

Auditor' s Report

Shenzhen Tellus Holding Co., Ltd.

For the year ended 31 December 2025

**Grant Thornton Zhitong
Certified Public Accountants LLP**

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Auditor's Report

GTCNSZ (2026) NO. 441A014372

To the Shareholders of Shenzhen Tellus Holding Co., Ltd. :

I. Audit opinion

We have audited the financial statements of Shenzhen Tellus Holding Co., Ltd.(hereinafter referred to as "the Company"), including the consolidated and company balance sheets as at December 31,2025, the consolidated and company income statements for the year 2025, the consolidated and company cash flow statements, the consolidated and company shareholders equity changes statement and the notes to the relevant financial statements.

We believe that the financial statements attached hereto have been prepared in all material respects in accordance with the provisions of the Enterprise Accounting Standards and fairly reflect the consolidated financial position of the Company as at December 31,2025 and the consolidated operating results and cash flows of the Company for the year ended December 31,2025.

II. Basis for Opinion

We conducted the audit in accordance with the Chinese Certified Public Accountants Auditing Standards. The section on "The Responsibility of Certified Public Accountants for the Audit of Financial Statements" in the audit report further elaborates on our responsibilities under these standards(where applicable). In line with the Chinese Certified Public Accountants Code of Professional Ethics, we were independent from the Company and fulfilled other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate, providing a basis for our audit opinion.

III. Key Audit Items

Key audit matters are matters that we consider to be most important to the audit of the current financial statements based on our professional judgment. The response to these matters is in the context of the audit and the formation of the audit opinion on the financial statements as a whole, and we do not express opinions separately on these matters.

1. Revenue recognition

Please refer to Note III.25 and Note V.44 of the notes to the financial statements for details.

(1) Description

Teli Company's operating revenue primarily stems from property leasing and services, as well as gold and jewelry sales and services. In 2025, the Company achieved a revenue of 1.462 billion yuan, a decrease of 44.08% compared to the same period last year. Given that revenue is one of the key performance indicators, there is a risk that the management (hereinafter referred to as "management") may have improperly recognized income to achieve specific goals or expectations. Therefore, we have identified revenue recognition as a critical audit matter.

(2) Responses in audit procedures

Our audit procedures for revenue recognition mainly include:

1) Understand the internal control design related to revenue recognition and test the effectiveness of key control process operation;

2) By asking the management, checking the sales contract and analyzing the point of transfer of control related to revenue recognition, the appropriateness of the specific method of revenue recognition of the Company can be evaluated.

3) Implement analysis procedures for operating income, including monthly revenue and gross profit

margin fluctuation analysis for the current period, comparative analysis of revenue, price and gross profit margin of major products and services with the same period last year, and comparative analysis with listed companies in the same industry.

4) Select the main customer confirmation of sales in the current period; for the samples without reply, check the sales contract, check the post-period payment, invoice and receipt support documents to verify the authenticity of transactions.

5) Select test samples and check supporting documents related to revenue recognition in the current year, including lease contracts and invoices related to lease business, as well as sales contracts, sales orders, invoices, warehouse delivery notes, settlement statements and customer acknowledgment receipts, etc., to check whether revenue recognition is accurate.

6) Perform the cut-off test, check the operating income confirmed before and after the balance sheet date with supporting documents such as invoices, commodity sales orders, delivery notes and customer receipt notes, and evaluate whether the operating income is recognized in the appropriate period.

7) Check the industrial and commercial information of new customers, customers with large sales changes in the current period and their related parties, and check whether there are unidentified potential related party relationships and transactions.

2. Recognition of the carrying amounts of investment property and property, plant and equipment

For the disclosure, see Notes III 15、16 and V 14、15.

(1) Description of matters

As of December 31, 2025, the value of investment real estate and fixed assets surface of the Teli Company is 1,115,777,464.99 yuan, accounting for 42.10% of the total assets, which is material to the financial statements. The book value of investment real estate and fixed assets involves significant

management judgment, including the economic usable life and residual value rate of fixed assets and investment real estate. Since the evaluation of the book value of investment real estate and fixed assets involves the significant judgment of the management and its importance to the consolidated financial statements, we determine the book value of investment real estate and fixed assets as the key audit matters.

(2) Audit response

The audit procedures we performed in respect of the recognition of the carrying amounts of investment property and property, plant and equipment mainly include:

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

2) Spot check the purchase contract, payment documents, invoices, acceptance documents and other materials of large assets;

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

4) Obtain the ownership certificates of investment property and property, plant and equipment as well as the Company's inventory count sheets, perform inventory count procedures, physically inspect the usage status of investment property and property, plant and equipment, and assess whether there are any indicators of impairment by combining the leasing and usage conditions of investment property and property, plant and equipment with the real estate market conditions.

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

6) Check whether the information related to the investment real estate and fixed assets has been

properly reported and disclosed in the financial statements.

IV. Other information

The management of the Company (hereinafter referred to as the Management) is responsible for other information, including the information covered in the Company 2025 annual report, but excluding the financial statements and our audit report.

Our audit opinion on the financial statements does not cover other information, and we do not express any form of attestation conclusion on other information.

In conjunction with our audit of the financial statements, it is our responsibility to read other information and, in doing so, to consider whether there is a material misstatement or apparent misstatement of other information that is materially inconsistent with the financial statements or what we have learned during our audit.

Based on the work we have performed, if we were to determine that there was a material misstatement of other information, we would report it. In this regard, we have nothing to report.

V. Responsibility of management and governance for financial statements

The management of the Company is responsible for preparing the financial statements in accordance with the accounting standards of the enterprise to achieve fair reflection and designing, implementing and maintaining the necessary internal controls to ensure that there are no material misstatements in the financial statements due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless management plans to liquidate the Company, terminate operations or has no other realistic alternatives.

The governance level is responsible for overseeing the financial reporting process of the Company.

VI. The responsibility of certified public accountants for the audit of financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatement due to fraud or error, and to express an opinion that includes our audit. Reasonable assurance represents a high level of assurance but does not guarantee that an audit conducted in accordance with auditing standards will always detect material misstatements when they exist. A misstatement may be material if it is reasonably expected to affect economic decisions made by users of the financial statements, either individually or collectively, based on the financial statements.

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

(1) Identify and assess the risk of material misstatement in financial statements due to fraud or error, design and perform audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for expressing an audit opinion. Since fraud may involve collusion, forgery, intentional omission, false statement, or overriding internal controls, the risk of failing to detect material misstatements due to fraud is higher than the risk of failing to detect material misstatements due to error.

(2) Understand the internal control related to the audit, so as to design appropriate audit procedures. (3) Evaluate the appropriateness of managements choice of accounting policies and the rationality of accounting estimates and related disclosures.

(4) Conclude on the appropriateness of managements use of the going concern assumption. At the same time, based on the audit evidence obtained, conclude whether there is significant uncertainty regarding matters or conditions that could lead to significant doubt about the Company ability to continue as a going concern. If we conclude that there is significant uncertainty, auditing standards require us to draw the attention of users of the financial statements to relevant disclosures in the financial statements; if the disclosure is insufficient, we should issue a qualified opinion. Our conclusions are based on information available as of the date of the audit report. However, future events or

conditions may result in the Company being unable to continue as a going concern.

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

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

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

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

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

Grant Thornton Zhitong

Auditor's signature and stamp

Certified Public Accountants LLP

Auditor's signature and stamp

China · Beijing

Date of the auditor's report: April 20, 2026

Balance Sheet

As at 31 December 2025

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Note	As at 31/12/2025		As at 31/12/2024	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash at bank and on hand	V.1	149,229,156.85	5,557,917.51	377,971,359.69	25,182,064.77
Financial assets held for trading	V.2	117,410,631.65	-	165,630,834.06	121,340,400.00
Derivative financial assets	V.3	-	-	292,078.00	-
Bills receivable		-	-	-	-
Accounts receivable	V.4	61,009,891.79	10,650,313.31	46,564,067.14	19,714,030.82
Financing receivables		-	-	-	-
Prepayments	V.5	842,625.42	239,474.02	797,409.91	96,692.05
Other receivables	V.6	49,405,335.51	3,711,404.11	8,081,783.33	2,839,370.67
Including: Interests receivable		-	-	-	-
Dividends receivable		-	-	-	-
Inventories	V.7	59,657,540.72	-	127,432,191.55	-
Including: Data resources		-	-	-	-
Contract assets		-	-	-	-
Assets held for sale		-	-	-	-
Non-current assets due within one year	V.8	87,268,498.36	65,398,799.73	91,587,627.94	91,587,627.94
Other current assets	V.9	19,312,300.83	6,580,651.56	96,743,827.38	51,886,807.24
Total current assets		544,135,981.13	92,138,560.24	915,101,179.00	312,646,993.49
Non-current assets:					
Debt investments		-	-	-	-
Other debt investments	V.10	573,849,427.40	375,653,749.58	84,724,128.76	63,517,795.43
Long-term receivables	V.11	-	-	-	-
Long-term equity investments	V.12	94,475,900.97	808,086,675.38	85,091,833.20	798,702,607.61
Other equity instruments investments	V.13	-	-	-	-
Other non-current financial assets		-	-	-	-
Investment properties	V.14	1,053,907,083.65	514,855,019.83	1,099,772,133.10	530,187,087.36
Fixed assets	V.15	61,870,381.34	11,608,977.55	70,763,683.25	13,330,517.88
Construction in progress	V.16	5,111,882.70	1,986,361.94	3,332,141.19	1,986,361.94
Productive biological assets		-	-	-	-
Oil and gas assets		-	-	-	-
Right-of-use assets	V.17	77,920,830.56	72,189,070.86	78,558,005.50	81,973,406.34
Intangible assets	V.18	3,062,429.09	1,388,001.07	3,775,834.45	2,203,851.20
Including: Data resources		-	-	-	-
Development costs		-	-	-	-
Including: Data resources		-	-	-	-
Goodwill		-	-	-	-
Long-term deferred expenses	V.19	34,117,850.87	18,589,616.08	48,095,409.37	20,931,913.29
Deferred tax assets	V.20	6,399,715.44	-	5,496,778.78	-
Other non-current assets	V.21	195,306,959.38	19,429,987.73	199,748,111.29	26,969,339.66
Total non-current assets		2,106,022,461.40	1,823,787,460.02	1,679,358,058.89	1,539,802,880.71
Total assets		2,650,158,442.53	1,915,926,020.26	2,594,459,237.89	1,852,449,874.20

Balance Sheet(continued)

As at 31 December 2025

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Note	As at 31/12/2025		As at 31/12/2024	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	V.23	11,002,344.41	-	120,101,444.43	-
Financial liabilities held for trading	V.24	-	-	-	-
Derivative financial liabilities	V.25	2,702,318.10	-	46,660.00	-
Bills payable	V.26	180,000,000.00	-	110,000,000.00	-
Accounts payable	V.27	109,353,384.05	46,372,187.13	125,555,693.13	59,250,518.21
Advances from customers	V.28	8,222,394.47	511,330.64	9,469,503.75	1,118,873.69
Contract liabilities	V.29	3,604,150.70	-	4,009,504.59	-
Employee benefits payable	V.30	42,283,881.13	35,385,505.68	36,835,623.94	30,927,714.69
Taxes payable	V.31	29,059,082.08	12,741,797.74	36,109,740.02	21,432,181.88
Other payables	V.32	139,483,702.52	71,087,817.06	126,312,280.55	120,275,555.64
Including: Interests payable		-	-	-	-
Dividends payable		-	-	-	-
Liabilities held for sale		-	-	-	-
Non-current liabilities due within one year	V.33	10,581,548.92	9,188,883.17	8,674,869.40	8,212,093.33
Other current liabilities	V.34	2,214,225.00	685,494.59	6,142,814.36	1,609,232.42
Total current liabilities		538,507,031.38	175,973,016.01	583,258,134.17	242,826,169.86
Non-current liabilities:					
Long-term loans		-	-	-	-
Bonds payable		-	-	-	-
Lease liabilities	V.35	75,441,810.38	71,397,113.71	76,541,985.55	80,617,189.54
Long-term payables	V.36	3,920,160.36	-	3,920,160.36	-
Provisions	V.37	9,956,800.00	-	-	-
Deferred income	V.38	6,057,271.67	-	7,837,477.60	-
Deferred tax liabilities	V.20	20,155,522.20	5,459,612.17	25,175,508.48	7,188,936.09
Other non-current liabilities		-	-	-	-
Total non-current liabilities		115,531,564.61	76,856,725.88	113,475,131.99	87,806,125.63
Total liabilities		654,038,595.99	252,829,741.89	696,733,266.16	330,632,295.49
Shareholders' equity:					
Share capital	V.39	431,058,320.00	431,058,320.00	431,058,320.00	431,058,320.00
Capital reserve	V.40	430,866,408.50	428,256,131.23	430,866,408.50	428,256,131.23
Less: treasury shares		-	-	-	-
Other comprehensive income	V.41	-7,606,040.90	-7,632,462.90	-7,606,040.90	-7,632,462.90
Specific reserve		-	-	-	-
Surplus reserve	V.42	92,661,110.16	92,661,110.16	74,222,656.99	74,222,656.99
Retained earnings	V.43	879,664,677.57	718,753,179.88	798,343,284.97	595,912,933.39
Total equity attributable to shareholders of the Company		1,826,644,475.33	1,663,096,278.37	1,726,884,629.56	1,521,817,578.71
Non-controlling interests		169,475,371.21	-	170,841,342.17	-
Total shareholders' equity		1,996,119,846.54	1,663,096,278.37	1,897,725,971.73	1,521,817,578.71
Total liabilities and shareholders' equity		2,650,158,442.53	1,915,926,020.26	2,594,459,237.89	1,852,449,874.20

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Income Statement

For the year ended 31 December 2025

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Note	Year ended 31/12/2025		Year ended 31/12/2024	
		Consolidated	Company	Consolidated	Company
I. Operating income	V.44	1,461,603,400.53	117,402,423.15	2,613,678,204.37	118,323,197.59
Less: operating costs	V.44	1,212,036,648.67	53,554,271.59	2,376,764,300.06	51,537,706.69
Taxes and surcharges	V.45	10,972,011.00	1,668,852.43	13,172,648.28	1,711,412.68
Selling and distribution expenses	V.46	15,669,036.29	1,294,836.49	22,232,680.89	3,339,658.26
General and administrative expenses	V.47	58,791,177.35	45,160,833.87	51,362,592.45	42,011,001.83
Research and development expenses	V.48	3,098,228.24	-	3,268,819.88	-
Financial expenses	V.49	4,483,061.95	2,936,217.17	6,389,014.69	1,410,770.64
Including: Interest expenses		6,563,081.07	3,075,790.53	9,096,305.49	2,904,506.30
Interest income		2,571,339.77	156,575.30	2,984,792.54	1,598,304.15
Add: Other income	V.50	2,309,127.32	215,922.09	6,597,836.15	73,023.60
Investment income ("-" for losses)	V.51	17,211,942.15	173,267,700.81	19,470,482.47	103,747,991.59
Including: Income from investment in associates and joint ventures ("-" for losses)		30,249,513.09	29,384,067.77	24,212,981.63	23,580,345.63
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)					
Net exposure hedging gains ("-" for losses)					
Gains from changes in fair value ("-" for losses)	V.52	-2,732,268.58	-1,096,618.04	-10,567,743.62	-12,693,036.25
Credit impairment losses ("-" for losses)	V.53	-1,080,621.26	-59,471.13	5,596,513.26	-305,769.74
Impairment losses ("-" for losses)	V.54	-84,463.30	-	-	-
Gains from assets disposal ("-" for losses)	V.55	-7,087.09	-32,362.39	-227.20	-
II. Operating profit ("-" for losses)		172,169,866.27	185,082,582.94	161,585,009.18	109,134,856.69
Add: Non-operating income	V.56	13,030,508.37	1,777,508.98	3,900,953.07	1,187,007.86
Less: Non-operating expenses	V.57	10,137,861.33	-	2,195,959.84	788,792.71
III. Profit before income tax ("-" for losses)		175,062,513.31	186,860,091.92	163,290,002.41	109,533,071.84
Less: Income tax expenses	V.58	33,562,806.50	2,475,560.26	24,258,270.37	6,869,366.57
IV. Net profit for the year ("-" for net losses)		141,499,706.81	184,384,531.66	139,031,732.04	102,663,705.27
(1) Classification according to operation continuity					
Including: Net profit from continuing operations ("-" for net loss)		141,499,706.81	184,384,531.66	139,031,732.04	102,663,705.27
Net profit from discontinued operations ("-" for net loss)					
(2) Classification according to attribute					
Including: Shareholders of the company ("-" for net loss)		142,865,677.77	184,384,531.66	136,629,870.80	102,663,705.27
Non-controlling interests ("-" for net loss)		-1,365,970.96		2,401,861.24	
V. Other comprehensive income, net of tax		-	-	-287,488.25	-287,488.25
Other comprehensive income (net of tax) attributable to shareholders of the company				-287,488.25	-287,488.25
A. Items that will not be reclassified to profit or loss				-287,488.25	-287,488.25
a. Changes in fair value of other equity instrument investments				-287,488.25	-287,488.25
B. Items that may be reclassified to profit or loss				-	-
Other comprehensive income (net of tax) attributable to non-controlling interests					
VI. Total comprehensive income for the year		141,499,706.81	184,384,531.66	138,744,243.79	102,376,217.02
Attributable to:					
Shareholders of the company		142,865,677.77	184,384,531.66	136,342,382.55	102,376,217.02
Non-controlling interests		-1,365,970.96		2,401,861.24	
VII. Earnings per share					
(1) Basic earnings per share		0.33		0.32	
(2) Diluted earnings per share					

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Cash Flow Statement

For the year ended 31 December 2025

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Note	Year ended 31/12/2025		Year ended 31/12/2024	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities					
Proceeds from sales of goods or rendering of services		1,930,502,946.37	134,928,536.63	4,572,552,357.58	131,659,527.09
Refund of taxes		-	-	13,271,889.24	-
Proceeds from other operating activities	V.59 (1)	124,013,418.42	21,034,856.33	76,743,352.97	110,406,614.70
Sub-total of cash inflows		2,054,516,364.79	155,963,392.96	4,662,567,599.79	242,066,141.79
Payment for goods and services		1,457,946,198.61	19,524,973.16	4,066,869,141.07	28,450,836.37
Payment to and for employees		52,052,045.52	35,628,808.05	50,261,809.42	32,839,148.01
Payments of various taxes		74,306,269.36	18,038,709.57	75,339,841.21	9,851,486.55
Payment for other operating activities	V.59 (2)	142,457,953.42	62,714,011.72	79,807,994.24	144,407,205.44
Sub-total of cash outflows		1,726,762,466.91	135,906,502.50	4,272,278,785.94	215,548,676.37
Net cash flows from operating activities		327,753,897.88	20,056,890.46	390,288,813.85	26,517,465.42
II. Cash flows from investing activities					
Proceeds from disposal of investments		929,974,150.16	362,474,150.16	820,139,644.49	492,856,726.33
Investment income received		32,897,358.15	147,997,580.33	15,712,636.00	15,000,000.00
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		59,529.93	3,325.01	1,974.82	-
Net proceeds from disposal of subsidiaries and other business units		-	-	-	-
Proceeds from other investing activities	V.59 (4)	-	-	5,964,034.76	47,180,211.11
Sub-total of cash inflows		962,931,038.24	510,475,055.50	841,818,290.07	555,036,937.44
Payment for acquisition of fixed assets, intangible assets and other long-term assets		23,923,091.80	18,841,201.56	34,257,817.98	22,657,919.30
Payment for acquisition of investments		1,311,058,482.50	475,961,468.80	985,536,930.32	512,236,930.32
Net payment for acquisition of subsidiaries and other business units		-	-	-	-
Payment for other investing activities	V.59 (6)	10,561,808.00	-	14,659,543.80	6,400,000.00
Sub-total of cash outflows		1,345,543,382.30	494,802,670.36	1,034,454,292.10	541,294,849.62
Net cash flows from investing activities		-382,612,344.06	15,672,385.14	-192,636,002.03	13,742,087.82
III. Cash flows from financing activities					
Proceeds from investors		-	-	-	-
Including: Proceeds from non-controlling shareholders of subsidiaries		-	-	-	-
Proceeds from borrowings		64,500,000.00	-	415,000,000.00	-
Proceeds from issuing bonds		-	-	-	-
Proceeds from other financing activities		-	-	-	-
Sub-total of cash inflows		64,500,000.00	-	415,000,000.00	-
Repayments of borrowings		173,500,000.00	-	440,000,000.00	-
Payment for dividends, profit distributions or interest		45,344,739.19	43,105,832.00	19,419,827.42	13,408,159.80
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		-	-	-	-
Payment for other financing activities	V.59 (7)	13,692,202.73	12,247,590.86	12,180,403.46	10,474,541.74
Sub-total of cash outflows		232,536,941.92	55,353,422.86	471,600,230.88	23,882,701.54
Net cash flows from financing activities		-168,036,941.92	-55,353,422.86	-56,600,230.88	-23,882,701.54
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		-	-	-	-
V. Net increase in cash and cash equivalents		-222,895,388.10	-19,624,147.26	141,052,580.94	16,376,851.70
Add: Cash and cash equivalents at the beginning of the year		301,275,968.63	25,182,064.77	160,223,387.69	8,805,213.07
VI. Cash and cash equivalent at the end of the year		78,380,580.53	5,557,917.51	301,275,968.63	25,182,064.77

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Statement of Changes in Shareholders' Equity

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Year ended 31/12/2025									Total
	Attributable to shareholders' equity of the parent company								Non-controlling interests	
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at the end of last year	431,058,320.00	430,866,408.50	-	-7,606,040.90	-	74,222,656.99	798,343,284.97	1,726,884,629.56	170,841,342.17	1,897,725,971.73
Add: Changes in accounting policies								-		-
Correction of prior period errors								-		-
Business combinations under common control								-		-
Others								-		-
II. Balance at the beginning of the year	431,058,320.00	430,866,408.50	-	-7,606,040.90	-	74,222,656.99	798,343,284.97	1,726,884,629.56	170,841,342.17	1,897,725,971.73
III. Changes in equity during the year("- "for decrease)	-	-	-	-	-	18,438,453.17	81,321,392.60	99,759,845.77	-1,365,970.96	98,393,874.81
(I) Total comprehensive income							142,865,677.77	142,865,677.77	-1,365,970.96	141,499,706.81
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders								-		-
2. Equity settled share-based payments								-		-
3. Others								-		-
(III) Appropriation of profits	-	-	-	-	-	18,438,453.17	-61,544,285.17	-43,105,832.00	-	-43,105,832.00
1. Appropriation for surplus reserves						18,438,453.17	-18,438,453.17	-		-
2. Distributions to shareholders							-43,105,832.00	-43,105,832.00		-43,105,832.00
3. Others								-		-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer								-		-
2. Share capital increased by surplus reserves transfer								-		-
3. Offset against losses								-		-
4. Other comprehensive income carried forward to retained earnings								-		-
5. Others								-		-
(V) Specific Reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year								-		-
2. Utilisation during the year								-		-
(VI) Others								-		-
IV. Balance at the end of the year	431,058,320.00	430,866,408.50	-	-7,606,040.90	-	92,661,110.16	879,664,677.57	1,826,644,475.33	169,475,371.21	1,996,119,846.54

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Consolidated Statement of Changes in Shareholders' Equity

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Year ended 31/12/2024									
	Attributable to shareholders' equity of the parent company								Non-controlling interests	Total
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance at the end of last year	431,058,320.00	430,866,408.50	-	-7,318,552.65	-	63,956,286.46	685,342,592.62	1,603,905,054.93	127,166,863.09	1,731,071,918.02
Add: Changes in accounting policies								-		-
Correction of prior period errors								-		-
Business combinations under common control								-		-
Others								-		-
II. Balance at the beginning of the 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. Changes in equity during the year ("-" for decrease)	-	-	-	-287,488.25	-	10,266,370.53	113,000,692.35	122,979,574.63	43,674,479.08	166,654,053.71
(I) Total comprehensive income				-287,488.25			136,629,870.80	136,342,382.55	2,401,861.24	138,744,243.79
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders								-		-
2. Equity settled share-based payments								-		-
3. Others								-		-
(III) Appropriation of profits	-	-	-	-	-	10,266,370.53	-23,629,178.45	-13,362,807.92	-	-13,362,807.92
1. Appropriation for surplus reserves						10,266,370.53	-10,266,370.53	-		-
2. Distributions to shareholders							-13,362,807.92	-13,362,807.92		-13,362,807.92
3. Others								-		-
(IV) Transfer within equity	-	-	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer								-		-
2. Share capital increased by surplus reserves transfer								-		-
3. Offset against losses								-		-
4. Other comprehensive income carried forward to retained earnings								-		-
5. Others								-		-
(V) Specific Reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year								-		-
2. Utilisation during the year								-		-
(VI) Others									41,272,617.84	41,272,617.84
IV. Balance at the end of the year	431,058,320.00	430,866,408.50	-	-7,606,040.90	-	74,222,656.99	798,343,284.97	1,726,884,629.56	170,841,342.17	1,897,725,971.73

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Statement of Changes in Shareholders' Equity

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Year ended 31/12/2025							Total
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	
I. Balance at the end of last year	431,058,320.00	428,256,131.23	-	-7,632,462.90	-	74,222,656.99	595,912,933.39	1,521,817,578.71
Add: Changes in accounting policies								-
Correction of prior period errors								-
Others								-
II. Balance at the beginning of the year	431,058,320.00	428,256,131.23	-	-7,632,462.90	-	74,222,656.99	595,912,933.39	1,521,817,578.71
III. Changes in equity during the year ("-" for decrease)	-	-	-	-	-	18,438,453.17	122,840,246.49	141,278,699.66
(I) Total comprehensive income							184,384,531.66	184,384,531.66
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders								-
2. Contribution by other equity instrument investors								-
3. Equity settled share-based payments								-
4. Others								-
(III) Appropriation of profits	-	-	-	-	-	18,438,453.17	-61,544,285.17	-43,105,832.00
1. Appropriation for surplus reserves						18,438,453.17	-18,438,453.17	-
2. Distributions to shareholders							-43,105,832.00	-43,105,832.00
3. Others								-
(IV) Transfer within equity	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer								-
2. Share capital increased by surplus reserves transfer								-
3. Offset against losses								-
4. Other comprehensive income carried forward to retained earnings								-
5. Others								-
(V) Specific Reserve	-	-	-	-	-	-	-	-
1. Appropriation during the year								-
2. Utilisation during the year								-
(VI) Others								-
IV. Balance at the end of the year	431,058,320.00	428,256,131.23	-	-7,632,462.90	-	92,661,110.16	718,753,179.88	1,663,096,278.37

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Statement of Changes in Shareholders' Equity

Prepared by : Shenzhen Tellus Holding Co., Ltd.

Expressed in RMB

Item	Year ended 31/12/2024							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive	Specific reserve	Surplus reserve	Retained earnings	Total
I. Balance at the end of last 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								-
Correction of prior period errors								-
Others								-
II. Balance at the beginning of the 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. Changes in equity during the year("-" for decrease)	-	-	-	-287,488.25	-	10,266,370.53	79,034,526.82	89,013,409.10
(I) Total comprehensive income				-287,488.25			102,663,705.27	102,376,217.02
(II) Shareholders' contributions and decrease of capital	-	-	-	-	-	-	-	-
1. Contribution by ordinary shareholders								-
2. Contribution by other equity instrument investors								-
3. Equity settled share-based payments								-
4. Others								-
(III) Appropriation of profits	-	-	-	-	-	10,266,370.53	-23,629,178.45	-13,362,807.92
1. Appropriation for surplus reserves						10,266,370.53	-10,266,370.53	-
2. Distributions to shareholders							-13,362,807.92	-13,362,807.92
3. Others								-
(IV) Transfer within equity	-	-	-	-	-	-	-	-
1. Share capital increased by capital reserves transfer								-
2. Share capital increased by surplus reserves transfer								-
3. Offset against losses								-
4. Other comprehensive income carried forward to retained earnings								-
5. Others								-
(V) Specific Reserve	-	-	-	-	-	-	-	-
1. Appropriation during the year								-
2. Utilisation during the year								-
(VI) Others								-
IV. Balance at the end of the year	431,058,320.00	428,256,131.23	-	-7,632,462.90	-	74,222,656.99	595,912,933.39	1,521,817,578.71

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Notes to the Financial Statements

I. BASIC INFORMATION ABOUT THE COMPANY

1. Company Overview

Shenzhen Tellus (Group) Co., Ltd.(hereinafter referred to as “the Company”) was developed from the Shenzhen Machinery Industry Co., Ltd, approved by the Shenzhen Municipal People's Government Office in the "Reply on the Restructuring of Shenzhen Machinery Industry Company into Shenzhen Teli Machinery Co., Ltd." (Shen Fu Ban Fu [1991] No. 1012).The company was registered in Shenzhen Administration for Industry and Commerce on November 10, 1986. The company now holds a business license with a unified social credit code of 91440300192192210U, with a registered capital of CNY 431,058,320.00 and a total of 431,058,320 shares, including 392,778,320 shares of A share and 38,280,000 shares of B share.The operating address of the Company's headquarters is 3rd and 4th floors, Teli Building, Shuibei 2nd Road, Luohu District, Shenzhen. The legal representative is Fu Chunlong.

In 1993, with the approval of the reply on the reorganization of Shenzhen Tellus Machinery Co., Ltd. into a public company limited by shares (Shen Fu Ban Fu [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 electromechanical Co., Ltd. (Shen Ren Yin Fu Zi [1993] No. 092) issued by the Shenzhen Special Economic Zone Branch of the people's Bank of China, the company issued shares for the first time and was reorganized into a public company limited by shares. At this moment, the whole share capital is 166.88 million shares, including the original 120.9 million shares with 45.98 million new shares. The new share is divided into two parts: A Share - 25.98 million shares, B Share - 20.00 million shares. The par value of the Company's shares is CNY 1 per share. On June 21, 1993, the Company's shares were listed and traded in Shenzhen Stock Exchange.

According to the decision made by general meeting of shareholders in 1993, the Company distributed a 2 for 10 bonus shares with cash dividend of CNY 0.5 for every 10 shares. After that, the whole capital changed into CNY 200,256,000.00.

On 28 May 1995, the Group shareholder meeting agreed about plan of distributing bonus and increasing capital. On the basis of 200,256,000 shares in the end of 1994, the Group distributed a 0.5 for 10 bonus shares, and granted additional 0.5 shares and cash dividend of CNY 0.5 for every 10 shares. After that, the Group's share capital increased to CNY 220,281,600.00.

According to the resolution of the Fourth Extraordinary General Meeting of Shareholders of the company in 2014, and approved by the China Securities Regulatory Commission's "Approval of the Non-public Issuance of Shares by Shenzhen Special (Group) Co., Ltd." (CSRC Approval [2015] No. 173), the Company issued CNY ordinary shares (A shares) 77,000,000 shares to Shenzhen Special Economic Zone Development Group Co., Ltd., Ltd and Shenzhen Yuanzhifuhai jewelry industry investment enterprise (limited partnership). After that, the Company's capital increased to CNY 297,281,600.00.

According to the decision made by general meeting of shareholders in 2018, the Company distributed a 4.5 for 10 bonus shares. The Company's capital changed into CNY 431,058,320.00.

Registered Address: 3rd Floor, Teli Building, No. 56 Shuibei 2nd Road, Luohu District, Shenzhen

Headquarters Address: 3rd Floor, Teli Building, No. 56 Shuibei 2nd Road, Luohu District, Shenzhen

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

The financial statements and the notes thereto have been approved by the 18th meeting of the 10th Board of Directors on April 20,2026.

2.Common Terminology

In this report, unless the context otherwise requires, the following abbreviations and terms shall have the meanings set out below:

Abbreviation/Term Refers to

The Group	Shenzhen Teli (Group) Co., Ltd. and its consolidated entities.
The Company	Shenzhen Teli (Group) Co., Ltd.
Consolidated Subsidiaries	
Teli Shuibei Jewelry	Shenzhen Teli Shuibei Jewelry Co., Ltd., a wholly-owned subsidiary of the Company.
Teli Jewelry Technology	Shenzhen Teli Jewelry Technology Development Co., Ltd., a subsidiary controlled by Teli Shuibei Jewelry.
Automobile Supply & Sales	Shenzhen Automobile Industry Supply and Marketing Company, a wholly-owned subsidiary of Teli Shuibei Jewelry.
Teli Real Estate	Shenzhen Tefa Teli Real Estate Co., Ltd., a wholly-owned subsidiary of the Company.
Bao'an Shiquan	Shenzhen Bao'an Shiquan Industrial Co., Ltd., a wholly-owned subsidiary of Teli Real Estate.
Teli Chuangying	Shenzhen Teli Chuangying Technology Co., Ltd., a wholly-owned subsidiary of the Company.
Xin Yongtong Testing	Shenzhen Xin Yongtong Motor Vehicle Testing Equipment Co., Ltd., a subsidiary controlled by the Company.
Zhongtian Industrial	Shenzhen Zhongtian Industrial Co., Ltd., a wholly-owned subsidiary of the Company.
Shanghai Fanyue	Shanghai Fanyue Diamond Co., Ltd., a wholly-owned subsidiary of Zhongtian Industrial.
Huari Auto Sales	Shenzhen Huari Automobile Sales and Service Co., Ltd., a subsidiary controlled by the Company.
Tefa Huari	Shenzhen Tefa Huari Automobile Enterprise Co., Ltd., a subsidiary controlled by the Company.
Huari Anxin	Shenzhen Huari Anxin Automobile Testing Co., Ltd., a subsidiary controlled by Tefa Huarui.
Teli Baoku	Shenzhen Teli Baoku Supply Chain Technology Co., Ltd., a wholly-owned subsidiary of the Company.
Shenzhen Jewelry	Shenzhen Jewelry Industry Service Co., Ltd., a subsidiary controlled by the Company.
Guorun Gold	Guorun Gold (Shenzhen) Co., Ltd., a subsidiary controlled by the Company.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, along with their application guidelines, interpretations, and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises"). Additionally, the company discloses financial

information in accordance with the China Securities Regulatory Commission's "General Provisions on Financial Reports for Publicly Issued Companies (Revised in 2023), Rule No. 15".

The financial statements are prepared on a going concern basis.

The company's accounting is based on the accrual basis. Except for certain financial instruments, the financial statements are measured at historical cost. If assets are impaired, appropriate impairment provisions are made in accordance with relevant regulations.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The company has determined the depreciation of investment property, depreciation of fixed assets, and revenue recognition policies based on its own production and operation characteristics. Specific accounting policies are disclosed in Note III. 15, 16, 25.and 28.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Company's (and consolidated) financial position as at 31 December 2025 and the Company's (and consolidated) operating results and cash flows for the year ended 31 December 2025.

2. Accounting Period

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

3. Operating Cycle

The normal operating cycle of the Company is twelve months.

4. Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. The financial statements of the Company have been prepared in RMB.

5. Determining method and selecting basis of materiality criterion

Project	Materiality standard
Material individual provision for impairment of accounts receivable	Amount exceeding CNY 1,000,000.00 or account for more than 1% of all types of receivables
Material construction in progress	Budget amount for individual projects exceeding CNY 20,000,000.00
Material accounts payable and other payable	Individual accounts payable/other payable with aging exceeding 1 year is more than 1% of the total accounts payable, and amount greater than CNY 1,000,000.00
Material non-wholly-owned subsidiaries	Total revenue of the a subsidiary accounts for more than 10% of the total revenue of the consolidated statement or the absolute value of net profit accounts for more than 10% of the net profit of the consolidated statement.
Material investment activities items	Single investment activities account for more than 10% of the total cash inflows or outflows related to receiving or paying investment activities or the total outflow is greater than CNY 100,000,000.00

Project	Materiality standard
Material joint ventures or associates	For individual long-term equity investments in investee entities, if the carrying amount exceeds CNY 15 million, or if the investment profit or loss under the equity method accounts for more than 3% of the consolidated net profit of the company.
Material subsequent events as of the balance sheet date	The company considers the profit distribution situation after the balance sheet date as significant.

6. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against in the capital reserve, with any excess adjusted against retained earnings.

For step-by-step implementation of mergers of enterprises under common control through multiple transactions

The assets and liabilities acquired by the acquiring party in the merger are measured at the carrying amount of the acquired party in the consolidated financial statements of the ultimate controlling party on the merger date. The sum of the carrying amount of the investment held before the merger and the carrying amount of the consideration paid on the merger date is compared with the carrying amount of the net assets acquired in the merger. The difference is adjusted to capital surplus. If the capital surplus is insufficient, retained earnings are adjusted accordingly. Long-term equity investments held by the acquiring party before obtaining control of the acquired party, from the date of obtaining the original equity to the later of the date when the acquiring party and the acquired party are under the same ultimate control to the merger date, any related gains or losses, other comprehensive income, and changes in other owners' equity already recognized should be deducted from the comparative retained earnings for the reporting period or current period profit or loss, respectively.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable asset, liabilities and contingent liabilities, are recognised at their acquisition-date fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

For step-by-step implementation of mergers of enterprises not under common control through multiple transactions

The merger cost is the sum of the consideration paid on the acquisition date and the fair value of the equity interest in the acquired party held before the acquisition date. For the equity interest in the acquired party held before the acquisition date, it is remeasured at fair value on the acquisition date, and the difference between fair value and carrying amount is recognized in profit or loss for the current period as investment income. For equity interest in the acquired party held before the acquisition date, other comprehensive income and changes in other owners' equity are transferred to profit or loss for the current period. This excludes other comprehensive income related to the re-measurement of defined benefit plans' net liabilities or assets due to the re-measurement of the investee's net assets and other comprehensive income related to non-trading equity instrument investment designated as fair value through other comprehensive income.

(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

7. Basis in determination of control and preparation of the consolidated financial statements

(1) Basis in determination of control

The scope of consolidated financial statements is determined based on control. Control refers to the power of the Company over an investee, enjoying variable returns through involvement in the investee's activities, and having the ability to influence the amount of returns using its power over the investee. When changes in relevant facts and circumstances lead to changes in the elements involved in defining control, the Company will conduct a reassessment.

In determining whether to include a structured entity in the scope of consolidation, the Company evaluates whether it controls the structured entity based on all facts and circumstances, including the purpose and design of the structured entity, the types of variable returns identified, and whether it assumes all or part of the variability of returns through involvement in its activities.

(2) Methods of Preparing Consolidated Financial Statements

Consolidated financial statements are prepared based on the financial statements of the Company and its subsidiaries, supplemented by other relevant information, compiled by the Company. When preparing consolidated financial statements, the Company and its subsidiaries maintain consistent accounting policies and reporting periods, and significant transactions and balances between the entities are offset.

Subsidiaries and operations acquired due to business combinations under the same control during the reporting period are treated as included in the Company's consolidation scope from the date they came under the ultimate control until the end of the reporting period, with their operating results and cash flows included in the consolidated income statement and cash flow statement, respectively.

Subsidiaries and operations acquired due to business combinations under different control during the reporting period have their revenues, expenses, and profits included in the consolidated income statement, and their cash flows included in the consolidated cash flow statement from the acquisition date to the end of the reporting period.

The portion of the equity of subsidiaries not owned by the Company is separately presented under minority interests in the consolidated balance sheet. The share of the net profit attributable to minority interests in the subsidiary's net profit for the period is presented as "Minority Interests in Net Profit" in the consolidated income statement. If the minority shareholders bear losses of the subsidiary exceeding their share of equity at the beginning of the period, the remaining balance is deducted from minority interests.

(3) Acquisition of Minority Interests in Subsidiaries

The difference between the cost of acquiring minority interests and the proportionate share of the net assets of the subsidiary calculated based on the new ownership percentage from the acquisition date or merger date onwards, as well as the difference between the proceeds from the disposal of equity investments in the subsidiary and the proportionate share of the net assets of the subsidiary calculated based on the original ownership percentage, is adjusted to the capital reserve in the consolidated balance sheet. If the capital reserve is insufficient, it is offset against retained earnings.

(4) Treatment of Loss of Control over Subsidiaries

In the event of partial disposal of equity investments or other reasons for loss of control over a subsidiary, the remaining equity is remeasured at fair value on the date control is lost. The consideration received for the disposal of equity investments, together with the fair value of the remaining equity, less the proportionate share of the net asset book value and goodwill calculated based on the original ownership percentage, is recognized as investment income for the period in which control is lost.

Other comprehensive income related to equity investments in the original subsidiary is accounted for upon loss of control using the same basis as the direct disposal of related assets or liabilities, and other equity movements related to the equity method accounting of the original subsidiary are transferred to profit or loss upon loss of control.

8. Joint arrangement classification and accounting treatment for joint operation

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. Its solely-held assets, and its share of any assets held jointly;
- B. Its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- C. Its revenue from the sale of its share of the output arising from the joint operation;
- D. Its share of the revenue from the sale of the output by the joint operation; and
- E. Its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

9. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

10. Foreign currency transactions and foreign currency financial statement translation

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss or other comprehensive income according to the nature of non-monetary items.

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Company becomes a party to the contractual provisions of a financial instrument.

If one of the following criteria is met, a financial asset is derecognised:

- ① The contractual rights to the cash flows from the financial asset expire; or
- ② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in "Transfer of financial assets".

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized.

If the financial assets are traded regularly, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The Company classifies financial assets as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss at initial recognition on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets are measured at fair value at initial recognition. For financial assets measured at fair value through profit or loss, the related transaction costs are directly recorded in current profit or loss; for other types of financial assets, related transaction costs are included in the initial recognition amount. For receivables arising from the sale of products or the provision of services that do not contain or take into account significant financing components, the amount of consideration that the Company is expected to be entitled to collect shall be the initial recognition amount.

Financial assets measured at amortized cost

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

- The Company's business model of managing the financial assets aims at collecting contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the effective interest rate method is adopted to measure the amortized cost of such financial assets. Gains or losses arising from financial assets that are measured at amortized cost and are not part of any hedging relationship shall be recorded in the current profit or loss when the financial assets are derecognized, amortized according to the effective interest method or impaired.

Financial assets measured at fair value through other comprehensive income

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

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, this type of financial assets are subsequently measured at fair value. The interest, loss allowance or gain and exchange loss or gain calculated using the effective interest rate method are included in the current profit or loss, while other gains or losses are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred out from other comprehensive income and recorded in the current profit or loss.

Financial assets measured at fair value through profit or loss

In addition to the above financial assets measured at amortized cost and measured at fair value through other comprehensive income, the Company classifies all other financial assets as financial assets measured at fair value through profit or loss. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company irrevocably designates some financial assets that should have been measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

After the initial recognition, this kind of financial asset is subsequently measured at fair value, and the gains or losses (including interest and dividend income) generated are recorded into the current profit or loss, unless the financial asset is part of the hedging relationship.

However, for non-trading equity instrument investment, the Company irrevocably designates it as a financial asset measured at fair value through other comprehensive income at initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Qualified dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded 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 whether the cash flow from the financial assets under management of the Company is derived from the receipt of contractual cash flows, the sale of financial assets or a combination of both. The Company determines its business model for managing financial assets on the basis of objective facts and the specific business objectives for the management of financial assets determined by key management personnel.

The Company assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of financial assets at initial recognition. Interest includes consideration for the time value of money, the credit risk associated with the amount of principal outstanding over a given period, and other basic lending risks and costs, as well as a profit margin. In addition, the Company assesses contractual terms that may cause a change in the time distribution or amount of the contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

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

(3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Company are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognized amounts.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into current profit or loss.

Financial liabilities measured at amortized cost

For other financial liabilities, the effective interest rate method shall be adopted, the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into current profit or loss.

The distinction between financial liabilities and equity instruments

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

- ① A contractual obligation to deliver cash or other financial assets to other parties.
- ② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.
- ③ A non-derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.
- ④ A derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

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

If a financial instrument has to be settled with or can be settled with the Company's own equity instruments in the future, consideration needs to be given to whether the Company's own equity instruments used to settle the instrument is to be used as a substitute for cash or other financial assets, or to give the holder of the instrument the remaining interest in the issuer's assets after deduction of all liabilities. If it is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments include [forward foreign exchange contracts, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange options contracts, etc. The initial measurement is based on the fair value of the date of signing the derivative transaction contract, and the subsequent measurement is based on its fair value. A derivative with a positive fair

value is recognised as an asset; a negative fair value is recognized as a liability. Any gains or losses resulting from changes in fair value that do not conform to the provisions of hedge accounting shall be directly recorded into the current profit or loss.

For a hybrid instrument containing an embedded derivative instrument, if the host is a financial asset, the hybrid instrument as a whole shall be subject to the relevant provisions on the classification of financial assets. If the host is not a financial asset, the embedded derivative instrument shall be separated from the hybrid instrument and accounted for as a separate derivative instrument if all of the following conditions are met: the hybrid instrument is not measured at fair value through profit or loss; the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If it is not possible to measure the embedded derivative separately at the time of acquisition or on the subsequent balance sheet date, the hybrid instrument as a whole is designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Fair value of the financial instrument

The methods for determining the fair value of the financial assets or financial liabilities are set out in Note III.12.

(6) Impairment of financial assets

On the basis of expected credit losses, the Company conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and investments in debt instruments measured at fair value and accounted for in other comprehensive income;
- Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 - Revenue;
- Lease receivables;
- Financial guarantee contracts (except for financial assets measured at fair value through profit or loss, transfer of financial assets that do not meet the conditions for derecognition or those caused by continuing involvement in transferred financial assets).

Measurement of expected credit losses

The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, that is, the present value of all cash shortfalls.

The Company calculates the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received and recognizes the expected credit loss, taking into account reasonable and supportable information

concerning past events, current conditions and forecast of future economic conditions, with the respective risks of a default occurring as the weights.

The Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the financial instrument is in the first stage and the Company shall measure the loss allowance at an amount equal to 12- month expected credit losses; if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit losses have occurred, the financial instrument is in the second stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses; if credit losses have occurred to a financial instrument since its initial recognition, it is in the third stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss allowance at an amount equal to 12- month expected credit losses.

The term "lifetime expected credit losses" refers to the expected credit losses resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit losses within the next 12 months refer to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the balance sheet date (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of lifetime expected credit losses.

When measuring expected credit losses, the Company shall take into account the longest contract period (including the option to renew the contract) for which it is exposed to credit risk.

The Company calculates interest income on the basis of the Book value before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the third stage, the interest income is calculated on the basis of the amortized cost of the Book value less the impairment provision and the effective interest rate.

For accounts receivable, other receivables, contract assets, etc., if the credit risk characteristics of a customer are significantly different from those of other customers in the group, or the credit risk characteristics of such customer are significantly changed, the Company shall assessed for impairment individually for such receivables. In addition to the receivables assessed for impairment individually, the Company divides the receivables into groups according to the credit risk characteristics and calculates the loss allowance on the basis of the group.

Bills receivable and accounts receivable

For bills receivable and accounts receivable, regardless of whether there is a material financing component, the Company always measures its loss allowance at an amount equal to lifetime expected credit losses.

When an individual financial asset or contract assets cannot assess the information of expected credit loss at a reasonable cost, the Company divides the bills receivable,accounts receivable and contract assets into groups according to the credit risk characteristics, calculates the expected credit losses based on the groups which are determined as follows:

A. Bills receivable

- Bills receivable group 1: banker's acceptance
- Bills receivable group 2: commercial acceptance bills

B. Accounts receivables

- Accounts receivable group 1: Leasing and other combinations
- Accounts receivable group 2: Gold Jewelry Sales Business Segment

For the bills receivable and contract assets divided into groups, the Company calculates the expected credit loss through default risk exposure and the lifetime expected credit loss rate by referring to the historical credit loss experience, combining the current situation and the forecast of the future economic situation.

For the accounts receivable divided into groups, the Company refers to the historical credit loss experience and combines the current situation with the forecast of the future economic situation to compile a comparison table between the age of receivables/overdue days and the lifetime expected credit loss rate and to calculate the expected credit loss. The age of accounts receivable is calculated from the date of recognition.

Other receivables

The Company divides other receivables into several groups according to the credit risk characteristics, and calculates the expected credit losses on the basis of the groups which are determined as follows:

- Other receivables group 1: Accounts Receivable Aging
- Other receivables group 2: Combination of Accounts Receivable for Deposits and Guarantees
- Other receivables group 3: Combination of Accounts Receivable for Related Transactions within the Consolidated Scope

For other receivables divided into groups, the Company calculates the expected credit losses by default risk exposure and the expected credit losses rate over the next 12 months or the entire duration. For other receivables grouped according to age, the age is calculated from the date of recognition.

Debt investment and other debt investment

For debt investment and other debt investment, 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 entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

An assessment of a significant increase in credit risk

By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Company determines the relative change of default risk within the expected duration of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Company considers reasonable and supportable information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Company includes:

- The debtor fails to pay the principal and interest as due under the contract;
- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected to occur;
- A serious deterioration of the debtor's business results occurred or is expected to occur;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Company.

According to the nature of financial instruments, the Company evaluates whether credit risk increases significantly on the basis of individual financial instruments or a group of financial instruments. When assessing on the basis of a group of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

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

The Company believes that the financial assets are in default under the following circumstances:

- The debtor is unlikely to pay its arrears to the Company in full and this assessment does not take into account any recourse actions taken by the Company, such as liquidating the collateral (if held);
- Financial assets are more than 90 days overdue.

Credit-impaired financial assets

On the balance sheet date, the Company evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When one or more events which have an adverse effect on the expected future cash flows of a financial asset occur, the financial asset becomes a credit-impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

- Major financial difficulties occur to the issuer or the debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- The Company, for economic or contractual considerations relating to the debtor's financial difficulties, gives concessions that the debtor would not have made under any other circumstances;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Presentation of expected credit losses

In order to reflect the change of the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit losses on each balance sheet date, and the increase or recovered amount of the loss allowance thus formed shall be recorded into the current profit or loss as an loss allowance or gain. For a financial asset measured at amortized cost, the loss allowance shall offset the carrying amount of the financial asset as stated in the balance sheet; for the debt investment measured at fair value through other comprehensive income, the Company recognizes its loss allowance in other comprehensive income and does not offset the carrying amount of the financial asset.

Write-offs

If the Company no longer reasonably expects that the contractual cash flows of a financial asset can be recovered in its entirety or a portion thereof, the carrying amount of the financial asset shall be directly written off. Such a write-off constitutes a derecognition of the relevant financial asset. This usually occurs when the Company determines that the debtor does not have assets or sources of income that generate sufficient cash flows to repay the amount to be written off. However, in accordance with the Company's procedures for recovering amounts due, the financial assets that have been written off may still be affected by the execution activities.

If a financial asset that has been written off is recovered later, a reversal of loss allowance shall be recorded in profit or loss of the current period.

(7) Financial Asset Transfers

Financial asset transfer refers to the transfer or delivery of financial assets to a party other than the issuer of the financial asset.

For financial assets where the company has transferred almost all risks and rewards associated with ownership to the transferee, the financial asset is derecognized. If the company retains almost all risks and rewards associated with ownership, the financial asset is not derecognized.

For financial assets where the company neither transfers nor retains almost all risks and rewards associated with ownership, the following treatments apply: If control over the financial asset is relinquished, the financial asset is derecognized, and any resulting assets and liabilities are recognized. If control over the financial asset is not relinquished, the financial asset is recognized based on the extent of continued involvement in the transferred financial asset, and any corresponding liabilities are recognized accordingly.

(8) Offsetting Financial Assets and Financial Liabilities

When the company has a legally enforceable right to offset recognized financial assets and financial liabilities, and intends to settle the net amount or simultaneously realize the financial asset and settle the financial liability, the financial assets and financial liabilities are presented in the balance sheet at the net amount after offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

12. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market; in the absence of a principal market, assuming the assets or liabilities are exchanged in an orderly transaction in the most advantageous market. Principal market (or the most advantageous market) is the market that the Company can normally enter into a transaction on measurement date. The Company adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities with active markets, the Company uses the quoted prices in active markets as their fair value. Otherwise, the Company uses valuation technique to determine their fair value.

Fair value measurement of a non-financial asset takes into account market participants' ability to generate economic benefits using the asset in its best way or by selling it to another market participant that would best use the asset.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and using unobservable inputs only if the observable inputs aren't available or impractical.

Fair value level for assets and liabilities measured or disclosed at fair value in the financial statements are determined according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; Level 3 inputs are unobservable inputs for the assets or liabilities.

At the balance sheet date, the Company revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

13. Inventories

(1) Classification

Inventories include raw materials, finished goods, hedged items, etc.

(2) Measurement method of cost of inventories

Inventories are initially measured at cost. Raw materials and finished goods are calculated using first-in-first-out method.

(3) Basis and Method for provision for obsolete inventories

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, an inventory write-down provision is recognized.

The net realizable value is the estimated selling price of the inventory less the estimated costs to complete, estimated selling expenses, and related taxes. In determining the net realizable value of inventories, reliable evidence is used as a basis, while considering the purpose of holding the inventories and the impact of post-balance sheet events.

Generally, the provision for inventory write-down is recognized on an individual inventory item basis. For inventories with numerous quantities and low unit prices, the provision is recognized based on inventory categories.

On the balance sheet date, if the factors causing a decrease in the inventory value have ceased to exist, the inventory write-down provision is reversed within the original amount that was recognized.

(4) Inventory count system

The Company maintains a perpetual inventory system.

(5) Amortization methods of low-value consumables and packaging materials

Low-value consumables are charged to profit or loss when they are used.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influence.

(1) Determination of initial investment cost

The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost is the combination cost.

A long-term equity investment acquired other than through a business combination: A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Company acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For a long-term equity investment which is accounted for using the cost method, Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

Under the equity method, the Company recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Company. Changes in the Company's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Company's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Company recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Company based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. If the original equity is classified as non-trading equity instrument investment measured at fair value and its changes are included in other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.

When the Company can no longer exercise joint control of or significant influence over an investee due to partial disposal of the equity investment or other reasons, the remaining equity investment shall be accounting for using Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of the loss of joint control or significant influence. Any other comprehensive income previously recognised under the equity method shall be accounted for on the same basis as would have been required if the Company had directly disposed of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to original equity investment is transferred to profit or loss for the current period.

When the Company can no longer exercise control over an investee due to partial disposal of the equity investment or other reasons, and the remaining equity after disposal can exercise joint control of or significant influence over an investee, the remaining equity is adjusted as using equity method from acquisition. When the remaining equity can no longer exercise joint control of or significant influence over an investee, the remaining equity investment shall be accounted for using Accounting Standard for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the difference between the fair value and the carrying amount of the remaining equity investment shall be charged to profit or loss for the current period at the date of loss of control.

When the Company can no longer exercise control over an investee due to new capital injection by other investors, and the Company can exercise joint control of or significant influence over an investee, the Company recognizes its share of the investee's new added net assets using new shareholding percentage. The difference between its new share of the investee's new added net assets and its decreased shareholding percentage of the original investment is recognized in profit or loss. And the Company adjusts to the equity method using the new shareholding percentage as if it uses the equity method since it obtains the investment.

Unrealized profits and losses resulting from transactions between the Company and its associates or joint ventures are eliminated to the extent of the Company's interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Company and its associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Company can exercise joint control over an investee, the Company first considers whether no single participant party is in a position to control the investee's related activities unilaterally, and then considers whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Company can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Company or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Company cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Company owns less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Company can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note III. 21 for the Company's method of asset impairment.

15. Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The Company's investment properties include leased land use rights, land use right held and provided for to transfer after appreciation and leased building and construction.

Investment properties are initially measured at acquisition cost, and depreciated or amortized using the same policy as that for fixed assets or intangible assets.

For the impairment of the investment properties accounted for using the cost model, refer to Note III.21.

Gains or losses arising from the sale, transfer, retirement or disposal of an item of investment property are determined as the difference among the net disposal proceeds, the carrying amount of the item, related taxes and surcharges, and are recognised in profit or loss for current period.

16.Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognised when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed asset are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Company and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Type	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Plant and buildings	10、35-40	0、3	10、2.43-2.77
Decoration fees for self-owned houses	10	0	10
Machinery and equipment	10	3	9.70
Electronic equipment	3	3	32.33
Motor vehicles	7	3	13.86
Office and other equipment	5	3	19.40

For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) For the impairment of the fixed assets, please refer to Note III. 21.

(4) Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

The Company adjusts the useful lives of fixed assets if their expected useful lives are different with the original estimates and adjusts the estimated net residual values if they are different from the original estimates.

(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its carrying value and relevant taxes is recorded into the current profit or loss.

17. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction items, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

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

For the impairment of construction in progress, please refer to Note III. 21.

18. Borrowing costs

(1) Capitalisation criteria

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Other borrowing costs are expensed in profit or loss as incurred. The capitalisation of borrowing costs shall commence only when the following criteria are met:

- ① Capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;
- ② Borrowing costs have been incurred;
- ③ The activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period

The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognised in profit or loss for the current period.

Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

(3) Capitalisation rate of borrowing costs and calculation basis of capitalised amount

For interest expense actually incurred on specific borrowings, the eligible capitalised amount is the net amount of the borrowing costs after deducting any investment income earned before some or all of the funds are used for expenditures on the qualifying asset. To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset, the capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings specifically for the purpose of obtaining a qualifying asset.

In the capitalisation period, exchange differences of specific borrowings in foreign currency shall be capitalised; exchange differences of general borrowings in foreign currency is recognised in profit or loss for the current period.

19. Intangible assets

Intangible assets include land usage right, computer software, trade mark etc.

Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortisation method shall reflect the pattern in which the asset's economic benefits are expected to be realised. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortised.

Amortisation method for intangible assets with finite useful lives is as follows:

Categories	Useful life (years)	The basis for determining the useful life	Amortisation methods	Remarks
Land usage right	50 years	Legal right to use	Straight-line method	
Computer software	5 years	The useful life is determined with reference to the period that can bring economic benefits to the company	Straight-line method	
Trade mark	10 years	The useful life is determined with reference to the period that can bring economic benefits to the company	Straight-line method	

The Company shall review the useful life and amortisation method of an intangible asset with a finite useful life at least at each year end. Changes of useful life and amortisation method shall be accounted for as a change in accounting estimate.

An intangible asset shall be derecognised in profit or loss when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note III. 21.

20. Research and development expenditure

The Company's research and development expenditures are directly related to the Company's research and development activities, including research and development personnel compensation, direct input costs, depreciation costs and long-term amortized expenses, design costs, equipment commissioning costs, intangible assets amortization costs, commissioned external research and development costs, and other expenses. Among them, the wages of R&D personnel are included in R&D expenditure according to the allocation of project working hours. The equipment, production lines and sites shared by R&D activities and other production and operation activities are allocated to R&D expenditures based on the proportion of working hours and area.

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalized if the product or process is technically and commercially feasible; the Company intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of

technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognized as an expense in the period in which it is incurred.

Research and development projects of the Company will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

21. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, right-of-use assets, intangible assets, etc. (Excluding inventories, investment property measured using a fair value model, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company determines the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

A loss allowance is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A loss allowance of the asset is recognized accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to asset group, the carrying amount of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if impairment indication exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted for asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any loss allowance is recognized. Then impairment test is conducted for asset group or portfolio of asset group containing goodwill by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, loss allowance of goodwill is recognized.

Once a loss allowance is recognized, it is not reversed in a subsequent period.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Company recognized its amortized cost in profit or loss for the current period.

23. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

(2) Short-term employee benefits

In the current period, the Company has accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognized as liabilities and corresponding costs in the profit or loss.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no future obligations to pay the contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans.

Defined contribution plans include basic pension insurance, unemployment insurance, etc.

The Company shall recognize, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit or loss for the current period or the cost of a relevant asset.

Defined benefit plans.

For defined benefit plans, an actuarial valuation is performed by an independent actuary at the annual balance sheet date to determine the cost of providing benefits using the expected cumulative benefit unit method. The employee compensation costs resulting from the Company's defined benefit plan include the following components:

① Service costs, including current service costs, past service costs and settlement gains or losses. Among them, the current service cost refers to the increase in the present value of the defined benefit plan obligation caused by the service provided by the employee 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 resulting from modifications to defined benefit plans.

② Net interest on defined benefit plan net liabilities or net assets, including interest income on plan assets, interest expense on defined benefit plan obligations, and interest affected by asset caps.

③ Changes resulting from the re-measurement of net liabilities or net assets of defined benefit plans.

Unless other accounting standards require or allow the cost of employee benefits to be included in the cost of assets, the Company will recognize items ① and ② above in the profit and loss of the current period; Item ③ is included in other comprehensive income and is not carried back to profit or loss in subsequent accounting periods, and the portion originally included in other comprehensive income is fully carried forward to undistributed profit within the scope of equity upon termination of the original defined benefit plan.

(4) Termination benefits

The Company provides for termination benefits to the employees and shall recognize an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: When the Company cannot unilaterally withdraw the offer of the termination benefits because of an employment termination plan or a redundancy proposal; or when the Company recognizes the costs or expenses relating to a restructuring that involves the payment of the termination benefits.

If an employee's internal retirement plan is implemented, the economic compensation before the official retirement date belongs to the dismissal welfare. During the period from the day when the employee ceases to provide services to the normal retirement date, the salary and social insurance premiums to be paid to the employee for internal retirement shall be included in the profit and loss of the current period in one lump sum. Financial compensation after the official retirement date (such as a regular pension) is treated as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contribution plan; those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefit plan, it shall be accounted for in accordance with the above requirements relating to defined benefit plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan shall be recorded in profit or loss for the current period or cost of relevant assets.

24. Provisions

A provision is recognized for an obligation related to a contingency if all the following conditions are satisfied:

- (1) The Company has a present obligation;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) The amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

25. Revenue

(1) General principles

The Company recognizes revenue when it has fulfilled its contractual performance obligation, that is, when the customer acquires control of the relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to each single performance obligation according to the relative proportion of the stand-alone selling prices of goods or services committed by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

If one of the following conditions is met, the Company satisfies a performance obligation over time; otherwise, the Company satisfies a performance obligation at a point in time:

- ① The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.
- ② The customer can control the goods under construction during the performance of the Company.
- ③ The goods produced by the Company during the performance of the contract do not have alternative use, and the Company has the right to collect payment for the accumulated part of the performance completed to date during the whole period of the contract.

For the performance obligations performed over time, the Company shall recognize the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Company is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined.

For performance obligations performed at a point in time, the Company recognizes revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Company will take into account the following indicators:

- ① The Company has a present right to payment for the good or service, that is, the customer is presently obliged to pay for the good or service.

- ② The Company has transferred the legal title of the good to the customer, that is, the customer has the legal title to the good.
- ③ The Company has transferred physical possession of the good to the customer, that is, the customer has physical possession of the good.
- ④ The Company has transferred the significant risks and rewards of ownership of the good to the customer, that is, the customer has obtained the significant risks and rewards of ownership of the good.
- ⑤ The customer has accepted the good or service.
- ⑥ Other indicators that the customer has obtained control of the good.

(2) Specific methods

The Company's revenue is mainly derived from the following businesses: property rental and service, jewelry sales and service.

Property rental and service

The specific methods of property rental and service revenue recognition are detailed in Note III, 28.

Jewelry sales and service

Whether the Company is the principal responsible person or the agent in the transaction is determined by whether the Company has control of the goods or services before the transfer to the customer. If the Company is able to control the goods or services before the transfer of the goods or services to the customer, the Company is the main responsible person, and the revenue is recognized on the basis of the total consideration received or receivable; Otherwise, the Company, acting as agent, recognizes revenue on the basis of the amount of the commission or handling fee it is expected to be entitled to receive, which is the net amount of the total consideration received or receivable after deducting the price payable to other parties, or on the basis of the amount or proportion of the commission established, etc. The company's gold jewelry sales mode is based on direct sales model, supplemented by commission sales. The main sales channels of direct sales include wholesalers, e-commerce and direct store retail. The timing of revenue recognition for each of the wholesalers, e-commerce and direct store retail sales models is as follows:

- ① Wholesale distributor sales refer to the purchasing party directly entering into cooperation with the company. The company recognizes revenue when control over the goods has transferred to the purchasing party as per the sales contract completion obligation, typically upon customer acceptance and issuance of a signed receipt confirming the receipt of income. This constitutes performance obligations fulfilled at a specific point in time.
- ② E-commerce sales channels refer to the sale of goods through electronic commerce platforms. The company recognizes sales revenue when the customer signs for receipt and payment has been received or the right to claim payment has been obtained. This constitutes performance obligations fulfilled at a specific point in time.
- ③ Direct store retail refers to the sale of goods through owned properties, and the Company recognizes

sales revenue when the goods are sold to customers and the payment is collected or the right to claim payment is obtained. This constitutes performance obligations fulfilled at a specific point in time.

④ Commissioned consignment sales refer to transporting products to the consignee's stores. The company recognizes revenue when the consignee sells the goods to the end consumers, who then sign for receipt. Control over the goods has transferred to the end consumers as the completion of the sales contract obligation, and revenue is recognized.

The Company's other revenue recognition methods are as follows:

Self-directed gold repurchase business refers to the company acquiring old gold from the market, processing it into standard gold bars through refining factories, and selling them to the Shanghai Gold Exchange. Based on the price at the time of the Shanghai Gold Exchange, the sale is confirmed (priced) in the trading system, and revenue is recognized upon obtaining the settlement statement from the Shanghai Gold Exchange.

Agency procurement of gold and jewelry business refers to the company acting as an agent, providing agency services to principals under agency procurement agreements to earn agency fees. The company recognizes agency fee revenue when the customer pays for the goods, and simultaneously when the customer confirms receipt.

Agency gold repurchase business refers to the company acting as an agent for suppliers to repurchase gold and charging a commission fee. Revenue is recognized based on the time of the agency gold repurchase and the commission fee specified in the contract.

26. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Company qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Company for expenses or losses already incurred is recognized in profit or loss directly. A grant that compensates the Company for expenses or losses to be incurred in the future is recognized as deferred income, and included in profit or loss in the periods in which the expenses or

losses are recognized. The Company applies a consistent approach to same or similar government grant transactions.

A grant related to ordinary activities is recognized as other income based on the economic substance. A grant not related to ordinary activities is recognized as non-operating income .

When a recognized government grant is reversed, carrying amount of the related asset is adjusted if the grant was initially recognized as offset against the carrying amount of the related asset. If there is balance of relevant deferred income, it is offset against the carrying amount of relevant deferred income. Any excess of the reversal to the carrying amount of deferred income is recognized in profit or loss for the current period. For other circumstances, reversal is directly recognized in profit or loss for the current period.

27. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

(1)Initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss)(except for individual transactions in which the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences);

(2)Taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognizes a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

(1)A transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss) (except for individual transactions in which the initial recognition of assets and liabilities results in equal amounts of taxable temporary differences and deductible temporary differences);

(2)Deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities,

using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net amounts after offsetting when both of the following criteria are met:

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

28. Leases

(1) Identification of leases

At inception of a contract, the Company, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Company considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Company acts as the lessee

At the commencement date, the Company recognizes the right-of-use assets and lease liabilities for all leases, except for short-term leases and leases of low value assets that are accounted for according to the simplified method.

For the accounting policy of the right-of-use assets, see Note III.29.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

For short-term leases, the Company chooses to adopt the above simplified method for the items that meet the short-term lease conditions in the following asset types according to the classes of leased assets.

Leases of low value assets

Leases of low value assets refer to lease of a single leased asset whose value is less than 40,000 yuan when it is a brand-new asset.

The Company will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method.

For leases of low value assets, the Company chooses to adopt the above simplified method according to the specific situation of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If a lease modification that is not accounted for as a separate lease, on the day of the lease modification, the Company re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in decrease in the lease scope or the lease term, the Company decreases the carrying amount of the right-of-use asset accordingly and recognizes in profit or loss of current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in re-measurement of lease liabilities, the Company makes a corresponding adjustment to the carrying amount of right-of-use asset.

(3) The Company acts as the lessor

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

Finance leases

In the case of finance leases, the Company takes the net investments in the lease as the carrying amounts of finance lease receivables at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date discounted at the implicit interest rate. The Company, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Company as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

The derecognition and impairment of finance lease receivable shall be accounted for in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" and the "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets".

Operating lease

For the rent in the operating lease, the Company shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modifications

If an operating lease is modified, the Company will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Company will treat the finance lease modification as a separate lease if the following conditions are met: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; and ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Company will deal with the modified lease under the following circumstances: ① If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" concerning the modification or renegotiation of the contract.

(4) Subleases

When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use assets generated from the original lease. If the original lease is a short-term lease and the Company

uses the simplified method to account for the original lease, the sublease shall be classified as an operating lease.

29. Right-of-use assets

(1)Criteria for the recognition of right-of-use assets

The Company's right-of-use assets refer to the Company's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Company as the lessee; the costs which the Company, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company, as the lessee, shall recognize and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any re-measurement of lease liabilities.

(2)Depreciation method of the right-of-use assets

The Company uses the straight line method of depreciation. Where the Company, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3)See Note III.21 for the impairment test method of the right-of-use assets and the loss allowance.

30. Hedge accounting

At the time of the initial designation of the hedging relationship, the Company formally designates the hedging instrument and the hedged item, and has a formal written document documenting the hedging relationship, risk management strategy and risk management objectives. The content record includes the hedging instrument, the hedged item, the nature of the hedged risk and the evaluation method of the hedging effectiveness.

The Company continuously evaluates the validity of the hedge to determine whether the hedge meets the validity requirements of using hedge accounting during the accounting period specified in the hedge relationship. If it is not satisfied, the hedging relationship is terminated. The application of hedge accounting shall meet the following requirements for the validity of hedging:

- ① There is an economic relationship between the hedged item and the hedged instrument.
- ② The influence of credit risk does not play a dominant role in the change of value generated by the economic relationship between the hedged item and the hedged instrument.

③The hedging ratio of the hedging relationship should be equal to the ratio of the actual number of hedged items of the enterprise to the actual number of hedging instruments, but should not reflect the imbalance of the relative weight of the hedged items and hedging instruments, which will lead to the invalidity of the hedge and may produce accounting results inconsistent with the hedge accounting objectives.

The Company shall terminate the use of hedge accounting under any of the following circumstances:

①Due to the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

②The hedge instrument has expired, been sold, the contract has been terminated or has been exercised.

③There is no longer an economic relationship between the hedged item and the hedged instrument, or the impact of credit risk begins to dominate the value changes generated by the economic relationship between the hedged item and the hedged instrument.

④The hedge relationship no longer satisfies the other conditions for applying the hedge accounting method.

Fair value hedging

Fair value hedging refers to hedging of recognized assets or liabilities, unrecognized firm commitments, or the risk exposure of changes in fair value of components of the above items. The change in fair value arises from specific risks and will affect the company's profit or loss or other comprehensive income.

For fair value hedges, gains or losses generated by hedging instruments are recognized in the current profit or loss. Gains or losses arising from hedging risk exposure of the hedged item shall be included in the current profits and losses, and the book value of the hedged item that has not been measured at fair value shall be adjusted.

For fair value hedging related to financial instruments (or their components) measured at amortized cost, adjustments made to the book value of the hedged item are amortized at the effective interest rate recalculated on the amortization date and recorded in the current period's profit or loss.

If the hedged item is a confirmed commitment (or its components) that has not been confirmed yet, the cumulative fair value change caused by the hedged risk after the designation of the hedging relationship is recognized as an asset or liability, and the relevant gains or losses are included in the current profit or loss. When fulfilling a certain commitment to acquire assets or assume liabilities, the initial recognition amount of the asset or liability should be adjusted to include the cumulative changes in the fair value of the hedged item that has been recognized.

Cash flow hedging

Cash flow hedging refers to the hedging of the risk of changes in cash flow. The change in cash flow originates from recognized assets or liabilities, highly likely expected transactions, or specific risks related to the components of the aforementioned projects, and will affect the company's profit and loss.

The portion of the gains or losses on hedging instruments that belong to the effective hedging is recognized as cash flow hedging reserves as other comprehensive income. The portion that belongs to the ineffective hedging (i.e., after deducting other gains or losses recognized in other comprehensive income) is recognized in the current profit and loss.

For a cash flow hedge, where the hedged item is an anticipated transaction and the anticipated transaction causes the Company to subsequently recognize a non-financial asset or non-financial liability, or where the anticipated transaction of a non-financial asset or non-financial liability forms a firm commitment applicable to fair value hedge accounting, the Company transfers out the amount of the cash flow hedge reserve originally recognized in other comprehensive income. The initial recognized amount credited to the asset or liability.

For cash flow hedges that do not fall under the above circumstances, the Company transfers the cash flow hedged reserve amount originally recognized in other comprehensive income to profit or loss during the same period when the anticipated cash flows hedged affect profit or loss.

If the amount of the cash flow hedge reserve recognized in other comprehensive income is a loss, and the loss is not expected to be recovered in whole or in part in future accounting periods, the Company transfers the portion that is not expected to be recovered from other comprehensive income and recognizes it in current profit or loss when it is not expected to be recovered.

When the Company terminates the use of hedge accounting for the cash flow hedge, if the hedged future cash flows are still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income will be retained until the anticipated transaction actually occurs, and then treated in accordance with the above accounting policy for cash flow hedge. If the hedged future cash flow is no longer expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income is transferred from other comprehensive income and recognized in the current profit or loss. The hedged future cash flow expectation is no longer highly likely to occur but may still be expected to occur, and in the event that it is still expected to occur, the amount of the accumulated cash flow hedge reserve is retained until the anticipated transaction actually occurs, and then treated in accordance with the accounting policy for cash flow hedging described above.

The subsidiary of the company, Guorun Gold (Shenzhen) Co., Ltd. and Shenzhen Tellus Baoku Supply Chain Technology Co., Ltd., hedges its gold products to avoid the risk of changes in the fair value of its gold raw materials, using hedging tools such as the Shanghai Gold Exchange's gold spot deferred delivery contract, the Shanghai Futures Exchange's gold futures contract, and on exchange gold options, so as to avoid the risk of gold product price decline caused by the significant drop in gold price. This hedge is a fair value hedge, and the designated accounting period for this hedging relationship is from January 1, 2025 to December 31, 2025.

31. Significant accounting judgments and estimates

The Company conducts an ongoing evaluation of the significant accounting estimates and key assumptions used in the light of historical experience and other factors, including reasonable expectations of future events. Significant accounting estimates and key assumptions that are likely to result in the risk of a material adjustment in the carrying amount of assets and liabilities during the next fiscal year are set out below:

Classification of financial assets

The Company's major judgments in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

The Company determines the business model for the management of financial assets at the level of its financial portfolio, taking into account factors such as the way in which the performance of financial assets is evaluated and reported to key managers, the risks affecting the performance of financial assets and their management methods, and the way in which managers of related businesses are remunerated.

When evaluating whether the contractual cash flows of financial assets are consistent with the basic lending arrangement, the Company uses the following key judgments: whether the time distribution or amount of the principal in the duration period may change due to reasons such as prepayment; whether interest solely includes the time value of money, credit risk, other fundamental borrowing risks, and consideration for costs and profit. For example, whether the amount paid for early repayment only reflect the outstanding principal and interest based on the outstanding principal and reasonable compensation for early termination of the contract.

Measurement of expected credit losses in accounts receivable

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

Deferred tax assets

Deferred tax assets should be recognized for all unutilized tax losses to the extent that there is likely to be sufficient taxable profit to offset the loss. This requires management to use a great deal of judgment to estimate when and how much future taxable profits will occur, in combination with tax planning strategies, to determine the amount of deferred tax assets that should be recognized.

Determination of fair value of unlisted equity investments

The estimated value of an unlisted equity investment is the estimation of discounted future cash flows at the current discount rate for projects with similar terms and risk characteristics. This valuation requires the Company to estimate expected future cash flows and the discount rate and is therefore subject to uncertainty. In limited circumstances, if the information used to determine fair value is insufficient, or if the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within that range, the cost can represent its appropriate estimation of fair value within that distribution range.

32. Changes in significant accounting policies and accounting estimates

(1) Significant changes in accounting policies

The accounting policies used in the current financial statements are consistent with those of the prior period..

(2) Significant changes in accounting estimates

There were no changes in accounting estimates in the current period.

IV. TAXATION

1. Major Categories of Tax and Tax Rates Applicable to the Company

Tax type	Tax basis	Tax rate%
Value-added tax (VAT)	Taxable value-added amount (the taxable amount is calculated based on the balance of taxable sales multiplied by the applicable tax rate after deducting the allowable input tax for the current period)	13、9、5、6 or 3
Real estate tax	For housing property levied on the basis of price, real estate tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, real estate tax is levied at the rate of 12% of rent revenue.	1.2 or 12
City maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Enterprise income tax	Taxable income	25 or 20

Tax rates of income tax of different subsidiaries are stated as below:

Name of Taxpayer	Rate of Income Tax%
深圳市特力创盈科技有限公司(Shenzhen Teli Chuangying Technology Co., Ltd.)	20
深圳市宝安石泉实业有限公司 (Shenzhen Bao'an District Shiquan Industry Co.,Ltd.)	20
深圳市特发特力房地产有限公司 (Shenzhen Tefa Teli Real Estate Co., Ltd.)	20
深圳市汽车工业供销公司 (Shenzhen Automobile Industry Sales Company.)	20
上海泛粤钻石有限公司(Shanghai Pan Yue Diamond Co., Ltd.)	20
深圳市华日安信汽车检测有限公司 (Shenzhen Huari Anxin Automotive Inspection Co., Ltd.)	20
Other taxable entities other than the above	25

2. Tax incentives

① Enterprise income tax

In accordance with the "Announcement on Further Tax and Fee Policies to Support the Development of Small and Micro Enterprises and Individual Businesses" (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), for the years from January 1, 2023, to December 31, 2027, small low-profit enterprises shall calculate taxable income at 25% and pay corporate income tax at a rate of 20%.The Company's subsidiaries, Teli Chuangying, Bao'an Shiquan, Teli Real Estate, Automobile Supply & Sales, Shanghai Fanyue, and Huarui Anxin, enjoy the above tax incentives.

② Value-added tax

According to the Notice of the State Administration of Taxation regarding the Adjustment of Tax Policies for Diamonds and the Shanghai Diamond Exchange (Finance and Taxation (2006) No. 65), taxpayers selling rough diamonds from the Shanghai Diamond Exchange to the domestic market are exempted from import value-added tax. For taxpayers selling polished diamonds to the domestic market through the Shanghai Diamond Exchange, any VAT burden exceeding 4% in relation to the import stage shall be collected by customs and subsequently refunded. Upon entering the domestic market, taxpayers should offset their input tax against VAT indicated in payment certificates issued by customs. Following implementation of import value-added tax exemption and immediate collection/refund policies for diamonds sold domestically via the Shanghai Diamond Exchange, such diamonds will be subject to Customs regulations upon leaving said exchange. The Company's subsidiary, Shanghai fanyue diamond Co., Ltd., is a member of this exchange and imports finished diamonds through it in order to avail these aforementioned tax incentives.

③ Education surcharge

According to the Notice of the State Administration of Taxation on Expanding the Exemption Scope of Government Funds (Caishui [2016] No. 12), the scope of exemption for Urban maintenance and construction tax, local education surcharge, and water conservancy construction fund will be expanded from the current monthly taxable monthly sales or revenue not exceeding 30000 yuan (quarterly taxable quarterly sales or revenue not exceeding 90000 yuan) to the monthly taxable monthly sales or revenue not exceeding 100000 yuan (quarterly taxable quarterly sales or revenue not exceeding 300000 yuan). Our subsidiary, Shenzhen Huari Anxin Automotive Inspection Co., Ltd., is entitled to the above-mentioned tax benefits if its monthly taxable sales or revenue does not exceed 100000 yuan.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Item	2025.12.31	2024.12.31
Cash on hand	6,016.65	20,879.87
Bank deposit	45,536,363.87	280,040,887.67
Other monetary funds	103,586,472.03	97,727,003.23
Accrued interest on deposits	100,304.30	182,588.92
Total	149,229,156.85	377,971,359.69

Note: The monetary funds with the limited right to use the company are mainly bill margin, and futures option margin.

The balances of restricted cash and cash equivalents are as follows:

Item	2025.12.31	2024.12.31
security deposit payable	42,100,334.71	33,113,263.10
Futures and options account margin	28,748,241.60	22,848,540.40
Deposit and interest of gold lease	0.01	20,069,638.91
Amount of judicial control	-	663,948.65
Total	70,848,576.32	76,695,391.06

2. Financial assets held for trading

Item	2025.12.31	2024.12.31
Financial assets measured at fair value through profit or loss	117,410,631.65	165,630,834.06
Including: Structural deposits and financial products	117,410,631.65	165,630,834.06
Total	117,410,631.65	165,630,834.06

3. Derivative financial assets

Item	2025.12.31	2024.12.31
Hedging instrument—Derivative financial assets with specified hedging relationships	-	292,078.00
Commodity futures contracts and T+D contracts	-	292,078.00
Total	-	292,078.00

4. Accounts receivable

(1) Disclosure by aging

Aging	2025.12.31	2024.12.31
Within 1 year	60,980,767.02	44,225,898.09
1 to 2 years	1,820,579.18	2,520,681.03
2 to 3 years	22,959.70	508,387.31
More than 3 years	48,875,942.93	48,781,485.16
Subtotal	111,700,248.83	96,036,451.59
Less: Loss allowance	50,690,357.04	49,472,384.45
Total	61,009,891.79	46,564,067.14

(2) Disclose accounts receivable according to the method of bad debt provision

Type	2025.12.31				Carrying amount
	Book value		Loss allowance		
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Loss allowance on an individual basis	49,796,666.52	44.58	49,570,436.52	99.55	226,230.00
Loss allowance by group	61,903,582.31	55.42	1,119,920.52	1.81	60,783,661.79
Including: Lease and other portfolio	20,689,280.75	18.53	707,286.49	3.42	19,981,994.26
Jewelry sales portfolio	41,214,301.56	36.89	412,634.03	1.00	40,801,667.53
Total	111,700,248.83	100.00	50,690,357.04	45.38	61,009,891.79

Continued :

Type	2024.12.31		
	Book value	Loss allowance	Carrying amount

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	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	
Loss allowance on an individual basis	48,781,485.16	50.79	48,781,485.16	100.00	-
Loss allowance by group	47,254,966.43	49.21	690,899.29	1.46	46,564,067.14
Including:Lease and other portfolio	35,498,139.36	36.96	573,331.02	1.62	34,924,808.34
Jewelry sales portfolio	11,756,827.07	12.25	117,568.27	1.00	11,639,258.80
Total	96,036,451.59	100.00	49,472,384.45	51.51	46,564,067.14

Accounts receivable assessed for impairment individually:

Debtors	2025.12.31			Reasons for provision
	Book value	Loss allowance	Expected credit loss rate (%)	
深圳市金路工贸公司 (Shenzhen Jinlu Industrial and Trading Co., Ltd.)	9,846,607.00	9,846,607.00	100.00	Expected to be unrecoverable due to long ages
广东湛江三星汽车股份有限公司 (Guangdong Zhanjiang Sanxing Automobile Co., Ltd.)	4,060,329.44	4,060,329.44	100.00	Expected to be unrecoverable due to long ages
王昌龙 (Changlong.Wang)	2,370,760.40	2,370,760.40	100.00	Expected to be unrecoverable due to long ages
惠州市建达城道桥工程公司 (Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.)	2,021,657.70	2,021,657.70	100.00	Expected to be unrecoverable due to long ages
广东省广物控股集团有限公司 (Guangdong Guangwu Holding Group Co.,Ltd.)	1,862,000.00	1,862,000.00	100.00	Expected to be unrecoverable due to long ages
江铃汽车制造厂 (Jiangling Automobile Factory)	1,191,059.98	1,191,059.98	100.00	Expected to be unrecoverable due to long ages
阳江市汽车贸易有限公司 (Yangjiang Automobile Trading Co., Ltd.)	1,150,000.00	1,150,000.00	100.00	Expected to be unrecoverable due to long ages
Others	27,294,252.00	27,068,022.00	99.17	Expected to be unrecoverable due to long ages
Total	49,796,666.52	49,570,436.52	99.55	/

Continued :

Debtors	2024.12.31			Reasons for provision
	Book value	Loss allowance	Expected credit loss rate (%)	
深圳市金路工贸公司 (Shenzhen Jinlu Industrial and Trading Co., Ltd.)	9,846,607.00	9,846,607.00	100.00	Expected to be unrecoverable due to long ages
广东湛江三星汽车股份有限公司 (Guangdong Zhanjiang Sanxing Automobile Co., Ltd.)	4,060,329.44	4,060,329.44	100.00	Expected to be unrecoverable due to long ages

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Debtors	2024.12.31			Reasons for provision
	Book value	Loss allowance	Expected credit loss rate (%)	
王昌龙(Changlong.Wang)	2,370,760.40	2,370,760.40	100.00	Expected to be unrecoverable due to long ages
惠州市建达城道桥工程公司 (Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.)	2,021,657.70	2,021,657.70	100.00	Expected to be unrecoverable due to long ages
广东省广物控股集团有限公司 (Guangdong Guangwu Holding Group Co.,Ltd.)	1,862,000.00	1,862,000.00	100.00	Expected to be unrecoverable due to long ages
江铃汽车制造厂 (Jiangling Automobile Factory)	1,191,059.98	1,191,059.98	100.00	Expected to be unrecoverable due to long ages
阳江市汽车贸易有限公司 (Yangjiang Automobile Trading Co., Ltd.)	1,150,000.00	1,150,000.00	100.00	Expected to be unrecoverable due to long ages
Others	26,279,070.64	26,279,070.64	100.00	Expected to be unrecoverable due to long ages
Total	48,781,485.16	48,781,485.16	100.00	

Accounts receivable collectively assessed for loss allowance based on analysis

Combination provision items: Lease and other portfolio

Aging	2025.12.31			2024.12.31		
	Book value	Loss allowance	Expected credit loss rate (%)	Book value	Loss allowance	Expected credit loss rate (%)
Within 1 year	19,296,399.10	192,183.10	1.00	32,469,071.02	322,296.93	0.99
1 to 2 years	861,534.64	40,995.07	4.76	2,520,681.03	126,034.06	5.00
2 to 3 years	22,959.70	4,591.94	20.00	508,387.31	125,000.03	24.59
More than 3 years	508,387.31	469,516.38	92.35	-	-	-
Total	20,689,280.75	707,286.49	3.42	35,498,139.36	573,331.02	1.62

Bad debt items by portfolio: Jewelry sales portfolio

Aging	2025.12.31			2024.12.31		
	Book value	Loss allowance	Expected credit loss rate (%)	Book value	Loss allowance	Expected credit loss rate (%)
Within 1 year	41,214,301.56	412,634.03	1.00	11,756,827.07	117,568.27	1.00

(3) Additions, recoveries or reversals of provision for the current period

Type	Loss allowance
Amount as at 2025.01.01	49,472,384.45
Additions	1,658,055.85
Recoveries or reversals	-

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Type	Loss allowance
Written off in the current period	484,803.08
Other Changes	44,719.82
Amount as at 2025.12.31	50,690,357.04

(4) Details of Accounts Receivable Actually Written Off in the Current Period

Item	Amount Written Off
Accounts Receivable Actually Written Off	484,803.08

(5) Accounts receivable of the top five ending balance by the owing party

Debtors	2025.12.31	Proportion to total accounts receivable (%)	Loss allowance
河南省邮电科技有限公司 (Henan Post & Telecommunications Technology Co., Ltd.)	38,820,869.35	34.75	388,208.69
深圳市金路工贸公司 (Shenzhen Jinlu Industry & Trade Co., Ltd.)	9,846,607.00	8.82	9,846,607.00
广东湛江三星汽车股份有限公司 (Guangdong Zhanjiang Sanxing Automobile Stock Co., Ltd.)	4,060,329.44	3.64	4,060,345.95
王昌龙(Changlong.Wang)	2,370,760.40	2.12	2,370,760.40
惠州市建达城道桥工程公司(Huizhou Jianda Chengdao Bridge Engineering Company)	2,021,657.70	1.81	2,021,657.70
Total	57,120,223.89	51.14	18,687,579.74

5. Prepayments

(1) Prepayments disclosed by aging

Aging	2025.12.31		2024.12.31	
	Amount	Percentage%	Amount	Percentage%
Within 1 year	831,960.48	98.73	795,544.97	99.77
1 to 2 years	9,000.00	1.07	261.00	0.03
2 to 3 years	61.00	0.01	-	-
More than 3 years	1,603.94	0.19	1,603.94	0.20
Subtotal	842,625.42	100.00	797,409.91	100.00
Less: Impairment Provision	-	-	-	-
Total	842,625.42	100.00	797,409.91	100.00

(2) Details of the top five prepayment recipients by ending balance, grouped by prepayment counterparty.

Counterparty Name	Prepayment Ending Balance	Percentage of Total Prepayment Ending Balance (%)
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Counterparty Name	Prepayment Ending Balance	Percentage of Total Prepayment Ending Balance (%)
深圳华丽装修家私企业公司 (Shenzhen Huali Decoration & Furniture Enterprise Co., Ltd.)	133,260.81	15.81
国任财产保险股份有限公司深圳分公司 (Guoren Property & Casualty Insurance Co., Ltd. Shenzhen Branch)	133,186.80	15.81
中国电信股份有限公司深圳分公司 (China Telecom Corporation Limited Shenzhen Branch)	111,101.00	13.19
薯鸿文化传媒(上海)有限公司 (Shuhong Culture Media (Shanghai) Co., Ltd.)	72,427.13	8.60
杭州阿里妈妈软件服务有限公司 (Hangzhou Alimama Software Service Co., Ltd.)	70,338.45	8.35
Total	520,314.19	61.76

6. Other receivables

Item	2025.12.31	2024.12.31
Interests receivable	-	-
Dividends receivable	-	-
Other receivables	49,405,335.51	8,081,783.33
Total	49,405,335.51	8,081,783.33

(1) Dividends receivable

Investee	2025.12.31	2024.12.31
中国浦发机械工业股份有限公司 (China Perfect Machinery Industry Corp.,Ltd.)	1,305,581.86	1,305,581.86
Subtotal	1,305,581.86	1,305,581.86
Less: Loss allowance	1,305,581.86	1,305,581.86
Total	-	-

(2) Other receivables

① Disclosed by aging

Aging	2025.12.31	2024.12.31
Within 1 year	43,709,850.02	5,141,214.58
1 to 2 years	564,912.09	3,209,073.66
2 to 3 years	1,880,850.65	916,546.35
More than 3 years	49,176,102.93	51,016,753.37
Subtotal	95,331,715.69	60,283,587.96
Less: loss allowance	45,926,380.18	52,201,804.63
Total	49,405,335.51	8,081,783.33

② Disclosure by nature of payment

Item	2025.12.31	2024.12.31
Temporary advance payment receivable	3,943,137.76	6,258,271.82
Security deposit	44,330,855.20	3,195,494.08
Intercompany Balances	44,852,837.54	47,147,781.27
Others	2,204,885.19	3,682,040.79
Subtotal	95,331,715.69	60,283,587.96
Less: loss allowance	45,926,380.18	52,201,804.63
Total	49,405,335.51	8,081,783.33

③ Loss allowance

Loss allowance in the first stage at the end of the period

Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	-	-	-	-
Loss allowance by group	47,639,177.20	2.78	1,324,059.51	46,315,117.69
Ageing group	3,308,322.00	6.13	202,948.89	3,105,373.11
Security deposit	44,330,855.20	2.53	1,121,110.62	43,209,744.58
Total	47,639,177.20	2.78	1,324,059.51	46,315,117.69

At the end of the period, the Company did not have dividends receivable and other receivables in the second stage.

Loss allowance in the third stage at the end of the period

Type	Book value	Lifetime expected credit loss rate (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	47,692,538.49	93.52	44,602,320.67	3,090,217.82
Loss allowance by group	-	-	-	-
Ageing group	-	-	-	-
Security deposit	-	-	-	-
Total	47,692,538.49	93.52	44,602,320.67	3,090,217.82

Loss allowance in the first stage at the end of last year

Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	-	-	-	-
Loss allowance by group	6,464,040.17	9.11	589,121.09	5,874,919.08

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Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Ageing group	3,268,546.09	7.06	230,887.66	3,037,658.43
Security deposit	3,195,494.08	11.21	358,233.43	2,837,260.65
Total	6,464,040.17	9.11	589,121.09	5,874,919.08

At the end of the previous year, the Company did not have any dividends receivable or other receivables in the second stage.

Loss allowance in the third stage at the end of last year

Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	53,819,547.79	95.90	51,612,683.54	2,206,864.25
Loss allowance by group	-	-	-	-
Ageing group	-	-	-	-
Security deposit	-	-	-	-
Total	53,819,547.79	95.90	51,612,683.54	2,206,864.25

④ Additions, recoveries or reversals of provision for the current period

Loss allowance	First stage	Second stage	Third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment has occurred)	
Balance as at January 1, 2025	589,121.09	-	51,612,683.54	52,201,804.63
Balance as at January 1, 2025 in the current period	-	-	-	-
- Transfer to the second stage	-	-	-	-
- Transfer to the third stage	-	-	-	-
- Transfer out to the second stage	-	-	-	-
- Transfer out to the first stage	-	-	-	-
Additions	831,129.13	-	50,494.49	881,623.62
Reversals	96,190.71	-	1,205,470.99	1,301,661.70
Charge-offs	-	-	5,306,106.09	5,306,106.09
Other changes	-	-	549,280.28	549,280.28
Balance as at December 31, 2025	1,324,059.51	-	44,602,320.67	45,926,380.18

⑤ Other receivables written off in the current period

Item	Amount written off
Other receivables written off	5,306,106.09

⑥ Other receivables of the top five ending balances by the owing party

Debtors	Nature of receivables	2025.12.31	Aging	Proportion to total other receivables (%)	Loss allowance
国金黄金股份有限公司 (Guojin Gold Co., Ltd.)	Security Deposit	21,830,000.00	Within 1 year	22.90	155,871.90
深圳市众恒隆实业有限公司 (Shenzhen Zhonghenglong Industrial Co., Ltd.)	Security Deposit	18,731,980.00	Within 1 year	19.65	187,319.80
深圳中汽华南汽车销售公司 (Shenzhen Zhongqi Huanan Automobile Sales Company)	Current account	9,832,956.37	More than 3 years	10.31	9,832,956.37
南方工贸深圳实业公司(Shenzhen Nanfang Industry and Trade Co., Ltd)	Current account	7,359,060.75	More than 3 years	7.72	7,359,060.75
深圳中浩(集团)股份有限公司 (Shenzhen Zhonghao(group)Ltd)	Current account	5,000,000.00	More than 3 years	5.24	5,000,000.00
Total		62,753,997.12		65.82	22,535,208.82

7. Inventories

(1) Inventory by type

Items	Book value	2025.12.31		2024.12.31		
		Loss allowance of inventories/Impairment Allowance for Contract Fulfilment Costs	Carrying amount	Book value	Loss allowance of inventories/Impairment Allowance for Contract Fulfilment Costs	Carrying amount
Raw materials	146,932.23	-	146,932.23	8,281,211.63	-	8,281,211.63
Finished goods	39,330,164.36	28,997,998.14	10,332,166.22	29,558,580.97	29,094,882.38	463,698.59
Hedged items	49,178,442.27	-	49,178,442.27	114,856,873.15	-	114,856,873.15
Consigned finished goods	-	-	-	3,830,408.18	-	3,830,408.18
Total	88,655,538.86	28,997,998.14	59,657,540.72	156,527,073.93	29,094,882.38	127,432,191.55

(1) Loss allowance of inventories/Impairment Allowance for Contract Fulfilment Costs

Item	2025.01.01	Additions during the year	Decreases during the year	2025.12.31
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ShenZhen Tellus Holding Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2025(All amounts in RMB unless otherwise stated)

		Provision	Others	Changes in Consolidation Scope	Reversed or written-off	
Finished goods	29,094,882.38	84,463.30	-	181,347.54	-	28,997,998.14

8. Non-current assets due within one year

Item	2025.12.31	2024.12.31
Certificates of Deposit (CDs), Time Deposits, and Accrued Interest Maturing Within One Year	87,268,498.36	91,587,627.94

9. Other current assets

Item	2025.12.31	2024.12.31
Input VAT to be Verified	9,482,963.33	25,711,444.95
Advance tax	7,696,873.59	167,748.29
Certificates of Deposit (CDs), Time Deposits, and Related Accrued Interest	1,746,738.90	54,969,057.53
Prepaid Expenses	-	313,322.22
Reimbursable Advances of Agency	385,725.01	15,582,254.39
Total	19,312,300.83	96,743,827.38

10. Other debt investments

Item	2025.12.31	2025.12.31
Negotiable certificates of deposit	661,117,925.76	133,545,478.92
Less: other debt investments due within one year	87,268,498.36	48,821,350.16
Total	573,849,427.40	84,724,128.76

11. Long-term receivables

(1) Disclosure of Long-term Receivables by Nature

Item	2025.12.31			2024.12.31			Range of discount rate
	Book value	Loss allowance	Carrying amount	Book value	Loss allowance	Carrying amount	
Related party transactions	6,146,228.91	6,146,228.91	-	6,146,228.91	6,146,228.91	-	
Less: long-term receivables due within 1 year	-	-	-	-	-	-	
Total	6,146,228.91	6,146,228.91	-	6,146,228.91	6,146,228.91	-	-

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12. Long-term equity investments

Investee	Opening balance	Movements during the year									Ending balance	Ending balance of loss allowance	
		Increase in capital	Decrease in capital	Investment income recognised under method	Other comprehensive equity income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Others	Increase in capital			
① Joint venture													
深圳特力吉盟投资有限公司(Shenzhen Tellus-Gmond Investment Co., Ltd.)	56,216,004.26	-	-	-	26,111,495.42	-	-	20,000,000.00	-	-	-	62,327,499.68	-
深圳市特力行投资有限公司(Shenzhen Tellus Xing Investment Co., Ltd.)(Note1)	13,686,903.37	-	-	-	841,444.02	-	-	-	-	-	-	14,528,347.39	-
Subtotal	69,902,907.63	-	-	-	26,952,939.44	-	-	20,000,000.00	-	-	-	76,855,847.07	-
② Associates													
深圳市仁孚特力汽车服务有限公司(Shenzhen Renfu Tellus Automobiles Service Co., Ltd.)	15,188,925.57	-	-	-	2,431,128.33	-	-	-	-	-	-	17,620,053.90	-
深圳特力汽车服务连锁有限公司(Shenzhen Tellus Automobile Services Chain Co., Ltd.)(Note2)	-	-	-	-	-	-	-	-	-	-	-	-	-
深圳市永通信达检测设备有限责任公司(Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.)(Note2)	-	-	-	-	-	-	-	-	-	-	-	-	-
深圳捷成电子有限公司(Shenzhen Jiecheng	3,225,000.00	3,225,000.00	-	-	-	-	-	-	-	-	-	3,225,000.00	3,225,000.00

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Investee	Opening balance	Movements during the year								Ending balance	Ending balance of loss allowance	
		Increase in capital	Decrease in capital	Investment income recognised under method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Others			Increase in capital
Electronic Co., Ltd.)(Note3)												
中国汽车工业深圳贸易公司(China Automobile Shenzhen Trading Co., Ltd.)(Note3)	400,000.00	400,000.00	-	-	-	-	-	-	-	-	400,000.00	400,000.00
深圳通用标准件有限公司(Shenzhen General Standard Parts Co., Ltd.)(Note3)	500,000.00	500,000.00	-	-	-	-	-	-	-	-	500,000.00	500,000.00
深圳中汽华南汽车销售公司(Zhongqi South China Automobile Sales Co., Ltd.)(Note3)	2,250,000.00	2,250,000.00	-	-	-	-	-	-	-	-	2,250,000.00	2,250,000.00
深圳百力源电源有限公司(Shenzhen Bailiyuan Power Co., Ltd.)(Note3)	1,320,000.00	1,320,000.00	-	-	-	-	-	-	-	-	1,320,000.00	1,320,000.00
深圳市益民汽车贸易公司(Shenzhen Yimin Automobile Trading Co., Ltd.)(Note3)	200,001.10	200,001.10	-	-	-	-	-	-	-	-	200,001.10	200,001.10
深圳火炬火花塞工业公司(Shenzhen Torch Spark Plug Industrial Co., Ltd.)	17,849.20	17,849.20	-	-	865,445.32	-	-	865,445.32	-	-	17,849.20	17,849.20

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深圳市特力新永通汽车服务有限公司 (Shenzhen Teli Xinyongtong Automobile Service Co., Ltd.)	420,000.00	420,000.00	-	-	-	-	-	-	-	420,000.00	420,000.00
湖南昌阳实业股份有限公司(Hunan Changyang Industrial Co., Ltd.)(Note 4)	1,810,540.70	1,810,540.70	-	-	-	-	-	-	-	1,810,540.70	-
深圳先导新材料有限公司(Shenzhen Xiandao New Materials Co., Ltd.)(Note4)	4,751,621.62	4,751,621.62	-	-	-	-	-	-	-	4,751,621.62	-
Subtotal	30,083,938.19	14,895,012.62	-	-	3,296,573.65	-	-	865,445.32	- 6,562,162.32	25,952,904.2	8,332,850.3
③ Associates											
深圳汉力高技术陶瓷有限公司(Shenzhen Haneco Technologies Ceramics Co., Ltd.)(Note4)	1,956,000.00	1,956,000.00	-	-	-	-	-	-	-	1,956,000.00	-
深圳市南方汽车维修中心(Nanfang Automobile Repairing Center)(Note5)	6,700,000.00	6,700,000.00	-	-	-	-	-	-	-	6,700,000.00	6,700,000.00
Subtotal	8,656,000.00	8,656,000.00	-	-	-	-	-	-	- 1,956,000.00	6,700,000.00	6,700,000.00
Total	108,642,845.82	23,551,012.62	-	-	30,249,513.09	-	-	20,865,445.32	- 8,518,162.32	109,508,751.27	15,032,850.30

Note 1: The Company holds 51%of the equity of 深圳市特力行投资有限公司(Shenzhen Tellus Xing Investment Co., Ltd.). According to the articles of association, the rights of voting and nominated directors cannot be unilaterally decided on the relevant decisions by the company's shareholders' meeting and the board of directors, and the Company does not have a control.

Note 2: The book balances of these long-term equity investments have been adjusted to Nil by the recognition of profit and loss adjustments under equity method.

Note 3: Industrial and commercial registration of these companies has been revoked, and the Company has made full provision for impairment for these long-term equity investments.

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Note 4: Hunan Changyang Industrial Co., Ltd., Shenzhen Xiandao New Materials Co., Ltd., and Shenzhen Hanli High-Tech Ceramics Co., Ltd. have all completed their commercial deregistration. During the current year, with the approval of the Board of Directors, the long-term equity investments in three investees and the corresponding impairment provisions thereof have been written o

Note 5: The operating period of Shenzhen Nanfang Automobile Repairing Center have ceased operation for many years and their industrial and commercial registration has been revoked because they did not participate in the annual industrial and commercial inspection. The Company is unable to exercise effective control over these companies. Therefore, they are not included in the consolidated scope of the Company's consolidated financial statements. The carrying amount of the Company's investment in these companies is zero.

13. Investments in other equity instruments

(1) Details of other equity instrument investments

Items	2025.12.31	2024.12.31
Non-public equity instrument investment	-	-

(2) Details of equity instrument investments non-held-for-trading

Items	Gains and losses recognized in other comprehensive income for the current period	Cumulative gains or losses at year end	Dividend income recognized in the current period	Cumulative gains or losses transferred to retained earnings upon derecognition	Reason for derecognition
中国浦发机械工业股份有限公司(China Perfect Machinery Industry Corp., Ltd.)	-	-10,176,617.20	-	-	-

14. Investment properties

(1) Investment properties measured at cost

Item	Buildings	Land use rights	Total
I. Cost			
1.2025.01.01	1,282,555,873.48	95,667,082.86	1,378,222,956.34
2.Additions during the year	-	-	-
3.Decrease during the year	-	-	-
4.2025.12.31	1,282,555,873.48	95,667,082.86	1,378,222,956.34
II. Accumulated depreciation or amortization			
1.2025.01.01	270,001,900.22	8,448,923.02	278,450,823.24
2.Charge for the year	43,745,919.41	2,119,130.04	45,865,049.45
(1)Depreciated or amortised	43,745,919.41	2,119,130.04	45,865,049.45
3.Reductions during the year	-	-	-
4.2025.12.31	313,747,819.63	10,568,053.06	324,315,872.69
III. Loss allowance			
1.2025.01.01	-	-	-
2.Charge for the year	-	-	-
3.Reductions on disposals	-	-	-
4.2025.12.31	-	-	-
IV.Carrying amounts			
1.2025.12.31	968,808,053.85	85,099,029.80	1,053,907,083.65
2.2025.01.01	1,012,553,973.26	87,218,159.84	1,099,772,133.10

(1) Investment properties pending certificates of ownership

Item	Carrying amount	Reason why certificates are pending
Building 12 stores, Sungang	8,524.38	Due to historical reasons, certificate of titles has not been applied for.
Zhonghe office building	3,493,294.17	Due to historical reasons, certificate of titles has not been applied for.
Building 12, Sungang	2,653.97	Due to historical reasons, certificate of titles has not been applied for.
Total	3,504,472.52	

15. Fixed assets

Item	2025.12.31	2024.12.31
Fixed assets	61,870,381.34	70,699,928.84
Fixed assets to be disposed of	-	63,754.41
Total	61,870,381.34	70,763,683.25

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(1) Fixed assets

①Details of fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Electronic equipment	Renovation of fixed assets	Office and other equipment	Total
I. Cost:							
1.2025.01.01	218,469,493.35	21,437,166.98	3,203,004.38	8,981,644.20	1,569,294.59	7,376,181.84	261,036,785.34
2.Additions during the year	-	-	-	854,883.44	-	157,643.41	1,012,526.85
(1)Purchases	-	-	-	854,883.44	-	157,643.41	1,012,526.85
3.Disposals or write-offs	-	6,655,409.61	798,383.58	1,507,174.36	1,141,459.06	754,535.44	10,856,962.05
(1)Disposal or scrapping	-	6,655,409.61	798,383.58	1,507,174.36	1,141,459.06	754,535.44	10,856,962.05
4.2025.12.31	218,469,493.35	14,781,757.37	2,404,620.80	8,329,353.28	427,835.53	6,779,289.81	251,192,350.14
II. Accumulated depreciation:							
1.2025.01.01	155,407,884.84	12,464,244.25	2,650,168.44	7,317,598.67	1,103,942.47	5,361,813.76	184,305,652.43
2.Charge for the year	6,438,213.27	927,035.22	66,367.08	669,600.88	-	1,354,646.43	9,455,862.88
(1)Provision	6,438,213.27	927,035.22	66,367.08	669,600.88	-	1,354,646.43	9,455,862.88
3.Reductions for the year	-	5,397,159.10	746,730.22	955,884.74	860,076.33	600,008.22	8,559,858.61
(1)Disposal or write-offs	-	5,397,159.10	746,730.22	955,884.74	860,076.33	600,008.22	8,559,858.61
4.2025.12.31	161,846,098.11	7,994,120.37	1,969,805.30	7,031,314.81	243,866.14	6,116,451.97	185,201,656.70
III. Provision for impairment							
1.2025.01.01	3,555,385.70	1,400,150.09	61,984.82	387,935.05	465,352.12	160,396.29	6,031,204.07
2.Charge for the year	-	-	-	-	-	-	-
3.Reductions for the year	-	1,250,883.99	51,653.36	175,666.13	281,382.73	151,305.76	1,910,891.97
(1)Disposals or write-offs	-	1,250,883.99	51,653.36	175,666.13	281,382.73	151,305.76	1,910,891.97
4.2025.12.31	3,555,385.70	149,266.10	10,331.46	212,268.92	183,969.39	9,090.53	4,120,312.10
IV.Carrying amount							
1.2025.12.31	53,068,009.54	6,638,370.90	424,484.04	1,085,769.55	-	653,747.31	61,870,381.34
2.2025.01.01	59,506,222.81	7,572,772.64	490,851.12	1,276,110.48	-	1,853,971.79	70,699,928.84

① Fixed assets leased through operating leases

Item	Carrying amount
Plant and Buildings	45,648,811.88

③ Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reason why certificates are pending
Yongtong Building	16,694,176.87	Due to historical reasons, certificate of titles has not been applied for.
Automobile Building	18,170,392.84	Due to historical reasons, certificate of titles has not been applied for.
Tellus Building underground parking lot	6,424,227.08	Unable to apply for certificate of titles for parking lot
Third – Fifth floor of Plant 1, Plant 2, and Plant 3 on Taoyuan Road	2,243,115.04	Due to historical reasons, certificate of titles has not been applied for.
Tellus Building transfer story	978,779.24	Unable to apply for certificate of titles
Building 16 of Taohua Yuan	761,853.54	Due to historical reasons, certificate of titles has not been applied for.
Warehouse	47,658.93	Due to historical reasons, certificate of titles has not been applied for.
First floor of commercial and residential building in Bao’ an	544,798.04	Due to historical reasons, certificate of titles has not been applied for.
Shuibe Zhongtian Complex Building	433,404.22	Due to historical reasons, certificate of titles has not been applied for.
Warehouse of trade department	34,483.33	Due to historical reasons, certificate of titles has not been applied for.
Factory and shop 5-7 of Buxin Road	14,317.22	Due to historical reasons, certificate of titles has not been applied for.
Songquan Apartment (Mix)	10,086.79	Due to historical reasons, certificate of titles has not been applied for.
Buxin generator room	5,994.58	Due to historical reasons, certificate of titles has not been applied for.
Hostel on North Renmin Road	5,902.41	Due to historical reasons, certificate of titles has not been applied for.
Total	46,369,190.13	

16. Construction in progress

Item	2025.12.31	2024.12.31
Construction in progress	5,111,882.70	3,332,141.19
Total	5,111,882.70	3,332,141.19

(1) Construction in progress

① Details of construction in progress

Item	2025.12.31			2024.12.31		
	Book value	Loss allowance	Carrying amount	Book value	Loss allowance	Carrying amount
其他工程(Other construction)	5,111,882.70	-	5,111,882.70	3,332,141.19	-	3,332,141.19
Total	5,111,882.70	-	5,111,882.70	3,332,141.19	-	3,332,141.19

17. Right-of-use assets

Item	Plant and buildings	Total
I. Cost:		
1.2025.01.01	96,383,601.17	96,383,601.17
2.Additions in the current period	3,845,893.75	3,845,893.75
(1)Rent in	3,845,893.75	3,845,893.75
(2) Lease liability adjustment	-	-
3.Decreases in the current period	-	-
(1)Expiry	-	-
(2)Lease modification	-	-
4.2025.12.31	100,229,494.92	100,229,494.92
II. Accumulated depreciation		
1.2025.01.01	17,825,595.67	17,825,595.67
2.Additions in the current period	4,483,068.69	4,483,068.69
(1)Accrued	4,483,068.69	4,483,068.69
(2)Other additions	-	-
3.Decreases in the current period	-	-
(1)Expiry	-	-
(2)Lease modification	-	-
4.2025.12.31	22,308,664.36	22,308,664.36
III. Loss allowance	-	-
1.2025.01.01	-	-
2.Additions in the current period	-	-
3.Decreases in the current period	-	-
4.2025.12.31	-	-
IV.Carrying amount	-	-
1.2025.12.31	77,920,830.56	77,920,830.56
2.2025.01.01	78,558,005.50	78,558,005.50

18. Intangible assets

(1) Intangible assets

Item	Land use right	The patent right	Software	Total
I. Cost	-	-	-	-
1.2025.01.01	1,967,851.00	128,500.00	7,789,468.20	9,885,819.20
2.Additions in the current period	-	4.50	1,176,288.56	1,176,293.06
(1)Purchase	-	4.50	1,176,288.56	1,176,293.06
3.Decreases in the current period	-	-	564,999.80	564,999.80
(1)Disposal	-	-	564,999.80	564,999.80

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Item	Land use right	The patent right	Software	Total
4.2025.12.31	1,967,851.00	128,504.50	8,400,756.96	10,497,112.46
II. Accumulated amortization	-			
1.2025.01.01	906,247.54	114,780.56	5,088,956.65	6,109,984.75
2.Additions in the current period	103,571.04	2,720.28	1,256,407.30	1,362,698.62
(1)Accrued	103,571.04	2,720.28	1,256,407.30	1,362,698.62
3.Decreases in the current period	-	-	38,000.00	38,000.00
(1)Disposal	-	-	38,000.00	38,000.00
4.2025.12.31	1,009,818.58	117,500.84	6,307,363.95	7,434,683.37
III. Loss allowance				
1.2025.01.01	-	-	-	-
2.Additions in the current period	-	-	-	-
3.Decreases in the current period	-	-	-	-
4.2025.12.31	-	-	-	-
IV.Carrying amount	-			
1.2025.12.31	958,032.42	11,003.66	2,093,393.01	3,062,429.09
2.2025.01.01	1,061,603.46	13,719.44	2,700,511.55	3,775,834.45

19. Long-term deferred expenses

Item	2025.01.01	Additions in the current period	Amortization in the current period	Other decreases	2025.12.31
Renovation Information System service fee	47,932,696.85	1,218,945.3	15,091,948.28	-	34,059,693.87
Renovation Project	29,926.36	-	17,955.84	-	11,970.52
	132,786.16	-	86,599.68	-	46,186.48
Total	48,095,409.37	1,218,945.30	15,196,503.80		34,117,850.87

20. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offset

Item	2025.12.31		2024.12.31	
	Deferred tax assets/ liabilities	Deductible/ taxable temporary difference	Deferred tax assets/ liabilities	Deductible/ taxable temporary difference
Deferred tax assets:				
Asset impairment provision	7,953,897.05	31,815,588.17	8,747,158.83	34,988,635.30
Deferred income	106,384.69	425,538.76	139,118.44	556,473.76
Changes in fair value of trading financial assets	524,311.83	2,097,247.32	99,628.81	398,515.24
Changes in fair value of investments in other equity instruments	2,544,154.30	10,176,617.20	2,544,154.30	10,176,617.20

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Item	2025.12.31		2024.12.31	
	Deferred tax assets/ liabilities	Deductible/ taxable temporary difference	Deferred tax assets/ liabilities	Deductible/ taxable temporary difference
Lease liabilities	18,213,711.52	72,854,846.05	21,110,941.41	84,443,765.66
Subtotal	29,342,459.39	117,369,837.50	32,641,001.79	130,564,007.16
Deferred tax liabilities:				
Accelerated depreciation of fixed assets	18,684.85	74,739.40	31,644.25	126,577.00
Taxable temporary difference	1,691,712.74	6,766,850.96	4,273,564.60	17,094,258.40
Appreciation of Asset Valuation in Business Combinations under Non - Common Control	25,271,348.28	101,085,408.59	28,581,570.00	114,326,295.47
Right-of-use assets	16,116,520.28	64,466,081.10	19,432,952.64	77,731,810.56
Subtotal	43,098,266.15	172,393,080.05	52,319,731.49	209,278,941.43

(2) Deferred Tax Assets or Liabilities Presented Net of Offset

Item	Amounts Offset Between Deferred Tax Assets (DTA) and Liabilities (DTL) at End of Current Period	Net Deferred Tax Asset/(Liability) Position at End of Current Period	Amounts Offset Between DTA and DTL at End of Prior Year	Net DTA/(DTL) Position at End of Prior Year
Deferred tax assets	22,942,743.95	6,399,715.44	27,144,223.01	5,496,778.78
Deferred tax liabilities	22,942,743.95	20,155,522.20	27,144,223.01	25,175,508.48

(3) Details of temporary differences and deductible losses for unrecognized deferred tax assets

Item	2025.12.31	2024.12.31
Deductible temporary differences	125,029,644.86	149,654,149.86
Deductible losses	36,370,445.85	45,273,526.35
Total	161,400,090.71	194,927,676.21

(4) Expiration of deductible tax losses for unrecognized deferred tax assets

Year	2025.12.31	2024.12.31	Note
2025		6,285,169.81	
2026	6,498,346.80	8,589,171.35	
2027	2,137,636.33	2,693,238.23	
2028	19,129,892.09	24,987,453.67	
2029	2,717,934.10	2,718,493.29	
2030	5,886,636.53		
Total	36,370,445.85	45,273,526.35	

21. Other non-current assets

Item	2025.12.31			2024.12.31		
	Book value	Loss allowance	Carrying amount	Book value	Loss allowance	Carrying amount
Amortization of the Bundled Construction Project for the Teli-Gemeng Gold Jewelry Industrial Park Upgrade and Renovation Project	46,760,375.52	-	46,760,375.52	47,062,569.00	-	47,062,569.00
VAT input tax to be certified	-	-	-	7,237,158.45	-	7,237,158.45
Certificates of Deposit (CDs), Time Deposits, and Accrued Interest Maturing Beyond One Year	148,413,808.15	-	148,413,808.15	145,315,608.13	-	145,315,608.13
Prepayment for software	132,775.71	-	132,775.71	132,775.71	-	132,775.71
Total	195,306,959.38	-	195,306,959.38	199,748,111.29	-	199,748,111.29

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

Items	2025.12.31			Reason for restriction
	Book Balance	Carrying amount	Restricted type	
Monetary funds	70,848,576.32	70,848,576.32	Security deposit, etc.	Restricted Margins for Notes Payable and Futures Margins, etc.

Continued:

Items	2024.12.31			Reason for restriction
	Book Balance	Carrying amount	Restricted type	
Monetary funds	76,695,391.06	76,695,391.06	Security deposit, etc.	Restricted Margins for Notes Payable and Futures Margins, etc.

23. Short-term loans

(1) Classification of short-term loans

Item	2025.12.31	2024.12.31
Unsecured loans	11,002,344.41	120,101,444.43

24. Financial liabilities held for trading

Item	2025.01.01	Additions in the current period	Decreases in the current period	2025.12.31
Financial liabilities designated as measured at fair value through profit or loss Including: Gold leasing	-	62,799,920.00	62,799,920.00	-
Total	-	62,799,920.00	62,799,920.00	-

25. Derivative financial liabilities

Items	2025.12.31	2024.12.31
Derivative financial liability that specifies a hedging relationship	2,702,318.10	46,660.00
Including: commodity futures contracts and T+D contracts	2,702,318.10	46,660.00
Total	2,702,318.10	46,660.00

26. Notes Payable

Category	2025.12.31	2024.12.31
Commercial Acceptance Bills	-	-
Bankers' Acceptance Bills	180,000,000.00	110,000,000.00
Total	180,000,000.00	110,000,000.00

27. Accounts payable

Items	2025.12.31	2024.12.31
Payment for goods and services	14,666,732.29	7,874,360.75
Payment for construction equipment	94,686,651.76	117,681,332.38
Total	109,353,384.05	125,555,693.13

Including: material accounts payable with aging of more than 1 year

Items	2025.12.31	Reasons for not being settled or carried forward
中国建筑一局(集团)有限公司 (China Construction First Building(group)corporation Limited)	40,930,678.45	Provisional amount,The project has not been settled.
深圳市英龙建安(集团)有限公司 (Shenzhen Yinglong Jian' an (Group) Co., Ltd.)	28,298,954.80	The project has not been settled.
深圳市易诺建设工程有限公司 (Shenzhen Yinuo Construction Engineering Co., Ltd.)	3,555,095.22	The project has not been settled.
深圳市水贝壹号投资发展有限公司 (Shenzhen Shuibei Top 1 Investment and Development Co., Ltd.)	1,120,000.00	The project has not been settled.
Total	73,904,728.47	

28. Advances from customers

Items	2025.12.31	2024.12.31
Rental	8,222,394.47	9,469,503.75

29. Contract liabilities

Items	2025.12.31	2024.12.31
Advance receipts for goods	3,074,162.93	2,404,815.58
Advance receipts for services	529,987.77	1,604,689.01
Total	3,604,150.70	4,009,504.59

30. Employee pay compensation

Item	Beginning balance	Increased in the current period	Decrease in the current period	Ending balance
Short-term compensation	36,774,351.19	51,423,146.98	45,977,015.48	42,220,482.69
Post-resignation benefits-Defined contribution plan	29,272.75	5,215,156.31	5,244,429.06	-
Dismiss welfare	32,000.00	861,999.42	830,600.98	63,398.44
Total	36,835,623.94	57,500,302.71	52,052,045.52	42,283,881.13

(1) Short-term benefits

Item	Beginning balance	Increased in the current period	Decrease in the current period	Ending balance
Wages, bonuses, allowances, and subsidies	36,144,993.25	43,140,939.14	37,883,066.08	41,402,866.31
employee services and benefits	518,171.62	1,600,566.28	1,454,761.35	663,976.55
Social insurance premiums	10,591.21	1,769,591.04	1,780,182.25	-
Including: medical treatment insurance premium	8,898.48	1,465,874.42	1,474,772.90	-
maternity insurance premium	764.39	150,111.39	150,875.78	-
Industrial injury insurance premium	928.34	153,605.23	154,533.57	-
housing fund	1,012.80	3,659,509.09	3,660,521.89	-
Trade union funds and staff education funds	99,582.31	1,252,541.43	1,198,483.91	153,639.83
Total	36,774,351.19	51,423,146.98	45,977,015.48	42,220,482.69

(2) Defined contribution plan

Item	Beginning balance	Increased in the current period	Decrease in the current period	Ending balance
Post-resignation benefits	29,272.75	5,215,156.31	5,244,429.06	-
Among them: basic endowment insurance premium	27,743.97	4,966,302.21	4,994,046.18	-
unemployment insurance expense	1,528.78	248,854.10	250,382.88	-
Total	29,272.75	5,215,156.31	5,244,429.06	-

31. Taxes payable

Item	Ending balance	Beginning balance
Increment tax on land value	17,360,372.46	17,360,372.46
Corporate Revenue taxes	6,383,663.90	11,454,335.79
Added-value tax	3,954,478.65	5,266,527.71
Urban maintenance & construction tax	249,005.10	105,007.68
Extra charges of education funds	177,860.76	74,959.48
Individual Revenue tax	692,986.33	1,297,785.08

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Item	Ending balance	Beginning balance
Stamp duty	204,418.33	518,448.66
Land use tax	26,460.00	26,460.00
Consumption duty	4,864.11	964.82
Other taxes and fees	4,972.44	4,878.34
Total	29,059,082.08	36,109,740.02

32. Other Accounts Payable

Item	Ending balance	Beginning balance
Interest payable	-	-
dividends payable	-	-
accounts payable-others	139,483,702.52	126,312,280.55
Total	139,483,702.52	126,312,280.55

(1) Other payments payable

① According to the nature of the payment list

Item	Ending balance	Beginning balance
Deposit deposit	81,230,478.40	73,630,322.35
Related dealings	5,317,052.99	7,845,985.83
Advance payment	23,774,224.22	14,104,886.38
Receipt of temporary collection	29,161,946.91	30,731,085.99
Total	139,483,702.52	126,312,280.55

② Important other payables aged for more than 1 year

Name of creditor's right unit	Ending balance	Reasons for failure to repay
Rise Profit Investment Limited	2,255,339.58	The affiliates are not repaid
Shenzhen FuluXin Jewelry Co., Ltd	1,441,083.45	The deposit is not due
Shenzhen Longgang Teli Real Estate Company	1,095,742.50	The affiliates are not repaid
Total	4,792,165.53	-

33. Non-current liabilities arising due within one year

Item	Ending balance	Beginning balance
Lease liabilities becoming due within 1 year	10,581,548.92	8,674,869.40

34. Other current liabilities

Item	Ending balance	Beginning balance
The amount of tax to be transferred	1,858,235.00	6,142,814.36
Others	355,990.00	-
Total	2,214,225.00	6,142,814.36

35. Lease obligation

Item	Ending balance	Beginning balance
Lease payment amount	98,086,240.58	99,108,961.99
Less: Unrecognized financing charges	12,062,881.28	13,892,107.04
subtotal	86,023,359.30	85,216,854.95
Less: Non-current liabilities due within one year	10,581,548.92	8,674,869.40
Net Lease liabilities	75,441,810.38	76,541,985.55

36. Long-term payable

Item	Ending balance	Beginning balance
Long-term payable	3,920,160.36	3,920,160.36
account payable special funds	-	-
Total	3,920,160.36	3,920,160.36

(1) Long-term payment payable(presented by nature of payment)

Item	Ending balance	Beginning balance
Employee housing deposit	3,908,848.40	3,908,848.40
Grant funds for technology innovation Items	11,311.96	11,311.96
subtotal	3,920,160.36	3,920,160.36
Less: long-term payment due within one year	-	-
Total	3,920,160.36	3,920,160.36

37. Estimated liabilities

Item	Ending balance	Beginning balance	forming reason
pending action	9,956,800.00	-	pending action

38. Deferred Revenue

Item	beginning balances	Increased in the current period	Decrease in the current period	Ending balance	forming reason
public subsidy	7,837,477.60	-	1,780,205.93	6,057,271.67	

For the government subsidies included in the deferred Revenue, see Note VIII.

39. Share capital (unit: shares)

Item	Beginning balances	Increased in the current period or decreases (+, -)				Ending balance
		Issue new shares	Send shares	Provident fund conversion	other	
Total number of shares	431,058,320.00	-	-	-	-	- 431,058,320.00
Total	431,058,320.00	-	-	-	-	- 431,058,320.00

40. capital reserve

Item	beginning balances	Increased in the current period	Decrease in the current period	Ending balance
capital stock premium	425,184,907.34	-	-	425,184,907.34
Other capital reserves	5,681,501.16	-	-	5,681,501.16
Total	430,866,408.50	-	-	430,866,408.50

41. Other comprehensive Revenue

Other comprehensive Revenue attributable to the parent company in the balance sheet:

Item	Beginning balances (1)	Amount incurred in the current period		Ending balance (4)=(1)+(2)-(3)
		After-tax ownership is attributable to the parent company (2)	Less: the retained Revenue transferred into other comprehensive Revenue in the early period (3)	
1. Other comprehensive Revenue that cannot be reclassified into profits and losses	-7,632,462.90	-	-	-7,632,462.90
1. Changes in the fair value of investments in other equity instruments	-7,632,462.90	-	-	-7,632,462.90
3. Other consolidated benefits of reclassification into profit and loss	26,422.00	-	-	26,422.00
1. Other comprehensive Revenue of the convertible profit and loss under the equity method	26,422.00	-	-	26,422.00
Total of other comprehensive Revenue	-7,606,040.90	-	-	-7,606,040.90

42. Surplus reserves

Item	Beginning balance	Increased in the current period	Decrease in the current period	Ending balance
legal earned surplus reserve	74,222,656.99	18,438,453.17	-	92,661,110.16

43. Undistributed profit

Item	The amount of this period	The last amount
Undistributed profit at the end of the previous period before the adjustment	798,343,284.97	685,342,592.62
Adjustment to the beginning balance of undistributed profits (Positive adjustment: +, Negative adjustment: -)		
Adjust the late and early undistributed profits	798,343,284.97	685,342,592.62
Plus: net profit attributable to the shareholders of the parent company for this period	142,865,677.77	136,629,870.80
Less: draw up the statutory surplus reserves	18,438,453.17	10,266,370.53
Common stock dividend payable	43,105,832.00	13,362,807.92

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Item	The amount of this period	The last amount
Undistributed end profits	879,664,677.57	798,343,284.97

44. Operating revenue and operating cost

(1) Operating revenue and operating cost

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Principal business	1,461,603,400.53	1,212,036,648.67	2,613,678,204.37	2,376,764,300.06
Other business	-	-	-	-
Total	1,461,603,400.53	1,212,036,648.67	2,613,678,204.37	2,376,764,300.06

(2) Operating revenue and operating cost are divided by industry

firm name	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Principle business:		-		
Jewelry sales and services	1,131,888,850.11	1,083,515,862.78	2,320,842,052.78	2,273,354,439.85
Leasing and Services	329,714,550.42	128,520,785.89	292,836,151.59	103,409,860.21
Total	1,461,603,400.53	1,212,036,648.67	2,613,678,204.37	2,376,764,300.06

(3) Operating income and operating cost are divided by regions

Principle business areas	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
South China	943,760,912.51	714,612,561.75	1,971,504,250.32	1,743,354,212.66
Eastern China	173,615,831.08	166,772,471.71	241,495,799.74	238,075,580.05
The northern region	77,242,667.32	74,225,466.43	260,881,606.21	257,355,619.98
central China	243,245,121.80	233,662,659.62	121,099,408.56	119,547,197.35
Other areas	23,738,867.82	22,763,489.16	18,697,139.54	18,431,690.02
Total	1,461,603,400.53	1,212,036,648.67	2,613,678,204.37	2,376,764,300.06

(4) Operating revenue and operating cost are divided according to the commodity transfer time

Item	Amount incurred in the current period	
	Revenue from jewelry sales and services	Lease and service Revenue
Principle business	-	-
Among them: confirm at a certain point	1,127,981,030.71	-
Confirm at some time	3,907,819.40	329,714,550.42
Total	1,131,888,850.11	329,714,550.42

45. Taxes and Additional

Item	Amount incurred in the current period	Amount incurred in the previous period
urban maintenance & construction tax	1,212,666.92	1,830,648.40
extra charges of education funds	865,984.75	1,307,560.01
stamp duty	1,025,054.06	2,405,663.01
building taxes	7,423,432.99	7,172,545.32
use tax of land	421,607.18	442,956.07
other	23,265.10	13,275.47
Total	10,972,011.00	13,172,648.28

Note: See note 4 for all taxes and additional calculation and payment standards.

46. Selling expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	7,362,395.79	6,552,554.33
E-commerce channel operation service fee	2,793,224.28	6,284,555.98
Depreciation and amortization	2,435,673.37	3,089,169.78
Advertising promotion fee	890,795.54	1,514,296.05
Water, electricity and cleaning costs	375,508.95	423,458.67
Insurance	574,103.82	548,338.28
Consultation and service fees	494,660.94	1,054,392.27
Transportation and travel expenses	238,850.81	271,940.20
Communication fees	177,004.52	424,139.87
Administrative expenses	86,310.28	171,365.99
Business entertainment	19,727.00	60,070.06
Material consumption	-	444.42
other	220,780.99	1,837,954.99
Total	15,669,036.29	22,232,680.89

47. Administrative expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	42,311,186.52	38,432,977.77
Depreciation and amortization	5,074,482.25	4,766,354.91
Professional fees for intermediary institutions	5,491,265.54	4,538,253.56
Rental fee\property management fee \ cleaning fee \ utility fee	1,203,779.41	811,611.67
Administrative expenses	238,824.26	992,490.75
Business entertainment	47,767.63	81,061.23

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Item	Amount incurred in the current period	Amount incurred in the previous period
Communication expense	260,449.78	137,608.06
Transportation travel expenses	127,448.60	136,973.90
Travel expenses	51,539.75	115,146.22
Information service expense	652,000.25	162,934.17
Other	3,332,433.36	1,187,180.21
Total	58,791,177.35	51,362,592.45

48. Research and development expenditure

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	1,970,701.92	2,980,237.50
Equipment and outsourced service fees	938,250.41	-
Depreciation and amortization	178,434.56	70,296.60
other	10,841.35	218,285.78
Total	3,098,228.24	3,268,819.88

49. Financial expense

Item	Amount incurred in the current period	Amount incurred in the previous period
Total interest fee	6,563,081.07	9,096,305.49
Less: interest capitalization	-	-
Net interest expense	6,563,081.07	9,096,305.49
less: interest income	2,571,339.77	2,984,792.54
exchange gain or loss	-13,353.94	-53,888.97
Page and other	504,674.59	331,390.71
Total	4,483,061.95	6,389,014.69

50. Miscellaneous income

Item	Amount incurred in the current period	Amount incurred in the previous period
1. Government subsidies included in the other benefits	2,258,787.80	6,524,396.47
Including: the government subsidies related to the deferred benefits	1,780,205.93	1,780,205.93
Government subsidies directly included in the current profit and loss	478,581.87	4,744,190.54
2. Other items related to daily activities and included in other benefits	50,339.52	73,439.68
Among them: individual income tax withholding tax handling fees and job stabilization subsidy	50,339.52	73,439.68
Total	2,309,127.32	6,597,836.15

51. Return on investment

The sources of the investment income	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by the equity method	30,249,513.09	24,212,981.63
Investment income during the holding period of financial instruments	9,429,149.49	5,770,977.63
Among them: classified as financial assets measured at fair value and whose changes are included in the current profit and loss	9,429,149.49	5,770,977.63
Interest income from large certificates of deposit and time deposits	7,664,472.07	5,703,743.63
Commodity futures contracts and T + D contracts (hedging)	-29,716,862.63	-15,331,164.53
Closing earnings of commodity futures contracts and T + D contracts (unspecified hedging)	-414,329.87	-886,055.89
Total	17,211,942.15	19,470,482.47

52. Changes in the fair value of the earnings

The sources of income from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets	-977,729.35	-12,410,718.88
Where: changes in fair value designated as trading financial assets	-977,729.35	134,917.39
Equity tool investment	-	-12,545,636.27
Tradable financial liabilities gold lease	-	3,002,660.00
Derivatives of effective hedging	-1,754,539.23	-1,159,804.74
Among them: income from changes in the fair value of hedging instruments	-3,373,018.10	139,823.00
Changes in the fair value of hedged Items	1,618,478.87	-1,299,627.74
other	-	120.00
Total	-2,732,268.58	-10,567,743.62

53. Credit impairment loss (the loss is listed as "-")

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses of accounts receivable	-1,658,055.85	339,597.30
Bad debt losses of other receivables	420,038.08	6,719,894.33
Impairment losses of other current assets	157,396.51	-157,396.51
Loss of bad debts on dividends receivable	-	-1,305,581.86
Total	-1,080,621.26	5,596,513.26

54. Impairment loss of assets (fill in with "-")

Item	Amount incurred in the current period	Amount incurred in the previous period
loss on inventory	-84,463.30	-

55. Income from asset disposal (loss is filled as "-")

Item	Amount incurred in the current period	Amount incurred in the previous period
Disposal benefit of fixed assets (losses filled as "-")	15,413.83	-227.20
Other	-22,500.92	-
Total	-7,087.09	-227.20

56. Non-operating income

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring gains and losses
Unable to pay the proceeds	-	492,565.25	
Liquidated damages income	5,459,720.92	3,405,795.28	5,459,720.92
Land Occupancy and Usage Fees	6,946,693.18	-	6,946,693.18
other	624,094.27	2,592.54	624,094.27
Total	13,030,508.37	3,900,953.07	13,030,508.37

57. Non-operating expenditure

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring gains and losses
Late fine and liquidated damages expenses	16,876.38	1,383,776.06	16,876.38
Contingent compensation expenditures	9,956,800.00	-	9,956,800.00
other	164,184.95	812,183.78	164,184.95
Total	10,137,861.33	2,195,959.84	10,137,861.33

Note: Compensation expenditure related to contingent matters is detailed in Note XII, Commitments and Contingent Matters, "2. Contingent Matters", "(1) Contingent liabilities arising from provision of debt guarantees for other entities and their financial effects"

58. Income tax expenses

(1) Income tax expense

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense calculated in accordance with the tax laws and related provisions.	39,485,729.44	35,638,514.23
Deferred income tax	-5,922,922.94	-11,380,243.86
Total	33,562,806.50	24,258,270.37

(2) Accounting profit and income tax expense adjustment process

Item	Amount incurred in the current period	Amount incurred in the previous period
total profit	175,062,513.31	163,290,002.41

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Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expenses at legal/applicable tax rate(total profit*25%)	43,765,628.33	40,822,500.60
Impact of the different tax rate applicable to subsidiaries	-420,550.94	-1,053,341.75
Impact of income tax adjusted in previous period	1,929,889.77	-31,159.40
Profit or loss of joint ventures and associates calculated by equity method	-7,346,016.94	-5,895,086.41
Income without income tax expense (to be listed with "-")	-2,374,966.80	-172,644.40
Effect of cost, expense and loss nondeductible	4,432,488.45	2,088,898.27
Effect of using previously unrecognized deductible losses of previous years and deductible temporary differences (to be listed with "-")	-7,982,589.86	-13,133,718.97
Effect of using previously unrecognized deductible losses and deductible temporary differences	1,558,924.49	2,244,876.91
Tax impact of ESD bonus deduction (to be listed with "-")	-	-612,054.48
Income tax expenses	33,562,806.50	24,258,270.37

59. Cash flow statement item notes

(1) Other received cash related to operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Deposit deposit	75,662,606.60	33,248,403.97
interest revenue	1,142,296.52	1,595,629.53
Received as government subsidies	518,814.78	4,822,034.27
receipt of payment guarantee		22,987,350.00
Exchange money and other	46,689,700.52	14,089,935.20
Total	124,013,418.42	76,743,352.97

(2) Other cash paid relating to operating activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Out-of-pocket expenses	42,520,229.74	30,628,305.96
Pay the gold lease deposit, futures margin, the bill margin,refund of lease margin etc	81,050,660.87	35,830,899.04
Fine liquidated damages	132,760.17	1,300,150.00
Exchange money and other	18,754,302.64	12,048,639.24
Total	142,457,953.42	79,807,994.24

(3) Cash received related to important investment activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Principal and interest of structured deposits, financial products, CDs and time deposits	929,974,150.16	820,139,644.49

(4) Other cash received related to investment activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Shenzhen SDG Huari AUTOMOBILE Enterprise Co., Ltd. into the merger merged funds	-	5,964,034.76

(5) Cash paid related to important investment activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Structured deposits, financial products, certificates of deposit and time deposits	1,311,058,482.50	985,536,930.32

(6) Pay other cash related to investment activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Margin of hedging instruments	10,561,808.00	14,659,543.80

(7) Payment of other cash related to financing activities

Item	Amount incurred in the current period	Amount incurred in the previous period
Repayment of lease liabilities	13,692,202.73	12,180,403.46

(8) Changes in various liabilities arising from financing activities

Item	Beginning balances	Cash changes		Non-cash changes			Ending balance
		Inward cash-flow	Cash drain	Interest accrued	Change in fair value	Other	
Short-term borrowings	120,101,444.43	64,500,000.00	175,708,233.58	2,109,133.56			11,002,344.41
Lease obligation	85,216,854.95	-	13,166,631.84	3,722,059.19	-	10,251,077.00	86,023,359.30
Total	205,318,299.38	64,500,000.00	188,874,865.42	5,831,192.75	-	10,251,077.00	97,025,703.71

60. Supplementary Information on the cash flow statement

(1) Supplementary information of the cash flow statement

Supplementary information	Amount incurred in the current period	Amount incurred in the previous period
1. Reconciliation of net profit to cash flow of operating activities:		
Net profit	141,499,706.81	139,031,732.04
Add: provision for impairment of assets	84,463.30	-
Credit impairment loss	1,080,621.26	-5,596,513.26
Depreciation of fixed assets and investment real estate depreciation	55,320,912.33	41,583,661.32
Depreciation of right-of-use assets	4,483,068.69	9,474,215.37
amortization of intangible assets	1,362,698.62	560,018.46

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Supplementary information	Amount incurred in the current period	Amount incurred in the previous period
Long-term deferred amortization of expenses	15,196,503.80	13,059,696.03
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains to be listed as "-")	7,087.09	227.20
Loss of fixed assets (gains to be listed as as "-")	-	-
Loss of change in fair value (gains to be listed as "-")	2,732,268.58	10,567,743.62
Financial expenses (gains to be listed as "-")	6,563,081.07	9,100,270.87
Investment loss (gains to be listed as "-" number)	-17,211,942.15	-19,470,482.47
Decrease of deferred income tax assets ((increase to be listed with "-")	-902,936.66	32,339,878.65
Increase in deferred tax liabilities (decrease to be listed with "-")	-5,115,815.70	-15,330,211.35
Decrease of inventory (increase to be listed with "-")	67,871,535.07	45,716,613.09
Decrease of operating receivables (increase to be listed with "-")	26,674,386.07	100,475,881.49
Increase in operating payable items (decrease to be listed with "-")	28,108,259.70	28,776,082.79
Others		
Net cash flow from operating activities	327,753,897.88	390,288,813.85
2. Major investment and financing activities that not related to cash receipts and payments:		
Conversion of debt into capital	-	-
Current portion of convertible corporate bonds	-	-
New access right assets	-	-
3. Net changes in cash and cash equivalents:		
Ending balance of the cash	78,380,580.53	301,275,968.63
Less: the beginning balance of the cash	301,275,968.63	160,223,387.69
Add: the ending balance of the cash equivalents		-
Less: the beginning balance of the cash equivalents		-
Net increase in cash and cash equivalents	-222,895,388.10	141,052,580.94

(2) Composition of cash and cash equivalents

Item	Ending balance	Beginning balance
1. Cash	78,380,580.53	301,275,968.63
Including: cash on hand	6,016.65	20,879.87
Bank deposits ready for payment	45,536,363.87	241,190,505.42
Other monetary funds ready for payment	32,838,200.01	60,064,583.34
2. Money equivalent		
Including: bond investment due within three months		
3. Cash and cash equivalent balance	78,380,580.53	301,275,968.63

(3) Monetary funds that are not cash and cash equivalents

Item	Ending balance	Beginning balance	Reason for not being in cash and cash equivalents
Note- security deposit payable	42,100,334.71	33,113,263.10	Bill deposit
Futures and options account margin	28,748,241.60	22,848,540.40	Margin for the gold futures trading business is limited
Gold lease deposit and its interest	0.01	20,069,638.91	The deposit of gold leasing business is limited
Amount of judicial control	-	663,948.65	Judicial control
Total	70,848,576.32	76,695,391.06	

61.Foreign currency and monetary items

(1) Foreign currency and monetary items

Item	Final foreign currency balance	Conversion rate	The RMB balance is converted at the end of the period
Cash at bank and on hand			
Including: USD	857.08	7.0288	6,024.24
HKD	109,623.44	0.90322	99,014.08
Others account payable			
Including: USD	205,381.99	7.0288	1,443,588.93
Others account payable			
Including: HKD	3,376,679.37	0.90322	3,049,884.34

VI. R&D EXPENSES

1.R&D expenses

Item	Amount incurred in the current period		Amount incurred in previous period	
	Expenses	Capitalization	Expenses	Capitalization
Employees fee	1,970,701.92	-	2,980,237.50	-
Materials and Outsourced Purchases	938,250.41	-	-	-
Depreciation and amortization	178,434.56	-	70,296.60	-
Others expenses	10,841.35	-	218,285.78	-
Total	3,098,228.24	-	3,268,819.88	-

VII. INTEREST IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Company

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Name	Registered capital (ten thousand yuan)	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Shenzhen Tell Jewelry Technology Development Co., Ltd.	3,290.00	Shenzhen	commerce	5.00	95.00	establish
Shenzhen Bao'an District Shiquan Industry Co.,Ltd.	200.00	Shenzhen	commerce	-	100.00	establish
Shenzhen Tefa Teli Real Estate Co., Ltd	3,115.00	Shenzhen	commerce	100.00	-	establish
Shenzhen Teli Chuangying Technology Co., Ltd	150.00	Shenzhen	commerce	100.00	-	establish
Shenzhen Xinyongtong Motor Vehicle Testing Equipment Co., Ltd	960.78	Shenzhen	commerce	51.00	-	establish
Shenzhen Tell Shuibei Jewelry Co., Ltd.	1,896.00	Shenzhen	commerce	100.00	-	establish
Shenzhen Automobile Industry Sales Company	1,111.00	Shenzhen	commerce	-	100.00	establish
Shenzhen Zhongtian Industry Co., Ltd.	36,622.19	Shenzhen	commerce	100.00	-	establish
Shenzhen Huari Automobile Sales and Service Co., Ltd.	200.00	Shenzhen	commerce	60.00	-	establish
Shenzhen Telibaoku Supply Chain Technology Co., Ltd.	5,000.00	Shenzhen	commerce	100.00	-	establish
Shenzhen Jewelry Industry Service Co., LTD	10,000.00	Shenzhen	commerce	65.00	-	establish
Shanghai Pan Yue Diamond Co., Ltd	350.00	Shanghai	commerce	-	100.00	establish
Guorun Gold (Shenzhen) Co., Ltd.	20,000.00	Shenzhen	commerce	36.00	3.25	establish
Shenzhen SDG Huari AUTOMOBILE Enterprise Co., Ltd.	four million dollars	Shenzhen	commerce	60.00	-	Acquired in a non-common control business combination

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

In June 2022, the Company, together with its subsidiary Shenzhen Jewelry Industry Service Co., LTD and other companies Shenzhen High-tech Investment Group Co.,Ltd., Chow Tai Fook Jewelry Cultural Industry Park (Wuhan) Co., Ltd, Chow Tai Seng Jewellery Co.,Ltd., Beijing Caishikou Department Store Co.,Ltd. and Shenzhen ZHL Industrial Co.,Ltd., jointly invested to establish Guorun Gold (Shenzhen) Co., Ltd Among them, our company contributed 72 million yuan, holding a 36% stake; our subsidiary Shenzhen Jewelry Industry Service Co., LTD contributed 10 million yuan, holding a 5% stake; B Co., Ltd. held a 10% stake; and the remaining shareholders held a total of 49% of the shares. Our company and Shenzhen High-tech Investment Group Co.,Ltd. signed a concerted action agreement, stipulating that

Shenzhen High-tech Investment Group Co.,Ltd. would maintain consistent opinions with our company when voting in the shareholders' meeting and board of directors of Guorun Gold (Shenzhen) Co., Ltd. Therefore, our company and its subsidiary Shenzhen Jewelry Industry Service Co., LTD actually hold 51% of the voting rights in Guorun Gold (Shenzhen) Co., Ltd and can control it.

(2) Material non-wholly owned subsidiaries (unit: ten thousand yuan)

Name	Proportion of ownership interest held by non-controlling interests %	Profit or loss allocated to non-controlling interests in the current period	Dividend declared to non-controlling shareholders in the current period	Balance of non-controlling interests as at 2024.12.31
Guorun Gold (Shenzhen) Co., Ltd.	60.75	-483.27	-	11,549.08

(3) Key financial information about material non-wholly owned subsidiaries:

Name	As at 2025.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guorun Gold (Shenzhen) Co., Ltd.	29,771.57	9,631.10	39,402.67	20,136.69	255.15	20,391.84

Continued (1):

Name	As at 2024.12.31					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guorun Gold (Shenzhen) Co., Ltd.	38,961.31	701.57	39,662.88	19,465.31	391.25	19,856.56

Continued (2):

Name	Year ended 2025.12.31				Year ended 2024.12.31			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Guorun Gold (Shenzhen) Co., Ltd.	112,293.26	-795.50	-795.50	8,314.45	229,983.54	15.07	15.07	20,407.00

2. Changes in the scope of consolidation due to other causes

Shenzhen Huari Anxin Vehicle Inspection Co., Ltd. has completed the business deregistration procedures on December 18, 2025.

3. Interests in joint ventures or associates

(1) Material joint ventures or associates

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Name	Principal place of business	Registration place	Business nature	Shareholding (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
① Joint ventures						
Shenzhen Teli Jimeng Investment Co., Ltd.	Shenzhen	Shenzhen	Rental services	50.00	-	Equity accounting
② Associates						
Shenzhen Renfu Teli Automotive Service Co., Ltd.	Shenzhen	Shenzhen	Car sales	35.00	-	Equity accounting

(2) Key financial information of material joint ventures:

Item	Shenzhen Teli Jimeng Investment Co., Ltd.	
	As at 2025.12.31	As at 2024.12.31
Current assets	51,397,472.16	64,308,170.72
Including: Cash and cash equivalents	50,299,349.75	63,261,490.89
Non-current assets	279,903,774.39	301,569,595.17
Total assets	331,301,246.55	365,877,765.89
Current liabilities	48,653,180.34	46,770,664.57
Non-current liabilities	157,993,066.85	206,675,092.80
Total liabilities	206,646,247.19	253,445,757.37
Net assets	124,654,999.36	112,432,008.52
Including: Non-controlling interests		
Equity attributable to shareholders of the Company	124,654,999.36	112,432,008.52
Company' s share of net assets	62,327,499.68	56,216,004.26
Adjustments		
Carrying amount of interests in joint ventures	62,327,499.68	56,216,004.26
Fair value of investments in joint ventures which have quoted market price		

Continued:

Item	Shenzhen Teli Jimeng Investment Co., Ltd.	
	Year ended 2025.12.31	Year ended 2024.12.31
Operating income	137,742,396.17	132,430,277.65
Finance expenses	5,794,114.38	9,163,348.96
Income tax expenses	17,869,914.75	15,182,681.66
Net profit	52,222,990.84	44,108,769.17
Net profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	52,222,990.84	44,108,769.17
Dividends received from joint ventures in the current period	20,000,000.00	15,000,000.00

(3) Key financial information of material associates

Item	Shenzhen Renfu Teli Automotive Service Co., Ltd.	
	As at 2025.12.31	As at 2024.12.31
Current assets	65,962,048.08	142,897,387.81
Non-current assets	-	23,459,468.10
Total assets	65,962,048.08	166,356,855.91
Current liabilities	15,619,036.94	122,597,583.76
Non-current liabilities	-	362,341.96
Total liabilities	15,619,036.94	122,959,925.72
Net assets	50,343,011.14	43,396,930.19
Including: Non-controlling interests	-	-
Equity attributable to shareholders of the Company	50,343,011.14	43,396,930.19
Company' s share of net assets	17,620,053.90	15,188,925.57
Adjustments		
Carrying amount of interests in associates	17,620,053.90	15,188,925.57
Fair value of investments in associates which have quoted market price		

Continued:

Item	Shenzhen Renfu Teli Automotive Service Co., Ltd.	
	Year ended 2025.12.31	Year ended 2024.12.31
Operating income	330,908,023.73	814,278,410.46
Net profit	6,946,080.95	3,515,984.72
Net profit from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	6,946,080.95	3,515,984.72
Dividends received from associates in the current period	-	-

(4) Summarised financial information of immaterial joint ventures and associates:

Item	As at/Year ended 2025.12.31	As at/Year ended 2024.12.31
Joint ventures:		
Aggregate carrying amount of investments	14,533,606.99	13,680,093.35
Aggregate amount of share of		
Net profit	1,649,890.24	754,101.51
Other comprehensive income	-	-
Total comprehensive income	1,649,890.24	754,101.51

(5) Excess loss from joint ventures or associates

Investee	Accumulated	Unrecognized loss (or	Accumulated
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	unrecognized loss in prior periods	share of net profit) for the year	unrecognized loss as at 2025.12.31
Associates			
Shenzhen Teli Automotive 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
Total	1,275,077.99		1,275,077.99

VIII. GOVERNMENT GRANTS

1. Government grants recognized in deferred income

Type	Opening balnce	Additions in the current period	Decreases in the current period	Ending balance
Government Grants related to assets	7,837,477.60	-	1,780,205.93	6,057,271.67

(1)Government grants recognized in deferred income, and subsequently measured using the gross presentation method

Type	Opening balance	Additions in the current period	Recognition in profit and loss	Other changes	Ending balance	Presentation item recognized in profit and loss
Government Grants related to assets :						
Subsidy income of consumption promotion support projects of Shenzhen Municipal Bureau of Commerce in 2020	2,490,319.03	-	585,957.48	-	1,904,361.55	Other income
Green and innovative development in the engineering construction field of Shenzhen Municipal Housing and Construction Bureau	2,184,775.16	-	442,348.68	-	1,742,426.48	Other income
Futian District old elevator renovation working group elevator renewal subsidy funds	1,725,068.50	-	405,898.56	-	1,319,169.94	Other income
Luohu District 2021 Industrial Transformation and Upgrading Special Fund — Industry	1,385,869.69	-	326,086.92	-	1,059,782.77	Other income
Service Platform project Luohu District in 2021Industrial Transformation and Upgrading Special Fun — Green building support subsidy	51,445.22	-	19,914.29	-	31,530.93	Other income
Total	7,837,477.60		1,780,205.93		6,057,271.67	-

2. Government grants recognized in profit and loss, and subsequently measured using the gross presentation method

Items	Recognised in profit and loss for the year ended 2025.12.31	Recognised in profit and loss for the year ended 2024.12.31	Presentation item recognized in profit and loss
AEO Advanced Certification Subsidy	300,000.00	-	Other income
Receipt of maternity allowance from Medical Insurance Bureau	159,759.12	-	Other income
Funds for Buyer Support of the 130th Canton Fair	10500.00		Other income
One-time Job Expansion Subsidy disbursement transferred from Shenzhen Luohu District Public Employment Promotion Center in May 2025.	4,000.00	-	Other income
Government subsidy under the 2023 Industrial Development Special Fund ("Encouraging Enterprises to Scale Up and Strengthen") from the Shenzhen Luohu District Industry and Information Technology Bureau	-	180,000.00	Other income
2023 Annual Foreign Trade Excellence Reward Program of the Commerce Bureau		2,430,000.00	Other income
Industrial Development Special Fund - High-quality Development of the Gold and Jewelry Industry - Encouraging the Construction of Jewelry and Gemstone Trading Platforms	-	2,116,400.00	Other income
Other	4,322.75	17,790.54	Other income
Total	478,581.87	4,744,190.54	

IX. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

The Company's principal financial instruments include monetary funds, notes receivable, accounts receivable, financing receivables, other receivables, non-current assets maturing within one year, other current assets, trading financial assets, other investments in debt, long-term receivables, accounts payable, other payables, short-term borrowings, trading financial liabilities, non-current liabilities maturing within one year, and leases Liabilities and long-term payables. Details of the various financial instruments are disclosed in the relevant notes. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these exposures to ensure that the above risks are contained within limits.

1. Risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk).

The Company's overall risk management plan addresses the unpredictability of the financial markets and seeks to reduce the potential adverse impact on the Company's financial results.

The Company has developed a risk management policy to identify and analyze the risks faced by the Company, set appropriate acceptable levels of risk and design appropriate internal control procedures to monitor the Company's risk levels. The Company periodically reevaluates these risk management policies and related internal control systems to adapt to changes in market conditions or the Company's

operating activities. The internal audit function also periodically and irregularly reviews the implementation of internal control systems for compliance with risk management policies.

The Company diversifies its financial instrument risk through appropriate diversification of its investments and business portfolio, and reduces the risk of concentration in a single industry, a specific region or a specific counter party by developing appropriate risk management policies.

(1) Credit risk

Credit risk refers to the risk that the counter party fails to perform its contractual obligations, resulting in financial losses for the Company.

The Company manages credit risks according to portfolio classification. Credit risks mainly arise from bank deposits, notes receivable, accounts receivable, other receivables, long-term receivables, and other debt investments.

The Company's bank deposits are mainly deposited 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. The Company does not expect any significant credit risk in bank deposits. For notes receivable, accounts receivable, other receivables and long-term receivables, the Company establishes policies to control credit risk exposure. The Company evaluates the customer's credit qualification based on the customer's financial condition, credit history and other factors such as the current market conditions and sets the corresponding credit period. The Company will regularly monitor the credit history of customers, and for customers with poor credit history, the Company will use written reminders, shorten the credit period or cancel the credit period to ensure that the overall credit risk of the Company is under control.

The debtors of the Company's accounts receivable are artificially distributed among customers in different industries and regions. The Company conducts credit assessments of the financial position of accounts receivable on an ongoing basis and purchases credit guarantee insurance where appropriate.

The Company's maximum credit exposure is the carrying amount of each financial asset on the balance sheet. The Company does not provide any other guarantees that may expose the Company to credit risk.

Of the Company's accounts receivable, accounts receivable from the top five customers accounted for 51.14% of the Company's total accounts receivable (2024:28.78%); Among the Company's other receivables, other receivables of the top five companies in terms of the amount owed accounted for 65.83% of the Company's total other receivables (2024:48.62%)

(2) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter a shortage of funds in meeting its obligations to settle in cash or other financial assets.

In managing liquidity risk, the Company maintains and monitors cash and cash equivalents deemed adequate by management to meet the Company's operating needs and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank loans and ensures compliance with the loan agreements. It also secured commitments from major financial institutions to provide sufficient stand-by funding to meet short-term and long-term funding needs.

The Company raises its working capital through funds generated from its operations and bank and other borrowings. At the end of the period, the Company's unused bank borrowings were RMB889 million (at the end of the previous year: RMB20 million).

The Company will also consider negotiating with suppliers to adopt supplier financing arrangements to extend payment terms, or sell long-overdue accounts receivable to obtain funds in advance, so as to alleviate the Company's cash flow pressure.

At the end of the period, the financial liabilities and off-balance sheet guarantee items held by the Company are analyzed according to the maturity period of undiscounted remaining contract cash flows as follows (unit: ten thousand yuan)

Project	Ending balance				Amount to
	Within 1 year	1-2 Years	2-3 Years	More than 3 years	
Financial liabilities:					-
Short-term loan	1,100.23	-	-	-	1,100.23
Derivative financial assets	270.23	-	-	-	270.23
Bills payable	18,000.00	-	-	-	18,000.00
Accounts payable	1,475.25	2,092.40	2,457.15	4,910.53	10,935.34
Other payable	4,940.38	2,488.48	1,827.54	4,691.97	13,948.37
Non-current liabilities due within one year	1,348.13	-	-	-	1348.13
Other current liabilities(Excluding deferred income)	221.42	-	-	-	221.42
Lease liability	-	1,370.55	1,386.72	5,703.22	8,460.49
Long-term payable	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	27,355.64	5,951.43	5,671.41	15,697.74	54,676.23

At the end of last year, the financial liabilities and off-balance sheet guarantee items held by the Company were analyzed according to the maturity period of discounted remaining contract cash flows as follows (unit: ten thousand yuan)

Project	Balance at the end of last year				Amount to
	Within 1 year	1-2 Years	2-3 Years	More than 3 years	
Financial liabilities:					
Short-term loan	12,010.14	-	-	-	12,010.14
Derivative financial liabilities	4.67	-	-	-	4.67
Accounts payable	3,624.12	3,825.94	0.71	5,104.80	12,555.57
Other payable	4,145.11	2,375.5	364.18	5,746.43	12,631.23
Non-current liabilities due within one year	867.49	-	-	-	867.49
Lease liability	-	1,129.41	1,149.10	6,471.98	8,750.49
Long-term payable	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	20,651.53	7,330.85	1,513.99	17,715.23	47,211.61

The maximum guaranteed amount of a guarantee contract entered into does not represent the amount to be paid. The amounts of financial liabilities disclosed in the above table are undiscounted contractual cash flows and may therefore differ from the carrying amounts in the balance sheet.

(3) Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including interest rate risk, exchange rate risk and other price risks.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Interest rate risk can arise from recognized interest-bearing financial instruments and unrecognized financial instruments (such as certain loan commitments).

The Company's interest rate risk arises primarily from long-term bank borrowings and long-term interest-bearing liabilities such as bonds payable. Floating interest rate financial liabilities expose the Company to cash flow interest rate risk, and fixed interest rate financial liabilities expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed rate and floating rate contracts based on prevailing market conditions and maintains an appropriate mix of fixed rate and floating rate instruments through regular review and monitoring.

The Company closely monitors the impact of interest rate changes on the Company's interest rate risk. The Company does not currently have an interest rate hedging policy. However, management is responsible for monitoring interest rate risk and will consider hedging significant interest rate risk as needed. An increase in interest rates will increase the cost of new interest-bearing debt and interest expense on the Company's outstanding interest-bearing debt bearing floating interest rates, and will have a material adverse impact on the Company's financial results. Management will make timely adjustments based on the latest market conditions, which may be through interest rate swap arrangements to reduce interest rate risk.

For financial instruments held at the balance sheet date that expose the Company to fair value interest rate risk, the effects of net profit and shareholders' equity in the sensitivity analysis above are the effects of remeasuring these financial instruments at the new interest rate, assuming that interest rates change at the balance sheet date. For floating interest rate non-derivative instruments held at the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net income and shareholders' equity in the sensitivity analysis above is the impact of such interest rate changes on the annual estimated interest expense or income. The previous year's analysis was based on the same assumptions and methodology.

Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Exchange rate risk can arise from financial instruments denominated in foreign currencies other than the bookkeeping standard currency.

The Company's principal operations are located in the PRC and its principal business is settled in RMB. Therefore, the Company considers that the exchange rate risk is not material.

The Company closely monitors the impact of exchange rate movements on the Company's exchange rate risks. The Company does not currently take any measures to avoid exchange rate risk. However, management is responsible for monitoring currency risk and will consider hedging significant currency risk if needed.

2. Capital management

The objective of the Company's capital management policy is to ensure that the Company is able to continue as a going concern, so as to provide returns to shareholders and benefit other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the method of financing, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and other equity instruments, or sell assets to reduce debt.

The Company monitors its capital structure on the basis of its asset-liability ratio (total liabilities divided by total assets). At the end of the period, the Company's asset-liability ratio was 24.68% (year-end: 26.85%).

3. Hedging

(1) Fair value hedges

The Company's subsidiaries, Guorun Gold (Shenzhen) Co., LTD., and Shenzhen Tellus Baoku Supply Chain Technology Co., LTD., in order to avoid the risk of fair value changes of the gold raw materials held by them (i.e. the risk of being hedged), analyze the expected purchase transactions of gold raw materials based on the number of investment gold bars ordered by customers. On the basis of this, the Company use the gold spot deferred settlement contract of Shanghai Gold Exchange, the gold futures contract of Shanghai Futures Exchange, the on-market gold options and other hedging tools to avoid the risk of gold products falling due to the sharp decline in gold prices. Guorun Gold, a subsidiary of the Company, has formulated the "Measures for the Management of Hedging Business", which clearly stipulates the approval authority, operation process and risk control of the Company's hedging business. The hedge is a fair value hedge and the accounting period specified for the hedge relationship is January 1, 2025 to December 31, 2025.

The Company's approval procedures for using its own funds to carry out hedging business comply with relevant national laws and regulations and the relevant provisions of the Articles of Association. The gold extended transaction hedging business carried out to avoid gold price fluctuations is conducive to controlling operational risks and improving the Company's ability to withstand market fluctuations.

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

2025

Items	Book value of the hedged item		Accumulated amount adjusted by the fair value of hedged items (included in the carrying value of hedged items)		Balance sheet item containing hedged items	Change in the fair value of the hedged item used as the basis for recognizing the ineffective portion of the hedge in 2025
	Assets	Liabilities	Assets	Liabilities		
Commodit	48,422,300.40	-	756,141.87	-	Inventories	-

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y price risk
- Inventory

2024

Items	Book value of the hedged item		Accumulated amount adjusted by the fair value of hedged items (included in the carrying value of hedged items)		Balance sheet item containing hedged items	Change in the fair value of the hedged item used as the basis for recognizing the ineffective portion of the hedge in 2024
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk - Inventory	115,731,218.89	-	-874,345.74	-	Inventories	-

The carrying value and fair value of the hedging instrument changes as follows:

2025

Items	Hedging instruments Nominal amount	Book value of the hedging instrument		Balance sheet item containing hedged items	Change in the fair value of the hedged item used as the basis for recognizing the ineffective portion of the hedge in 2025
		Assets	Liabilities		
Commodity price risk - Inventory	48,422,300.40	-	2,702,318.10	Derivative financial assets/liabilities	-

2024

Items	Hedging instruments Nominal amount	Book value of the hedging instrument		Balance sheet item containing hedged items	Change in the fair value of the hedged item used as the basis for recognizing the ineffective portion of the hedge in 2024
		Assets	Liabilities		
Commodity price risk - Inventory	115,731,218.89	292,078.00	46,660.00	Derivative financial liability	-

Explanation: The void part of the hedge mainly comes from the basis risk, the risk of supply and demand changes in the spot or futures market and other uncertainty risks in the spot or futures market. The amount of void hedges recognised in the current and previous years is not material.

X. FAIR VALUE

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities.

The financial liabilities designated by the company to be measured at fair value with changes recognized in the current period's profit and loss are the physical gold leasing business of the company from banks. Gold exists in an active market (i.e. the 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 determines the market price based on the closing price announced by the Shanghai Gold Exchange on the last trading day.

The hedged item of our company is the inventory of gold products, and the hedging instrument is the asset/liability formed by the fair value changes of the gold futures contracts and gold spot deferred delivery contracts held by the company. The company determines the fair value based on the public quotations of gold spot trading and futures trading on the Shanghai Gold Exchange and Shanghai Futures Exchange.

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.

The trading financial assets held by the company are one-year guaranteed floating income bank wealth management products, and their fair value is determined by discounting future cash flows using the agreed expected rate of return. There is no significant difference between the fair value and book value of other non-current financial assets held by the company.

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

The equity instrument investment is measured at fair value based on the investment cost as there have been no significant changes in the operating environment, situation, or financial condition of the invested enterprise China Pudong Machinery Industry Co., Ltd.

1. Items and amounts measured at fair value

As at December 31, 2025, the assets and liabilities measured at fair value are listed as follows according to the above three levels:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
A.Recurring fair value measurement	-	-	-	-
(1) Financial assets held for trading	-	117,410,631.65	-	117,410,631.65
1.Equity instrument investments	-	-	-	-
2.Structured deposits and financial products	-	117,410,631.65	-	117,410,631.65
(2) Derivative financial assets	-	-	-	-
1.Hedging tools	-	-	-	-
(3)Other debt investments	-	573,849,427.40	-	573,849,427.40
1.certificate of deposit	-	573,849,427.40	-	573,849,427.40
(4)Other equity instrument investment	-	-	-	-
(5)Hedged items	49,178,442.27	-	-	49,178,442.27
Total assets measured at fair value on an ongoing basis	49,178,442.27	691,260,059.05	-	740,438,501.32
(6)Held-for-trading financial liabilities	-	-	-	-
1. Financial liabilities measured at fair value and changes in which are recorded in profit or loss for the period	-	-	-	-
a. Gold leasing	-	-	-	-
(7).Derivative financial liabilities	2,702,318.10	-	-	2,702,318.10
1. Hedging tools	2,702,318.10	-	-	2,702,318.10
Total liabilities measured at fair value on a recurring basis	2,702,318.10	-	-	2,702,318.10

During 2025, there were no transfers between different levels of the Company's assets and liabilities.

For financial instruments with active market, the Company measures fair value at quoted price in active market; for financial instrument without active market, the Company measures fair value using valuation techniques. Valuation models used are mainly cash flow discount model and market comparable entity model. Inputs include non-risk interest rate, base rate, foreign exchange rate, credit spread, liquidity premium, lack of liquidity discount, etc.

2. Related information of Level 2 fair value measurement

Item	Ending fair value	Valuation techniques	Input values
Derivative:	-	-	-
Derivative financial assets	-	Discounted cash flow method	Expected interest rate
Derivative financial liabilities	-	Discounted cash flow method	Expected interest rate

3. Quantitative information on significant unobservable inputs used in Level 3 fair value measurements

Item	Fair value As at 2025.12.31	Valuation techniques	Unobservable inputs	Range (weighted average)
Equity instrument investments:				
Unlisted equity investments	-	Net assets	N/A	N/A

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. General Information of the Parent Company

Name of the parent	Registered address	Nature of the business	Registered capital	Percentage of equity interests in the Company	Voting rights in the Company
Shenzhen SDG Group Co., Ltd.	Shenzhen	Real estate development and management, domestic business	CNY 6,179.41 million	49.09%	49.09%

The Company's ultimate controlling party is Shenzhen SASAC.

2. General Information of Subsidiaries

Details of the subsidiaries please refer to Note VII INTERESTS IN OTHER ENTITIES.

3. Joint Ventures and Associates of the Company

Details of significant joint ventures and associates please refer to Note VII INTERESTS IN JOINT VENTURES OR ASSOCIATES.

Details of other joint ventures or associates trading with or with outstanding to the Company during the reporting period:

Name of Joint Ventures or Associates	Relationship with the Company
深圳市特力新永通汽车服务有限公司 (Shenzhen Telixin Yongtong Automotive Service Co., Ltd)	Associate
深圳特力汽车服务连锁有限公司 (Shenzhen Tellus Automobile Services Chain Co., Ltd.)	Associate
深圳市永通信达检测设备有限责任公司 (Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.)	Associate
深圳火炬火花塞工业公司 (Shenzhen Huoju Spark Plug Industry Company)	Associate
深圳先导新材料有限公司 (Shenzhen Pioneer New Materials Co., Ltd.)	Associate
深圳市特力行投资有限公司 (Shenzhen Telixing Investment Co., Ltd.)	Joint venture

4. Other Related Parties of the Company

Name of Related Party	Relationship with the Company
深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	Holding subsidiary of the parent Company

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Name of Related Party	Relationship with the Company
深圳市特发城市更新投资有限公司 (Shenzhen Tellus Urban Renewal Investment Co., Ltd.)	Holding subsidiary of the parent Company
深圳市机械设备进出口公司 (Shenzhen Machinery and Equipment Import and Export Co., Ltd.)	Holding subsidiary of the parent Company
香港裕嘉投资有限公司 (Hong Kong Yujia Investment Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发工程管理有限责任公司 (Shenzhen SDG Engineering Management Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特力阳春房地产公司 (Shenzhen Tellus Yangchun Real Estate Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发地产有限公司 (Shenzhen SDG Real Estate Co., Ltd.)	Holding subsidiary of the parent Company
深圳龙岗特力房地产公司 (Shenzhen Longgang Tellus Real Estate Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发特力物业管理有限公司 (Shenzhen SDG Tellus Property Management Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发黎明光电(集团)有限公司 (Shenzhen Tellus Liming Optoelectronics (Group) Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	Holding subsidiary of the parent Company
深圳市特发楼宇科技有限公司 (Shenzhen Tellus Building Technology Co., Ltd.)	Holding subsidiary of the parent Company
深圳特发东部服务有限公司 (Shenzhen Tellus Eastern Service Co., Ltd.)	Holding subsidiary of the parent Company
软通智慧信息技术有限公司 (iSoftStone Intelligence Information Technology Co., Ltd.)	Enterprises controlled by the parent company within 12 months
深圳华丽装修家私企业公司 (Shenzhen Huali Decoration Furniture Enterprise Co., Ltd.)	Associate of the parent company
深圳市智谷金云科技有限公司 (Shenzhen Zhigu Jinyun Technology Co., Ltd.)	Entities over which the shareholders of material subsidiaries exercise significant influence
深圳市众恒隆实业有限公司 (Shenzhen ZHL Industrial Co., Ltd.)	Minority shareholders of significant subsidiaries
北京菜市口百货股份有限公司 (Beijing Caishikou Department Store Co.,Ltd)	Minority shareholders of significant subsidiaries
深圳市舜天电动车技术发展有限公司(Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.)	Investment
深圳市众明隆投资有限公司 (Shenzhen Zhongminglong Investment Co., Ltd.)	Entities over which the shareholders of material subsidiaries exercise significant influence
深圳金链通数字科技有限公司 (Shenzhen Jinliantong Digital Technology Co., Ltd.)	Companies controlled by minority shareholders of significant subsidiaries
深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	Companies controlled by minority shareholders of significant subsidiaries
深圳市粤鹏金电商有限公司 (Shenzhen Yuepengjin e-commerce Co., Ltd.)	Companies controlled by minority shareholders of significant subsidiaries
国任财产保险股份有限公司 (Guoren Property and Casualty Insurance Co., Ltd.)	Enterprise controlled by the indirect controlling shareholder

5. Related Party Transactions

(1) Purchases or sales of goods, rendering or receiving of services

① Purchases of goods, receiving of services:

Affiliated party	Related party transaction content	Current amount	Amount incurred in the previous period
深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	Property management services	21,849,017.09	20,270,819.23
深圳市特发特力物业管理有限公司 (Shenzhen SDG Tellus Property Management Co., Ltd.)	Property management services	4,039,761.51	1,734,135.69
深圳市特发楼宇科技有限公司 (Shenzhen Tellus Building Technology Co., Ltd.)	Property management services	339,622.65	203,773.59
国任财产保险股份有限公司(Guoren Property and Casualty Insurance Co., Ltd.)	Procurement of insurance services	245,022.72	541,600.54
深圳市众恒隆实业有限公司(Shenzhen Zhonghenglong Industrial Co., Ltd.)	Gold processing services	60,811.78	841,272.75
深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	Gold processing services	41,590.29	54,091.15
深圳华丽装修家私企业公司(Shenzhen Huali Decoration and Furniture Enterprise Company)	Engineering Repair and Maintenance Services	10,014,262.73	11,634,732.07
深圳市智谷金云科技有限公司 (Shenzhen Zhigu Jinyun Technology Co., Ltd.)	Software Usage Fee	28,318.56	25,994.42
深圳市特发工程管理有限公司(Shenzhen TF Engineering Management Co., Ltd.)	Supervision Services	361,060.15	775,830.53
深圳特发东部服务有限公司(Shenzhen Tellus Eastern Service Co., Ltd.)	Installation Services of Monitoring Systems	-	117,768.00

② Sales of goods and rendering of services:

Related parties	Nature of the transaction(s)	2025	2024
北京菜市口百货股份有限公司 (Beijing Caishikou Department Store Co.,Ltd.)	Sales of goods	10,579,497.89	5,942,165.99
深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	Property management expenses	481,929.30	357,459.71
深圳火炬火花塞工业公司 (Shenzhen Huoju Spark Plug Industry Company)	Management expenses	328,900.00	-
深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	Property management expenses	188,281.23	161,205.25
深圳市众恒隆实业有限公司 (Shenzhen ZHL Industrial Co.,Ltd.)	Agency services	126,903.27	452,001.02
深圳华丽装修家私企业公司 (Shenzhen Huali Decoration Furniture Enterprise Co., Ltd.)	Property management expenses	15,756.97	-
深圳粤鹏金电商有限公司(Shenzhen Yuepengjin	Sales of goods	-	83,815,902.66

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E-commerce Co.,Ltd.)

深圳市特力行投资有限公司 (Shenzhen Telixing Investment Co., Ltd.)	Property management expenses	-	283,018.87
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(2)Leases

①The Company as lessor:

Name of lessee	Type of assets leased	2025	2024
深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	House leasing	1,776,970.14	357,182.10
深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	House leasing	1,098,644.46	1,101,847.98
深圳市特发特力物业管理有限公司 (Shenzhen SDG Tellus Property Management Co., Ltd.)	House leasing	358,688.48	163,762.85
深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	House leasing and others	4,332,602.02	4,022,405.39
深圳火炬火花塞工业公司 (Shenzhen Huoju Spark Plug Industry Company)	Safe deposit box leasing	2,293.58	2,293.58
深圳市仁孚特力汽车服务有限公司 (Shenzhen Renfu Tellus Automobiles Service Co., Ltd.)	House leasing	-	5,190,476.19
深圳市永通信达检测设备有限责任公(Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.)	House leasing	-	8,000.00

(3)Key management personnel compensation

The company currently has 12 key management personnel and had 16 key management personnel in the previous period, with their respective compensations presented in the following table.

Unit: ten thousand yuan

Items	2025	2024
Key management personnel	500.97	468.03

6. Receivables and Payables with Related Parties

(1) Receivables from related parties

Items	Related parties	As at 2025.12.31		As at 2024.12.31	
		Book value	Loss allowance	Book value	Loss allowance
Accounts receivable	深圳市众恒隆实业有限公司 (Shenzhen ZHL Industrial Co., Ltd.)	92,660.26	926.60	-	-
Accounts receivable	深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	8,593.89	85.94	-	-
Accounts receivable	深圳火炬火花塞工业公司 (Shenzhen Huoju Spark Plug Industry Company)	1,000.00	10.00	-	-
Prepayments	深圳华丽装修家私企业公司 (Shenzhen Huali Decoration Furniture Enterprise Co., Ltd.)	133,260.81	-	-	-
Prepayments	国任财产保险股份有限公司(Guoren	133,186.80	-	162,704.37	-

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Items	Related parties	As at 2025.12.31		As at 2024.12.31	
		Book value	Loss allowance	Book value	Loss allowance
Prepayments	Property and Casualty Insurance Co., Ltd.) 深圳市特发服务股份有限公司 (Shenzhen Tellus Services Co., Ltd.)	6,605.50	-	7,200.00	-
Other receivables	深圳市众恒隆实业有限公司 (Shenzhen ZHL Industrial Co.,Ltd.)	18,731,980.00	187,319.80	633,580.65	6,335.81
Other receivables	深圳特力汽车服务连锁有限公司 (Shenzhen Tellus Automobile Services Chain Co., Ltd.)	1,360,390.00	1,360,390.00	1,360,390.00	1,360,390.00
Other receivables	深圳市特力行投资有限公司 (Shenzhen Tellus Xing Investment Co., Ltd.)	127,299.21	1,272.99	733,103.55	36,057.45
Other receivables	深圳市特发特力物业管理有限公司 (Shenzhen SDG Tellus Property Management Co., Ltd.)	57,472.05	5,695.31	18,834.77	3,641.74
Other receivables	深圳市智谷金云科技有限公司 (Shenzhen Zhigu Jinyun Technology Co., Ltd.)	50,000.00	2,500.00	50,000.00	500.00
Other receivables	深圳先导新材料有限公司(Shenzhen Xiandao New Materials Co., Ltd.)	-	-	660,790.09	660,790.09
Other receivables	深圳市永通信达检测设备有限责任公司(Shenzhen Yongtong Xinda Inspection Equipment Co., Ltd.)	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	深圳市特力新永通汽车服务有限公司(Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.)	114,776.33	114,776.33	114,776.33	114,776.33
Other receivables	深圳市特发黎明光电(集团)有限公司(Shenzhen Tefa Liming Photo-Electric(Group)Co.,Ltd.)	-	-	2,886.00	2,886.00
Long-term receivables	深圳特力汽车服务连锁有限公司 (Shenzhen Tellus Automobile Services Chain Co., Ltd.)	6,146,228.91	6,146,228.91	6,146,228.91	6,146,228.91

(2)Payables from related parties

Item	Related party	As at 2025.12.31	As at 2024.12.31
Accounts payable	深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	4,136,158.12	3,865,062.67
Accounts payable	深圳华丽装修家私企业公司 (Shenzhen Huali Decoration Furniture Enterprise Co., Ltd.)	1,493,996.39	5,371,011.83
Accounts payable	深圳市特发特力物业管理有限公司 (Shenzhen SDG Tellus Property Management Co., Ltd.)	272,000.00	-
Accounts payable	深圳特力吉盟投资有限公司 (Shenzhen Teli Jimeng Investment Co., Ltd.)	200,000.00	200,000.00
Accounts payable	深圳市特发工程管理有限责任公司 (Shenzhen SDG Engineering Management Co., Ltd.)	108,038.46	1,365,692.04
Accounts payable	深圳市机械设备进出口公司 (Shenzhen Machinery and Equipment Import and Export Co., Ltd.)	45,300.00	45,300.00

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Item	Related party	As at 2025.12.31	As at 2024.12.31
Accounts payable	深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	4,136,158.12	3,865,062.67
Accounts payable	深圳市智谷金云科技有限公司 (Shenzhen Zhigu Jinyun Technology Co., Ltd.)	12,000.00	45,652.00
Accounts payable	深圳市众恒隆实业有限公司 (Shenzhen ZHL Industrial Co., Ltd.)	316.58	669.57
Accounts payable	深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	-	28,000.00
Advance from customers	深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	36,230.60	-
Advance from customers	深圳市特发特力物业管理有限公司 (Shenzhen Tellus-Tellus Property Management Co., Ltd.)	12,920.00	1,243.34
Advance from customers	深圳市永通信达检测设备有限责任公司 (Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.)	68.00	68.00
Advance from customers	深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	0.01	-
Advance from customers	深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	-	42,625.39
Other payables	香港裕嘉投资有限公司(Hong Kong Yu jia Investment Co., Ltd.)	2,255,339.58	2,255,339.58
Other payables	深圳市机械设备进出口公司 (Shenzhen Machinery and Equipment Import and Export Co., Ltd.)	1,554,196.80	1,575,452.52
Other payables	深圳华丽装修家私企业公司 (Shenzhen Huali Decoration Furniture Enterprise Co., Ltd.)	1,086,322.83	150,929.85
Other payables	深圳特力阳春公司(Tellus Yangchun Co., Ltd.)	476,217.49	476,217.49
Other payables	深圳市粤鹏金珠宝金行有限公司 (Shenzhen Yuepengjin Jewelry & Gold Co., Ltd.)	388,102.00	388,102.00
Other payables	深圳市特发小额贷款有限公司 (Shenzhen SDG Microfinance Co., Ltd.)	237,804.66	237,804.66
Other payables	深圳市特发特力物业管理有限公司 (Shenzhen SDG Engineering Management Co., Ltd.)	151,818.00	441,842.84
Other payables	深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	68,026.80	50,506.00
Other payables	深圳市特发城市更新投资有限公司(Shenzhen Special Development Urban Renewal Investment Co., Ltd)	28,766.05	28,766.05
Other payables	深圳市特发集团有限公司(Shenzhen SDG Group Co., Ltd.)	3,000.00	3,000.00
Other payables	深圳火炬火花塞工业公司 (Shenzhen Huoju Spark Plug Industry Company)	2,000.00	143,746.10
Other payables	深圳特力汽车服务连锁有限公司 (Shenzhen Tellus Automobile Services Chain Co., Ltd.)	800.00	800.00
Other payables	深圳龙岗特力房地产公司 (Shenzhen Long gang Tellus Real Estate Co., Ltd.)	1,095,742.50	1,095,742.50

Item	Related party	As at 2025.12.31	As at 2024.12.31
Accounts payable	深圳市特发服务股份有限公司 (Shenzhen SDG Service Co., Ltd.)	4,136,158.12	3,865,062.67
Other payables	深圳市仁孚特力汽车服务有限公司 (Shenzhen Renfu Tellus Automobiles Service Co., Ltd.)	-	833,334.00
Other payables	深圳市特发工程管理有限责任公司 (Shenzhen SDG Engineering Management Co., Ltd.)	-	148,302.24
Other payables	深圳市众明隆投资有限公司 (Shenzhen Zhongminglong Investment Co., Ltd.)	-	14,100.00
Other payables	深圳市舜天电动车技术发展有限公司(Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.)	2,000.00	2,000.00

XII. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

As of December 31, 2025, the Company had no material capital commitments.

2. Contingencies

(1)Contingent liabilities arising from debt guarantees provided to other entities and their financial impact

The Company’ s subsidiary, Teli Shuibei Jewelry Co., Ltd., was formerly known as Shenzhen Automobile Industry and Trade Corporation. It was restructured from an enterprise owned by the whole people to a limited liability company and renamed in November 2017, and further renamed Shenzhen Teli Shuibei Jewelry Co., Ltd. in July 2025. In September 2011, Teli Shuibei entered into a State-owned Property Rights Transfer Contract with Zhu Jinchao, pursuant to which the 14.731% equity interest in Shenzhen Southern Great Wall Investment Holdings Co., Ltd. (hereinafter referred to as “Southern Great Wall”) held by Teli Shuibei was listed and transferred in accordance with the law. On the same date, Teli Shuibei and Southern Great Wall entered into a Debt Assumption and Asset Repurchase Agreement (hereinafter referred to as the “Repurchase Agreement”), which stipulates that all actual, potential and contingent liabilities and disputes of Southern Great Wall arising from non-capital contribution assets of Teli Shuibei (including operation, financing, guarantees, etc.) prior to 31 December 2001 shall be borne by Teli Shuibei Jewelry in respect of all economic and legal liabilities.

In 1997, Southern Great Wall Company provided a guarantee for the bank loan of China National Automobile Industry Shenzhen Trading Co., Ltd. with Bank of Communications. Such guaranteed liability was incurred prior to 31 December 2001. As the principal debtor failed to perform its obligations, the case was enforced by the court and resumed enforcement in 2024 ((2024) Yue 0304 Zhi Hui 1936). Southern Great Wall Company reached a settlement with the applicant executor and paid the relevant amounts. Nanfang Great Wall Company, together with its former shareholders Zhu Jinchao and Yu Zhanglin, has delivered a Letter of Notification and relevant supporting documents. raising the following claims: Designating a responsible department to re-establish a communication mechanism; Requesting Teli Shuibei Jewelry to bear the claimed guarantee loss of RMB 10,754,400, including principal of RMB 9,880,000, interest of RMB 197,600, legal fees of RMB 600,000 and execution fees of RMB 76,800

As of December 31, 2025, the Company had no pending litigation, external guarantees and other contingencies that should be disclosed.

XIII. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the proposal Regarding the 2025 Profit Distribution Plan reviewed and approved at the 18th formal meeting of the 10th Board of Directors held on April 20, 2026, the Company intends to distribute cash dividends of RMB 1.10 per 10 shares (tax included) to all shareholders based on the total share capital of 431,058,320 shares as of December 31, 2025, with total cash dividends to be distributed amounting to RMB 47,416,415.20.No bonus shares will be issued and no capital reserve will be converted into share capital for the current year.The profit distribution plan is subject to the deliberation and approval of the Company's shareholders' general meeting.

As of April 20, 2026, the Company has no other material post-balance sheet events to be disclosed.

XIV.OTHER IMPORTANT MATTERS

1. Segment Information

According to the internal organizational structure, management requirements, and internal reporting system of our company, our business operations are divided into 2 reporting segments. These report segments are determined based on the financial information required by the company's daily internal management. The management of the group regularly evaluates the operating results of these reporting segments to determine the allocation of resources and evaluate their performance.

The reporting segments of our company include:

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

Segment reporting information is disclosed based on the accounting policies and measurement standards adopted by each segment when reporting to management. These accounting policies and measurement bases are consistent with those used in the preparation of financial statements.

(1) Financial information of reportable segments

Current period / end of current period	Leasing and services	Wholesale and retail jewelry services	Offsetting	Amount to
Operating Revenue	332,053,853.84	1,132,159,330.29	-2,609,783.60	1,461,603,400.53
Operating Cost	115,617,665.42	1,083,245,382.60	13,173,600.65	1,212,036,648.67
Total Assets	2,862,056,543.60	507,589,782.51	-719,487,883.58	2,650,158,442.53
Total Liabilities	447,751,556.45	230,597,178.41	-24,310,138.87	654,038,595.99
Operating Revenue	297,565,080.67	2,320,842,052.78	-4,728,929.08	2,613,678,204.37
Operating Cost	106,803,428.99	2,273,354,439.85	-3,393,568.78	2,376,764,300.06
Total Assets	2,815,496,452.17	540,229,156.29	-761,266,370.57	2,594,459,237.89
Total Liabilities	513,961,364.49	258,257,775.16	-75,485,873.49	696,733,266.16

Xv. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

(1)Disclosure by aging

Accounts Receivable Aging	Ending number	Year-end balance of the previous year
Within 1 year	10,660,018.72	17,614,712.56
1 to 2 years	58,567.71	2,352,446.33
Two to three years	-	77,741.87
More than 3 years	77,741.87	484,803.08
subtotal	10,796,328.30	20,529,703.84
deduct: provision for bad debts	146,014.99	815,673.02
Amount to	10,650,313.31	19,714,030.82

(2)Classified by loss allowance method

Class	Balance		Ending number		Value
	Amount	Scale (%)	Bad debt provision Amount of money	Expected credit loss rate(%)	
Individual provision for bad debts					
Portfolio provision for bad debts	10,796,328.30	100.00	146,014.99	1.35	10,650,313.31
Among them: age combination portfolio	10,551,451.13	97.73	146,014.99	1.38	10,405,436.14
Portfolio of Related-Party Balances within the Consolidated Scope	244,877.17	2.27	-	-	244,877.17
Amount to	10,796,328.30	100.00	146,014.99	1.35	10,650,313.31

continuous:

Class	Balance		Year-end balance of the previous year		Value
	Amount	Scale (%)	Bad debt provision Amount of money	Expected credit loss rate (%)	
Individual provision for bad debts	484,803.08	2.36	484,803.08	100.00	-
Portfolio provision for bad debts	20,044,900.76	97.64	330,869.94	1.65	19,714,030.82
Among them: age combination portfolio	19,867,856.02	96.78	330,869.94	1.67	19,536,986.08
Portfolio of Related-Party Balances within the Consolidated Scope	177,044.74	0.86	-	-	177,044.74
Amount to	20,529,703.84	100.00	815,673.02	3.97	19,714,030.82

Accounts receivable assessed for impairment individually:

Name	Balance	Ending Balance		Basis for provision
		Bad debt provision	Expected credit loss rate (%)	
Shenzhen Bijia Mountain Club Co., LTD	172,000.00	172,000.00	100.00	The account is old and is not

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Name	Balance	Ending Balance		Basis for provision
		Bad debt provision	Expected credit loss rate (%)	
				expected to be recovered
Gong Yanqing	97,806.64	97,806.64	100.00	The account is old and is not expected to be recovered
Guangzhou Tianhe Lemins Computer Center	86,940.00	86,940.00	100.00	The account is old and is not expected to be recovered
other	128,056.44	128,056.44	100.00	The account is old and is not expected to be recovered
Amount to	484,803.08	484,803.08	100 .00	

Credit account receivables prepared by the combination of credit risk characteristics:

Accounts receivable collectively assessed for general bad debt provision based on aging analysis:

Aging	Ending number			Year-end balance of the previous year		
	Amount	Bad debt provision	Expected credit loss rate (%)	Amount of money	Bad debt provision	Expected credit loss rate (%)
Within 1 year	10,415,141.55	104,215.66	1.00	17,437,667.82	174,376.68	1.00
1 to 2 years	58,567.71	2,928.39	5.00	2,352,446.33	117,622.32	5.00
Two to three years	-	-	-	77,741.87	38,870.94	50.00
More than 3 years	77,741.87	38,870.94	50.00	-	-	-
Amount to	10,551,451.13	146,014.99	56.00	19,867,856.02	330,869.94	56.00

(3) Addition, recoveries or reversals of provision for the current period

Item	Bad debt provision amount
Beginning balances	815,673.02
Accrual for the period	-
Current period recoveries or reversals	184,854.95
Write-offs	484,803.08
Ending balance	146,014.99

(4) Accounts receivable written off in the current period

Item	Amount written off
Accounts receivable written off	484,803.08

(5) Details of the top 5 debtors with largest balances

Name of organization	Accounts receivable Ending balance	The proportion of the total balance of accounts receivable	Ending balance of bad debt provision for accounts receivable
Zhongbao Jinyuan (Shenzhen) Industrial Development Co., LTD	1,389,236.36	12.87	13,892.36

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Name of organization	Accounts receivable Ending balance	The proportion of the total balance of accounts receivable	Ending balance of bad debt provision for accounts receivable
Shenzhen Jinyu Jewelry Co., Ltd.	1,003,030.88	9.29	10,030.31
Zhou Shengsheng (China) Commercial Co., LTD	991,143.46	9.18	9,911.43
Shenzhen Qidu Yinjiang Shijia Industrial Co., Ltd.	625,595.33	5.79	6,255.95
Shenzhen Baijue Industrial Development Co.,Ltd.	623,891.20	5.78	6,238.91
Amount to	4,632,897.23	42.91	46,328.96

2. Other receivables

Item	Ending Balance	Year-end balance of the previous year
interest in black	-	-
dividends receivable	-	-
Other receivables	3,711,404.11	2,839,370.67
Amount to	3,711,404.11	2,839,370.67

(1) Dividends receivable

Investee	Ending balance	Year-end balance of the previous year
China Pudong Development Machinery Industry Co., LTD	1,305,581.86	1,305,581.86
deduct: provision for bad debts	1,305,581.86	1,305,581.86
Amount to	-	-

(2) Other receivables

① Other receivables categorized by ages

Aging	Ending number	Year-end balance of the previous year
Within 1 year	1,980,198.21	404,467.63
1 to 2 years	279,081.91	2,557,254.64
Two to three years	1,837,736.29	1,091.61
More than 3 years	7,201,884.00	12,561,229.35
Subtotal	11,298,900.41	15,524,043.23
deduct: bad debt provision	7,587,496.30	12,684,672.56
Amount to	3,711,404.11	2,839,370.67

② Other receivables categorized by nature

Nature of receivables	Ending amount	The amount at the end of the previous year
Temporary advance payment receivable	8,125,713.98	13,967,525.96
Deposit and deposit	1,610,786.54	1,556,456.36
Related transactions within the consolidation	1,562,399.89	61.00

Nature of receivables	Ending amount	The amount at the end of the previous year
scope		
Subtotal	11,298,900.41	15,524,043.32
Less: provision for bad debts	7,587,496.30	12,684,672.56
Total	3,711,404.11	2,839,370.67

③ Other receivables categorized by methods of provision for bad debts

Loss allowance in the first stage at the end of the period

Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis				
Loss allowance by group	4,146,777.43	10.50	435,373.32	3,711,404.11
Ageing group	973,591.00	13.17	128,263.70	845,327.30
Deposits and security deposits group	1,610,786.54	19.07	307,109.62	1,303,676.92
Intercompany accounts within consolidation scope	4,146,777.43	10.50	435,373.32	3,711,404.11

At the end of the period, the Company did not have any dividends receivable or other receivables in the second stage.

Loss allowance in the third stage at the end of the period.

Type	Balance	The expected credit loss rate for the whole duration period (%)	Bad debt provision	Value
Loss allowance on an individual basis	7,152,122.98	100.00	7,152,122.98	-
Loss allowance by group	-	-	-	-
Ageing group	-	-	-	-
Deposits and security deposits group	-	-	-	-
Total	7,152,122.98	100.00	7,152,122.98	-

Loss allowance in the first stage at the end of last year.

Type	Book value	Expected credit loss rate over the next 12 months (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	-	-	-	-
Loss allowance by group	3,012,518.40	5.75	173,147.73	2,839,370.67
Ageing group	1,456,062.04	4.35	63,267.36	1,392,794.68
Deposits and security deposits group	1,556,456.36	7.06	109,880.37	1,446,575.99
Total	3,012,518.40	5.75	173,147.73	2,839,370.67

At the end of the previous year, the Company did not have any outstanding accrued interest, dividends receivable, or other receivables in the second stage.

Loss allowance in the third stage at the end of last year.

Type	Book value	Lifetime expected credit loss rate (%)	Loss allowance	Carrying amount
Loss allowance on an individual basis	12,511,524.83	100.00	12,511,524.83	-
Loss allowance by group	-	-	-	-
Ageing group	-	-	-	-
Deposits and security deposits group	-	-	-	-
Total	12,511,524.83	100.00	12,511,524.83	-

④ The provision for bad debts accrued, recovered or reversed in the current period

Loss allowance	First stage	Second stage	Third stage	Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses (no credit impairment occurred)	Lifetime expected credit losses (credit impairment has occurred)	
Balance as at January 1, 2025	173,147.73	-	12,511,524.83	12,684,672.56
Balance as at January 1, 2025 in the current period	-	-	-	-
- Transfer to the second stage	-	-	-	-
- Transfer to the third stage	-	-	-	-
- Transfer out to the second stage	-	-	-	-
- Transfer out to the first stage	-	-	-	-
Addition	262,225.59	-	-17,899.51	244,326.08
Reversals	-	-	-	-
Charge-offs	-	-	5,306,106.09	5,306,106.09
Write-offs	-	-	35,396.25	35,396.25
Balance as at December 31, 2025	435,373.32	-	7,152,122.98	7,587,496.30

⑤ Other receivables written off in the current period

Item	Amount written off
Other receivables written off	5,306,106.09

Material other receivables written off

Name of the entity	Nature of other receivables	Amount written off	Reason for written off	Written off procedures	Whether generated by related party transactions
深圳市金贝丽电器有限公司	Intercompany	2,706,983.51	The Company	Approved by	No

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Name of the entity	Nature of other receivables	Amount written off	Reason for written off	Written off procedures	Whether generated by related party transactions
司 Shenzhen Jinbeili Electric Appliances Co., Ltd. 深圳市特发华通包装实业有限公司 Shenzhen Special Development Huatong Packaging Industrial Co., Ltd. 深圳先导新材料有限公司 Shenzhen Pioneer New Materials Co., Ltd.	transactions Intercompany transactions Intercompany transactions	1,212,373.79 660,790.09	has been revoked The Company has been revoked. The Company has been revoked.	the Board of Directors Approved by the Board of Directors Approved by the Board of Directors	No No
Total		4,580,147.39			

⑥ Top five other receivables by debtor based on closing balance

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
深圳中浩(集团)股份有限公司 Shenzhen Sinohao(group) Co., Ltd.	Intercompany transactions	5,000,000.00	More than 3 years	44.25	5,000,000.00
深圳石化集团有限公司 Shenzhen Petrochemical Group Co., Ltd.	Intercompany transactions	1,927,833.34	More than 3 years	17.06	1,927,833.34
深圳市金洲精工科技股份有限公司 Shenzhen Jinzhou Precision Technology Co., Ltd.	Deposit	1,515,467.96	2 to 3 years	13.41	303,093.59
深圳市特力宝库供应链科技有限公司 Shenzhen Teli Baoku Supply Chain Technology Co., Ltd.	Intercompany transactions	745,497.20	1 to 2 years Within 1 year	6.60	-
中国建筑一局(集团)有限公司 China Construction First Bureau (Group) Co., Ltd.	others	583,978.93	2 to 3 years, 1 to 2 years	5.17	74,998.00
Amount to		9,772,777.43		86.49	7,305,924.93

3. Long-term equity investment

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	713,610,774.41		713,610,774.41	715,566,774.41	1,956,000.00	713,610,774.41
Investments in associates	76,855,847.07		76,855,847.07	69,902,907.63	-	69,902,907.63
Investments in joint ventures	20,845,053.90	3,225,000.00	17,620,053.90	24,976,087.89	9,787,162.32	15,188,925.57
Total	811,311,675.38	3,225,000.00	808,086,675.38	810,445,769.93	11,743,162.32	798,702,607.61

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(1) Investment in subsidiaries

Investees	Opening balance	Impairment reserve beginning balance	Changes in the current period				Closing balance	Impairment reserve ending balance
			Additional investment	Reduce investment	Provision for impairment	Other		
深圳市特发特力房地产有限公司 Shenzhen Tefateli Real Estate Co., Ltd.	31,152,888.87	-	-	-	-	-	31,152,888.87	-
深圳市特力创盈科技有限公司 Shenzhen Tellus Innovation Technology Co., Ltd.	526,308.52	-	-	-	-	-	526,308.52	-
深圳市特力珠宝科技发展有限公司 Shenzhen Tell Jewelry Technology Development Co., Ltd.	2,883,644.26	-	-	-	-	-	2,883,644.26	-
深圳市中天实业有限公司 Shenzhen Zhongtian Industry Co., Ltd.	369,680,522.90	-	-	-	-	-	369,680,522.90	-
深圳市特力水贝珠宝有限公司 Shenzhen Tell Shuibei Jewelry Co., Ltd.	86,251,071.57	-	-	-	-	-	86,251,071.57	-
深圳特发华日汽车企业有限公司 Shenzhen Tefa Huari Automobile Enterprise Co., Ltd.	61,908,926.77	-	-	-	-	-	61,908,926.77	-
深圳市华日丰田汽车销售服务有限公司 Shenzhen Huari Toyota Sales Service Co., Ltd.	1,807,411.52	-	-	-	-	-	1,807,411.52	-
深圳市新永通机动车检测设备有限公司 Shenzhen Xinyongtong Motor Vehicle Testing Equipment Co., Ltd.	4,900,000.00	-	-	-	-	-	4,900,000.00	-
深圳市特力宝库供应链科技有限公司 Shenzhen Telibaoku Supply Chain Technology Co., Ltd.	50,000,000.00	-	-	-	-	-	50,000,000.00	-
深圳汉力高技术陶瓷有限公司 Shenzhen Hanli High Tech Ceramics Co., Ltd.	1,956,000.00	1,956,000.00	-	-	-	-1,956,000.00	-	-
深圳珠宝产业服务有限公司 Shenzhen Jewelry Industry Service Co., Ltd.	32,500,000.00	-	-	-	-	-	32,500,000.00	-
国润黄金(深圳)有限公司 Guorun Gold (Shenzhen) Co., Ltd.	72,000,000.00	-	-	-	-	-	72,000,000.00	-
Total	715,566,774.41	1,956,000.00	-	-	-	-1,956,000.00	713,610,774.41	-

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(2) Investment in joint venture and cooperative enterprises

Invitees	Opening balance	Impairment reserve beginning balance	Additional/new investment	Reduce investment	Investment gains and losses recognized under the equity method	Current period changes					Closing balance	Impairment reserve ending balance
						Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Other		
① Joint ventures												
深圳特力吉盟投资有限公司 (Shenzhen Tellus Jimeng Investment Co., Ltd.)	56,216,004.26	-	-	-	26,111,495.42	-	-	20,000,000.00	-		62,327,499.68	
深圳市特力行投资有限公司 (Shenzhen Tellus Xing Investment Co., Ltd.)(Note1)	13,686,903.37	-	-	-	841,444.02	-	-	-	-		14,528,347.39	
Subtotal	69,902,907.63	-	-	-	26,952,939.44	-	-	20,000,000.00	-		76,855,847.07	
② Associates												
深圳市仁孚特力汽车服务有限公司 (Shenzhen Renfu Tellus Automobiles Service Co., Ltd.)	15,188,925.57	-			2,431,128.33						17,620,053.90	
湖南昌阳实业股份有限公司 (Hunan Changyang Industrial Co., Ltd.)(Note3)	1,810,540.70	1,810,540.70								1,810,540.70	-	-
深圳捷成电子有限公司 (Shenzhen Jiecheng Electronic Co., Ltd.)(Note3)	3,225,000.00	3,225,000.00	-	-	-	-	-	-	-	-	3,225,000.00	3,225,000.00

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Invitees	Opening balance	Impairment reserve beginning balance	Additional/new investment	Reduce investment	Investment gains and losses recognized under the equity method	Current period changes					Closing balance	Impairment reserve ending balance
						Other comprehensive income adjustments	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Other		
深圳先导新材料有限公司 (Shenzhen Xiandao New Materials Co., Ltd.)(Note3)	4,751,621.62	4,751,621.62	-	-	-	-	-	-	-	-	4,751,621.62	4,751,621.62
深圳特力汽车服务连锁有限公司 (Shenzhen Tellus Automobile Services Chain Co., Ltd.)(Note2)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	23,745,493.23	9,787,162.32	-	-	1,230,594.66	-	-	-	-	-	24,976,087.89	9,787,162.32
Total	86,298,649.89	9,787,162.32	-	-	23,580,345.63	-	-	15,000,000.00	-	-	94,878,995.52	9,787,162.32

4. Operating income and operating cost

Items	Amount in the current period		Amount in the previous period	
	Revenue	Cost	Revenue	Cost
Primary operations	117,402,423.15	53,554,271.59	118,323,197.59	51,537,706.69
Other operations	-	-	-	-
Total	117,402,423.15	53,554,271.59	118,323,197.59	51,537,706.69

5. Investment income

Items	Amount in the current period	Amount in the previous period
Investment income from long-term equity investments under equity method	133,425,000.00	71,225,000.00
Investment income from long-term equity investments under cost method	29,384,067.77	23,580,345.63
Investment income from holding tradable financial assets	1,882,201.18	5,651,479.29
Gain from remeasurement of remaining equity to fair value after the loss of control	8,576,431.86	3,291,166.67
Total	173,267,700.81	103,747,991.59

XVI. Supplementary information

1. Statement of current non-recurring gains and losses

Items	2025	Note
Gains on disposal of non-current assets, including written-off of provision for impairment	-7,087.09	-
Government grant included in profit or loss (excluding those closely related to operating activities, or regular government grants)	2,258,991.39	-
Except for effective hedging business conducted in the ordinary course of business of the Company, gain or loss arising from the change in fair value of financial assets held for trading and financial liabilities held for trading, as well as investment gains from disposal of financial assets held for trading, financial liabilities held for trading and financial assets available for sale	412,414.59	-
Reversal of provision for impairment of receivables individually tested for impairment	1,039,272.04	-
Other gain or loss items within the definition of extraordinary gain or loss Total extraordinary gains or losses	2,892,647.04	-
Total extraordinary gains or losses	6,596,237.97	-
Less: Effect of income tax of extraordinary gains or losses	1,644,348.45	-
Net extraordinary gains or losses	4,951,889.52	-
Less: Net effect of extraordinary gains or losses attributable to minority interest (after tax)	489,972.15	-
Extraordinary gains or losses attributable to ordinary shareholders of the Company	4,461,917.37	-

(1)According to the "Interpretative Announcement No. 1 on Non-Recurring Profit and Loss (Revised in 2023)", the tax withholding service fee refunds by our company and its subsidiaries are classified as other income related to daily activities, and are not of a special or incidental nature, thus they are defined as recurring gains and losses.

(2)Due to the price fluctuation risks associated with gold, the effective hedging of gold futures by the Company's subsidiaries, Guorun Gold andShenzhen Tellus Baoku Supply Chain Technology Co., Ltd., is a means of mitigating these risks and is considered a normal business operation. Therefore, based on the nature and characteristics of the Company's normal operations, the Company classifies the effective hedging of gold futures, as well as the fair value changes in financial assets and liabilities held and the gains or losses from disposal of financial assets and liabilities, as ordinary income items, in accordance with the "Interpretative Announcement No. 1 on Non-Recurring Profit and Loss (Revised in 2023)" for non-financial enterprises engaged in normal business operations disclosed in the public issuance of securities by companies.

2.Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on equity	Earnings per share	
		Basic (RMB per share)	Diluted (RMB per share)
Net profit attributable to ordinary shareholders of the company	8.06%	0.33	-
Net profit attributable to ordinary shareholders of the company after deducting non-recurring items	7.81%	0.32	-

Name of the Company:Shenzhen Tellus Holding Co., Ltd.

April 20, 2026