
Other payables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.		5,602.99
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.		800.00
Other payables	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	833,334.00	833,334.00
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	15,841.59	15,841.59
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.		3,000.00
Other payables	Shenzhen Tellus Yangchun Real Estate Co., Ltd.	476,217.49	476,217.49

Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,554,196.80	1,554,196.80
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.		401,140.08
Other payables	Shenzhen SDG Engineering Management Co., Ltd.		149,338.46
Other payables	Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	11,436,392.71	11,436,392.71
Other payables	Hongkong Yujia Investment Limited	2,146,404.58	2,146,404.58
Other payables	Shenzhen SDG Tiane Industrial Co., Ltd.	23,930.50	23,930.50
Other payables	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50

XIV. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

None

2. Contingencies

(1) Important contingencies existing on the balance sheet date

None

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

The Company has no important contingencies to be disclosed.

XV. Matters after the Balance Sheet Date

1. Description of other matters after the balance sheet date

None

XVI. Other Significant Matters

1. Segmented information

(1) Determination basis and accounting policy of reporting segments

According to the Company's internal organizational structure, management requirements, and internal reporting system, the business of the Company is divided into four reporting segments. These reporting segments are determined based on the financial information required by the Company's daily internal management. The

Group's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources to them and evaluate their performance.

The reporting segments of the Company include:

- (1) Leasing and services, real estate, and commercial real estate leasing;
- (2) Jewelry sales and services, and wholesale and retail of gold and jewelry.

The segment reporting information is disclosed according to the accounting policy and measurement standard adopted when each segment reports to the management, and the accounting policy and measurement basis are in correspondence with those of formulating financial statements.

(2) Financial information of reporting segments

Unit: RMB

Item	Wholesale and retail of jewelry	Leasing and services	Others	Offset among segments	Total
Revenue from main business	1,441,734,815.25	140,347,039.25	210,884.25	-2,268,989.90	1,580,023,748.85
Cost of main business	1,410,424,605.61	42,635,859.64	0.00	-1,134,474.49	1,451,925,990.76
Total assets	593,582,257.47	2,942,194,868.97	5,027,865.60	-1,047,576,310.57	2,493,228,681.47
Total liabilities	306,759,181.09	654,095,668.37	16,184,338.62	-281,029,360.75	696,009,827.33

XVII. Notes for Major Items of the Parent Company's Financial Statement

1. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Account receivable age	Period-end book balance	Period-beginning book balance
Within 1 year (inclusive)	21,529,222.67	22,182,052.01
1-2 years	124,487.53	124,487.53
Over 3 years	488,163.08	488,163.08
Over 5 years	488,163.08	488,163.08
Total	22,141,873.28	22,794,702.62

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Period-end balance					Period-beginning balance					
	Book balance		Bad-debt provision			Book balance		Bad-debt provision			Book value
	Amount	Proportion	Amount	Proportion	Book value	Amount	Proportion	Amount	Proportion		

Accounts receivable with provision for bad debts on a single basis	484,803.08	2.19%	484,803.08	100.00%	0.00	484,803.08	2.13%	484,803.08	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by portfolio	21,657,070.20	97.81%	229,707.30	1.06%	21,427,362.90	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24
Including:										
1. Account receivable age portfolio	21,657,070.20	97.81%	229,707.30	1.06%	21,427,362.90	22,309,899.54	97.87%	229,707.30	1.03%	22,080,192.24
Total	22,141,873.28	100.00%	714,510.38	3.23%	21,427,362.90	22,794,702.62	100.00%	714,510.38	3.13%	22,080,192.24

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

Unit: RMB

Name	Period-beginning balance		Period-end balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reasons for provision
Shenzhen Bijiashan Entertainment Co., Ltd.	172,000.00	172,000.00	172,000.00	172,000.00	100.00%	Overlong account receivable age; expected to be unrecoverable
Gong Yanqing	97,806.64	97,806.64	97,806.64	97,806.64	100.00%	Overlong account receivable age; expected to be unrecoverable
Guangzhou Lemin Computer Center	86,940.00	86,940.00	86,940.00	86,940.00	100.00%	Overlong account receivable age; expected to be unrecoverable
Others	128,056.44	128,056.44	128,056.44	128,056.44	100.00%	Overlong account receivable age; expected to be

						unrecoverable
Total	484,803.08	484,803.08	484,803.08	484,803.08		

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

Unit: RMB

Name	Period-end balance		
	Book balance	Bad-debt provision	Provision proportion
1. Account receivable age portfolio	21,657,070.20	229,707.30	1.06%
Total	21,657,070.20	229,707.30	

Explanation of the basis for determining the portfolio:

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

Applicable Not applicable

Unit: RMB

Bad-debt provision	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	229,707.30		484,803.08	714,510.38
Balance on January 1, 2024 in the current period				
Balance as of June 30, 2024	229,707.30		484,803.08	714,510.38

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

Bad debt provision in the reporting period:

Unit: RMB

Category	Period-beginning balance	Amount of change during the current period				Period-end balance
		Provision	Accounts recovered or transferred back	Write-off	Others	
Provision for bad debts made on an individual basis	484,803.08					484,803.08
Provision for bad debts made on a portfolio basis	229,707.30					229,707.30
Total	714,510.38					714,510.38

(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 Southwest Gold Management Center Co., Ltd.	1,953,168.77		1,953,168.77	8.82%	20,462.08
Chow Sang Sang (China) Co., Ltd.	1,806,504.02		1,806,504.02	8.16%	19,350.61
Shenzhen Helin Jewelry Co., Ltd.	1,192,961.52		1,192,961.52	5.39%	12,867.21
Shenzhen Baijue Industrial Development Co. Ltd.	624,335.60		624,335.60	2.82%	4,232.50
Shenzhen Xinyufu Jewelry Co., Ltd.	578,894.49		578,894.49	2.61%	6,314.84
Total	6,155,864.40		6,155,864.40	27.80%	63,227.24

2. Other receivables

Unit: RMB

Item	Period-end balance	Period-beginning balance
Dividends receivable	1,305,581.86	1,305,581.86
Other receivables	55,062,463.27	46,126,945.18
Total	56,368,045.13	47,432,527.04

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

Unit: RMB

Item (or the investee)	Period-end balance	Period-beginning balance
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86
Total	1,305,581.86	1,305,581.86

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

Unit: RMB

Item (or the investee)	Period-end balance	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	1-2 years	Not paid yet	The financial and operating conditions of the Company are normal, and the dividends receivable are not impaired.
Total	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	18,037,201.93	15,738,436.97
Deposits and security deposits	1,528,913.96	1,774,070.79
Concerned intercourse funds within the consolidation scope of receivables	49,281,994.70	42,400,084.74
Total	68,848,110.59	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)	52,549,655.62	43,614,137.53
1-2 years	1,937,642.51	1,937,642.51
2-3 years	643,606.04	643,606.04
Over 3 years	13,717,206.42	13,717,206.42
3-4 years	39,273.66	39,273.66
Over 5 years	13,677,932.76	13,677,932.76
Total	68,848,110.59	59,912,592.50

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

Unit: RMB

Category	Period-end balance					Period-beginning balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Provision for bad debts made on an individual basis	13,644,641.06	19.82%	13,644,641.06	100.00%	0.00	13,644,641.06	22.77%	13,644,641.06	100.00%	
Includ										

ing:										
Provision for bad debts made on a portfolio basis	55,203,469.53	80.18%	141,006.26	0.26%	55,062,463.27	46,267,951.44	77.23%	141,006.26	0.30%	46,126,945.18
Including:										
Account receivable age portfolio	4,392,560.87	6.38%	72,610.51	1.65%	4,319,950.36	2,093,795.91	3.49%	72,610.51	3.47%	2,021,185.40
Portfolio of deposit and security deposit receivable	1,528,913.96	2.22%	68,395.75	4.47%	1,460,518.21	1,774,070.79	2.96%	68,395.75	3.86%	1,705,675.04
Related intercurrent funds within the consolidation scope	49,281,994.70	71.58%	0.00	0.00%	49,281,994.70	42,400,084.74	70.77%			42,400,084.74
Total	68,848,110.59	100.00%	13,785,647.32	20.02%	55,062,463.27	59,912,592.50	100.00%	13,785,647.32	23.01%	46,126,945.18

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

Unit: RMB

Name	Period-beginning balance		Period-end balance			
	Book balance	Bad-debt provision	Book balance	Bad-debt provision	Provision proportion	Reasons for provision
Provision for bad debts made on an individual basis	13,644,641.06	13,644,641.06	13,644,641.06	13,644,641.06	100.00%	Long account receivable age; expected to be unrecoverable
Total	13,644,641.06	13,644,641.06	13,644,641.06	13,644,641.06		

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

Unit: RMB

Name	Period-end balance		
	Book balance	Bad-debt provision	Provision proportion
Account receivable age portfolio	4,392,560.87	72,610.51	1.65%
Portfolio of deposit and security deposit receivable	1,528,913.96	68,395.75	4.47%
Related intercurrent funds within the consolidation scope	49,281,994.70	0.00	0.00%
Total	55,203,469.53	141,006.26	

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

Unit: RMB

Bad-debt provision	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				
Balance as of June 30, 2024	141,006.26		13,644,641.06	13,785,647.32

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

Category	Period-beginning balance	Amount of change during the current period				Period-end balance
		Provision	Accounts recovered or transferred back	Write-off or verification	Others	
Provision for bad debts made on an individual basis	13,644,641.06					13,644,641.06
Provision for bad debts made on a portfolio basis	141,006.26					141,006.26
Total	13,785,647.32					13,785,647.32

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

Unit: RMB

Company name	Nature of payment	Period-end balance	Account receivable age	Proportion to ending balance of other receivables	Period-end balance of provision for bad debts
Shenzhen Tellus Treasury Supply Chain Treasury Supply Chain Company	Intercourse funds within the Group	46,800,000.00	Within 1 year	67.98%	
Shenzhen Zhonghao (Group) Co., Ltd.	Intercourse funds	5,000,000.00	Over 5 years	7.26%	5,000,000.00

Shenzhen Jinbeili Electric Appliance Co., Ltd.	Intercourse funds	2,706,983.51	Over 5 years	3.93%	2,706,983.51
Shenzhen Jewelry Industry Service Co., Ltd.	Intercourse funds within the Group	2,334,941.11	Within 1 year	3.39%	
Shenzhen Petrochemical (Group) Co., Ltd.	Intercourse funds	1,923,910.07	Over 5 years	2.79%	1,923,910.07
Total		58,765,834.69		85.35%	9,630,893.58

3. Long-term equity investment

Unit: RMB

Item	Period-end balance			Period-beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	693,657,847.64	1,956,000.00	691,701,847.64	696,131,539.12	1,956,000.00	694,175,539.12
Investment in associates and joint ventures	91,177,767.29	9,787,162.32	81,390,604.97	86,298,649.89	9,787,162.32	76,511,487.57
Total	784,835,614.93	11,743,162.32	773,092,452.61	782,430,189.01	11,743,162.32	770,687,026.69

(1) Investments 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 investment	Provision for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	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 Industry	369,680,522.90						369,680,522.90	

Co., Ltd.									
Shenzhen Automobile Industry and Trade Co., Ltd.	126,251,071.57							126,251,071.57	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.								0.00	
Shenzhen Huari Toyota Sales & 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 Treasury Supply Chain Company	50,000,000.00							50,000,000.00	
Shenzhen Hanli High Tech Ceramics Co., Ltd.		1,956,000.00						0.00	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			2,473,691.48			691,701,847.64	1,956,000.00

(2) Investments in associates and joint ventures

Unit: RMB

Investor	Period -	Period -	Changes in the current period								Period -end	Period -end
			Additi	Reduc	Invest	Adjust	Chang	Cash	Provisi	Others		

	beginning balance (book value)	beginning balance of impairment provision	original investment	additional investment	profit or loss recognized through the equity method	profit to other comprehensive income	losses in other equity	dividend or profit declared to be distributed	provision for impairment		balance (book value)	balance of impairment provision
I. Joint ventures												
Shenzhen Tellus-Gmond Investment Co., Ltd.	49,250,845.06				7,279,833.26			15,000,000.00			41,530,678.32	
Shenzhen Telixing Investment Co., Ltd.	13,302,311.60				156,037.06			0.00			13,458,348.66	
Subtotal	62,553,156.66				7,435,870.32			15,000,000.00			54,989,026.98	
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	13,958,330.91				12,443,247.08						26,401,577.99	
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		4,751,621.62										4,751,621.62

Xianda o New Materi als Co., Ltd.											
Subtotal	13,958,330.91	9,787,162.32			12,443,247.08					26,401,577.99	9,787,162.32
Total	76,511,487.57	9,787,162.32			19,879,117.40			15,000,000.00		81,390,604.97	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

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	55,668,957.83	21,857,801.26	34,050,043.81	14,948,857.82
Total	55,668,957.83	21,857,801.26	34,050,043.81	14,948,857.82

Information related to transaction value assigned to residual performance obligations:

As of the end of the reporting period, the amount of revenue corresponding to performance obligations for contracts that have been signed but not yet fulfilled or completed is RMB . Among this, RMB is expected to be recognized as revenue during the year of RMB is as revenue for , and RMB is as revenue for .

5. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated through the cost method	71,225,000.00	
Income from long-term equity investments calculated through the equity method	19,879,117.40	3,011,611.29
Investment income from trading financial assets during the holding period	2,162,425.56	7,437,966.44
Interest income from large-sum certificates of deposit	1,589,244.45	
Total	94,855,787.41	10,449,577.73

XVIII. Supplementary Information

1. Breakdown of non-recurring profits and losses of the current period

Applicable Not applicable

Unit: RMB

Item	Amount	Note
Profits and losses from disposal of non-current assets	-227.20	Disposal of fixed assets
Government subsidies included in the current profits and losses (excluding those that are closely related to the Company's normal business operations, in line with national policies and regulations, and granted per defined criteria, with a continuous influence on the Company's profits and losses)	5,606,545.82	Government subsidy
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	2,373,536.49	Mainly from money management returns
Other non-operating incomes and expenditures apart from the aforesaid items	1,004,694.78	Primarily consists of lease contract modification fees and penalties for lessees' early termination of leases
Less: Amount of influence of income tax	2,237,809.41	
Amount of influence of minority stockholder's interests (after-tax)	539,047.10	
Total	6,207,693.38	--

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

2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average ROE	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributable to ordinary shareholders of the Company	4.66%	0.1778	0.1778
Net profit attributed to ordinary shareholders of the Company after non-recurring profits and losses are deducted	4.28%	0.1634	0.1634

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