

Shenzhen Tellus Holding Co., Ltd.

2025 Annual Report



April 2026

2025 Annual Report

Section I Important Notes, Contents, and Interpretations

The Board of Directors, directors, and senior management of the Company are responsible for the authenticity, accuracy and completeness of the information contained in this annual report without false records, misleading statements, or material omissions, and assume the individual and joint legal responsibilities for the same.

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

All directors of the Company have attended the board meeting to review the report.

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

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

The Company's profit distribution plan passed by the Board of Directors is as follows: Based on a total of 431,058,320 shares, a cash dividend of RMB 1.10 (including taxes) per 10 shares will be distributed to all shareholders, with no bonus shares issued (including taxes) and no capitalization of reserves for an increase in capital stock.

Table of Contents

Section I Important Notes, Contents, and Interpretations	2
Section II Company Profile and Major Financial Indicators	7
Section III Management Discussion and Analysis	11
Section IV Corporate Governance, Environment, and Society	35
Section V Important Matters	55
Section VI Changes in Shares and Shareholders	66
Section VII Bond-related Information	72
Section VIII Financial Report	73

Documents for Inspection

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

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

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

Interpretations

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

Section II Company Profile and Major Financial Indicators

I. Company Information

Stock abbreviation	Tellus A, Tellus B	Stock code	000025, 200025
Stock abbreviation before change (if any)	N/A		
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Chinese name of the Company	Shenzhen Tellus Holding Co., Ltd.		
Abbreviation of Chinese name	Tellus A		
English name of the Company (if any)	Shenzhen Tellus Holding Co., Ltd.		
Abbreviation of English name (if any)	N/A		
Legal representative of the Company	Fu Chunlong		
Registered address	3F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the registered address	518020		
Historical changes in registered address	N/A		
Office address	3F and 4F, Tellus Building, No. 56, 2nd Shuibei Road, Luohu District, Shenzhen		
Postal code of the office address	518020		
Website of the Company	www.tellus.cn		
E-mail	ir@tellus.cn		

II. Contact Information

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

III. Information Disclosure and Place for Preparation

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

IV. Changes of Registration

Unified social credit code	91440300192192210U
Change of main business after listing (if any)	With the strategic transformation and upgrading of the Company and the divestiture of the automotive business, starting from 2023, automobile sales, testing, maintenance, and spare parts sales are no longer the Company's main business. The main business of the Company during the reporting period included jewelry services, commercial complex operations, and property leasing business.
Previous changes of controlling shareholders (if any)	<p>1. On March 31, 1997, the Company held a total of 220.2816 million shares in capital stock, and the former Shenzhen Investment Management Co., Ltd., the sole non-tradable shareholder of the Company, transferred 159.588 million state shares held by it to SDG Group. The shares held by SDG Group accounted for 72.45% of the total capital stock, and these shares were state shares.</p> <p>2. As the controlling shareholder of the Company, SDG Group later underwent an equity division reform, the Company's non-public offering of A-shares, and a reduction in holding some of the Company's tradable shares without trading moratorium. By the end of the reporting period, SDG Group held a total of 211,591,621 shares of the Company, accounting for 49.09% of the Company's total capital stock. Thus, it remains the controlling shareholder of the Company.</p>

V. Other Related Information

Accounting firm engaged by the Company

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

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

Applicable Not applicable

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

Applicable Not applicable

VI. Major Accounting Data and Financial Indicators

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

Yes No

	2025	2024	Change over the previous year	2023
Operating revenue (RMB)	1,461,603,400.53	2,613,678,204.37	-44.08%	1,846,738,841.89
Net profit attributable to shareholders of the listed company (RMB)	142,865,677.77	136,629,870.80	4.56%	118,255,140.84
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss (RMB)	138,403,760.40	126,470,887.40	9.44%	90,386,717.21
Net cash flows from operating activities (RMB)	327,753,897.88	390,288,813.85	-16.02%	-60,140,006.46
Basic earnings per share (RMB/share)	0.3314	0.3170	4.54%	0.2743
Diluted earnings per share (RMB/share)	0.3314	0.3170	4.54%	0.2743
Weighted average return on net assets	8.06%	8.21%	-0.15%	7.59%

	End of 2025	End of 2024	Change over the end of the previous year	End of 2023
Total assets (RMB)	2,650,158,442.53	2,594,459,237.89	2.15%	2,403,851,684.45
Net assets attributable to shareholders of the listed company (RMB)	1,826,644,475.33	1,726,884,629.56	5.78%	1,603,905,054.93

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

Yes No

The lowest among the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the reporting period was negative.

Yes No

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

VIII. Quarterly Major Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	328,499,155.40	549,773,474.54	288,601,029.54	294,729,741.05
Net profit attributable to shareholders of the listed company	34,228,060.15	49,785,369.20	39,586,476.28	19,265,772.14
Net profit attributable to shareholders of the listed company net of non-recurring profits and losses	31,075,381.77	45,398,019.77	40,174,872.30	21,755,486.56
Net cash flows from operating activities	87,337,389.41	67,468,942.26	16,212,152.12	156,735,414.09

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

Yes No

IX. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount for 2025	Amount for 2024	Amount for 2023	Note
Profit or loss of non-current assets disposal (including the write-off part of the provision for impairment of assets)	-7,087.09	-227.20	69,475,478.10	
Government subsidies included in the current profit and loss (excluding those which are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, and have a continuous influence on the Company's profit and loss)	2,258,991.39	6,524,396.47	6,476,027.99	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	412,414.59	-10,293,994.77	-9,882,368.06	
Reversal of impairment provision for receivables under separate impairment test	1,039,272.04	6,856,854.34	150,000.00	
Other non-operating revenue and expenses than the above items	2,892,647.04	1,704,993.23	2,089,529.20	
Other profit or loss conforming to the definition of non-recurring profit or loss			-36,363,757.77	
Less: effect on income tax	1,644,348.45	-9,511,450.05	13,674,541.65	
Effect on minority interests (after-tax)	489,972.15	4,144,488.72	-9,598,055.82	
Total	4,461,917.37	10,158,983.40	27,868,423.63	--

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

Applicable Not applicable

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

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

Applicable Not applicable

Item	Amount involved (RMB)	Reason
Effective hedging	-31,471,401.86	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> as recurring profit or loss items: effective hedging related to the normal operations of non-financial enterprises; profits or losses from changes in the fair value of financial assets and financial liabilities held; and profits or losses from the disposal of financial assets and financial liabilities.
Refund of handling fees for individual income tax	50,339.52	According to the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss (2023 Revision)</i> , the refund of handling fees for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.

Section III Management Discussion and Analysis

I. Main Business of the Company During the Reporting Period

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

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

The main business of the Company during the reporting period included jewelry services, commercial complex operations, and property leasing business.

1. Jewelry services. The jewelry trading segment is dedicated to establishing a digital platform for jewelry trading. During the reporting period, the platform was officially launched with functionalities such as an online mall, viewing sessions, supply chain management, and a distribution system. It has established a complete closed loop for online display, trading, and settlement, and has been applied to manage pearl viewing sessions and the mall. The gold business focuses on enhancing supply chain integration and service capabilities, upholding compliance, efficient delivery, and stable supply, and offering the R&D and sales services of gold cultural and creative products to provide customers with high-quality, customized product solutions.

2. Property platforms. The Company operates its property assets and drives the transformation from traditional space leasing to customer-centric commercial asset operation services, thereby fully enhancing and unlocking the added value of the property brand. Amidst industry headwinds, the Company has enhanced operational quality and efficiency through refined investment and tenant management, hardware upgrades, and high-quality industry events.

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

1. Sales models

The Company adopts both wholesale and retail as the main sales models for gold and jewelry. Additionally, it provides supporting services such as customs clearance agency services, gold refining/exchange services. During the reporting period, the revenue composition of the jewelry business was as follows:

Sales model	Amount of operating revenue (RMB 10,000)	Amount of operating cost (RMB 10,000)	Gross profit rate
Wholesale	53,111.14	51,033.74	3.91%
Retail sales	59,138.24	56,864.48	3.84%
Other services	939.50	399.27	57.50%

Total	113,188.88	108,297.49	4.32%
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2. Production model

At present, the Company mainly adopts the entrusted processing mode for gold and its products, while diamonds and colored gemstones do not involve processing. The structure of the production model is as follows:

Production model	Amount (RMB 10,000)	Proportion
Finished products through the commissioned processing	107,558.50	100.00%

3. Purchase model

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

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

The purchase model in 2025 is as follows:

Purchase model	Raw materials	Unit	Purchase quantity	Purchase amount (RMB 10,000)
Spot trading	Gold	KG	1,384.50	104,375.00
Spot trading	Pearls	Piece	15,287.00	276.42

4. Operation of physical stores during the reporting period

S/N	Name	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)	Address
1	Guorun Direct-sales Store (Tellus) on Level 1	768.22	733.68	Atrium of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen
2	Counter of Guorun Direct-sales Store (Tellus) on Basement Level 1	5,539.48	5,331.50	B1-046, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen
3	Side Hall of Guorun Direct-sales Store (Tellus) on Basement Level 1	46.16	44.39	B1-023, Basement Level 1, Annex Building of Tellus Jewelry Building, 2nd Shuibei Road, Luohu District, Shenzhen

5. Online sales during the reporting period

S/N	Name	Operating revenue (RMB 10,000)	Operating cost (RMB 10,000)
1	Applet mall	3,792.37	3,677.54
2	Tmall platform store	81.36	77.93
3	Alibaba platform stores	19,673.34	18,655.89
4	JD platform stores	7,212.49	6,946.78
5	Pinduoduo platform stores	5,790.50	5,629.10
6	Vipshop platform stores	57.30	55.10
7	Douyin platform stores	85.18	82.62

8	Xiaohongshu platform stores	0.04	0.04
9	Bank of Shaoxing Mall	1.26	1.22
10	Jingya platform	16,084.20	15,622.58
11	Dewu platform stores	6.34	6.11

6. Inventory of jewelry business during the reporting period

As of December 31, 2025, the inventory balance of the Company's jewelry business was RMB 59.6575 million, of which RMB 49.1784 million was measured at fair value. This amount represents hedged items using commodity futures contracts and T+D contracts as hedging instruments.

II. Industry Development During the Reporting Period

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

(I) Gold and Jewelry Industry

1. Macro-environment

The development of the gold and jewelry industry is closely related to the global geopolitical pattern and economic development trend. In 2025, the international landscape underwent profound evolution. The escalation of protectionism and the restructuring of industrial chains fundamentally altered the logic of global economic operations and exacerbated uncertainty. Amid intertwined contradictions, the global economy faced a challenging recovery. Against a backdrop of complex and volatile international conditions, China's economy in 2025 achieved steady progress with a focus on new and high-quality development. According to data from the National Bureau of Statistics (NBS), the total retail sales of consumer goods for the year reached RMB 50.1202 trillion, representing a 3.7% increase over the previous year. Notably, retail sales of gold, silver, and jewelry by enterprises above a designated size amounted to RMB 373.6 billion, marking a year-on-year (YoY) growth of 12.8%.

2. Overview of the gold and jewelry industry

The industry enjoys a large market size. In 2024, China's jewelry, jade, and precious stones industry recorded a market size of approximately RMB 778.8 billion. The industry demonstrated strong resilience and played a vital supporting role in the national economy and consumption upgrading.

Rising gold prices have driven shifts in the consumption structure. Driven by factors including geopolitical conflicts and global economic volatility, the international gold price, capitalizing on gold's safe-haven investment appeal, climbed steadily from approximately USD 2,600 per ounce at the beginning of 2025 to over USD 4,300 per ounce by year-end. According to

statistics from the China Gold Association, China's gold jewelry consumption in 2025 was 364 tons, representing a YoY decrease of 31.61%. In contrast, consumption of gold bars and coins reached 504 tons, a YoY increase of 35.14%, surpassing gold jewelry consumption for the first time.

The new gold tax policy has catalyzed industry transformation. On October 29, 2025, the Ministry of Finance (MOF) and the State Taxation Administration (STA) jointly issued the *Announcement on Gold-related Tax Policies*, and the STA simultaneously issued the *Announcement on Gold-related Tax Collection and Management Matters*. The new policy, for the first time, strictly categorizes gold transactions into investment and non-investment purposes, aiming to steer the market towards greater standardization and transparency. The industry is adapting to these regulatory adjustments, and market uncertainty is anticipated to persist.

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

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

The market performance across jewelry categories is divergent. Natural diamond-set jewelry, as a discretionary consumer product, faces weak demand and slow recovery, while lab-grown diamonds have a great impact on the natural diamond market. Gold dominates the market due to its dual attributes of consumption and value preservation, but sustained high gold prices are suppressing short-term demand, leading to a severe price-volume trade-off in the market.

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

3. Development trends

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

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

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

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

(II) Commercial Real Estate Leasing Industry

According to data from the China Index Academy, in 2025, the national investment in commercial and office property development amounted to RMB 915 billion, representing a YoY decrease of 17.3%; the new construction area was 52.76 million square meters, a YoY decrease of 23.1%. In 2025, the Grade A office market in Shenzhen was characterized by oversupply, declining rents, and persistently high vacancy rates, with performance varying across different regions and market segments. In the era of stock assets, the commercial real estate competition has shifted from space leasing to value-driven operations. Operators must prioritize upgrading service systems and fostering industrial ecosystems.

Through proactive adjustments to market strategies, optimization and enhancement of property hardware and software services, and intensified marketing efforts, the Company has attracted more tenants and maintained a favorable occupancy rate.

III. Core Competitiveness Analysis

(I) Location Advantage

The Company, located in Shuibei, the core cluster area of Shenzhen's jewelry industry, is the largest owner of Tellus-Gmond Gold Jewelry Industrial Park. Within an area of approximately one square kilometer in Shuibei, nearly 9,000 corporate entities have clustered, employing about 70,000 people in the vicinity. The area hosts over 20 specialized markets. The processing volumes of gold and diamonds account for approximately 70% and 80% of the delivery volume of the Shanghai Gold Exchange and the Shanghai Diamond Exchange, respectively. In terms of brand concentration, Luohu District is home to over 40 leading jewelry enterprises and 29 "China Famous Trademarks" in the jewelry sector, accounting for 30% of the national total. The district has also successfully supported the stock exchange listings of jewelry companies, including Chow Tai Seng, DR Group, Hipine, and ZHOU LIU FU. Shuibei has formed a complete industrial chain, covering design and R&D, production and manufacturing, exhibition and trading, brand operation, headquarters office operation, inspection and testing, and talent training.

Shuibei enjoys an advantageous location. The concentration of numerous businesses within the jewelry industry chain facilitates the Company's import-export operations and exhibition and marketing activities. The market influence and centralized trade information in Shuibei provide a favorable business environment and development platform, enabling the Company to promptly capture market feedback and respond quickly to market changes. The government's strong support for the jewelry industry provides substantial backing for the Company, helping reduce operating costs, enhance profitability, and achieve sustainable development.

(II) Resource Advantage

By leveraging its SOE background and harnessing industrial synergies, the Company deeply integrates resources from both the supply and demand sides of the jewelry industry. This endows the Company with a certain advantage in coordinating upstream resources. The Company has established direct connections and cooperative relationships with Chinese and international gold and jewelry suppliers and processors.

Through years of dedicated efforts, the Company has accumulated significant industry resources and influence. It maintains close collaborations with authoritative testing and appraisal institutions in the industry such as the National Gemstone Testing Center, National Center of Quality Supervision and Inspection on Gold and Silver Jewelry (Nanjing), National Center of Quality Supervision and Inspection on Gold and Silver Jewelry (Tianjin), and HJTC, actively participates in and organizes industry activities, and sets industry standards to continuously expand its industry reputation and impact. The Company has deeply embedded itself in the supply

chain business to offer professional full-industry supply chain services and has cooperated with renowned jewelry enterprises in the industry to further expand its business scale.

The Company's property platforms have brought stable business revenue and cash flow, laying a solid foundation for its long-term development. The Tellus Jewelry Building and the Tellus Gold and Diamond Building have been successively put into operation. Additionally, the Company holds property assets in areas such as the Luohu and Futian districts in Shenzhen, all of which maintain high occupancy rates. Furthermore, the Company plans to continuously unlock the commercial value of its traditional properties through quality upgrades and old property renewal initiatives.

(III) Management Advantage

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

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

In terms of internal management, the Company has regarded scientific management as the driving force and safeguard for development. Aligned with its current development stage, the Company has deepened the application of OKR management tools, enhanced work planning and execution, reinforced performance and strategic orientation, strengthened the strategic management system, and improved the closed-loop management mechanism.

In terms of talent development, the Company has focused on recruiting for key positions, enhanced the performance and incentive system, fostered an entrepreneurial and proactive culture, strengthened team building, optimized the organizational structure of core business units, conducted tiered and specialized training programs, embedded a culture of dedication, encouraged

employees to pursue professional certifications independently, and further developed a talent pipeline to support its business strategy.

IV. Analysis of Main Business

1. Overview

In 2025, the Company achieved operating revenue of RMB 1.4616 billion, representing a YoY decrease of 44.08%. The primary reason for this change in revenue was the Company's proactive adjustment of its gold business model. The same year, the Company recorded a total profit of RMB 175.06 million and a net profit attributable to the parent company of RMB 142.87 million, an increase of RMB 6.24 million compared to 2024. The main drivers of the profit increase included higher profits from the commercial operations segment and increased investment income from equity-accounted investees. As of December 31, 2025, the Company's total assets amounted to RMB 2,650.16 million.

The business model of the jewelry industry segment continues to undergo optimization and adjustment. The jewelry trading segment is accelerating its digital transformation to build an integrated business ecosystem. The digital platform has taken initial shape and is now officially operational. It integrates functionalities such as an online mall, viewing sessions, supply chain management, and a distribution system. It has established a complete closed loop for online display, trading, and settlement, and has been applied to manage black pearl viewing sessions and the African jadeite mall. The platform has onboarded multiple suppliers and registered over 200 users. The Company has established Shuibei's first professional market for African jadeite, introduced upstream suppliers, and piloted the digital platform. Innovative models such as self-managed inventories, private channel integration, and traveling exhibitions have been implemented to accumulate practical experience for multi-category operations. In response to the new gold tax policy and market dynamics, the Company has optimized its business model to focus on the R&D and sales of gold cultural and creative products, providing customers with high-quality, customized solutions. It has ranked 80th on the 2025 China Top 100 Industrial Digitalization List.

The Company's property platform enhances operational quality and efficiency, solidifying the foundation for development. In addition, the Company has launched the Online Shuibei project to develop a comprehensive service platform that integrates leasing management, payment and maintenance services, merchant navigation, event promotion, and business recommendations to enhance customer service quality. The jewelry commercial complex has achieved impressive results in investment attraction and made breakthroughs in operational efforts, driving overall

business value growth. The Company has organized nine events, including the Cultural Expo and the Tellus Jewelry Industry Carnival, and connected with e-commerce channels such as Dewu and Pinduoduo to expand online channels for merchants. The Tellus Jewelry Cultural Industrial Park was ranked 11th in China's Top 100 Comprehensive Commodity Markets. Traditional property operations have advanced the upgrade of project formats, with the overall occupancy rate expected to remain favorable in 2025.

The Company has systematically advanced internal management efforts and strengthened organizational support. It has optimized the strategic management system, enhanced strategic management effectiveness, advanced the strategic 4S management system, and deepened the application of OKR management tools to ensure work tasks are traceable. Additionally, it has innovatively implemented an integrated "assess, train, and apply" program for middle and senior management, enabling the visualization and benchmarking of management capabilities. It has also fostered an entrepreneurial and proactive culture, organized thematic seminars, collaborated with frontline teams to identify exemplary practices, and created a culture wall, creating an environment of benchmarking and striving for excellence to drive business growth through cultural empowerment.

The Company has strengthened Party-building leadership to consolidate the foundation for development. Throughout the year, the Company's Party Committee conducted 47 study sessions on the top-of-the-agenda topics and 11 theoretical study center group discussions. The Party Committee leadership took the lead in authoring five research reports, effectively internalizing and implementing the Party's innovative theories. The Company has thoroughly implemented the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee, focusing efforts on key projects. This has facilitated the turnaround of the Tellus Home Furnishing Gallery and the successful implementation and effectiveness of Guorun's live streaming. It has continued to foster the entrepreneurial and proactive culture and issued the third set of 10 convention articles after three rounds of refinement, effectively translating the strengths of Party building into tangible outcomes for integrated development.

2. Revenues and costs

(1) Operating revenue composition

Unit: RMB

	2025		2024		YoY increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating	1,461,603,400.53	100%	2,613,678,204.37	100%	-44.08%

revenue					
By industry					
Jewelry sales and services	1,131,888,850.11	77.44%	2,320,842,052.78	88.80%	-51.23%
Leasing and services	329,714,550.42	22.56%	292,836,151.59	11.20%	12.59%
By product					
Jewelry sales and services	1,131,888,850.11	77.44%	2,320,842,052.78	88.80%	-51.23%
Leasing and services	329,714,550.42	22.56%	292,836,151.59	11.20%	12.59%
By region					
South China	943,760,912.51	64.57%	1,971,504,250.32	75.43%	-52.13%
East China	173,615,831.08	11.88%	241,495,799.74	9.24%	-28.11%
North China	77,242,667.32	5.28%	260,881,606.21	9.98%	-70.39%
Central China	243,245,121.80	16.64%	121,099,408.56	4.63%	100.86%
Other regions	23,738,867.82	1.62%	18,697,139.54	0.72%	26.97%
By sales model					
Direct sales	1,461,603,400.53	100.00%	2,613,678,204.37	100.00%	-44.08%

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

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit rate	YoY increase/decrease in operating revenue	YoY increase/decrease in operating costs	YoY increase/decrease in gross margin
By industry						
Jewelry sales and services	1,131,888,850.11	1,083,515,862.78	4.27%	-51.23%	-52.34%	2.23%
Leasing and services	329,714,550.42	128,520,785.89	61.02%	12.59%	24.28%	-3.67%
By product						
Jewelry sales and services	1,131,888,850.11	1,083,515,862.78	4.27%	-51.23%	-52.34%	2.23%
Leasing and services	329,714,550.42	128,520,785.89	61.02%	12.59%	24.28%	-3.67%
By region						
South China	943,760,912.51	714,612,561.75	24.28%	-52.13%	-59.01%	12.71%
East China	173,615,831.08	166,772,471.71	3.94%	-28.11%	-29.95%	2.53%
North China	77,242,667.32	74,225,466.43	3.91%	-70.39%	-71.16%	2.55%
Central China	243,245,121.80	233,662,659.62	3.94%	100.86%	95.46%	2.66%
Other regions	23,738,867.82	22,763,489.16	4.11%	26.97%	23.50%	2.69%
By sales model						
Direct sales	1,461,603,400.53	1,212,036,648.67	17.07%	-44.08%	-49.00%	8.01%

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

Applicable Not applicable

(3) Whether the Company's physical product sales revenue is greater than the service revenue Yes No

Industry	Item	Unit	2025	2024	YoY increase/decrease
Wholesale and retail of gold	Sales volume	KG	1,561.66	4,597.35	-66.03%
	Production	KG	1,498.59	4,137.93	-63.78%
	Inventory	KG	53.98	231.14	-76.65%
Wholesale and retail of pearls	Sales volume	Piece	2,641.00		
	Inventory	Piece	12,646.00		
	Purchase quantity	Piece	15,287.00		

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

 Applicable Not applicable

During the reporting period, the Company proactively adjusted its gold business model in response to the latest industry policies and market conditions, resulting in a reduction in business scale and transaction volume.

(4) Performance for major sales contracts and major procurement contracts signed by the Company as of the reporting period Applicable Not applicable**(5) Composition of operating cost**

Industry and product classification

Unit: RMB

Industry	Item	2025		2024		YoY increase/decrease
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Jewelry sales and services	Retail and wholesale of jewelry	1,083,515,862.78	89.40%	2,273,354,439.85	95.65%	-52.34%
Leasing and services	Leasing, property management, and others	128,520,785.89	10.60%	103,409,860.21	4.35%	24.28%

Unit: RMB

Product	Item	2025		2024		YoY increase/decrease
		Amount	Proportion in operating costs	Amount	Proportion in operating costs	
Jewelry sales and services	Retail and wholesale of jewelry	1,083,515,862.78	89.40%	2,273,354,439.85	95.65%	-52.34%
Leasing and services	Leasing, property management, and others	128,520,785.89	10.60%	103,409,860.21	4.35%	24.28%

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

Company name	Time of cancellation
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	December 18, 2025

(7) Major changes or adjustments in the Company's business, products, or services during the reporting period

Applicable Not applicable

(8) Key customers and key suppliers

Key customers of the Company

Total sales amount from the top 5 customers (RMB)	416,005,660.48
Proportion of the total sales amount from the top 5 customers in the total annual sales amount	28.46%
Proportion of the sales amount from the related parties among the top 5 customers in the total annual sales amount	0.00%

Information on the top 5 customers of the Company

S/N	Customer name	Sales revenue (RMB)	Proportion in total annual sales amount
1	Customer 1	181,156,739.05	12.39%
2	Customer 2	94,969,344.74	6.50%
3	Customer 3	62,694,966.06	4.29%
4	Customer 4	50,715,539.84	3.47%
5	Customer 5	26,469,070.79	1.81%
Total	--	416,005,660.48	28.46%

Other information of key customers

Applicable Not applicable

Main suppliers of the Company

Total purchase amount attributable to the top 5 suppliers (RMB)	1,125,996,365.70
Proportion of the total purchase amount of the top 5 suppliers in the total annual purchase amount	94.87%
Proportion of the purchase amount of the related parties among the top 5 suppliers in the total annual purchase amount	1.84%

Information on the top 5 suppliers of the Company

S/N	Supplier name	Purchase amount (RMB)	Proportion in the total annual purchase amount
1	Supplier 1	1,048,591,088.41	88.34%
2	Supplier 2	34,861,265.38	2.94%
3	Supplier 3	21,849,017.09	1.84%
4	Supplier 4	10,680,732.09	0.90%
5	Supplier 5	10,014,262.73	0.84%
Total	--	1,125,996,365.70	94.87%

Other information of main suppliers

Applicable Not applicable

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

During the reporting period, revenue from the Company's trade business accounted for over 10% of its operating revenue.

Applicable Not applicable

3. Expenses

Unit: RMB

	2025	2024	YoY increase/decrease	Explanation on major changes
Selling expenses	15,669,036.29	22,232,680.89	-29.52%	
Administrative expenses	58,791,177.35	51,362,592.45	14.46%	
Financial expenses	4,483,061.95	6,389,014.69	-29.83%	
R&D expenses	3,098,228.24	3,268,819.88	-5.22%	

4. Investment in R&D

Applicable Not applicable

Name of major R&D project	Project purpose	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
R&D of the Shenzhen Jewelry Mall Settlement and Ledger System	Develop a mall merchandise sales system to achieve automated clearing and online management of transaction funds.	Completed	Enhance the efficiency and data accuracy of mall settlement processing.	Strengthen the platform's fund management capabilities to support the scalable development of the mall business.
R&D of a Merchandise Management SaaS Service System	Establish a unified merchandise management system to provide suppliers with online management capabilities for inventory and transactions.	Completed	Achieve systematic, standardized, and online management of business processes related to merchandise management.	Enhance supply chain collaboration and promote digital business operations.
R&D of the Jewelry Department Mall Distribution System	Establish a distribution store system and framework to expand the mall's distribution sales channels.	Completed	Enable product distribution capabilities for the mall and implement a multi-channel sales model.	Expand the platform's sales scale and strengthen business growth capabilities.
R&D of the "Online Shuibe" System	Develop a comprehensive service portal system for the Shuibe business district to enhance service capabilities.	Under development	Establish a unified online entry point for both merchant and consumer (C-end) services.	Develop a digital operations platform for the business district to enhance industrial service capabilities and brand influence.

R&D personnel of the Company

	2025	2024	Change proportion
Number of R&D personnel (person)	12	11	9.09%
Proportion of R&D personnel in all employees	6.70%	6.88%	-0.18%

Educational background structure of R&D personnel			
Bachelor's degree	10	8	25.00%
Master's degree	2	2	0.00%
Junior college diploma	0	1	-100.00%
Age composition of R&D personnel			
Under 30	5	3	66.67%
30-40	6	8	-25.00%
Over 40	1	0	

R&D investment of the Company

	2025	2024	Change proportion
R&D investment amount (RMB)	3,098,228.24	3,268,819.88	-5.22%
Proportion of investment in R&D in operating revenue	0.21%	0.13%	0.08%
Capitalized R&D investment amount (RMB)	0.00	0.00	
Proportion of capitalized R&D investment in R&D investment	0.00%	0.00%	

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

Applicable Not applicable

Causes for significant YoY changes in the proportion of the total R&D investment in operating revenue

Applicable Not applicable

Causes for and explanation on rationality of a significant change in capitalization rate of R&D investment

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2025	2024	YoY increase/decrease
Subtotal of cash inflows from operating activities	2,054,516,364.79	4,662,567,599.79	-55.94%
Subtotal of cash outflows from operating activities	1,726,762,466.91	4,272,278,785.94	-59.58%
Net cash flows from operating activities	327,753,897.88	390,288,813.85	-16.02%
Subtotal of cash inflows from investing activities	962,931,038.24	841,818,290.07	14.39%
Subtotal of cash outflows from investing activities	1,345,543,382.30	1,034,454,292.10	30.07%
Net cash flows from investing activities	-382,612,344.06	-192,636,002.03	-98.62%
Subtotal of cash inflows from financing activities	64,500,000.00	415,000,000.00	-84.46%
Subtotal of cash outflows from financing activities	232,536,941.92	471,600,230.88	-50.69%
Net cash flows from financing activities	-168,036,941.92	-56,600,230.88	-196.88%
Net increase in cash and cash equivalents	-222,895,388.10	141,052,580.94	-258.02%

Explanation of main influence factors for YoY major changes in related data

Applicable Not applicable

Unit: RMB

Item	2025	2024	YoY increase/decrease	Note
Subtotal of cash inflows from operating activities	2,054,516,364.79	4,662,567,599.79	-55.94%	Decrease in the gold business scale during the reporting period
Subtotal of cash outflows	1,726,762,466.91	4,272,278,785.94	-59.58%	Decrease in the gold business scale during the

from operating activities				reporting period
Net cash flows from operating activities	327,753,897.88	390,288,813.85	-16.02%	
Subtotal of cash inflows from investing activities	962,931,038.24	841,818,290.07	14.39%	
Subtotal of cash outflows from investing activities	1,345,543,382.30	1,034,454,292.10	30.07%	Primarily due to a YoY increase in the purchase of financial products during this reporting period.
Net cash flows from investing activities	-382,612,344.06	-192,636,002.03	-98.62%	Primarily due to a YoY increase in the purchase of financial products during this reporting period.
Subtotal of cash inflows from financing activities	64,500,000.00	415,000,000.00	-84.46%	Decrease in gold business loans during the reporting period
Subtotal of cash outflows from financing activities	232,536,941.92	471,600,230.88	-50.69%	Decrease in the repayment of gold business loans during the reporting period
Net cash flows from financing activities	-168,036,941.92	-56,600,230.88	-196.88%	Repayment of borrowings related to the gold business during the reporting period; decrease in borrowing balances
Net increase in cash and cash equivalents	-222,895,388.10	141,052,580.94	-258.02%	Primarily due to, first, a YoY increase in the purchase of financial products during this reporting period, and second, the repayment of gold business borrowings during this reporting period.

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

Applicable Not applicable

V. Analysis of Non-main Business

Applicable Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation	Sustainable or not
Income from investment	17,211,942.15	9.83%	Wealth management income and income recognized from equity method investment in joint-stock enterprises	No
Profits or losses of changes in fair value	-2,732,268.58	-1.56%	Primarily income from changes in fair value of hedging instruments	No
Asset impairment	-84,463.30	-0.05%	Impairment losses on assets such as inventory	No
Non-operating revenue	13,030,508.37	7.44%	Primarily from litigation income and the forfeiture of customer deposits in accordance with contracts	No
Non-operating expenditure	10,137,861.33	5.79%	Primarily the estimated loss from contingencies	No

VI. Analysis of Assets and Liabilities

1. Major changes in asset composition

Unit: RMB

	End of 2025		Early 2025		Proportion increase/decrease	Explanation on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Cash at bank and on hand	149,229,156.85	5.63%	377,971,359.69	14.57%	-8.94%	

Accounts receivable	61,009,891.79	2.30%	46,564,067.14	1.79%	0.51%	
Inventories	59,657,540.72	2.25%	127,432,191.55	4.91%	-2.66%	
Investment properties	1,053,907,083.65	39.77%	1,099,772,133.10	42.39%	-2.62%	
Long-term equity investments	94,475,900.97	3.56%	85,091,833.20	3.28%	0.28%	
Fixed assets	61,870,381.34	2.33%	70,763,683.25	2.73%	-0.40%	
Construction in progress	5,111,882.70	0.19%	3,332,141.19	0.13%	0.06%	
Right-of-use assets	77,920,830.56	2.94%	78,558,005.50	3.03%	-0.09%	
Short-term borrowings	11,002,344.41	0.42%	120,101,444.43	4.63%	-4.21%	
Contract liabilities	3,604,150.70	0.14%	4,009,504.59	0.15%	-0.01%	
Lease liabilities	75,441,810.38	2.85%	76,541,985.55	2.95%	-0.10%	

High proportion of overseas assets

Applicable Not applicable

2. Assets and liabilities at fair value

Applicable Not applicable

Unit: RMB

Item	Beginning balance	Current profits and losses from changes in fair value	Accumulated change in fair value included in equity	Impairment accrued in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Ending balance
Financial assets								
1. Held-for-trading financial assets (excluding derivative financial assets)	165,630,834.06	-977,729.35			711,200,000.00	758,442,473.06		117,410,631.65
2. Derivative financial assets	292,078.00	-292,078.00						
3. Other debt investments	84,724,128.76				564,880,682.27	75,755,383.63		573,849,427.40
Subtotal of financial assets	250,647,040.82	-1,269,807.35			1,276,080,682.27	834,197,856.69		691,260,059.05
Hedged items	114,856,873.15	1,618,478.87			1,154,688,211.97	1,221,985,121.72		49,178,442.27
Total of the above	365,503,913.97	348,671.52			2,430,768,894.24	2,056,182,978.41		740,438,501.32
Financial liabilities	46,660.00	-2,655,658.10			62,799,920.00	62,799,920.00		2,702,318.10

Other changes

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

Yes No

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

Unit: RMB

Item	Ending balance
Security deposits and interest for notes payable	42,100,334.71
Futures and options account margin	28,748,241.60
Gold leasing security deposits and interests	0.01
Total	70,848,576.32

VII. Analysis of Investment

1. Overview

Applicable Not applicable

Investment in the reporting period (RMB)	Investment in the same period of the previous year (RMB)	Change
5,187,506.72	20,337,984.62	-74.49%

2. Significant equity investment acquired in the reporting period

Applicable Not applicable

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

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The Company had no securities investment during the reporting period.

(2) Investment in derivatives

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 10,000

Type of investment in	Initial investment	Beginning	Current profits and	Accumulated change in fair	Purchased amount	Selling amount during	Ending	Proportion of the investment
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derivatives	amount	amount	losses from changes in fair value	value included in equity	during the reporting period	the reporting period	amount	amount in net assets of the Company at the end of the reporting period
Futures (Huatai account)	1,050	1,387.78	-314.82	0	28,832.94	27,447.15	2,773.57	1.39%
Futures (CITIC account)	290.60	429.86	-4.49	0	4,802.68	5,132.29	100.25	0.05%
Futures (CITIC account)	57.20	466.21	2.15	0	0	466.21	0	0.00%
Total	1,397.80	2,283.85	-317.16	0	33,635.62	33,045.65	2,873.82	1.44%
Accounting policies and specific principles of accounting for hedging business during the reporting period and whether there was any significant change in them compared to the previous reporting period	No							
Explanation of actual profits and losses during the reporting period	During the reporting period, the futures account incurred an actual hedging loss of RMB 30.1312 million.							
Explanation of hedging effectiveness	Measurement method of hedge effectiveness: Hedge effectiveness = Change in futures price / Change in spot price. A value closer to 100% indicates a higher level of hedge effectiveness. According to the Accounting Standards for Business Enterprises of China, a hedge is considered highly effective when its effectiveness ranges from 80% to 125%. The Company's hedge effectiveness falls in this range, indicating that its hedging strategy is highly effective.							
Source of funds for investment in derivatives	Owned funds							
Risk analysis and control measures for positions in derivatives during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks, and legal risks)	The Company's hedging transactions align with the following basic principles: The value changes of the futures varieties and contract quantities are roughly equivalent to those of the spot positions; futures positions are in the opposite direction to spot positions; and the time in which the futures position is held corresponds to the time in which the risk is borne by the spot market. The main risks of gold futures positions include: basis risk, forced liquidation risk, and operational error risk. To manage basis risk, the Company utilizes leased gold as inventory when the basis is narrowed, and builds less or no self-owned inventory. For forced liquidation risk, the Company establishes risk early warnings and advance funding plans to maintain sufficient margins if gold prices fluctuate violently. In case of forced liquidation emergencies, Management is notified immediately, and hedging positions are replenished in a timely manner. To control operational error risk, the Company implements a trader training program, ensures trading and reviews adhere to system and workflow requirements, and requires daily reporting. The Company has established a scientific and effective hedging management system, which is implemented through four key aspects: organizational structure design, planning systems, management and evaluation procedures, and dynamic risk monitoring.							
For changes in market prices or fair value of invested derivatives during the reporting period, the analysis of derivative fair value shall disclose the specific valuation methods used and related hypotheses and parameter settings.	During the reporting period, the fair value change of the futures contracts held for hedging purposes was RMB -3.1716 million. The Company determined the fair value using the closing price of the futures contracts held on the Shanghai Gold Exchange on the last trading day of December 2025 (December 31), with the floating gain and loss representing the change in fair value.							
Involvement in litigation (if applicable)	N/A							
Disclosure date of the announcement of the Board of Directors for derivative investment approval (if any)	January 9, 2025, and May 23, 2025							

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

Applicable Not applicable

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

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

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

IX. Analysis of main holding and joint-stock companies

Applicable Not applicable

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

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen Jewelry Industry Service Co., Ltd.	Subsidiary	Jewelry fair planning, jewelry consignment sales, exhibition and display planning, conference services, and marketing planning	100,000,000	61,630,750.04	37,045,863.86	5,167,193.01	388,657.74	388,600.54
Guorun Gold Shenzhen Co., Ltd.	Subsidiary	Sales of gold bars for investment, gold recycling, and gold refining/exchange services	200,000,000	394,026,710.55	190,108,263.70	1,122,932,615.31	8,710,738.36	-7,954,996.67
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Subsidiary	Purchase, sales, and leasing of gold ornaments and precious metal products, and warehousing services	50,000,000	51,932,321.92	49,838,476.54	4,059,521.97	2,587,617.85	2,587,619.10
Shanghai Fanyue Diamond Co., Ltd.	Subsidiary	Diamond purchase and sales	3,500,000	3,640,492.20	3,505,168.39	0.00	12,598.49	12,598.49
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	Subsidiary	Property leasing	18,960,000	183,976,775.43	147,018,823.99	30,899,174.93	30,952,115.45	21,041,659.75
Shenzhen Zhongtian Industry Co., Ltd.	Subsidiary	Property leasing	366,221,900	579,219,141.01	479,394,467.26	151,835,153.70	102,285,373.28	79,476,614.39
Shenzhen Huari Automobile	Subsidiary	Automobile sales	2,000,000	1,337,986.80	-9,315.2	0.00	72,572.94	84,005.24

Sales and Service Co., Ltd.					41.80			
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	Subsidiary	Property leasing	9,607,800	17,550,272.74	10,927,158.16	6,707,714.18	4,103,114.93	3,066,176.44
Shenzhen Tellus Jewelry Technology Development Co., Ltd.	Subsidiary	Property leasing	32,900,000	99,625,893.11	76,184,011.49	10,524,703.88	3,744,566.65	3,159,910.12
Shenzhen Tellus Chuangying Technology Co., Ltd.	Subsidiary	Property leasing	1,500,000	3,028,027.67	1,996,631.01	0.00	37,117.66	36,776.95
Shenzhen Tellus-Gmond Investment Co., Ltd.	Joint-stock company	Investment in industrial development and property leasing	53,704,960	331,301,246.55	124,654,999.36	137,742,396.17	70,129,918.13	52,222,990.84
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	Subsidiary	Property leasing	USD 4,000,000	26,375,314.75	21,474,932.92	9,597,100.33	4,118,095.97	4,490,554.22

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	Method for acquisition and disposal of subsidiaries during the reporting period	Impact on the overall production, operation, and performance
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	Liquidation and cancellation	It was part of the Company's automobile maintenance and testing segment, recording a net profit of RMB -26,200 in 2025.

Description of main holding and joint-stock companies

X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. Outlook of Future Development

(I) Development Strategy

Since the Company formulated the strategy for the transformation to a third-party comprehensive service provider in the jewelry industry in 2014, it has been unswervingly and steadily promoting its strategic transformation and project implementation in accordance with the established plan. 2026 marks the inaugural year of the 15th Five-Year Plan and is a pivotal year for Tellus to explore and optimize its transformation framework and achieve breakthroughs in its

transition. The Company will actively drive business innovation, focusing on deepening its core operations and leveraging management enhancement to continuously strengthen its innovative capacity, influence, and risk resilience, thereby fostering high-quality development.

(II) Business Plan for 2026

1. The Company will strengthen the foundation for development and enhance Party leadership. Guided by the "Party leadership + jewelry industry ecosystem platform + N" brand-building initiative, it will deepen project-focused campaigns; encourage Party members to engage at the grassroots level to address pressing challenges; and leverage the Shuibei Industrial Virtual Park Party Committee to foster collaborative partnerships and drive business growth.

2. For the jewelry trading segment, the Company will deepen engagement in factor transactions, reinforce the platform's digital infrastructure, accelerate breakthroughs in product categories, and establish trade channels linking overseas upstream resources with domestic wholesale distributors. By building efficient operational mechanisms, it will continuously enhance management effectiveness. For the gold segment, it will intensify the R&D and sales of gold cultural and creative products, advance business exploration under the new gold tax policy, proactively seize market opportunities, and strategize for long-term development.

3. For the property platform, the Company will enhance its quality and efficiency by optimizing spatial functions, upgrading the service ecosystem, and innovating operational mechanisms. It will launch the "Online Shuibei" mini-program to deepen customer demand analysis, optimize the commercial layout, advance homestay operations, and establish a benchmark for quality improvement. By fostering a learning-oriented and driven team, it will inject sustained momentum for long-term development.

4. The Company will systematically deepen its strategic management system, completing the top-level design of its strategic plan based on the 15th Five-Year Plan. It will build consensus through annual strategic seminars, refine mechanisms for dynamic review and agile iteration of strategy execution, continuously promote closed-loop strategic management, and enable effective translation from planning to implementation.

5. The Company will systematically advance its organizational capabilities and culture building, while deepening contract-based management for managerial personnel. It aims to refine the key talent development system covering everyone from new hires to middle management, and further optimize performance appraisal and incentive mechanisms for front-line staff. Additionally, the Company will drive the upgrading of corporate culture, iterate the conventions of strivers, and leverage the guiding role of its corporate values.

6. The Company will deepen the comprehensive integration of AI technology with core business processes, accelerate the adoption of intelligent tools in key scenarios, and systematically enhance operational efficiency. It will comprehensively promote the integration of business and finance, enabling key processes such as automated allocation of rental income and the launch of an electronic receipt system, while strengthening tax planning capabilities to continuously drive cost reduction and efficiency improvement.

7. The Company will rigorously strengthen work safety, fully deploy AI-powered intelligent monitoring and early warning systems to leverage technological advantages in risk prevention and control. By engaging third-party safety inspection services, it will enhance the professionalism of hazard identification and fortify our safety protection network.

(III) Possible Risks and Countermeasures

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

1. Risk 1: Market price fluctuations

The Company's jewelry business mainly uses gold and jewelry as raw materials. In recent years, fluctuations in international and domestic economic conditions, new gold tax policies, and changes in consumer demand have led to price fluctuations in gold and other raw materials, creating uncertainties for the Company's operations.

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

2. Risk 2: Team development falls short of strategic transformation requirements

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

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

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

Applicable Not applicable

Reception date	Reception place	Way of reception	Type of visitor	Visitor	Main points talked about and information provided	Index of general investigation information
January 16, 2025	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A
February 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations	N/A
February 24, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's ESG reporting progress	N/A
March 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's annual report disclosure timeline	N/A
April 14, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's Q1 business performance	N/A
May 16, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business situation	N/A
May 22, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business operations and share prices	N/A
June 24, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business situation	N/A
July 10, 2025	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A
July 28, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's performance in H1	N/A
August 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's performance in H1	N/A
September 2, 2025	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company holds a semi-annual performance briefing	N/A
September 24, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's ESG reporting progress	N/A
October 16, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's performance in the first three quarters	N/A
November 13, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's business situation	N/A
December 19, 2025	Company	Telephone communication	Individual	Investor	Inquiry about the Company's annual performance in 2025	N/A
December 29, 2025	Company	Telephone communication	Individual	Investor	Inquiry about whether the Company issues a performance forecast	N/A

XIII. Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan

Whether the Company has formulated a market value management system

Yes No

Whether the Company has disclosed a valuation enhancement plan

Yes No

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

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

Yes No

Section IV Corporate Governance, Environment, and Society

I. Basic Information on Corporate Governance

During the reporting period, the Company continuously optimized its corporate governance structure, and refined and effectively implemented the internal control system in strict accordance with the *Company Law*, the *Securities Law*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange — Standard Operation of Listed Companies on the Main Board*, and other laws and regulations. During the reporting period, the Company operated in a standardized, independent, and comprehensive manner, and ensured truthful, accurate, complete, and timely information disclosure. Its corporate governance practices and actual conditions complied with the regulatory requirements for listed company governance set forth by the CSRC and the Shenzhen Stock Exchange. The main aspects of corporate governance are as follows:

1. Corporate governance system

The Company has established and continuously improved a robust and effective governance framework. It remains attentive to updates in laws and regulations as well as its own developmental needs, dynamically revising and enhancing relevant systems accordingly. During the reporting period, in response to the latest regulatory requirements and operational needs, the Company revised key governance documents, including the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Rules of Procedure for the Board of Directors*, the *Rules of Procedure for the Audit Committee*, and the *Investor Relations Management System*. These revisions further enhanced the standardization and adaptability of the Company's governance framework.

2. Shareholders and shareholders' meetings

The Company strictly adheres to the *Company Law*, its *Articles of Association*, and the *Rules of Procedure for Shareholders' Meetings*. It standardizes the convening, conduct, proposal review, and decision-making processes of shareholders' meetings, treats all shareholders equitably, and ensures that minority shareholders can exercise their rights in accordance with laws and regulations. Building on this foundation, the Company has implemented an online voting mechanism to facilitate participation by all shareholders in voting. Legal counsel has been engaged to witness all previous shareholders' meetings, thereby safeguarding the legitimate rights and interests of both the Company and its shareholders. Furthermore, the Company maintains communication with minority shareholders through multiple channels, including the Shenzhen Stock Exchange

(<http://irm.cninfo.com.cn>) and the official website, telephone, ensuring timely and transparent information dissemination and actively addressing shareholder concerns. During the reporting period, the Board of Directors duly convened and presided over the 2024 Annual Shareholders' Meeting and one Extraordinary Shareholders' Meeting. All related resolution procedures were conducted in a standardized, lawful, and effective manner.

3. Directors and the Board of Directors

During the reporting period, the Company's Board of Directors comprised eight members, including three independent directors. Both the composition and the number of directors complied with the requirements stipulated by the *Company Law* and other laws and regulations, as well as the Company's *Articles of Association*. The Board of Directors has established four specialized committees: the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Compliance Committee. Each committee operates independently and performs its duties in strict accordance with its rules of procedure. This structure has effectively enhanced the professionalism and standardization of the Board's work, providing robust professional support for its decision-making. During the reporting period, the Company convened seven meetings of the Board of Directors and 10 committee meetings. The procedures for convening, deliberating, and making decisions at all meetings were conducted in compliance with the provisions of the Company's *Articles of Association*, the *Rules of Procedure for the Board of Directors*, and other internal regulations. All directors have diligently performed their duties, attended meetings with a conscientious and responsible attitude, actively participated in relevant training, and continuously enhanced their understanding of laws and regulations as well as the rights and obligations of directors. The members of the Board of Directors possess appropriate professional backgrounds and knowledge structures, and effectively safeguard the overall interests of the Company and all shareholders in the decision-making process. Adhering to the principles of independence, objectivity, and fairness, the independent directors have prudently provided independent opinions on relevant matters, thereby effectively enhancing the scientific rigor of the Board of Directors' decision-making and the effectiveness of its oversight.

4. Supervisors and the Board of Supervisors

During the reporting period, the Company's Board of Supervisors comprised four supervisors, including two employee representative supervisors. The composition and size of the Board of Supervisors complied with the provisions of the *Company Law*, other relevant laws and regulations, and the Company's *Articles of Association*. During the reporting period, in accordance with the Company's *Articles of Association*, the *Rules of Procedure for the Board of Supervisors*, and other relevant systems, the Board of Supervisors convened four meetings and diligently performed its

oversight duties. The Board of Supervisors provided ongoing and effective oversight of the Company's business management activities, financial status, and the legality and compliance of directors and senior executives in the performance of their duties, thereby effectively safeguarding the legitimate rights and interests of the Company and all shareholders. In November 2025, the Company completed the reform of its supervisory body by abolishing the Board of Supervisors and replacing it with an Audit Committee. This represents a further step in enhancing corporate governance and strengthening risk prevention and control.

5. Senior executives

The Company's senior executives strictly adhere to the requirements set forth in the *Articles of Association*, the *Working Rules for General Manager*, and other relevant governance systems. They maintain clear divisions of responsibility, diligently perform their duties, and are fully accountable for the Company's daily operations and strategic implementation. Management members diligently fulfill their responsibilities. Through institutionalized decision-making and execution mechanisms, they ensure the timely and effective implementation of the Board of Directors' resolutions. In performing their duties, they consistently prioritize safeguarding the company's overall interests and long-term development, continuously driving improvements in corporate governance effectiveness and operational quality.

6. Information disclosure

The Company strictly adheres to the *Information Disclosure System* and relevant regulatory requirements. The Secretary of the Board of Directors oversees information disclosure and investor relations management, ensuring the Company's information is disclosed to all investors in a truthful, accurate, complete, and timely manner. During the reporting period, the Company designated the *Securities Times* and CNINFO (www.cninfo.com.cn) as its official media and website for information disclosure. This ensures all shareholders have fair and convenient access to company information and upholds the openness, transparency, and efficiency of information dissemination in the capital market.

7. Investor relations management

The Company has established the *Investor Relations Management System*, which was revised in 2025. Upholding the principles of compliance, equality, proactivity, integrity, and trustworthiness, the Company is dedicated to fostering long-term, stable, and mutually trusting investor relationships. This commitment aims to enhance corporate governance standards and overall enterprise value, thereby achieving the overarching objectives of respecting, rewarding, and protecting investors.

The Company has implemented a diversified and regular communication mechanism, leveraging multiple channels including the investor relations column of its official website, investor hotlines, mutual visits and exchanges, the Shenzhen Stock Exchange (<http://irm.cninfo.com.cn>) Q&A platform, and performance briefings to facilitate extensive engagement with investors and consistently communicate the Company's value.

8. Performance evaluation and incentive and restraint mechanisms

The Company has progressively established and refined an open and transparent performance evaluation system and incentive-constraint mechanism for directors and senior executives. This initiative continuously advances the scientific assessment criteria, standardized processes, and institutionalized result application. In the appointment of senior executives, the Company strictly adheres to relevant laws, regulations, and internal governance policies. It upholds open and fair selection procedures to ensure qualification compliance, process transparency, and rigorous decision-making, thereby effectively supporting the standardized operation of the corporate governance structure and fostering the sound development of talent management.

9. Stakeholders

While pursuing economic benefits and safeguarding shareholder interests, the Company fully respects and actively protects the legitimate rights and interests of stakeholders, including employees, customers, suppliers, and communities. By establishing regular communication mechanisms, it promotes collaborative development among all parties. The Company prioritizes protecting employee rights and interests. It supports the Congress of Employees and the trade union in performing their duties in accordance with the law, continuously enhances the talent development system and career progression pathways, and provides employees with comprehensive welfare benefits. In fulfilling its social responsibilities, the Company systematically advances initiatives in environmental protection, volunteer services, and public welfare support, striving to achieve a harmonious balance between corporate economic benefits and social contributions. During the reporting period, the Company's governance structure and operational mechanisms were continuously optimized, in compliance with the requirements of regulatory documents such as the *Guidelines for the Governance of Listed Companies*.

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

Yes No

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

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

The Company strictly adheres to the standardized operational requirements for listed companies. It maintains independence from the controlling shareholder and actual controller in terms of assets, personnel, finance, organization, and business operations. The Company has established an independent and comprehensive business system and possessed the capability for autonomous market-oriented operations.

1. Asset integrity: The Company possesses an independent, complete, and clearly defined asset system. It independently registers, accounts for, calculates, and manages its assets. The ownership, operation, and management of these assets are independent of the controlling shareholder and other enterprises under its control, with no instances of commingling or dependency.

2. Personnel independence: The Company has established and implemented employee and compensation management systems that are independent of the controlling shareholder. The Company's general manager, deputy general manager, financial director, secretary of the Board of Directors, and other senior executives are all employed full-time by the Company and receive remuneration therefrom. They do not hold any operational positions, apart from serving as directors or supervisors, in the controlling shareholder or other enterprises under its control. The selection and appointment of the Company's directors and senior executives are strictly conducted in accordance with the *Company Law*, the Company's *Articles of Association*, and the relevant rules and procedures for shareholders' meetings and the Board of Directors. Their qualifications and the appointment process are lawful and compliant.

3. Financial independence: The Company has established an independent and standardized financial accounting system and organizational structure. It maintains an independent financial accounting department staffed with full-time financial personnel. It has established a comprehensive accounting and financial management system, enabling it to make independent financial decisions. The Company maintains independent bank accounts, with funds settled and deposited autonomously. There is no sharing of bank accounts or non-operational fund transfers with the controlling shareholder or other enterprises under its control, nor are funds deposited with any finance company or settlement center controlled by the controlling shareholder. Fund management and operations are conducted independently, free from interference by the controlling shareholder. Furthermore, as an independent taxpayer, the Company independently files tax returns and makes tax payments in accordance with the law.

4. Institutional independence: In strict compliance with the *Guidelines for the Governance of Listed Companies* and its operational requirements, the Company has established a Board of

Directors, a Board of Supervisors, and various internal functional departments, ensuring an independent and comprehensive organizational structure. All such institutions operate independently from the controlling shareholder and other enterprises under its control, with no instances of co-management, shared office facilities, or interference therefrom. The Company maintains independent and dedicated office premises, which are physically and operationally separate from its controlling shareholder, enabling it to exercise its business management authority independently.

5. Business independence: As a market entity with independent legal personality, the Company possesses its independent operational and service systems, having developed its core industries and competitive advantages. The Company's business system operates independently and possesses comprehensive capabilities for autonomous, market-oriented operations. There is no competition in the same business with the controlling shareholder or its affiliates, nor any manifestly unfair connected transactions.

III. Horizontal Competition

Applicable Not applicable

IV. Directors and Senior Executives

1. Basic information

Name	Gender	Age	Position	Service status	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of the period (share)	Number of increased shares in the current period (share)	Number of decreased shares in the current period (share)	Other increase/decrease (share)	Number of shares at the end of the period (share)	Reasons for the increase/decrease of shares
Fu Chunlong	Male	53	Chairman	In office	September 7, 2018		0	0	0	0	0	-
Hong Wenya	Male	52	Director	In office	September 13, 2021		0	0	0	0	0	-
Yang Xi	Male	45	Director	In office	April 29, 2022		0	0	0	0	0	-
Yang Xi	Male	45	General manager	In office	April 24, 2025		0	0	0	0	0	-
Huang Liang	Male	39	Director	In office	September 15, 2022		0	0	0	0	0	-
Huang Tianyang	Female	43	Director	In office	October 12, 2023		0	0	0	0	0	-
Huang Tianyang	Female	43	Chief financial officer	In office	August 2, 2023		0	0	0	0	0	-
Hu Yuming	Male	61	Independent director	In office	January 4, 2018		0	0	0	0	0	-
Jiang Dinghang	Male	63	Independent director	In office	September 7, 2018		0	0	0	0	0	-
Zhang Dong	Male	52	Independent	In office	September 7,		0	0	0	0	0	-

			director		2018							
Tan Zhong	Male	58	Deputy secretary of Party committee	-	September 7, 2018		0	0	0	0	0	-
Xie Jing	Male	61	Deputy general manager	Resigned	October 25, 2018		0	0	0	0	0	-
Qi Peng	Male	53	Deputy general manager	In office	September 29, 2021		0	0	0	0	0	-
Qi Peng	Male	53	Secretary of the Board of Directors	In office	December 28, 2015		0	0	0	0	0	-
Zhang Zheng	Male	42	Deputy general manager	In office	April 24, 2025		0	0	0	0	0	-
Total	--	--	--	--	--	--	0	0	0	0	0	--

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

Yes No

1. In accordance with the *Company Law* and other regulations, the Company amended its *Articles of Association*, whereby the full-time deputy secretary of the Party committee is no longer designated as a senior executive under the *Articles of Association*. For details, please refer to the *Announcement on Resolutions of the First Extraordinary General Meeting of Shareholders in 2025* (Announcement No.: 2025-036) in *Securities Times* and CNINFO (www.cninfo.com.cn) on November 14, 2025.

2. Mr. Xie Jing, former deputy general manager of the Company, applied for resignation due to reaching the statutory retirement age. For details, please refer to the *Announcement on Resignation of Senior Executives* (Announcement No.: 2025-026) published in *Securities Times* and CNINFO (www.cninfo.com.cn) on August 2, 2025.

Changes in the Company's directors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Reason
Yang Xi	General manager	Appointed	April 24, 2025	Job transfer
Zhang Zheng	Deputy general manager	Appointed	April 24, 2025	Job transfer
Xie Jing	Deputy general manager	Resigned	July 31, 2025	Retired
Tan Zhong	Deputy secretary of Party committee	-	November 13, 2025	According to the latest revised <i>Articles of Association</i> of the Company, the full-time deputy secretary of the Party committee is no longer considered a senior executive of the Company.

2. Employment

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

Name	Main work experience and employment
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Fu Chunlong	Born in 1973, he holds a master's degree and is a senior human resource manager. He once served as a Deputy Working Group Leader at Shenzhen SDG Huatong Packaging Co., Ltd., Deputy Business Manager, Business Manager, Deputy Director and Director of the Human Resources Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Vice President of Shenzhen Special Economic Zone Development Group Co., Ltd., Supervisor of Shenzhen State-Owned Duty Free Commodity (Group) Co., Ltd., and Supervisor of the Company. He is currently the Secretary of the Party Committee and Chairman of the Board of Directors of the Company.
Hong Wenya	Born in 1974, he holds a master's degree and is a senior accountant, certified public accountant, and Certified Internal Auditor (CIA). He once served as Financial Manager of the Business Department and Audit Manager of the Supervision and Audit Headquarters of Guosen Securities Co., Ltd., Chief Financial Officer of Shenzhen Institute of Building Research Co., Ltd., Deputy Director of the Finance Department of Shenzhen Yuanzhi Investment Co., Ltd., official responsible for the budget management and financial supervision of municipal state-owned enterprises at the Statistics and Budget Department of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government, and Deputy Director of the Finance Department and Director of the Compliance Risk Control Department of Shenzhen Kumpeng Capital Co., Ltd. He is currently a Member of the Party Committee, Director, and Chief Financial Officer of Shenzhen Special Economic Zone Development Group Co., Ltd., and a Director of the Company.
Yang Xi	Born in 1981, he holds a master's degree. He successively held the posts of Engineer of AVIC SCC, Business Manager of the Secretariat of the Board of Directors of Shenzhen SDG Information Co., Ltd., Senior Director of the Asset Management Department of Shenzhen Yantian Port Holdings Co., Ltd., Secretary of the Board of Directors of Shenzhen Unilumin Technology Co., Ltd., and Capital Operation Manager of the Office of the Secretary of the Board of Directors, Capital Operation Manager of the Strategic Investment Department, and Deputy General Manager and General Manager of the Strategic Investment Department of Shenzhen Special Economic Zone Development Group Co., Ltd. He currently serves as the Company's Director and General Manager.
Huang Liang	Born in 1987, he holds a bachelor's degree in economics. He also holds the SZSE Qualification Certificate for Secretary of the Board of Directors and the Securities Qualification Certificate. He successively worked at the Nanshan District Administration of Work Safety, Shenzhen Qixin Construction Group Co., Ltd., Hong Kong Litong International Holdings (Group) Limited, and China Baoan Group Co., Ltd. In May 2017, he joined Shenzhen Special Economic Zone Development Group Co., Ltd. and successively served as Office Secretarial Manager, Senior Secretarial Manager, Deputy Office Director (presiding over the work), and Director. He is currently General Manager of the Enterprise Management Department (Board of Directors Office) of Shenzhen Special Economic Zone Development Group Co., Ltd. and a Director of the Company.
Huang Tianyang	Born in December 1983, she has a bachelor's degree in management and is a non-practicing certified public accountant, tax advisor, and intermediate accountant. She successively served as an auditor at Baker Tilly China Certified Public Accountants Shenzhen Branch, a specialist responsible for consolidated statements at the Finance Department of the Company, and Accounting Manager, Senior Accounting Manager, and Deputy General Manager of the Financial Management Department of Shenzhen Special Economic Zone Development Group Co., Ltd. She currently serves as the Company's Director and Chief Financial Officer.
Hu Yuming	Born in 1965, he holds a doctor's degree and is a professor of accounting. He successively worked as a teaching assistant, lecturer, and associate professor at the School of Economics of Xiamen University, an associate professor at the Management School of Jinan University, Deputy Director and Director of the Accounting Department of the Management School of Jinan University, Deputy Dean of the International School of Jinan University, and Deputy Dean of the Management School of Jinan University. He is currently a professor and doctoral supervisor at the Management School of Jinan University, an Independent Director of By-Health Co., Ltd., and an Independent Director of the Company.
Jiang Dinghang	Born in 1963, he holds a master's degree and is a lawyer. He once served as Director of the Regulation Consultation Department of Shenzhen Social Security Bureau, Deputy Director of the Office of Shenzhen Labor Bureau, Office Director of Shenzhen Special Economic Zone Development Group Co., Ltd., Chairman of Shenzhen SDG Songli Co., Ltd., Party Branch Secretary, Chairman, and General Manager of Shenzhen Communication Industry Co., Ltd., and an apprentice lawyer at Guangdong Zhong An Law Office. He is now an Honorary Partner of Shanghai AllBright (Shenzhen) Law Firm, an arbitrator at the Shenzhen Court of International Arbitration, a representative to the Seventh Party Congress of Shenzhen, and an Independent Director of the Company.
Zhang Dong	Born in 1974, he has a doctor's degree and is a postdoctoral fellow in economics, a professorate senior economist, a senior gold investment analyst, and a GIA research gemologist. He once served as Deputy General Manager of Shenzhen Qiangzhuang Computer Technology Co., Ltd., Deputy General Manager of Shenzhen Brain Times Economy and Culture Co., Ltd., Assistant to the President of Hong Kong Leader Culture Media Co., Ltd., General Manager of Shenzhen Zhongshi Advertising Co., Ltd., General Manager of Heilongjiang Liuguifu Jewelry Co., Ltd., and President of Liuguifu Jewelry Group Co., Ltd. He is currently the Chairman of Chaozuan Jewelry (Shenzhen) Co., Ltd., the Chairman of Kunmi Brand Culture (Hainan) Co., Ltd., and an Independent Director of the Company.
Qi Peng	Born in 1973, he holds a master's degree and is an economist. He has obtained the SZSE Qualification Certificate for Secretary of the Board of Directors. He once served as the Secretary of the Chairman and the head of the Information Center of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy Director of the Secretariat of the Board of Directors, Deputy Manager of the Enterprise Management Department, and Manager of the Business Department of the Automobile Business Division of Shenzhen Tellus Holding Co., Ltd., General Manager of Shenzhen Tellus Automobile Service Chain Co., Ltd., General Manager of Shenzhen Tellus Xinyongtong Automobile Development Co., Ltd., and Director of the Secretariat of the Board of Directors of the Company. He currently serves as Deputy General Manager and Secretary of the Board of Directors of the Company.

Zhang Zheng	Born in 1984, he holds a bachelor's degree and is an intermediate accountant and human resource management professional. He once served as a Senior Auditor in the Audit Department of Peking Certified Public Accountants, an Accountant and Financing Supervisor in the Planning and Finance Department of Shenzhen Special Economic Zone Development Group Co., Ltd., Deputy Director of the Company's Planning and Finance Department, Deputy Director and Director of the Audit and Risk Control Department (the Discipline Inspection, Supervision, and Board of Supervisors Office), and Deputy General Manager of Shenzhen SDG Microfinance Co., Ltd. He currently serves as Deputy General Manager of the Company.
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Situation where the controlling shareholder and actual controller concurrently serve as the Chairman and General Manager of a listed company

Applicable Not applicable

Employment at shareholder entities

Applicable Not applicable

Individual	Name of the shareholder entity	Position in the shareholder entity	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the shareholder entity or not
Hong Wenya	Shenzhen Special Economic Zone Development Group Co., Ltd.	Member of the Party Committee, Director, and Chief Financial Officer	June 15, 2021		No
Huang Liang	Shenzhen Special Economic Zone Development Group Co., Ltd.	General Manager of the Enterprise Management Department (Board of Directors Office)	April 16, 2024		Yes
Explanation on position at shareholder entities	The positions of the Company's directors and senior executives in other entities are those of non-holding subsidiaries of the Company.				

Employment at other entities

Applicable Not applicable

Individual	Name of other entities	Position held in other entities	Starting date of tenure	Ending date of tenure	Whether there is compensation or allowance in the other entities or not
Hong Wenya	Shenzhen SDG Information Co., Ltd.	Director	October 28, 2024	October 27, 2027	No
Hong Wenya	Shenzhen SEZ Construction Group Co., Ltd.	Supervisor	November 29, 2021	November 14, 2025	No
Yang Xi	Shenzhen SDG Information Co., Ltd.	Director	October 28, 2024	October 10, 2025	No
Yang Xi	Shenzhen Zhishenggao Technology Development Co., Ltd.	Chairman	June 26, 2023		No
Hu Yuming	Jinan University	Professor and Doctoral Supervisor of the School of Management	June 1, 2003		Yes
Hu Yuming	By-Health Co., Ltd.	Independent director	August 24, 2023	August 23, 2026	Yes
Jiang Dinghang	Shanghai Allbright (Shenzhen) Law Offices	Honorary Partner	April 1, 2005		Yes
Jiang Dinghang	Shenzhen Court of	Arbitrator			No

	International Arbitration				
Zhang Dong	Chaozuan Jewelry (Shenzhen) Co., Ltd.	Chairman	December 12, 2024		Yes
Zhang Dong	Kunmi Brand Culture (Hainan) Co., Ltd.	Chairman	October 25, 2022		Yes
Explanation on position at other entities	The positions of the Company's directors and senior executives in other entities are those of non-holding subsidiaries of the Company.				

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

Applicable Not applicable

3. Remuneration of directors and senior executives

Decision procedure, determination basis, and actual payment of the compensation of directors and senior executives

The remuneration of the Company's directors and senior executives is paid in accordance with the regulations governing the compensation management for the Company's directors and senior executives. Directors who do not perform management functions do not receive remuneration from the Company. The remuneration of directors and senior executives who perform management functions is determined based on the Company's compensation and performance assessment management systems, taking into account actual performance evaluations. Allowances for independent directors are paid monthly in accordance with the standards approved by the shareholders' meeting.

During the reporting period, the basic remuneration for non-independent directors and senior executives was paid monthly, while performance-based compensation was paid according to the established system following review and approval. Allowances for independent directors were also paid monthly.

Remuneration of the directors and senior executives of the Company during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Service status	Total compensation before tax received from the Company	Whether to receive compensation from related parties of the Company
Fu Chunlong	Male	53	Chairman	In office	110.27	No
Hong Wenya	Male	52	Director	In office	0	Yes
Yang Xi	Male	45	Director and general manager	In office	46.78	Yes
Huang Liang	Male	39	Director	In office	0	Yes
Huang Tianyang	Female	43	Director, chief financial officer	In office	80	No
Hu Yuming	Male	61	Independent director	In office	8	No
Jiang Dinghang	Male	63	Independent director	In office	8	No
Zhang Dong	Male	52	Independent director	In office	8	No
Tan Zhong	Male	58	Deputy secretary of	-	74.82	No

			Party committee			
Xie Jing	Male	61	Deputy general manager	Resigned	53.95	No
Qi Peng	Male	53	Deputy general manager, secretary of the Board of Directors	In office	74.09	No
Zhang Zheng	Male	42	Deputy general manager	In office	37.06	Yes
Total	--	--	--	--	500.97	--

Assessment basis of remuneration actually received by all directors and senior executives as of the end of the reporting period	Performance assessment management systems of the Company
Assessment of remuneration actually received by all directors and senior executives as of the end of the reporting period	Non-independent directors and senior executives have undergone performance appraisal in accordance with the Company's relevant systems and annual operating performance. The allowances received by independent directors are not subject to such performance appraisal.
Deferred payment arrangements for remuneration actually received by all directors and senior executives as of the end of the reporting period	N/A
Stop payment and recourse of remuneration actually received by all directors and senior executives as of the end of the reporting period	N/A

Other descriptions

Applicable Not applicable

V. Duty Performance of Directors during the Reporting Period

1. Attendance of directors at the Board meetings and shareholders' meetings

Attendance of directors at the Board meetings and shareholders' meetings							
Name of director	Number of attendances at the Board meeting during the reporting period	Attendances at the Board meeting in person	Attendances at the Board meeting through communication tools	Attendances at the Board meeting through entrusting others	Times of absence at the Board meeting	Whether they have failed to attend the Board meeting in person for two consecutive times	Attendances at the shareholders' meeting
Fu Chunlong	7	1	6	0	0	No	2
Hong Wenya	7	1	6	0	0	No	1
Yang Xi	7	1	6	0	0	No	0
Huang Liang	7	1	6	0	0	No	0
Huang Tianyang	7	1	6	0	0	No	0
Jiang Dinghang	7	1	6	0	0	No	1
Hu Yuming	7	1	6	0	0	No	1
Zhang Dong	7	1	6	0	0	No	1

Explanation on failure to attend in person at the Board meeting for two consecutive times: None

2. Objection to related matters of the Company by directors

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

Yes No

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

3. Other instructions on the duty performance of directors

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

Yes No

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

During the reporting period, all directors of the Company complied with laws, regulations, and relevant normative documents, including the *Company Law*, the *Securities Law*, and the *Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange—Standard Operation of Main Board Listed Companies*. They strictly adhered to the Company's *Articles of Association* and the *Rules of Procedure for the Board of Directors*, and earnestly fulfilled their duties of loyalty and diligence. The directors actively attended Board meetings, gained a thorough understanding of the business substance of the matters under review, engaged in prudent discussions and voting on various proposals, and offered numerous targeted suggestions concerning the Company's internal control systems, business management, and strategic development. They fulfilled their decision-making and oversight functions. In accordance with the *Measures for the Administration of Independent Directors of Listed Companies* and other relevant regulations, the Company's independent directors, leveraging their professional expertise, provided independent and objective opinions. They maintained continuous oversight of the Company's financial and operational conditions, effectively supervised information disclosure, played a significant role in promoting scientific decision-making and standardized operations of the Board of Directors, and robustly safeguarded the legitimate rights and interests of the Company and all shareholders. The Company placed high importance on the suggestions made by the directors, and actively adopted and implemented those reasonable proposals that align with the Company's development strategy.

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

Name of committee	Members	Number of meetings held	Convening date	Meeting content	Important comments and suggestions	Other performance of duties	Details of objections (if any)
Audit Committee of the Tenth Board of Directors	Fu Chunlong, Hong Wenyu, Hu Yuming, Jiang Dinghang, Zhang Dong	6	January 8, 2025	1. Proposal on the development of the hedging business by holding subsidiaries 2. Announcement on the preliminary arrangements for auditing the 2024 annual financial report	Approved	-	-
			March 25, 2025	1. 2024 Annual Report and Summary	Approved	-	-

				2. 2024 Annual Internal Control Self-evaluation Report 3. Report on Evaluation of Accounting Firm's Performance and Audit Committee's Performance of Supervisory Responsibilities in 2024			
			April 24, 2025	1. Report for Q1 2025 2. Proposal on asset write-off	Approved	-	-
			May 22, 2025	1. Proposal on adjusting the hedging plan of the holding subsidiaries	Approved	-	-
			August 19, 2025	1. 2025 Semi-Annual Report	Approved	-	-
			October 26, 2025	1. Report for Q3 2025 2. Proposal on revising the <i>Rules of Procedure for the Audit Committee</i> . 3. Proposal on renewal of the Company's annual audit institution	Approved	-	-
Compensation and Appraisal Committee of the Tenth Board of Directors	Fu Chunlong, Hong Wenya, Hu Yuming, Jiang Dinghang, Zhang Dong	4	January 8, 2025	1. Proposal on amending the <i>Management Measures for Compensation and Performance of the Management Team</i>	Approved	-	-
			May 22, 2025	1. Proposal on performance indicators of the Company's management team in 2025	Approved	-	-
			August 19, 2025	1. Proposal on the performance indicators for certain members of the management team during their term	Approved	-	-
			December 24, 2025	1. Proposal on the 2024 annual performance evaluation results and their application for the Company's management team 2. Proposal on amending the <i>Compensation Management System for Headquarters Staff</i>	Approved	-	-

VII. Performance of the Audit Committee

Whether the Audit Committee found any risks in the Company during its oversight activities in the reporting period

Yes No

The Audit Committee had no objection to the matters supervised during the reporting period.

VIII. Employees of the Company

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

Number of existing employees in the parent company at the end of the reporting period (person)	113
Number of existing employees in the main subsidiaries at the end	66

of the reporting period (person)	
Total number of existing employees at the end of the reporting period (person)	179
Total number of employees payable in the period (person)	179
Number of retired employees with expenses incurred by the parent company and main subsidiaries (person)	0
Professions	
Type of professions	Number of professionals (person)
Production personnel	0
Sales personnel	72
Technical personnel	13
Financial personnel	19
Administrative personnel	75
Total	179
Education level	
Category	Number of employees (person)
Master's degree and above	36
Bachelor's degree	110
Junior college diploma and below	33
Total	179

2. Compensation policy

The Company strictly follows the *Compensation Management System for Headquarters Staff*, *Performance Appraisal Management System for Headquarters Staff*, and other systems. Regarding compensation distribution principles, the Company adheres to the sustainable development principle of distribution according to work, efficiency first, and fairness considered. Compensation is determined based on employee position value, broadband salary structure, performance linkage, and dynamic management, ensuring that pay is closely aligned with employees' actual contributions and the value they create. In terms of incentive orientation, emphasis is placed on key positions, core talents, and high-performing employees. Through competitive incentive measures, the Company aims to fully mobilize employee enthusiasm and creativity, stimulate their inherent potential, and drive the achievement of the company's strategic objectives and its sustained, stable development.

3. Training plan

The Company prioritizes employee training. During the reporting period, it enhanced the employee training system by refining the new employee training manual, optimizing the recruitment and onboarding process, conducting new employee orientation sessions and executive roundtable discussions, and strengthening the new employee mentorship program to facilitate rapid

integration. It continued to refine the internal trainer system to foster the exchange of professional knowledge. Additionally, the Company organized competency assessments and management development training for middle managers, establishing a structured "assessment, targeted improvement, reassessment" training framework. Through online resources, offline publications, and specialized training, it facilitated certification exams, such as for auctioneers, to enhance the professional capabilities of its business staff.

4. Labor outsourcing

Applicable Not applicable

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

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

Applicable Not applicable

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

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

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

Applicable Not applicable

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

Applicable Not applicable

Number of bonus shares per 10 shares (share)	0
Number of dividends per 10 shares (RMB) (tax-inclusive)	1.10
Base of share capital in distribution pre-plan (share)	431,058,320
Amount of cash dividends (RMB) (tax-inclusive)	47,416,415.20
Amount of cash dividends in other ways (such as share repurchase) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	47,416,415.20
Distributable profit (RMB)	165,946,078.49
The proportion of total cash dividends (including other ways) to total profit distribution	100%
Cash dividends for the current reporting period	
Others	
Description of details on pre-plan of profit distribution or transfer from capital reserve to share capital	
To actively benefit shareholders and enable investors to participate in and share the operating results of the Company's development, according to the <i>Articles of Association</i> , the <i>Shareholder Return Plan for the Next Three Years (2023–2025) of the Company</i> , the <i>Stock Listing Rules of the Shenzhen Stock Exchange</i> , and other regulations on cash dividends, and by taking into account the Company's future strategic layout and other capital expenditure needs, the Company planned to distribute a cash dividend of RMB 1.10 (including tax) for every 10 shares to all shareholders based on the total share capital of 431,058,320 shares as of December 31, 2025, with a total cash dividend of RMB 47,416,415.20, without bonus shares or capital increase. This profit distribution plan has been implemented after being reviewed and approved by the shareholders' meeting.	

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

Applicable Not applicable

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

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

1. Establishment and implementation of internal control

During the reporting period, the Company established and enhanced its internal control system in strict compliance with the *Company Law*, the *Articles of Association*, and the *Basic Standard for Enterprise Internal Control*. In light of industry characteristics and the operational conditions, the Company continuously refined its internal control framework, reinforced compliance awareness, ensured the effective execution of internal controls, safeguarded standardized operations, and fostered its healthy and sustainable development. During the reporting period, all internal control systems of the Company were effectively implemented, with no significant deficiencies identified.

The expected objectives of internal control were met, thereby protecting the interests of the Company and all shareholders.

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

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

Yes No

XII. Management Control over the Subsidiaries during the Reporting Period

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

Abnormal management and control of subsidiaries

Yes No

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

1. Internal control evaluation report

Disclosure date of the internal control evaluation report	April 22, 2026	
Disclosure index of the internal control evaluation report	For details, please refer to the <i>2025 Annual Internal Control Self-evaluation Report</i> disclosed by the Company on CNINFO (http://www.cninfo.com.cn)	
Proportion of total unit assets included in the evaluation scope to total assets from the Company's consolidated financial statements	100.00%	
Proportion of unit operating revenue included in the evaluation scope to operating revenue from the Company's consolidated financial statements	100.00%	
Deficiency identification standards		
Category	Financial reports	Non-financial reports
Qualitative standards	1. Material deficiencies: A deficiency, or a combination of deficiencies, that results in the inability to promptly prevent, detect, or correct material misstatements in financial reports. The following circumstances shall be identified as material deficiencies in internal control: (1)	1. Material deficiencies: A deficiency shall be deemed material if any of the following circumstances apply: (1) Major decisions are made in violation of the Company's prescribed procedures, resulting in significant losses to the

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

Number of material deficiencies in the financial report (Nr.)	0
Number of material deficiencies in the non-financial report (Nr.)	0
Number of significant deficiencies in the financial report (Nr.)	0
Number of significant deficiencies in the non-financial report (Nr.)	0

2. Auditor's report on internal control

Applicable Not applicable

Review opinion paragraph in the auditor's report on internal control	
In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2025, in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Disclosure of the auditor's report on internal control	Disclosure
Disclosure date of the auditor's report on internal control	April 22, 2026
Disclosure index of the auditor's report on internal control	CNINFO (http://www.cninfo.com.cn)
Type of opinion in the auditor's report on internal control	Standard unqualified opinion
Whether there are material deficiencies in the non-financial report	No

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

Yes No

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

Yes No

Whether a non-standard audit opinion on internal control was issued for the reporting period or the previous year

Yes No

XIV. Rectification of Issues Identified during Self-inspection in Connection with the Special Governance Action for Listed Companies

N/A

XV. Environmental Information Disclosure

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

Yes No

XVI. Social Responsibilities

In 2025, the Company actively fulfilled its social responsibilities by adhering to a people-oriented approach. It continuously enhanced its employee care system by organizing annual physical examinations, conducting holiday greetings and recreational activities, and managing talent

housing programs, thereby strengthening employees' sense of belonging. The Company consolidated the foundation for safe development, achieving a 100% rate for identifying and rectifying potential hazards throughout the year. Multi-scenario emergency drills were conducted to ensure operational safety. It also deepened the guiding role of Party building and leveraged resources from the industry and the Party committee to conduct training and collaborative initiatives. This empowered business development, fostered deeper integration between Party building and corporate management, and facilitated the coordinated development of the enterprise and society.

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

In 2025, the Company actively responded to national initiatives and earnestly fulfilled its social responsibilities by continuing to invest in consolidating and expanding poverty alleviation achievements and supporting rural revitalization. Through extensive consumption assistance programs, the Company purchased a total of RMB 63,000 worth of poverty alleviation products during the year, effectively supporting industrial development and increasing farmers' incomes in the pairing assistance regions.

Section V Important Matters

I. Performance of Commitments

1. Commitments that have been fulfilled during the reporting period and have not yet been fulfilled as at the end of the reporting period by the Company's actual controller, shareholders, related parties, acquirers, the Company, and other commitment related parties

Applicable Not applicable

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

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

			<p>3. The Company or its affiliated companies will try to avoid related party transactions with listed companies. If it is inevitable to have related party transactions with listed companies, the Company or its affiliated companies will urge the controlled entities to trade with listed companies on an equal and voluntary basis per fair, reasonable, and normal commercial transaction conditions;</p> <p>4. The Company or its affiliated companies will perform the decision-making procedures of related party transactions and the corresponding information disclosure obligations in strict accordance with the Articles of Association of the listed company and relevant laws and regulations;</p> <p>5. The Company or its affiliated companies will ensure that they will not seek special interests beyond the above provisions through related party transactions with listed companies, illegally transfer the funds and profits of listed companies through related party transactions, and maliciously damage the legitimate rights and interests of listed companies and their shareholders through related party transactions. In case of violation of the above commitments, the Company will bear corresponding legal responsibilities, including but not limited to compensation for all losses caused to the listed company.</p>			
Commitment made during the initial public offering or refinancing	Shenzhen Tellus Holding Co., Ltd.	Others	In the future, the Company will disclose relevant information regarding the progress of its new business in a timely, accurate, and sufficient manner per relevant requirements.	October 17, 2014	Long term	In performance
Other commitments made for minority shareholders of the	Shenzhen Special Economic Zone Development Group Co.,	Horizontal competition	Shenzhen Special Economic Zone Development Group Co., Ltd., the controlling shareholder of the Company, issued the <i>Letter of Commitment to Avoiding Horizontal</i>	May 26, 2014	Long term	In performance

Company	Ltd.		<p><i>Competition</i> on May 26, 2014. The commitments are as follows:</p> <ol style="list-style-type: none"> 1. The Company and other enterprises controlled by the Company other than Tellus Holding are not engaged in business that is in substantial competition with the main business of Tellus Holding, and there is no horizontal competition relationship with Tellus Holding; 2. The Company and other enterprises controlled by the Company shall not directly or indirectly engage in or participate in any business that constitutes or may constitute competition with the main business of Tellus Holding in any form; 3. If the Company and other enterprises controlled by the Company can engage in or participate in any business opportunity that may compete with the main business of Tellus Holding, they shall notify Tellus Holding of the above business opportunity before implementing or signing relevant agreements. If Tellus Holding makes a positive reply within a reasonable period specified in the notice that it is willing to take advantage of the business opportunity, the business opportunity will be given priority to Tellus Holding. 			
Other commitments	Shenzhen Tellus Holding Co., Ltd.	Dividend commitment	<p>From 2023 to 2025, the Company's profits will be first used to cover the losses of previous years. After making up for the losses of previous years, on the premise that the Company's profits and cash flow meet the normal operation and long-term development of the Company, the Company will implement an active profit distribution method to reward shareholders. For details, please refer to the <i>Shareholder Return Plan for the Next Three Years (2023–2025)</i> disclosed on www.cninfo.com.cn on April 27, 2023.</p>	April 27, 2023	December 31, 2025	In performance

Whether the commitments are duly performed	Yes
If the commitment is not fulfilled after the time limit, the specific reasons for the failure of fulfillment and the next work plan shall be specified	N/A

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

Applicable Not applicable

3. Performance commitments

Applicable Not applicable

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

Applicable Not applicable

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

III. Illegal External Guarantees

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, the Company did not make any changes to its accounting policies or estimates, nor did it correct any significant accounting errors.

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

Applicable Not applicable

Company name	Time of cancellation	Reporting period	Reasons for not included in consolidation scope
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	December 18, 2025	2025	Liquidation and cancellation

VIII. Employment and Dismissal of Accounting Firm

Current accounting firm

Name of the domestic accounting firm	Grant Thornton Certified Public Accountants (Special General Partnership)
Remuneration of the domestic accounting firm (RMB 10,000)	75
Duration of audit services provided by the domestic accounting firm	3
Names of CPAs of the domestic accounting firm	Wu Liang, Xiao Na
Duration of audit services provided by the CPAs of the domestic accounting firm	Wu Liang (3 years), Xiao Na (2 years)

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

Yes No

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

Applicable Not applicable

The Company employed Grant Thornton China (Special General Partnership) as its 2025 annual financial and internal control audit firm. The employment term was one year, and the internal control audit fee was RMB 250,000.

IX. Delisting after Disclosure of Annual Report

Applicable Not applicable

X. Matters Relating to Bankruptcy Reorganization

Applicable Not applicable

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

XI. Major Litigation and Arbitration Matters

Applicable Not applicable

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

plaintiff)				claims.	payment was RMB 7.294 million.		
Project construction contract dispute (Zhongtian Company as the defendant in the original claim and the plaintiff in the counterclaim)	670.44	No	In progress	The first instance supported some of the plaintiff's claims in this lawsuit. The case is currently in the second instance and has not yet been judged.	N/A		
Equity transfer dispute (Tellus as the plaintiff/appellant)	472	No	In progress	The first-instance ruling dismissed the company's lawsuit, and the Company has filed an appeal.	N/A		
Unjust enrichment dispute (Tellus as the plaintiff/appellant)	175.94	No	Closed	After the Company's claims were dismissed in both the first and second instances, its application for a retrial was also rejected by the court.	N/A	March 28, 2025	2024 Annual Report on Securities Times and CNINFO

XII. Punishment and Rectification

Applicable Not applicable

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

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

Applicable Not applicable

XIV. Major Related Party Transactions

1. Related party transactions concerning daily operations

Applicable Not applicable

Unit: RMB 10,000

Related transaction party	Related-party relationship	Type of related party transaction	Content of related party transaction	Pricing principle of related party transaction	Price of related party transaction	Amount of related party transaction	Proportion to transaction amount of the same kind	Approved transaction amount	Exceeding the approved amount or not	Settlement method of related party transaction	Market price of available similar transaction	Disclosure date	Disclosure index
Shenzhen SDG Tellus Property Management Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing services	Market pricing	54.25	54.25	0.15%	35	Yes	According to the contract amount or agreement	54.25		
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing and management services	Market pricing	0	0	0.00%	150	No	According to the contract amount or agreement	0		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of the controlling shareholder	Daily related party transaction	Provide property leasing and parking services	Market pricing	0	0	0.00%	400	No	According to the contract amount or agreement	0		
Shenzhen Telixing Investment Co., Ltd.	The Company's related natural person serves as a director of the joint-stock company	Daily related party transaction	Provide brokerage and agency services	Market pricing	0	0	0.00%	60	No	According to the contract amount or agreement	0		
Shenzhen SDG Microfinance Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Provide brokerage and agency services	Market pricing	4.88	4.88	11.37%	0	Yes	According to the contract amount or agreement	4.88		
Shenzhen SDG Engineering Management Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept engineering supervision services	Market pricing	80	80	100.00%	160	No	According to the contract amount or agreement	80		
Shenzhen SDG Service Co., Ltd. and its branches	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management and security services	Market pricing	709.05	709.05	78.63%	1,050	No	According to the contract amount or agreement	709.05	March 28, 2025	Announcement on Daily Related Party Transactions in 2025 (Announcement No.: 2025-010) on Securities Times and CNINFO
Shenzhen SDG Eastern Service Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	0.00	0	0.00%	50	No	According to the contract amount or agreement	0		
Shenzhen SDG Building Technology Co., Ltd.	Subsidiary of the controlling shareholder	Daily related party transaction	Accept property management services	Market pricing	28.80	28.8	3.19%	50	No	According to the contract amount or agreement	28.80		
Shenzhen SDG	Subsidiary of	Daily	Accept	Market	124.17	124.17	13.77%	690	No	According	124.17		

Tellus Property Management Co., Ltd.	the controlling shareholder	related party transaction	property management services	pricing							to the contract amount or agreement			
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by indirect controlling shareholders	Daily related party transaction	Accept insurance services	Market pricing	44.14	44.14	60.79%	100	No		According to the contract amount or agreement	44.14		
Total				--	--	1,045.29	--	2,745	--	--	--	--	--	--
Details of large-sum sales return				N/A										
The actual performance during the reporting period (if any), if the total amount of daily related party transactions occurring in the current period is estimated by category				Normal performance										
Reasons for the great difference between transaction price and market reference price (if applicable)				N/A										

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

Applicable Not applicable

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

3. Related party transactions of joint outbound investment

Applicable Not applicable

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

4. Transactions related to credit and debt

Applicable Not applicable

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

Yes No

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

5. Transactions with related finance companies

Applicable Not applicable

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

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

Applicable Not applicable

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

7. Other major related party transactions

Applicable Not applicable

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

XV. Major Contracts and Performance

1. Trusteeship, contracting, and leasing matters

(1) Trusteeship

Applicable Not applicable

During the reporting period, the Company had no trusteeship.

(2) Contracting

Applicable Not applicable

During the reporting period, the Company had no contracting.

(3) Leasing

Applicable Not applicable

During the reporting period, the Company has no leasing.

2. Significant guarantees

Applicable Not applicable

The Company had no significant guarantees during the reporting period.

3. Management of cash assets by other entrusted parties

(1) Entrusted wealth management

Applicable Not applicable

Overview of entrusted wealth management during the reporting period

Unit: RMB 10,000

Product category	Risk characteristics	Balance of entrusted wealth management during the reporting period	Overdue unrecovered amount
Financial products from banks	Low risk	91,050.00	0

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

Applicable Not applicable

(2) Entrusted loan

Applicable Not applicable

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

4. Other major contracts

Applicable Not applicable

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

XVI. Usage of Raised Funds

Applicable Not applicable

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

XVII. Description of Other Major Matters

Applicable Not applicable

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

XVIII. Major Matters of the Company's Subsidiaries

Applicable Not applicable

On October 29, 2025, the new gold tax policy triggered industry transformation, compounded by a significant surge in gold prices. In response to these industry and market shifts, the Company's subsidiary, Guorun Gold, proactively adjusted its business model, optimized its organizational structure, and explored business opportunities centered on gold cultural and creative products to capture market opportunities and strategize for long-term development.

Section VI Changes in Shares and Shareholders

I. Changes in Shares

1. Changes in shares

Unit: Share

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

Reasons for changes in shares

 Applicable Not applicable

Status of authorization for changes in shares

 Applicable Not applicable

Status of transfer for changes in shares

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

II. Conditions on Issuance and Listing of Securities

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

Applicable Not applicable

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

Applicable Not applicable

3. Shares of existing internal staff

Applicable Not applicable

III. Shareholders and Actual Controller

1. Number of shareholders and shareholdings of the Company

Unit: Share

Total number of ordinary share shareholders as of the end of the reporting period	49,366	Total number of ordinary shareholders as at the end of the previous month before the disclosure date of the annual report	47,647	Total number of preferred shareholders with restored voting rights as at the end of the reporting period	0	Total number of preferred shareholders with restored voting rights as at the end of the previous month before the disclosure date of the annual report	0	
Shareholders holding more than 5% shares or shareholding of the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Shareholding proportion	Number of shares held at the end of the reporting period	Increase/decrease during the reporting period	Number of restricted shares held	Number of unrestricted shares held	Pledged, marked, or frozen shares	
							Status of shares	Quantity
Shenzhen Special Economic Zone Development Group Co., Ltd.	State-owned legal person	49.09%	211,591,621	0	0	211,591,621	N/A	0

Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	Others	0.59%	2,550,875	2,182,500	0	2,550,875	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.54%	2,308,552	-268,687	0	2,308,552	N/A	0
Li Xiaoming	Domestic natural person	0.52%	2,230,400	-839,100	0	2,230,400	N/A	0
Industrial and Commercial Bank of China Limited - China Southern CSI All Share Real Estate ETF	Others	0.40%	1,709,275	176,800	0	1,709,275	N/A	0
Li Daoqing	Domestic natural person	0.35%	1,498,400	876,300	0	1,498,400	N/A	0
Liao Guopei	Domestic natural person	0.29%	1,250,550	1,250,550	0	1,250,550	N/A	0
Yuan Wende	Domestic natural person	0.28%	1,218,200	1,218,200	0	1,218,200	N/A	0
Lin Weifeng	Domestic natural person	0.26%	1,112,900	717,100	0	1,112,900	N/A	0
Li Jun	Domestic natural person	0.24%	1,039,900	1,039,900	0	1,039,900	N/A	0
Status of the strategic investor or general legal person becoming one of the top 10 shareholders due to rights issue (if any) (see Note 3)	N/A							
Explanations of the related relationship or concerted action of the above shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd. was not related to other shareholders and was not a person acting in concert as stipulated in the Measures for the Administration of the Takeover of Listed Companies. It was unknown whether other shareholders of tradable shares were persons acting in concert.							
Description of the above-mentioned shareholders' involvement in entrusting/being entrusted with the right to vote and giving up the right	N/A							
Special description of repurchase special account among the top 10 shareholders (if any) (see Note 10)	N/A							
Shareholdings of the top 10 shareholders without restrictions on sale (excluding shares lent through refinancing and locked shares of senior executives)								
Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Share type						
		Share type	Quantity					
Shenzhen Special Economic Zone Development Group Co., Ltd.	211,591,621	RMB-denominated ordinary shares	211,591,621					
Agricultural Bank of China Limited - MaxWealth CSI SH-SZ-HK Gold Industry Equity ETF	2,550,875	RMB-denominated ordinary shares	2,550,875					
Hong Kong Securities Clearing Company Limited	2,308,552	RMB-denominated ordinary shares	2,308,552					
Li Xiaoming	2,230,400	RMB-denominated ordinary shares	2,230,400					
Industrial and Commercial Bank of China Limited - China Southern CSI All Share Real Estate ETF	1,709,275	RMB-denominated ordinary shares	1,709,275					
Li Daoqing	1,498,400	RMB-denominated ordinary shares	1,498,400					
Liao Guopei	1,250,550	RMB-denominated	1,250,550					

		ordinary shares	
Yuan Wende	1,218,200	RMB-denominated ordinary shares	1,218,200
Lin Weifeng	1,112,900	RMB-denominated ordinary shares	1,112,900
Li Jun	1,039,900	RMB-denominated ordinary shares	1,039,900
Description on the related relationship or concerted action among the top 10 shareholders of unrestricted tradable shares and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Among the top 10 shareholders, Shenzhen Special Economic Zone Development Group Co., Ltd., a state-owned legal-person shareholder, was not related to other shareholders and was not a person acting in concert as stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i> . It was unknown whether other shareholders of tradable shares were persons acting in concert.		
Description of participation of the top 10 shareholders of ordinary shares in securities margin trading (if any) (see Note 4)	N/A		

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders with unrestricted tradable shares in share lending activities within the refinancing business

Applicable Not applicable

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

Applicable Not applicable

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

Yes No

The Company's top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares have not performed the agreed repurchase transactions during the reporting period.

2. Controlling shareholder of the Company

Nature of controlling shareholder: local state-owned holding

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Main business
Shenzhen Special Economic Zone Development Group Co., Ltd.	Zhang Junlin	June 20, 1982	91440300192194195C	Investment in the development of industries (specific projects will be declared separately); investment in the development of the tourism industry; real estate development and operation; domestic trade and material supply and marketing (excluding monopoly, exclusive control and monopolized commodities); economic information consultation (excluding restricted items); operation of import and export business (subject to approval by the Industrial and Commercial Bureau).
Equity of other domestic and foreign listed companies	At the end of the reporting period, in addition to holding the equity of the Company, SDG Group also held equity of other listed companies as follows: 1. Holding a 36.18% equity stake in Shenzhen SDG Information Co., Ltd. (stock abbreviation: SDG Information) and indirectly holding a 1.10% equity stake in SDG Information through Hanseco Sanho Co.,			

controlled and participated in by the controlling shareholder during the reporting period	<p>Ltd.;</p> <p>2. Holding 47.78% equity of Shenzhen SDG Service Co., Ltd. (stock abbreviation: SDG Service), and indirectly holding 0.98% equity of SDG Service through Shenzhen SDG Investment;</p> <p>3. Holding 8.11% equity of Shenzhen Microgate Technology Co., Ltd. (stock abbreviation: Microgate Technology), and controlling 13.17% equity of Microgate Technology through Shenzhen Capital Fortune Electronic Information Investment Enterprise (Limited Partnership).</p> <p>4. Holding a 0.48% equity stake in Sichuan Xinjinlu Group Co., Ltd. (stock abbreviation: Xinjinlu).</p>
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Change in the controlling shareholder during the reporting period

Applicable Not applicable

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

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

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

Type of actual controller: legal person

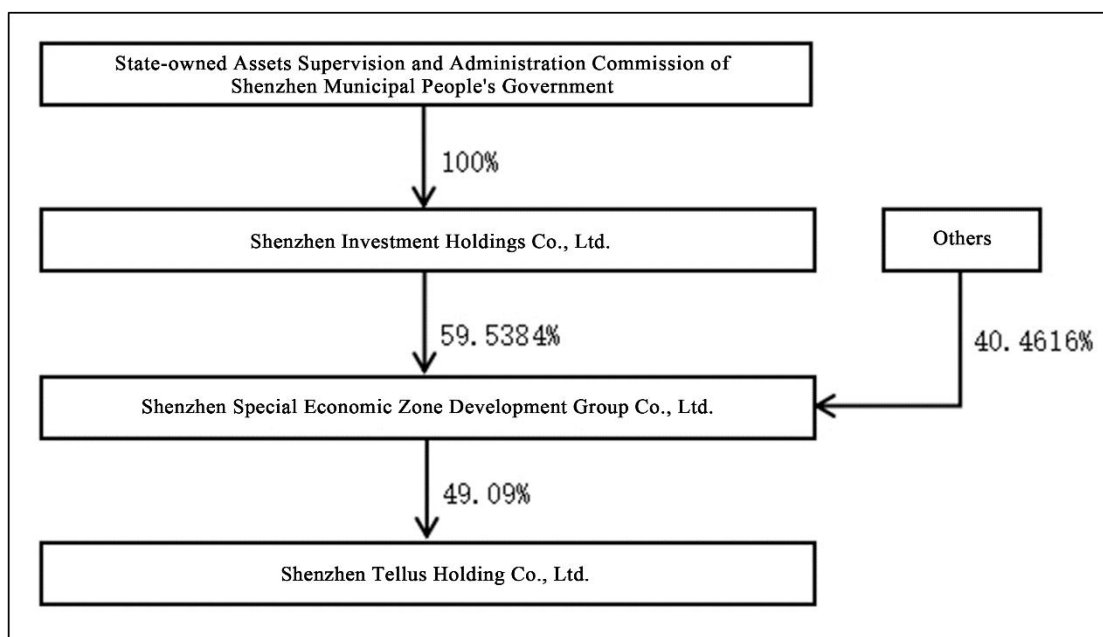
Name of actual controller	Legal representative/person in charge	Date of establishment	Organization code	Main business
State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government	Yang Jun	April 2, 2004	11440300K317280672	Perform the investor's responsibilities on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

Changes in actual controller during the reporting period

Applicable Not applicable

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

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



The commercial registration change procedures for the non-compensatory transfer of the 39.6875% equity stake in SDG Group held by Shenzhen SASAC to SIHC have not yet been completed.

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

IV. Specific Implementation of Share Repurchase during the Reporting Period

Progress in the implementation of share repurchase

Applicable Not applicable

Progress in the implementation of share repurchase reduction through call auction

Applicable Not applicable

V. Preferred Shares

Applicable Not applicable

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

Section VII Bond-related Information

Applicable Not applicable

Section VIII Financial Report

I. Auditor's Report

Type of auditor's opinion	Standard unqualified opinion
Signing date of the auditor's report	April 20, 2026
Name of audit institution	Grant Thornton Certified Public Accountants (Special General Partnership)
Auditor's report no.	GTCNSZ (2026) NO.441A014371
Name of CPA	Wu Liang, Xiao Na

Text of the Auditor's Report

I. Auditor's Opinion

We have audited the attached financial statements of Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as "Tellus"), including Consolidated and Company's Balance Sheets as of December 31, 2025 and Consolidated and Company's Income Statements, Consolidated and Company's Cash Flow Statements and Consolidated and Company's Statements of Changes in Shareholders' Equity for 2025, as well as relevant Notes to Financial Statements.

In our opinion, the attached financial statements fairly present, in all material respects, the consolidated and Company's financial positions of Tellus as of December 31, 2025, and its consolidated and Company's financial performance and cash flows for the year in accordance with the ASBE.

II. Basis for Auditor's Opinion

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

III. Key Audit Matters

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

(I) Revenue Recognition

See Notes III. 25 and V. 44 of the financial statements for details of relevant information disclosure.

1. Matter description

The Company's operating revenue mainly comes from property leasing and services, and gold and jewelry sales and services. In 2025, the operating revenue of Tellus reached RMB 1.462 billion, a decrease of 44.08% over the same period last year. Since operating revenue is one of its key performance indicators, there may be a risk that the management of Tellus (hereinafter referred to as the "management") will achieve specific goals or expectations through inappropriate revenue recognition. Therefore, we have identified revenue recognition as a key audit matter.

2. Audit response

Our audit procedures for revenue recognition mainly include:

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

(2) 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.

(II) Recognition of Investment Properties, Fixed Assets, and Their Book Values

For details of relevant disclosures, please refer to Notes III.15, III.16, V.14, and V.15 to the financial statements.

1. Matter description

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 Tellus (hereinafter referred to as the "management") is responsible for other information. Other information comprises the information included in the 2025 Annual Report of Tellus, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

(2) Understand the internal control relating to the audit to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the Management's adoption of the going-concern assumption. and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to any events or conditions that cast significant doubt on the ability of Tellus to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements. Where such disclosures are inadequate, we should modify our opinion. Our conclusions are based on information available up to the date of the auditor's report. However, future events or conditions may cause Tellus to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided the governance with a statement regarding compliance with ethical requirements related to independence and communicated with the governance about all relationships and other matters that could reasonably be considered to affect our independence, as well as related precautions (if applicable).

From the matters communicated with the governance, we determine which items are most important to the audit of the financial statements for the current period and thus constitute a key audit matter. We have described these matters in the auditor's report, except that they are prohibited from being publicly disclosed as per the laws and regulations, or in the rare cases, if a negative result that may be caused by communicating some matter in the auditor's report as reasonably expected exceeds the benefit generated by the public interest, we determine not to communicate such matter in the auditor's report.

II. Financial Statements

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

1. Consolidated Balance Sheet

Prepared by: Shenzhen Tellus Holding Co., Ltd.

December 31, 2025

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	149,229,156.85	377,971,359.69
Settlement reserve fund		
Loans to banks and other financial institutions		
Held-for-trading financial assets	117,410,631.65	165,630,834.06
Derivative financial assets		292,078.00
Notes receivable	0.00	0.00
Accounts receivable	61,009,891.79	46,564,067.14
Receivables financing		
Advances to suppliers	842,625.42	797,409.91
Premiums receivable		
Reinsurance premium receivable		
Reinsurance contract reserves receivable		
Other receivables	49,405,335.51	8,081,783.33
Including: interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	59,657,540.72	127,432,191.55
Including: data resources		
Contract assets		

Held-for-sale assets		
Non-current assets due within one year	87,268,498.36	91,587,627.94
Other current assets	19,312,300.83	96,743,827.38
Total current assets	544,135,981.13	915,101,179.00
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments	573,849,427.40	84,724,128.76
Long-term receivables		
Long-term equity investments	94,475,900.97	85,091,833.20
Other equity instrument investments		
Other non-current financial assets		
Investment properties	1,053,907,083.65	1,099,772,133.10
Fixed assets	61,870,381.34	70,763,683.25
Construction in progress	5,111,882.70	3,332,141.19
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	77,920,830.56	78,558,005.50
Intangible assets	3,062,429.09	3,775,834.45
Including: data resources		
Development expenditure		
Including: data resources		
Goodwill		
Long-term deferred expenses	34,117,850.87	48,095,409.37
Deferred income tax assets	6,399,715.44	5,496,778.78
Other non-current assets	195,306,959.38	199,748,111.29
Total non-current assets	2,106,022,461.40	1,679,358,058.89
Total assets	2,650,158,442.53	2,594,459,237.89
Current liabilities:		
Short-term borrowings	11,002,344.41	120,101,444.43
Borrowings from the central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities	2,702,318.10	46,660.00
Notes payable	180,000,000.00	110,000,000.00
Accounts payable	109,353,384.05	125,555,693.13
Advances from customers	8,222,394.47	9,469,503.75
Contract liabilities	3,604,150.70	4,009,504.59
Financial assets sold under agreements to repurchase		
Customer bank deposits and due to banks and other financial institutions		

Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee compensation payable	42,283,881.13	36,835,623.94
Taxes payable	29,059,082.08	36,109,740.02
Other payables	139,483,702.52	126,312,280.55
Including: interests payable		
Dividends payable		
Handling charges and commissions payable		
Dividend payable for reinsurance		
Held-for-sale liabilities		
Non-current liabilities due within one year	10,581,548.92	8,674,869.40
Other current liabilities	2,214,225.00	6,142,814.36
Total current liabilities	538,507,031.38	583,258,134.17
Non-current liabilities:		
Insurance contract reserves		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	75,441,810.38	76,541,985.55
Long-term payables	3,920,160.36	3,920,160.36
Long-term employee compensation payable		
Provisions	9,956,800.00	
Deferred income	6,057,271.67	7,837,477.60
Deferred income tax liabilities	20,155,522.20	25,175,508.48
Other non-current liabilities		
Total non-current liabilities	115,531,564.61	113,475,131.99
Total liabilities	654,038,595.99	696,733,266.16
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	430,866,408.50	430,866,408.50
Less: treasury shares		
Other comprehensive income	-7,606,040.90	-7,606,040.90
Special reserves		
Surplus reserves	92,661,110.16	74,222,656.99
General risk provision		
Undistributed profits	879,664,677.57	798,343,284.97
Total equity attributable to owners of the parent company	1,826,644,475.33	1,726,884,629.56
Minority shareholders' equity	169,475,371.21	170,841,342.17

Total owners' equity	1,996,119,846.54	1,897,725,971.73
Total liabilities and owner's equity	2,650,158,442.53	2,594,459,237.89

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

2. Parent company's balance sheet

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Cash at bank and on hand	5,557,917.51	25,182,064.77
Held-for-trading financial assets		121,340,400.00
Derivative financial assets		
Notes receivable		
Accounts receivable	10,650,313.31	19,714,030.82
Receivables financing		
Advances to suppliers	239,474.02	96,692.05
Other receivables	3,711,404.11	2,839,370.67
Including: interest receivable		
Dividends receivable		
Inventories		
Including: data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	65,398,799.73	91,587,627.94
Other current assets	6,580,651.56	51,886,807.24
Total current assets	92,138,560.24	312,646,993.49
Non-current assets:		
Debt investments		
Other debt investments	375,653,749.58	63,517,795.43
Long-term receivables		
Long-term equity investments	808,086,675.38	798,702,607.61
Other equity instrument investments		
Other non-current financial assets		
Investment properties	514,855,019.83	530,187,087.36
Fixed assets	11,608,977.55	13,330,517.88
Construction in progress	1,986,361.94	1,986,361.94
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	72,189,070.86	81,973,406.34
Intangible assets	1,388,001.07	2,203,851.20
Including: data resources		
Development expenditure		
Including: data resources		

Goodwill		
Long-term deferred expenses	18,589,616.08	20,931,913.29
Deferred income tax assets		
Other non-current assets	19,429,987.73	26,969,339.66
Total non-current assets	1,823,787,460.02	1,539,802,880.71
Total assets	1,915,926,020.26	1,852,449,874.20
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	46,372,187.13	59,250,518.21
Advances from customers	511,330.64	1,118,873.69
Contract liabilities		
Employee compensation payable	35,385,505.68	30,927,714.69
Taxes payable	12,741,797.74	21,432,181.88
Other payables	71,087,817.06	120,275,555.64
Including: interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	9,188,883.17	8,212,093.33
Other current liabilities	685,494.59	1,609,232.42
Total current liabilities	175,973,016.01	242,826,169.86
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	71,397,113.71	80,617,189.54
Long-term payables		
Long-term employee compensation payable		
Provisions		
Deferred income		
Deferred income tax liabilities	5,459,612.17	7,188,936.09
Other non-current liabilities		
Total non-current liabilities	76,856,725.88	87,806,125.63
Total liabilities	252,829,741.89	330,632,295.49
Owners' equity:		
Share capital	431,058,320.00	431,058,320.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		

Capital reserves	428,256,131.23	428,256,131.23
Less: treasury shares		
Other comprehensive income	-7,632,462.90	-7,632,462.90
Special reserves		
Surplus reserves	92,661,110.16	74,222,656.99
Undistributed profits	718,753,179.88	595,912,933.39
Total owners' equity	1,663,096,278.37	1,521,817,578.71
Total liabilities and owner's equity	1,915,926,020.26	1,852,449,874.20

3. Consolidated income statement

Unit: RMB

Item	Year 2025	Year 2024
I. Total operating income	1,461,603,400.53	2,613,678,204.37
Including: operating revenue	1,461,603,400.53	2,613,678,204.37
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	1,305,050,163.50	2,473,190,056.25
Including: operating cost	1,212,036,648.67	2,376,764,300.06
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision for insurance contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	10,972,011.00	13,172,648.28
Selling expenses	15,669,036.29	22,232,680.89
Administrative expenses	58,791,177.35	51,362,592.45
R&D expenses	3,098,228.24	3,268,819.88
Financial expenses	4,483,061.95	6,389,014.69
Including: interest expenses	6,563,081.07	9,096,305.49
Interest income	2,571,339.77	2,984,792.54
Add: other income	2,309,127.32	6,597,836.15
Investment income (loss to be listed with "-")	17,211,942.15	19,470,482.47
Including: income from investment in associates and joint ventures	30,249,513.09	24,212,981.63
Income from derecognition of financial assets measured at amortized cost		

Exchange income (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-2,732,268.58	-10,567,743.62
Credit impairment loss (loss to be listed with "-")	-1,080,621.26	5,596,513.26
Asset impairment loss (loss to be listed with "-")	-84,463.30	
Income from assets disposal (loss to be listed with "-")	-7,087.09	-227.20
III. Operating profit (loss to be listed with "-")	172,169,866.27	161,585,009.18
Add: non-operating income	13,030,508.37	3,900,953.07
Less: non-operating expenses	10,137,861.33	2,195,959.84
IV. Total profit (total loss to be listed with "-")	175,062,513.31	163,290,002.41
Less: income tax expenses	33,562,806.50	24,258,270.37
V. Net profit (net loss to be listed with "-")	141,499,706.81	139,031,732.04
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with "-")	141,499,706.81	139,031,732.04
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by ownership		
1. Net profit attributable to the parent company's shareholders	142,865,677.77	136,629,870.80
2. Minority shareholders' profit and loss	-1,365,970.96	2,401,861.24
VI. Net after-tax amount of other comprehensive income		-287,488.25
Net after-tax amount of other comprehensive income attributable to the owner of the parent company		-287,488.25
(I) Other comprehensive income that cannot be reclassified into profit or loss		-287,488.25
1. Changes arising from remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		-287,488.25
4. Changes in the fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		

1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified and accrued into other comprehensive income		
4. Credit impairment provision of other debt investment		
5. Reserves for cash flow hedge		
6. Translation differences arising from the financial statements of foreign currency		
7. Others		
Net after-tax amount of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	141,499,706.81	138,744,243.79
Total comprehensive income attributable to the owner of the parent company	142,865,677.77	136,342,382.55
Total comprehensive income attributable to minority shareholders	-1,365,970.96	2,401,861.24
VIII. Earnings per share		
(I) Basic earnings per share	0.3314	0.3170
(II) Diluted earnings per share	0.3314	0.3170

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

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

4. Parent company's income statement

Unit: RMB

Item	Year 2025	Year 2024
I. Operating revenue	117,402,423.15	118,323,197.59
Less: operating cost	53,554,271.59	51,537,706.69
Taxes and surcharges	1,668,852.43	1,711,412.68
Selling expenses	1,294,836.49	3,339,658.26
Administrative expenses	45,160,833.87	42,011,001.83
R&D expenses		
Financial expenses	2,936,217.17	1,410,770.64
Including: interest expenses	3,075,790.53	2,904,506.30
Interest income	156,575.30	1,598,304.15
Add: other income	215,922.09	73,023.60
Investment income (loss to be listed with "-")	173,267,700.81	103,747,991.59
Including: income from investment in associates and joint ventures	29,384,067.77	23,580,345.63

Income from derecognition of financial assets measured at amortized cost (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Income from fair value changes (loss to be listed with "-")	-1,096,618.04	-12,693,036.25
Credit impairment loss (loss to be listed with "-")	-59,471.13	-305,769.74
Asset impairment loss (loss to be listed with "-")		
Income from assets disposal (loss to be listed with "-")	-32,362.39	
II. Operating profit (loss to be listed with "-")	185,082,582.94	109,134,856.69
Add: non-operating income	1,777,508.98	1,187,007.86
Less: non-operating expenses		788,792.71
III. Total profit (total loss to be listed with "-")	186,860,091.92	109,533,071.84
Less: income tax expenses	2,475,560.26	6,869,366.57
IV. Net profit (net loss to be listed with "-")	184,384,531.66	102,663,705.27
(I) Net profit from going concern (net loss to be listed with "-")	184,384,531.66	102,663,705.27
(II) Net profit from discontinued operations (net loss to be listed with "-")		
V. Net after-tax amount of other comprehensive income		-287,488.25
(I) Other comprehensive income that cannot be reclassified into profit or loss		-287,488.25
1. Changes arising from remeasurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		-287,488.25
4. Changes in the fair value of the Company's credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investments		
3. Financial assets reclassified and accrued into other comprehensive income		

4. Credit impairment provision of other debt investment		
5. Reserves for cash flow hedge		
6. Translation differences arising from the financial statements of foreign currency		
7. Others		
VI. Total comprehensive income	184,384,531.66	102,376,217.02
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	Year 2025	Year 2024
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of labor services	1,930,502,946.37	4,572,552,357.58
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received from receiving premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges, and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchase business funds		
Net amount of cash received from acting trading securities		
Refund of taxes received		13,271,889.24
Other cash received relating to operating activities	124,013,418.42	76,743,352.97
Subtotal of cash inflows from operating activities	2,054,516,364.79	4,662,567,599.79
Cash paid for the purchase of goods and receipt of services	1,457,946,198.61	4,066,869,141.07
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other financial institutions		
Cash paid for claims on original insurance contracts		

Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges, and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	52,052,045.52	50,261,809.42
Taxes and surcharges paid	74,306,269.36	75,339,841.21
Other cash paid relating to operating activities	142,457,953.42	79,807,994.24
Subtotal of cash outflows from operating activities	1,726,762,466.91	4,272,278,785.94
Net cash flows from operating activities	327,753,897.88	390,288,813.85
II. Cash flows from investing activities:		
Cash received from disposal of investments	929,974,150.16	820,139,644.49
Cash received from investment income	32,897,358.15	15,712,636.00
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	59,529.93	1,974.82
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		5,964,034.76
Subtotal of cash inflows from investing activities	962,931,038.24	841,818,290.07
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	23,923,091.80	34,257,817.98
Cash paid for investments	1,311,058,482.50	985,536,930.32
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities	10,561,808.00	14,659,543.80
Subtotal of cash outflows from investing activities	1,345,543,382.30	1,034,454,292.10
Net cash flows from investing activities	-382,612,344.06	-192,636,002.03
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Including: cash received by subsidiaries from absorbing investments of minority shareholders		
Cash received from borrowings	64,500,000.00	415,000,000.00
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	64,500,000.00	415,000,000.00
Cash paid for repayment of debts	173,500,000.00	440,000,000.00
Cash paid for distribution of dividends, profits, or interest repayment	45,344,739.19	19,419,827.42
Including: dividends and profits paid by subsidiaries to minority shareholders		
Cash paid relating to other financing activities	13,692,202.73	12,180,403.46

Subtotal of cash outflows from financing activities	232,536,941.92	471,600,230.88
Net cash flows from financing activities	-168,036,941.92	-56,600,230.88
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-222,895,388.10	141,052,580.94
Add: beginning balance of cash and cash equivalents	301,275,968.63	160,223,387.69
VI. Ending balance of cash and cash equivalents	78,380,580.53	301,275,968.63

6. Parent company's cash flow statement

Unit: RMB

Item	Year 2025	Year 2024
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of labor services	134,928,536.63	131,659,527.09
Refund of taxes received		
Other cash received relating to operating activities	21,034,856.33	110,406,614.70
Subtotal of cash inflows from operating activities	155,963,392.96	242,066,141.79
Cash paid for the purchase of goods and receipt of services	19,524,973.16	28,450,836.37
Cash paid to and for employees	35,628,808.05	32,839,148.01
Taxes and surcharges paid	18,038,709.57	9,851,486.55
Other cash paid relating to operating activities	62,714,011.72	144,407,205.44
Subtotal of cash outflows from operating activities	135,906,502.50	215,548,676.37
Net cash flows from operating activities	20,056,890.46	26,517,465.42
II. Cash flows from investing activities:		
Cash received from disposal of investments	362,474,150.16	492,856,726.33
Cash received from investment income	147,997,580.33	15,000,000.00
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets	3,325.01	
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities		47,180,211.11
Subtotal of cash inflows from investing activities	510,475,055.50	555,036,937.44
Cash paid to acquire fixed assets, intangible assets, and other long-term assets	18,841,201.56	22,657,919.30
Cash paid for investments	475,961,468.80	512,236,930.32
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		6,400,000.00
Subtotal of cash outflows from investing	494,802,670.36	541,294,849.62

activities		
Net cash flows from investing activities	15,672,385.14	13,742,087.82
III. Cash flows from financing activities:		
Cash received from absorbing investment		
Cash received from borrowings		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of debts		
Cash paid for distribution of dividends, profits, or interest repayment	43,105,832.00	13,408,159.80
Cash paid relating to other financing activities	12,247,590.86	10,474,541.74
Subtotal of cash outflows from financing activities	55,353,422.86	23,882,701.54
Net cash flows from financing activities	-55,353,422.86	-23,882,701.54
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-19,624,147.26	16,376,851.70
Add: beginning balance of cash and cash equivalents	25,182,064.77	8,805,213.07
VI. Ending balance of cash and cash equivalents	5,557,917.51	25,182,064.77

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: RMB

Item	Year 2025														
	Owners' equity attributable to the parent company													Minority shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Ending balance of the previous year	431,058,320.00				430,866,408.50		7,606,040.90		74,222,656.99		798,343,284.97		1,726,884,629.56	170,841,342.17	1,897,725,971.73
Add: changes in accounting policies															
Correction of prior errors															
Others															

II. Beginning balance of the current year	431,058,320.00				430,866,408.50		7,606,040.90		74,222,656.99		798,343,284.97		1,726,884,629.56	170,841,342.17	1,897,725,971.73
III. Increase/decrease in the current period (decrease to be listed with "-")									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) Capital invested and decreased by owners															
1. Ordinary shares contributed by the owner															
2. Capital contributed by the holders of other equity instruments															
3. Amounts of share-based payments included in owner's equity															
4. Others															
(III) Profit distributed									18,438,453.17		61,544,285.17		43,105,832.00		43,105,832.00

on															
1. Appropriation to surplus reserve								18,438,453.17			-	18,438,453.17			
2. Appropriation to general risk provision															
3. Distribution to owners (or shareholders)											-	43,105,832.00	-	43,105,832.00	-
4. Others															
(IV) Internal carryover of owners' equity															
1. Capital (or share capital) transferred from capital reserves															
2. Capital (or share capital) transferred from surplus reserves															
3. Surplus reserves to cover losses															
4. Retained earnings carried forward from changes in the defined															

g policies															
Correction of prior errors															
Others															
II. Beginning balance of the current year	431,058,320.00				430,866,408.50		7,318,552.65		63,956,286.46		685,342,592.62		1,603,905,054.93	127,166,863.09	1,731,071,918.02
III. Increase/decrease in the current period (decrease to be listed with "-")							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) Capital invested and decreased by owners															
1. Ordinary shares contributed by the owner															
2. Capital contributed by the holders of other equity instruments															
3. Amounts of share-based payments included															

balance of the previous year	0.00			1.23		7,632,462.90		99	3.39		78.71
Add: changes in accounting policies											
Correction of prior errors											
Others											
II. Beginning balance of the current year	431,058,320.00			428,256,131.23		7,632,462.90		74,222,656.99	595,912,933.39		1,521,817,578.71
III. Increase/decrease in the current period (decrease to be listed with "-")								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) Capital invested and decreased by owners											
1. Ordinary shares contributed by the owner											
2. Capital contributed by the holders of other equity instruments											
3. Amounts of share-based payments included in owner's equity											
4. Others											

(III) Profit distribution									18,438,453.17	61,544,285.17		43,105,832.00
1. Appropriation to surplus reserve									18,438,453.17	18,438,453.17		
2. Distribution to owners (or shareholders)											43,105,832.00	43,105,832.00
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital (or share capital) transferred from capital reserves												
2. Capital (or share capital) transferred from surplus reserves												
3. Surplus reserves to cover losses												
4. Retained earnings carried forward from changes in the defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												

1. Appropriation in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00				428,256,131.23		7,632,462.90		92,661,110.16	718,753,179.88		1,663,096,278.37

Amount in the previous period

Unit: RMB

Item	Year 2024											
	Share capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance of the previous year	431,058,320.00				428,256,131.23		7,344,974.65		63,956,286.46	516,878,406.57		1,432,804,169.61
Add: changes in accounting policies												
Correction of prior errors												
Others												
II. Beginning balance of the current year	431,058,320.00				428,256,131.23		7,344,974.65		63,956,286.46	516,878,406.57		1,432,804,169.61
III. Increase/decrease in the current period (decrease to be listed with "-")							-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) Capital invested and decreased by owners												
1. Ordinary shares contributed by the owner												
2. Capital contributed by the holders of other equity instruments												
3. Amounts of share-based payments included in owner's equity												
4. Others												
(III) Profit distribution								10,266,370.53	-	23,629,178.45		13,362,807.92
1. Appropriation to surplus reserve								10,266,370.53	-	10,266,370.53		
2. Distribution to owners (or shareholders)										13,362,807.92		13,362,807.92
3. Others												
(IV) Internal carryover of owners' equity												
1. Capital (or share capital) transferred from capital reserves												
2. Capital (or share capital) transferred												

from surplus reserves												
3. Surplus reserves to cover losses												
4. Retained earnings carried forward from changes in the defined benefit plan												
5. Retained earnings carried forward from other comprehensive income												
6. Others												
(V) Special reserves												
1. Appropriation in the current period												
2. Utilization in the current period												
(VI) Others												
IV. Ending balance of the current period	431,058,320.00			428,256,131.23		-7,632,462.90		74,222,656.99	595,912,933.39			1,521,817,578.71

III. Company Profile

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

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

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

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

According to the resolution of the 4th Extraordinary General Meeting of Shareholders of the Company in 2014, upon the approval from the *Reply to the Approval of Non-public Offering of Shares by Shenzhen Tellus Holding Co., Ltd. (ZJXK [2015] No. 173)* issued by the CSRC, the Company issued 77,000,000 ordinary A shares to Shenzhen Special Economic Zone Development Group Co., Ltd. and Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (Limited Partnership) in 2015. After the issuance, the registered capital was increased to RMB 297,281,600.00.

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

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

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

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

The financial statements and notes to the financial statements were approved by the Eighteenth Meeting of the Tenth Board of Directors of the Company on April 20, 2026.

IV. Preparation Basis of Financial Statements

1. Preparation basis

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

2. Going concern

The financial statements have been prepared on the going concern basis.

V. Significant Accounting Policies and Accounting Estimates

Notes to specific accounting policies and accounting estimates:

The Company has determined its criteria for depreciation of investment properties, depreciation of fixed assets, and revenue recognition policies based on its own production and operation characteristics. For specific accounting policies, please refer to Note V. 14, Note V. 15, Note V. 23 and Note V. 26.

1. Statement of compliance with the ASBE

The financial statements prepared by the Company met the requirements of the ASBE and truly and fully reflected the consolidated and Company's financial position as of December 31, 2025, and information such as consolidated and Company's financial performance and consolidated and Company's cash flow for the year then ended.

2. Accounting period

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

3. Business cycle

The business cycle of the Company is 12 months.

4. Recording currency

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

5. Method and basis for determination of materiality

Applicable Not applicable

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

6. Accounting treatment methods for business merger under common control and not under common control

(1) Business mergers under common control

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

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

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

(2) Business mergers not under common control

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

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

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

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

(3) Disposal of related handling charges for business mergers

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

7. Determination of control and preparation of consolidated financial statements

(1) Judgment standard for control

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

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

(2) Preparation of consolidated financial statements

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

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

For a subsidiary or business that increased due to a business merger not under common control during the reporting period, the revenue, expense, and profit of such subsidiary or business from the purchase date to the end of the reporting period shall be included in the consolidated income statement, and its cash flows shall be included in the consolidated cash flow statement.

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

(3) Acquisition of equity from minority shareholders of subsidiaries

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

(4) Disposal of the loss of control over subsidiaries

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

When the Company loses control over the original subsidiaries, other comprehensive income in connection with equity investment of the original subsidiaries shall be subject to accounting treatment using the same basis on

which the original subsidiaries directly dispose of relevant assets or liabilities, and other changes in owners' equity related to the original subsidiaries under the equity method shall be transferred into current profit or loss at the time of loss of control.

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

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

(1) Joint operations

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

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

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

(2) Joint ventures

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

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

9. Recognition criteria of cash and cash equivalents

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

10. Foreign currency transactions and translation of foreign currency statements

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

On the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rate on that date. Exchange differences arising from the difference between the spot exchange rate on the

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

11. Financial instruments

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

(1) Recognition and derecognition of financial instruments

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

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

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

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

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

(2) Classification and measurement of financial assets

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

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

Financial assets measured at amortized cost

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

- The business model of the Company to manage such financial assets is aimed at collecting contractual cash flows.
- The contract terms of the financial assets stipulate that cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount.

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

Financial assets measured at fair value through other comprehensive income

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

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

After the initial recognition, such financial assets are subsequently measured at fair value. Interest, impairment losses or gains, and exchange gains and losses calculated by the effective interest method are included in the current profit and loss, and other gains or losses are included in other comprehensive income. At derecognition, cumulative gains or losses previously included in other comprehensive income are transferred out from the other comprehensive income and charged to the current profit and loss.

Financial assets measured at fair value through profit or loss

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

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

However, for non-trading equity instrument investments, the Company irrevocably designates them as financial assets measured at fair value through other comprehensive income upon the initial recognition. Such designation shall be made on the basis of individual investment, and such investment must conform to the definition of equity instrument from the issuer's point of view.

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

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

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

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

(3) Classification and measurement of financial liabilities

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

Financial liabilities measured at fair value through profit or loss

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

Financial liabilities measured at amortized cost

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

Difference between financial liabilities and equity instruments

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

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

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

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

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

(4) Derivative financial instruments and embedded derivative instruments

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

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

(5) Fair value of financial instruments

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

(6) Impairment of financial assets

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

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

Measurement of expected credit loss

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

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

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

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

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

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

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

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

Notes receivable and accounts receivable

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

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

A. Notes receivable

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

B. Accounts receivable

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

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

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

Other receivables

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

- Other receivables portfolio 1: Aging portfolio

- Other receivables portfolio 2: Portfolio of deposits and security deposits receivable
- Other receivables portfolio 3: Portfolio of related party transactions within the consolidation scope

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

Debt investments and other debt investments

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

Assessment of significant increase in credit risk

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

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

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

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

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

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

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

Credit-impaired financial assets

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

- The issuer or debtor is caught in a serious financial difficulty;
- The debtor breaches the agreement of contract, such as default or overdue payment of interest or principal;
- The Company grants concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties, which would not be made under any other circumstances;
- There lies a great probability of bankruptcy or other financial restructuring for the debtor;
- The issuer or debtor is caught in financial difficulties, which leads to the disappearance of the active market of the financial asset.

Presentation of provision for expected credit loss

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

Write-off

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

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

(7) Transfer of financial assets

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

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

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

(8) Offset of financial assets and financial liabilities

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

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

12. Inventories

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

(1) Classification of inventories

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

(2) Valuation method for dispatched inventories

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

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

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

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

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

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

(4) Inventory system

The Company adopts the perpetual inventory system.

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

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

13. Long-term equity investments

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

(1) Recognition of initial investment cost

Long-term equity investment acquired through a business merger: For long-term equity investment acquired through a business merger under common control, the book value share of owner's equity obtained from the merged party in the consolidated financial statements of the ultimate controlling party shall be recognized as the investment cost on the date of merger; for long-term equity investment acquired through a business merger not under common control, the merger cost shall be recognized as the investment cost of long-term equity investment.

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

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

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

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

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

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

and losses that should be enjoyed is based on the fair value of the identifiable assets of the investee at the time of investment acquisition. The investee's net profit is then adjusted before recognition per the Company's accounting policies and the accounting period.

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

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

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

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

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

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

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

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

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

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

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

14. Investment properties

Measurement model of investment properties

Cost method

Depreciation or amortization method

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

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

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

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

15. Fixed assets

(1) Recognition conditions

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

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

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

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

(2) Depreciation method

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

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

16. Construction in progress

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

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

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

17. Borrowing costs

(1) Recognition principle for capitalization of borrowing costs

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

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

(2) Period of borrowing costs capitalization

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

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

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

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

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

18. Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Impairment of long-term assets

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

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

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

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

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

groups or portfolios of asset groups are asset groups or portfolios of asset groups that can benefit from synergies of a business combination and are not greater than the reportable segment of the Company.

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

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

20. Long-term deferred expenses

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

21. Employee compensation

(1) Accounting treatment for short-term compensation

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

(2) Accounting treatment for post-employment benefits

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

Defined contribution plan

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

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

Defined benefit plan

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

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

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

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

(3) Accounting treatment for termination benefits

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

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

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

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

22. Estimated liabilities

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

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

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

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

23. Revenue

Accounting policies of revenue disclosure recognition and measurement by business types

(1) General principles

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

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

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

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

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

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

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

(2) Specific methods

Property leasing and services

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

Sales and services of gold and jewelry

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

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

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

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

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

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

24. Government subsidies

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

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

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

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

subsidies. For the government subsidies that are difficult to differentiate, the government subsidies as a whole are regarded as revenue-related government subsidies.

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

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

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

25. Deferred income tax assets/deferred income tax liabilities

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

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

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

- (1) The initial recognition of goodwill or the initial recognition of assets or liabilities incurred in a transaction with the following features: The transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);
- (2) For taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, the time of reversal of the temporary difference can be controlled and, likely, the temporary difference will not be reversed in the foreseeable future.

For deductible temporary differences as well as the deductible losses and tax deductions that can be carried forward to the next year, except for the deductible temporary differences incurred in following transactions, the

Company recognizes the deferred income tax assets to the extent that it is likely that future taxable income will be available for deducting the deductible temporary differences, deductible losses, and tax deductions:

- (1) The transaction should not be a business merger and does not impact accounting profit or taxable income at the time of the transaction (except for individual transactions with equal taxable temporary differences and deductible temporary differences resulting from the initial recognition of assets and liabilities);
- (2) For deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, if the following conditions are satisfied at the same time, corresponding deferred income tax assets are recognized: The temporary difference will likely be reversed in the foreseeable future and taxable income will likely be available in the future for deducting the deductible temporary differences.

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

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

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

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

26. Lease

(1) Accounting treatment method for lease as the lessee

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

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

provided by the lessee. The interest expenses of the lease liabilities within each lease term shall be calculated subsequently according to the fixed periodic rate and included in the current profit or loss. The variable lease payment that is not included in the measurement of lease liabilities is included in the current profit or loss when it occurs.

Short-term lease

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

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

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

Low-value asset lease

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

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

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

Lease change

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

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

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

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

(2) Accounting treatment method for lease as the lessor

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

Financial lease

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

The derecognition and impairment of finance lease receivables shall be subject to accounting treatment according to the *Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments* and the *Accounting Standards for Business Enterprises No. 23—Transfer of Financial Assets*.

Operating leasing

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

Lease change

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

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

If the change of finance lease is not accounted for as a separate lease, the Company shall deal with the changed lease based on the following circumstances: ① If the change takes effect on the commencement date of the lease and the lease is classified as an operating lease, the Company shall take it as a new lease for the accounting treatment from the effective date of lease change and take the net lease investment made before the effective date of the lease change as the book value of the leased asset; ② If the change takes effect on the commencement date of the lease and the lease is classified as a finance lease, the Company shall carry out

accounting treatment according to the regulations on modifying or renegotiating contracts described in *Accounting Standards for Enterprises No. 22 — Recognition and Measurement of Financial Instruments*.

27. Other significant accounting policies and accounting estimates

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

Classification of financial assets

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

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

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

Measurement of expected credit loss of accounts receivable

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

Deferred income tax assets

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

Determination of the fair value of unlisted equity investment

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

28. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Applicable Not applicable

(2) Changes in material accounting estimates

Applicable Not applicable

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

Applicable Not applicable

VI. Taxes

1. Main taxes and tax rates

Tax category	Tax basis	Tax rates
Value-added tax	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input tax of the current period)	13%, 9%, 5%, 6%, and 3%
Urban maintenance and construction tax	Actually paid turnover tax	7%
Corporate income tax	Taxable income	25%, 20%
Property tax	For ad valorem collection, 1.2% of the remaining value after 30% of the original value of the property is deducted by lump sum; for rent-based collection, 12% of the rent revenue	1.2%, 12%
Educational surcharges	Actually paid turnover tax	3%
Local education surcharges	Actually paid turnover tax	2%

Disclosure statement of taxable entities with different corporate income tax rates

Name of taxable entity	Income tax rate
Shenzhen Tellus Chuangying Technology Co., Ltd.	20%
Shenzhen Bao'an Shiquan Industry Co., Ltd.	20%
Shenzhen SDG Tellus Real Estate Co., Ltd.	20%
Shenzhen Automobile Industry Supply and Marketing Company	20%

Shanghai Fanyue Diamond Co., Ltd.	20%
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	20%
Other taxable entities other than the above	25%

2. Tax preference

① Corporate income tax

In accordance with the *Announcement on Tax Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses* (Announcement [2023] No. 12 of the Ministry of Finance and the State Taxation Administration), during the period from January 1, 2023 to December 31, 2027, the taxable income of small low-profit enterprises shall be calculated at a reduced rate of 25%, and corporate income tax shall be levied at a rate of 20%. The subsidiaries of the Company, including Tellus Chuangying, Bao'an Shiquan, Tellus Real Estate Company, Automobile Supply and Marketing Company, Shanghai Fanyue, and Huari Anxin, enjoy the above tax preferences.

② Value-added tax

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

③ Educational surcharge

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

VII. Notes to Items in Consolidated Financial Statements

1. Cash at bank and on hand

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	6,016.65	20,879.87
Cash at bank	45,536,363.87	280,040,887.67
Other cash at bank and on hand	103,686,776.33	97,909,592.15
Total	149,229,156.85	377,971,359.69

Other notes:

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

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

Unit: RMB

Item	Ending balance	Beginning balance
Security deposits and interest for notes payable	42,100,334.71	33,113,263.10
Futures and options account margin	28,748,241.60	22,848,540.40
Gold leasing security deposits and interests	0.01	20,069,638.91
Judicially frozen amount		663,948.65
Total	70,848,576.32	76,695,391.06

2. Held-for-trading financial assets

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	117,410,631.65	165,630,834.06
Including:		
Structured deposits and finance products	117,410,631.65	165,630,834.06
Including:		
Total	117,410,631.65	165,630,834.06

3. Derivative financial assets

Unit: RMB

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

4. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	60,980,767.02	44,225,898.09
1–2 years	1,820,579.18	2,520,681.03
2–3 years	22,959.70	508,387.31
Over 3 years	48,875,942.93	48,781,485.16
3–4 years	508,387.31	
More than 5 years	48,367,555.62	48,781,485.16
Total	111,700,248.83	96,036,451.59

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts on a single basis	49,796,666.52	44.58%	49,570,436.52	99.55%	226,230.00	48,781,485.16	50.79%	48,781,485.16	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by combination	61,903,582.31	55.42%	1,119,920.52	1.81%	60,783,661.79	47,254,966.43	49.21%	690,899.29	1.46%	46,564,067.14
Including:										
Including: leasing and other portfolios	20,689,280.75	18.53%	707,286.49	3.42%	19,981,994.26	35,498,139.36	36.96%	573,331.02	1.62%	34,924,808.34
Jewelry sales business portfolio	41,214,301.56	36.89%	412,634.03	1.00%	40,801,667.53	11,756,827.07	12.24%	117,568.27	1.00%	11,639,258.80
Total	111,700,248.83	100.00%	50,690,357.04	45.38%	61,009,891.79	96,036,451.59	100.00%	49,472,384.45	51.51%	46,564,067.14

Provision for bad debts made on an individual basis:

Unit: RMB

Name	Beginning balance	Ending balance
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	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00	9,846,607.00	9,846,607.00	9,846,607.00	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44	4,060,329.44	4,060,329.44	4,060,329.44	100.00%	Long account receivable age, and expected to be unrecoverable
Wang Changlong	2,370,760.40	2,370,760.40	2,370,760.40	2,370,760.40	100.00%	Long account receivable age, and expected to be unrecoverable
Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.	2,021,657.70	2,021,657.70	2,021,657.70	2,021,657.70	100.00%	Long account receivable age, and expected to be unrecoverable
Guangdong GW Holdings Group Co., Ltd.	1,862,000.00	1,862,000.00	1,862,000.00	1,862,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Jiangling Motors Factory	1,191,059.98	1,191,059.98	1,191,059.98	1,191,059.98	100.00%	Long account receivable age, and expected to be unrecoverable
Yangjiang Automobile Trading Co., Ltd.	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	100.00%	Long account receivable age, and expected to be unrecoverable
Others	26,279,070.64	26,279,070.64	27,294,252.00	27,068,022.00	99.17%	Long account receivable age, and expected to be unrecoverable
Total	48,781,485.16	48,781,485.16	49,796,666.52	49,570,436.52		

Provision for bad debts drawn by portfolio: leasing and other portfolios

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Within 1 year	19,296,399.10	192,183.10	1.00%
1–2 years	861,534.64	40,995.07	4.76%
2–3 years	22,959.70	4,591.94	20.00%
Over 3 years	508,387.31	469,516.38	92.35%
Total	20,689,280.75	707,286.49	

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

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Within 1 year	41,214,301.56	412,634.03	1.00%
Total	41,214,301.56	412,634.03	

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

 Applicable Not applicable

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2025	690,899.29		48,781,485.16	49,472,384.45
Balance as of January 1, 2025 in the current period				
Provision in the current period	429,021.23		1,229,034.62	1,658,055.85
Cancellation in the current period			484,803.08	484,803.08
Other changes			44,719.82	44,719.82
Balance as of December 31, 2025	1,119,920.52		49,570,436.52	50,690,357.04

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	49,472,384.45	1,658,055.85		484,803.08	44,719.82	50,690,357.04
Total	49,472,384.45	1,658,055.85		484,803.08	44,719.82	50,690,357.04

(4) Accounts receivable that have been written off in the current period

Unit: RMB

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

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

Unit: RMB

Name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contract assets
Henan Post and Telecommunications Technology Co., Ltd.	38,820,869.35		38,820,869.35	34.75%	388,208.69
Shenzhen Jinlu Industry & Trade Co., Ltd.	9,846,607.00		9,846,607.00	8.82%	9,846,607.00
Guangdong Zhanjiang Samsung Automobile Co., Ltd.	4,060,329.44		4,060,329.44	3.64%	4,060,345.95
Wang Changlong	2,370,760.40		2,370,760.40	2.12%	2,370,760.40
Huizhou Jiandacheng Road and Bridge Engineering Co., Ltd.	2,021,657.70		2,021,657.70	1.81%	2,021,657.70
Total	57,120,223.89		57,120,223.89	51.14%	18,687,579.74

5. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	49,405,335.51	8,081,783.33
Total	49,405,335.51	8,081,783.33

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

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

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

Unit: RMB

Project (or the investee)	Ending original value	Aging	Reason for non-recovery	Impairment and judgment basis
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	3-4 years	Not paid yet	The company has huge losses in its financial positions and operating

				conditions, and the dividends receivable may not be recovered, so full impairment is accrued.
Total	1,305,581.86			

3) Disclosure by bad debt accrual method

Applicable Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual basis	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	
Including:										
Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	

Provision for bad debts made on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86	100.00%	The company's financial position is poor
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

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

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2025			1,305,581.86	1,305,581.86
Balance as of January 1, 2025 in the current period				

Balance as of December 31, 2025			1,305,581.86	1,305,581.86
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Division basis and proportion of provision for bad debts at each stage

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

Applicable Not applicable

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

Unit: RMB

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

(2) Other receivables

1) Classification of other receivables by nature

Unit: RMB

Nature of payment	Ending book balance	Beginning book balance
Temporary payments receivable	3,943,137.76	6,258,271.82
Deposits and security deposits	44,330,855.20	3,195,494.08
Transaction payments	44,852,837.54	47,147,781.27
Others	2,204,885.19	3,682,040.79
Total	95,331,715.69	60,283,587.96

2) Disclosure by account receivable age

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	43,709,850.02	5,141,214.58
1-2 years	564,912.09	3,209,073.66
2-3 years	1,880,850.65	916,546.35
Over 3 years	49,176,102.93	51,016,753.37
More than 5 years	49,176,102.93	51,016,753.37
Total	95,331,715.69	60,283,587.96

3) Disclosure by bad debt accrual method

Applicable Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	

				of provision					of provision	
Provision for bad debts made on an individual basis	47,692,538.49	50.03%	44,602,320.67	93.52%	3,090,217.82	53,819,547.79	89.28%	51,612,683.54	95.90%	2,206,864.25
Including:										
Provision for bad debts made on a portfolio basis	47,639,177.20	49.97%	1,324,059.51	2.78%	46,315,117.69	6,464,040.17	10.72%	589,121.09	9.11%	5,874,919.08
Including:										
Aging portfolio	3,308,322.00	3.47%	202,948.89	6.13%	3,105,373.11	3,268,546.09	5.42%	230,887.66	7.06%	3,037,658.43
Portfolio of deposit and security deposit receivable	44,330,855.20	46.50%	1,121,110.62	2.53%	43,209,744.58	3,195,494.08	5.30%	358,233.43	11.21%	2,837,260.65
Total	95,331,715.69	100.00%	45,926,380.18	48.18%	49,405,335.51	60,283,587.96	100.00%	52,201,804.63	86.59%	8,081,783.33

Provision for bad debts made on a portfolio basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Aging portfolio	3,308,322.00	202,948.89	6.13%
Portfolio of deposit and security deposit receivable	44,330,855.20	1,121,110.62	2.53%
Total	47,639,177.20	1,324,059.51	

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

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2025	589,121.09		51,612,683.54	52,201,804.63
Balance as of January 1, 2025 in the current period				
Provision in the current period	831,129.13		50,494.49	881,623.62
Reversal in the current period	96,190.71		1,205,470.99	1,301,661.70
Cancellation in the			5,306,106.09	5,306,106.09

current period				
Other changes			-549,280.28	-549,280.28
Balance as of December 31, 2025	1,324,059.51		44,602,320.67	45,926,380.18

Division basis and proportion of provision for bad debts at each stage

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

Applicable Not applicable

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for bad debts	52,201,804.63	881,623.62	1,301,661.70	5,306,106.09	-549,280.28	45,926,380.18
Total	52,201,804.63	881,623.62	1,301,661.70	5,306,106.09	-549,280.28	45,926,380.18

5) Other receivables actually written off in the current period

Unit: RMB

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

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

Unit: RMB

Name	Nature	Ending balance	Aging	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
Guojin Gold Co., Ltd.	Guarantees	21,830,000.00	Within 1 year	22.90%	155,871.90
Shenzhen ZHL Industrial Co., Ltd.	Guarantees	18,731,980.00	Within 1 year	19.65%	187,319.80
Shenzhen China Automobile South China Automobile Sales Co., Ltd.	Transaction payments	9,832,956.37	Over 3 years	10.31%	9,832,956.37
Shenzhen Nanfang Industry and Trade Industrial Co., Ltd.	Transaction payments	7,359,060.75	Over 3 years	7.72%	7,359,060.75
Shenzhen Zhonghao (Group) Co., Ltd.	Transaction payments	5,000,000.00	Over 3 years	5.24%	5,000,000.00
Total		62,753,997.12		65.82%	22,535,208.82

6. Advances to suppliers

(1) Advances to suppliers listed by account receivable age

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	831,960.48	98.73%	795,544.97	99.77%
1–2 years	9,000.00	1.07%	261.00	0.03%
2–3 years	61.00	0.01%		
Over 3 years	1,603.94	0.19%	1,603.94	0.20%
Total	842,625.42		797,409.91	

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

None.

(2) Advances to suppliers with the top five ending balances collected as per the object

Unit: RMB

Name	Ending balance	Proportion to the ending balance of advances to suppliers Proportion in total %
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	133,260.81	15.81
Shenzhen Branch of Guoren Property and Casualty Insurance Co., Ltd.	133,186.80	15.81
China Telecom Corporation Limited Shenzhen Branch	111,101.00	13.19
Shuhong Culture Media (Shanghai) Co., Ltd.	72,427.13	8.60
Hangzhou Alimama Software Service Co., Ltd.	70,338.45	8.35
Total	520,314.19	61.76

7. Inventories

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

No

(1) Inventory classification

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance	Book value	Book balance	Provision for decline in the value of inventories or impairment provisions of contract performance	Book value

		cost			cost	
Raw materials	146,932.23		146,932.23	8,281,211.63		8,281,211.63
Goods in stock	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
Goods sold on a commission basis				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

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

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

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Others	Reversal or write-off	Others	
Goods in stock	29,094,882.38	84,463.30		181,347.54		28,997,998.14
Total	29,094,882.38	84,463.30		181,347.54		28,997,998.14

8. Non-current assets due within one year

Unit: RMB

Item	Ending balance	Beginning balance
Large-denomination certificates of deposit, time deposits, and interest due within one year	87,268,498.36	91,587,627.94
Total	87,268,498.36	91,587,627.94

(1) Debt investment due within one year

Applicable Not applicable

(2) Other debt investments due within one year

Applicable Not applicable

9. Other current assets

Unit: RMB

Item	Ending balance	Beginning balance
Input tax to be deducted	9,482,963.33	25,711,444.95
Taxes pre-paid	7,696,873.59	167,748.29
Large-denomination certificates of deposit, time deposits, and interest	1,746,738.90	54,969,057.53
Unamortized expenses		313,322.22
Advances for agency business	385,725.01	15,582,254.39
Total	19,312,300.83	96,743,827.38

10. Other debt investments

(1) Information on other debt investments

Unit: RMB

Item	Beginning balance	Accrued interest	Interest adjustment	Changes in fair value in the current period	Ending balance	Costs	Accumulated changes in fair value	Accumulated impairment provision recognized in other comprehensive income	Remarks
Transferable large-sum certificate of deposit	84,724,128.76				573,849,427.40				
Total	84,724,128.76				573,849,427.40				

11. Other equity instrument investments

Unit: RMB

Item	Ending balance	Beginning balance	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Gains accumulated into other comprehensive income at the end of the current period	Losses accumulated into other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reasons for being measured at designated fair value through other comprehensive income
Investment in unlisted equity instruments	0.00	0.00				10,176,617.20		
Total						10,176,617.20		

12. Long-term receivables

(1) Long-term receivables

Unit: RMB

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

(2) Disclosure by bad debt accrual method

Unit: RMB

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

13. Long-term equity investments

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Investment profit or loss recognized by equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared to be distributed	Provision for impairment	Others		
I. Joint venture												
Shenzhen Tellus-Gmond Investment Co., Ltd.	56,216,004.26				26,111,495.42				20,000,000.00			62,327,499.68
Shenzhen Telixing Investment Co., Ltd.	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
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	15,188,925.57				2,431,128.33							17,620,053.90
Shenzhen Tellus Automobile Service Chain Co., Ltd.												
Shenzhen Yongtong Xinda												

Testing Equipment Co., Ltd.												
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00										3,225,000.00
China Automotive Industry Shenzhen Trading Co., Ltd.		400,000.00										400,000.00
Shenzhen Universal Standard Parts Co., Ltd.		500,000.00										500,000.00
Shenzhen China Automobile South China Automobile Sales Co., Ltd.		2,250,000.00										2,250,000.00
Shenzhen Bailiyuan Power Supply Co., Ltd.		1,320,000.00										1,320,000.00
Shenzhen Yimin Auto Trading Co., Ltd.		200,001.10										200,001.10
Shenzhen Torch Spark Plug Industry Co., Ltd.		17,849.20			865,445.32		865,445.32					17,849.20
Shenzhen Tellus Xinyongton g Automobile Service Co., Ltd.		420,000.00										420,000.00
Hunan Changyang Industrial Co., Ltd.		1,810,540.70									-	1,810,540.70
Shenzhen Xiandao New Materials Co., Ltd.		4,751,621.62										4,751,621.62
Shenzhen		1,956,000.00										-

Hanli High Tech Ceramics Co., Ltd.		0							1,956,000.00			
Shenzhen Nanfang Automobile Repair Center		6,700,000.00										6,700,000.00
Subtotal	15,188,925.57	23,551,012.62	0.00	0.00	3,296,573.65	0.00	0.00	865,445.32	8,518,162.32	-	17,620,053.90	15,032,850.30
Total	85,091,833.20	23,551,012.62			30,249,513.09			20,865,445.32	8,518,162.32	-	94,475,900.97	15,032,850.30

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

Applicable Not applicable

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

Applicable Not applicable

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

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

14. Investment properties

(1) Investment properties measured at cost

Applicable Not applicable

Unit: RMB

Item	Premises and buildings	Land use right	Construction in progress	Total
I. Original book value				
1. Beginning balance	1,282,555,873.48	95,667,082.86		1,378,222,956.34
2. Amount increased in the current period				
(1) Outsourcing				
(2) Transfer from inventory/fixed assets/construction in progress				
(3) Increase from business merger				
3. Amount decreased in the current period				

(1) Disposal				
(2) Other transfer-out				
4. Ending balance	1,282,555,873.48	95,667,082.86		1,378,222,956.34
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	270,001,900.22	8,448,923.02		278,450,823.24
2. Amount increased in the current period	43,745,919.41	2,119,130.04		45,865,049.45
(1) Provision or amortization	43,745,919.41	2,119,130.04		45,865,049.45
3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	313,747,819.63	10,568,053.06		324,315,872.69
III. Impairment provision				
1. Beginning balance				
2. Amount increased in the current period				
(1) Provision				
3. Amount decreased in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance				
IV. Book value				
1. Ending book value	968,808,053.85	85,099,029.80		1,053,907,083.65
2. Beginning book value	1,012,553,973.26	87,218,159.84		1,099,772,133.10

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

Applicable Not applicable

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

Applicable Not applicable

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

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

(2) Investment properties measured at fair value

Applicable Not applicable

(3) Investment properties without property certificates

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Shops in Building 12, Sungang	8,524.38	The property ownership certificate has not been handled due to historical reasons.
CNNC office building	3,493,294.17	The property ownership certificate has not been handled due to historical reasons.
Building 12, Sungang	2,653.97	The property ownership certificate has not been handled due to historical reasons.
Total	3,504,472.52	

Other notes:

15. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	61,870,381.34	70,699,928.84
Disposal of fixed assets		63,754.41
Total	61,870,381.34	70,763,683.25

(1) Fixed assets

Unit: RMB

Item	Premises and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Fixed asset decoration	Office and other equipment	Total
I. Original book value:							
1. Beginning balance	218,469,493.35	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. Amount increased in				854,883.44		157,643.41	1,012,526.85

the current period							
(1) Purchase				854,883.44		157,643.41	1,012,526.85
(2) Transferred from construction in progress							
(3) Increase from business merger							
3. Amount decreased in the current period		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. Ending balance	218,469,493.35	14,781,757.37	2,404,620.80	8,329,353.28	427,835.53	6,779,289.81	251,192,350.14
II. Accumulated depreciation							
1. Beginning balance	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. Amount increased in the current period	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. Amount decreased in the current period		5,397,159.10	746,730.22	955,884.74	860,076.33	600,008.22	8,559,858.61
(1) Disposal or scrapping		5,397,159.10	746,730.22	955,884.74	860,076.33	600,008.22	8,559,858.61
4. Ending balance	161,846,098.11	7,994,120.37	1,969,805.30	7,031,314.81	243,866.14	6,116,451.97	185,201,656.70

III. Impairment provision							
1. Beginning balance	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. Amount increased in the current period							
(1) Provision							
3. Amount decreased in the current period		1,250,883.99	51,653.36	175,666.13	281,382.73	151,305.76	1,910,891.97
(1) Disposal or scrapping		1,250,883.99	51,653.36	175,666.13	281,382.73	151,305.76	1,910,891.97
4. Ending balance	3,555,385.70	149,266.10	10,331.46	212,268.92	183,969.39	9,090.53	4,120,312.10
IV. Book value							
1. Ending book value	53,068,009.54	6,638,370.90	424,484.04	1,085,769.55		653,747.31	61,870,381.34
2. Beginning book value	59,506,222.81	7,572,772.64	490,851.12	1,276,110.48		1,853,971.79	70,699,928.84

(2) Fixed assets leased out by operating lease

Unit: RMB

Item	Ending book value
Premises and buildings	45,648,811.88

(3) Fixed assets without property certificates

Unit: RMB

Item	Book value	Reasons for failure to obtain the property certificate
Yongtong Building	16,694,176.87	The property ownership certificate has not been handled due to historical reasons.
Automobile Building	18,170,392.84	The property ownership certificate has not been handled due to historical reasons.

Parking lot of Tellus Building	6,424,227.08	The property ownership certificate of the parking lot cannot be handled.
3-5F, Plants 1#, 2# and 3#, Taoyuan Road	2,243,115.04	The property ownership certificate has not been handled due to historical reasons.
Transfer floor(s) of Tellus Building	978,779.24	Unable to apply for a property ownership certificate
No.16 Apartment of Taohuayuan	761,853.54	The property ownership certificate has not been handled due to historical reasons.
Warehouse	47,658.93	The property ownership certificate has not been handled due to historical reasons.
1F, Bao'an Commercial and Residential Building	544,798.04	The property ownership certificate has not been handled due to historical reasons.
Shuibe Zhongtian Building	433,404.22	The property ownership certificate has not been handled due to historical reasons.
Warehouse of the Trade Department	34,483.33	The property ownership certificate has not been handled due to historical reasons.
Shops, Plants No. 5-7, Buxin	14,317.22	The property ownership certificate has not been handled due to historical reasons.
Songquan Apartment (mixed)	10,086.79	The property ownership certificate has not been handled due to historical reasons.
Buxin Generator Room	5,994.58	The property ownership certificate has not been handled due to historical reasons.
Guest House on Renmin North Road	5,902.41	The property ownership certificate has not been handled due to historical reasons.
Total	46,369,190.13	

(4) Impairment test of fixed assets

Applicable Not applicable

(5) Disposal of fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets to be disposed of		63,754.41
Total		63,754.41

16. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	5,111,882.70	3,332,141.19
Total	5,111,882.70	3,332,141.19

(1) Construction in progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Other works	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

(2) Impairment test of construction in progress
 Applicable Not applicable
17. Right-of-use assets**(1) Right-of-use assets**

Unit: RMB

Item	Premises and buildings	Total
I. Original book value		
1. Beginning balance	96,383,601.17	96,383,601.17
2. Amount increased in the current period	3,845,893.75	3,845,893.75
(1) Rent	3,845,893.75	3,845,893.75
3. Amount decreased in the current period		
4. Ending balance	100,229,494.92	100,229,494.92
II. Accumulated depreciation		
1. Beginning balance	17,825,595.67	17,825,595.67
2. Amount increased in the current period	4,483,068.69	4,483,068.69
(1) Provision	4,483,068.69	4,483,068.69
3. Amount decreased in the current period		
(1) Disposal		
4. Ending balance	22,308,664.36	22,308,664.36
III. Impairment provision		
1. Beginning balance		
2. Amount increased in the current period		
(1) Provision		
3. Amount decreased in the current period		

(1) Disposal		
4. Ending balance		
IV. Book value		
1. Ending book value	77,920,830.56	77,920,830.56
2. Beginning book value	78,558,005.50	78,558,005.50

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

Applicable Not applicable

18. Intangible assets**(1) Intangible assets**

Unit: RMB

Item	Land use right	Patent right	Non-patented technology	Trademark	Computer software	Total
I. Original book value						
1. Beginning balance	1,967,851.00			128,500.00	7,789,468.20	9,885,819.20
2. Amount increased 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
(2) Internal R&D						
(3) Increase from business merger						
3. Amount decreased in the current period					564,999.80	564,999.80
(1) Disposal					564,999.80	564,999.80
4. Ending balance	1,967,851.00			128,504.50	8,400,756.96	10,497,112.46
II. Accumulated amortization						
1. Beginning balance	906,247.54			114,780.56	5,088,956.65	6,109,984.75

2. Amount increased in the current period	103,571.04			2,720.28	1,256,407.30	1,362,698.62
(1) Provision	103,571.04			2,720.28	1,256,407.30	1,362,698.62
3. Amount decreased in the current period					38,000.00	38,000.00
(1) Disposal					38,000.00	38,000.00
4. Ending balance	1,009,818.58			117,500.84	6,307,363.95	7,434,683.37
III. Impairment provision						
1. Beginning balance						
2. Amount increased in the current period						
(1) Provision						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	958,032.42			11,003.66	2,093,393.01	3,062,429.09
2. Beginning book value	1,061,603.46			13,719.44	2,700,511.55	3,775,834.45

(2) Data resources recognized as intangible assets

Applicable Not applicable

(3) Impairment test of intangible assets

Applicable Not applicable

19. Long-term deferred expenses

Unit: RMB

Item	Beginning balance	Increase in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Decoration engineering	47,932,696.85	1,218,945.30	15,091,948.28		34,059,693.87
Informationization system service fee	29,926.36		17,955.84		11,970.52
Renovation project	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 income tax assets / deferred income tax liabilities**(1) Deferred income tax assets not offset**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for credit impairment	31,815,588.17	7,953,897.05	34,988,635.30	8,747,158.83
Deferred income	425,538.76	106,384.69	556,473.76	139,118.44
Changes in the fair value of held-for-trading financial assets	2,097,247.32	524,311.83	398,515.24	99,628.81
Changes in the fair value of other equity instrument investments	10,176,617.20	2,544,154.30	10,176,617.20	2,544,154.30
Lease liabilities	72,854,846.05	18,213,711.52	84,443,765.66	21,110,941.41
Total	117,369,837.50	29,342,459.39	130,564,007.16	32,641,001.79

(2) Deferred income tax liabilities not offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Accelerated depreciation of fixed assets	74,739.40	18,684.85	126,577.00	31,644.25
Time difference of income tax due to allocation of rent-free period income	6,766,850.96	1,691,712.74	17,094,258.40	4,273,564.60
Assets evaluation appreciation in the business merger not under common control	101,085,408.59	25,271,348.28	114,326,295.47	28,581,570.00
Right-of-use assets	64,466,081.10	16,116,520.28	77,731,810.56	19,432,952.64
Total	172,393,080.05	43,098,266.15	209,278,941.43	52,319,731.49

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

Unit: RMB

Item	Amount of offsetting of deferred income tax assets against liabilities at the end of the period	Ending balance of deferred income tax assets or liabilities after offset	Amount of offsetting of deferred income tax assets against liabilities at the beginning of the period	Beginning balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	22,942,743.95	6,399,715.44	27,144,223.01	5,496,778.78
Deferred income tax liabilities	22,942,743.95	20,155,522.20	27,144,223.01	25,175,508.48

(4) Breakdown of unrecognized deferred income tax assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	125,029,644.86	149,654,149.86
Deductible loss	36,370,445.85	45,273,526.35
Total	161,400,090.71	194,927,676.21

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

Unit: RMB

Year	Ending amount	Beginning amount	Remarks
2025		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

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Amortization of bundled construction works for the Tellus Gimeng Gold Jewelry Industry Park Upgrading and Renovation Project	46,760,375.52		46,760,375.52	47,062,569.00		47,062,569.00

Reclassification of VAT debit balance				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
Prepaid software payment	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

Other notes:

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

Unit: RMB

Item	Ending				Beginning			
	Book balance	Book value	Restriction type	Restriction	Book balance	Book value	Restriction type	Restriction
Cash at bank and on hand	70,848,576.32	70,848,576.32	Guarantees, etc.	Security deposits for notes payable, futures margin, etc.	76,695,391.06	76,695,391.06	Guarantees, etc.	Security deposits for notes payable, futures margin, etc.
Total	70,848,576.32	70,848,576.32			76,695,391.06	76,695,391.06		

23. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Item	Ending balance	Beginning balance
Credit borrowings	11,002,344.41	120,101,444.43
Total	11,002,344.41	120,101,444.43

24. Trading financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Held-for-trading financial liabilities	0.00	0.00

25. Derivative financial liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Derivative financial liabilities with designated hedging relationship	2,702,318.10	46,660.00
Total	2,702,318.10	46,660.00

26. Notes payable

Unit: RMB

Category	Ending balance	Beginning balance
Bank acceptance bill	180,000,000.00	110,000,000.00
Total	180,000,000.00	110,000,000.00

27. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Ending balance	Beginning balance
Purchase payment for goods and services	14,666,732.29	7,874,360.75
Payment for engineering equipment	94,686,651.76	117,681,332.38
Total	109,353,384.05	125,555,693.13

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

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
China Construction First Group Corporation Limited	40,930,678.45	Provisional estimates for unsettled projects
Shenzhen Yinglong Jian'an (Group) Co., Ltd.	28,298,954.80	Project(s) unsettled
Shenzhen Yinuo Construction Engineering Co., Ltd.	3,555,095.22	Project(s) unsettled
Shenzhen Shuibei Yihao Investment Development Co., Ltd.	1,120,000.00	Project(s) unsettled
Total	73,904,728.47	

(3) Whether there are any overdue payments to SMEs

Whether it is a large enterprise

 Yes No

28. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Other payables	139,483,702.52	126,312,280.55
Total	139,483,702.52	126,312,280.55

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

Unit: RMB

Item	Ending balance	Beginning balance
Guarantee and security deposits	81,230,478.40	73,630,322.35
Associated intercourse funds	5,317,052.99	7,845,985.83
Withdrawal in advance	23,774,224.22	14,104,886.38
Temporary receipts payable	29,161,946.91	30,731,085.99
Total	139,483,702.52	126,312,280.55

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

Unit: RMB

Item	Ending balance	Reasons for not repaying or carrying forward
Hongkong Yujia Investment Limited	2,255,339.58	Outstanding by related companies
Shenzhen Fuluxin Jewelry Co., Ltd.	1,441,083.45	Guarantees not yet due
Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	Outstanding by related companies
Total	4,792,165.53	

29. Advances from customers**(1) Presentation of advances from customers**

Unit: RMB

Item	Ending balance	Beginning balance
Rent	8,222,394.47	9,469,503.75
Total	8,222,394.47	9,469,503.75

30. Contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Goods fees receivable in advance	3,074,162.93	2,404,815.58
Services fees receivable in advance	529,987.77	1,604,689.01
Total	3,604,150.70	4,009,504.59

31. Employee compensation payable**(1) Presentation of employee compensation payable**

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	36,774,351.19	51,423,146.98	45,977,015.48	42,220,482.69

II. Post-employment benefits - defined contribution plan	29,272.75	5,215,156.31	5,244,429.06	0.00
III. Termination benefits	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

(2) Presentation of short-term compensation

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Wages, bonuses, allowances, and subsidies	36,144,993.25	43,140,939.14	37,883,066.08	41,402,866.31
2. Employee benefits	518,171.62	1,600,566.28	1,454,761.35	663,976.55
3. Social insurance premiums	10,591.21	1,769,591.04	1,780,182.25	
Including: medical insurance premiums	8,898.48	1,465,874.42	1,474,772.90	
Work-related injury insurance premium	764.39	150,111.39	150,875.78	
Maternity insurance premiums	928.34	153,605.23	154,533.57	
4. Housing provident fund	1,012.80	3,659,509.09	3,660,521.89	
5. Labor 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

(3) Presentation of the defined contribution plan

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	27,743.97	4,966,302.21	4,994,046.18	
2. Unemployment insurance premium	1,528.78	248,854.10	250,382.88	
Total	29,272.75	5,215,156.31	5,244,429.06	0.00

32. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance
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Value-added tax	3,954,478.65	5,266,527.71
Consumption tax	4,864.11	964.82
Corporate income tax	6,383,663.90	11,454,335.79
Individual income tax	692,986.33	1,297,785.08
Urban maintenance and construction tax	249,005.10	105,007.68
Educational surcharges	177,860.76	74,959.48
Land use tax	26,460.00	26,460.00
Land VAT	17,360,372.46	17,360,372.46
Stamp duty	204,418.33	518,448.66
Other taxes	4,972.44	4,878.34
Total	29,059,082.08	36,109,740.02

33. Non-current liabilities due within one year

Unit: RMB

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

34. Other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Taxes of items to be written off	1,858,235.00	6,142,814.36
Others	355,990.00	
Total	2,214,225.00	6,142,814.36

35. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	75,441,810.38	76,541,985.55
Total	75,441,810.38	76,541,985.55

36. Long-term payables

Unit: RMB

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

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

Unit: RMB

Item	Ending balance	Beginning balance
Employee housing deposit	3,908,848.40	3,908,848.40
Grant for technology innovation projects	11,311.96	11,311.96

Subtotal	3,920,160.36	3,920,160.36
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37. Provisions

Unit: RMB

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

38. Deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason
Government subsidies	7,837,477.60		1,780,205.93	6,057,271.67	
Total	7,837,477.60		1,780,205.93	6,057,271.67	--

39. Share capital

Unit: RMB

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

40. Capital reserves

Unit: RMB

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

41. Other comprehensive income

Unit: RMB

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

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

42. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current	Decrease in the current	Ending balance
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		period	period	
Statutory surplus reserves	74,222,656.99	18,438,453.17		92,661,110.16
Total	74,222,656.99	18,438,453.17		92,661,110.16

43. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous period before adjustment	798,343,284.97	685,342,592.62
Undistributed profits at the end of the period after adjustment	798,343,284.97	685,342,592.62
Add: net profit attributable to owners of the parent company in the current period	142,865,677.77	136,629,870.80
Less: appropriation to the statutory surplus reserves	18,438,453.17	10,266,370.53
Ordinary share dividends payable	43,105,832.00	13,362,807.92
Undistributed profits at the end of the period	879,664,677.57	798,343,284.97

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

- 1) Due to retroactive adjustment of ASBE and its relevant new regulations, the affected retained earnings at the beginning of the period were RMB 0.00.
- 2) Due to changes in accounting policies, the undistributed profit of RMB 0.00 at the beginning of the period was affected.
- 3) Due to the correction of major accounting errors, the affected retained earnings at the beginning of the period were RMB 0.00.
- 4) Due to the change in the scope of consolidation caused by the same control, the undistributed profit of RMB 0.00 at the beginning of the period was affected.
- 5) Other adjustments affected the undistributed profit of RMB 0.00 at the beginning of the period.

44. Operating revenue and operating cost

Unit: RMB

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

The lowest among the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses for the reporting period was negative.

Yes No

Breakdown information on operating revenue and operating cost:

Unit: RMB

Classification of contract	Segment 1		Segment 2				Total	
	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost	Operating revenue	Operating cost
Business type								

Including:								
Jewelry sales and services	1,131,888,850.11	1,083,515,862.78					1,131,888,850.11	1,083,515,862.78
Leasing and services	329,714,550.42	128,520,785.89					329,714,550.42	128,520,785.89
By operating regions								
Including:								
South China	943,760,912.51	714,612,561.75					943,760,912.51	714,612,561.75
East China	173,615,831.08	166,772,471.71					173,615,831.08	166,772,471.71
North China	77,242,667.32	74,225,466.43					77,242,667.32	74,225,466.43
Central China	243,245,121.80	233,662,659.62					243,245,121.80	233,662,659.62
Other regions	23,738,867.82	22,763,489.16					23,738,867.82	22,763,489.16
Type of market or customer								
Including:								
Contract type								
Including:								
By time of transfer of goods								
Including:								
Classification of contract term								
Including:								
Classification by sales channel								
Including:								

Total	1,461,603,400.53	1,212,036,648.67					1,461,603,400.53	1,212,036,648.67
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45. Taxes and surcharges

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	1,212,666.92	1,830,648.40
Educational surcharges	519,590.85	784,536.01
Property tax	7,423,432.99	7,172,545.32
Land use tax	421,607.18	442,956.07
Vehicle and vessel use tax	1,980.00	
Stamp duty	1,025,054.06	2,405,663.01
Local education surcharges	346,393.90	523,024.00
Consumption tax	21,285.10	13,275.47
Total	10,972,011.00	13,172,648.28

46. Administrative expenses

Unit: RMB

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
Intermediary agency service fees	5,491,265.54	4,538,253.56
Rental expenses\property management fee\cleaning fee\utilities	1,203,779.41	811,611.67
Office expenses	238,824.26	992,490.75
Business entertainment expenses	47,767.63	81,061.23
Communication expenses	260,449.78	137,608.06
Travel expenses	127,448.60	136,973.90
Transportation expenses	51,539.75	115,146.22
Advertising expenses	652,000.25	162,934.17
Others	3,332,433.36	1,187,180.21
Total	58,791,177.35	51,362,592.45

47. Selling expenses

Unit: RMB

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 fees	2,793,224.28	6,284,555.98
Depreciation and amortization	2,435,673.37	3,089,169.78
Advertising marketing expenses	890,795.54	1,514,296.05
Utilities and cleaning fees	375,508.95	423,458.67
Insurance premiums	574,103.82	548,338.28
Consulting and service fees	494,660.94	1,054,392.27
Transport and travel expenses	238,850.81	271,940.20
Communication expenses	177,004.52	424,139.87
Office expenses	86,310.28	171,365.99
Business entertainment expenses	19,727.00	60,070.06

Material consumption expenses		444.42
Others	220,780.99	1,837,954.99
Total	15,669,036.29	22,232,680.89

48. R&D expenses

Unit: RMB

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
Others	10,841.35	218,285.78
Total	3,098,228.24	3,268,819.88

49. Financial expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Net interest expenses	6,563,081.07	9,096,305.49
Interest income	-2,571,339.77	-2,984,792.54
Exchange profits and losses	-13,353.94	-53,888.97
Handling charges and others	504,674.59	331,390.71
Total	4,483,061.95	6,389,014.69

50. Other income

Unit: RMB

Sources of other income	Amount incurred in the current period	Amount incurred in the previous period
I. Government subsidies included in other income	2,258,787.80	6,524,396.47
Including: government subsidies related to deferred income	1,780,205.93	1,780,205.93
Government subsidies directly included in the current profit or loss	478,581.87	4,744,190.54
II. Other items related to daily activities and included in other income	50,339.52	73,439.68
Including: individual income tax withholding service fees	50,339.52	73,439.68
Total	2,309,127.32	6,597,836.15

51. Income from changes in fair value

Unit: RMB

Sources of income from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	-977,729.35	-12,410,718.88
Held-for-trading financial liabilities		3,002,660.00
Income from changes in the fair value of hedging instruments	-3,373,018.10	139,823.00
Income from changes in the fair value of hedging items	1,618,478.87	-1,299,627.74

Others		120.00
Total	-2,732,268.58	-10,567,743.62

52. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by the equity method	30,249,513.09	24,212,981.63
Investment income from held-for-trading financial assets during the holding period	9,429,149.49	5,770,977.63
Interest income from large-denomination certificates of deposit and time deposits	7,664,472.07	5,703,743.63
Closing income from commodity futures contracts and T+D contracts (hedging)	-29,716,862.63	-15,331,164.53
Closing income from commodity futures contracts and T+D contracts (no hedging specified)	-414,329.87	-886,055.89
Total	17,211,942.15	19,470,482.47

53. Credit impairment losses

Unit: RMB

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

54. Asset impairment losses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss on diminution in value of inventories and impairment loss on contract performance cost	-84,463.30	
Total	-84,463.30	

55. Income from disposal of assets

Unit: RMB

Sources of income from asset disposal	Amount incurred in the current period	Amount incurred in the previous period
Gains from disposal of fixed assets (losses to be listed with "-")	15,413.83	-227.20
Others	-22,500.92	
Total	-7,087.09	-227.20

56. Non-operating revenue

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Gains from unpayable payments		492,565.25	
Income from liquidated damages	5,459,720.92	3,405,795.28	5,459,720.92
Land use fees	6,946,693.18		6,946,693.18
Others	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 expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Overdue payments and liquidated damage expenditure	16,876.38	1,383,776.06	16,876.38
Compensation expenditure arising from contingent events	9,956,800.00		9,956,800.00
Others	164,184.95	812,183.78	164,184.95
Total	10,137,861.33	2,195,959.84	10,137,861.33

Other notes: Compensation expenditure related to contingent matters is detailed in Note XV, Commitments and Contingent Matters, "2. Contingent Matters", "(1) Important contingencies existing on the balance sheet date"

58. Income tax expenses**(1) List of income tax expenses**

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income tax expenses in the current period	39,485,729.44	35,638,514.23
Deferred income tax expenses	-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

Unit: RMB

Item	Amount incurred in the current period
Total profit	175,062,513.31
Income tax expenses based on the statutory/applicable tax rate	43,765,628.33

Effect of different tax rates applied to subsidiaries	-420,550.94
Effect of income tax during the period before adjustment	1,929,889.77
Impact of non-deductible costs, expenses, and losses	4,432,488.45
Profit or loss of joint ventures and associates calculated by the equity method	-7,346,016.94
Income exempted from taxation (to be listed with "-")	-2,374,966.80
Effect of using previously unrecognized deductible losses of previous years and deductible temporary differences (to be listed with "-")	-7,982,589.86
Effect of using previously unrecognized deductible losses and deductible temporary differences	1,558,924.49
Income tax expenses	33,562,806.50

59. Other comprehensive income

Refer to Note VII. 41 for details.

60. Items in the cash flow statement

(1) Cash related to operating activities

Other cash received related to operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Guarantee and security deposits	75,662,606.60	33,248,403.97
Interest income	1,142,296.52	1,595,629.53
Government subsidies received	518,814.78	4,822,034.27
Gold leasing deposit received		22,987,350.00
Transaction payments and other payments	46,689,700.52	14,089,935.20
Total	124,013,418.42	76,743,352.97

Cash paid relating to other operating activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Cash payment	42,520,229.74	30,628,305.96
Payments for gold lease deposits, futures margins, bill margins, and refunded deposits for leasing business	81,050,660.87	35,830,899.04
Penalty for breach of contract	132,760.17	1,300,150.00
Transaction payments and other payments	18,754,302.64	12,048,639.24
Total	142,457,953.42	79,807,994.24

(2) Cash related to investing activities

Other cash received related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Incorporation of SDG Huari into consolidated funds		5,964,034.76

Total		5,964,034.76
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Important cash received related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Structured deposits, wealth management products, large-denomination certificates of deposit, and time deposits	929,974,150.16	820,139,644.49
Total	929,974,150.16	820,139,644.49

Other cash paid related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Security deposit for hedging instruments	10,561,808.00	14,659,543.80
Total	10,561,808.00	14,659,543.80

Important cash paid related to investing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Structured deposits, wealth management products, large-denomination certificates of deposit, and time deposits	1,311,058,482.50	985,536,930.32
Total	1,311,058,482.50	985,536,930.32

(3) Cash related to financing activities

Other cash paid related to financing activities

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Amounts paid for the repayment of lease liabilities	13,692,202.73	12,180,403.46
Total	13,692,202.73	12,180,403.46

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term borrowings	120,101,444.43	64,500,000.00	2,109,133.56	175,708,233.58		11,002,344.41
Lease liabilities	85,216,854.95		13,973,136.19	13,166,631.84		86,023,359.30
Total	205,318,299.38	64,500,000.00	16,082,269.75	188,874,865.42		97,025,703.71

61. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	141,499,706.81	139,031,732.04
Add: impairment provision for assets	1,165,084.56	-5,596,513.26
Depreciation/consumption of fixed assets, oil and gas assets, and bearer biological assets	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
Amortization of long-term deferred expenses	15,196,503.80	13,059,696.03
Losses from disposal of fixed assets, intangible assets, and other long-term assets (gain to be listed with "-")	7,087.09	227.20
Loss from retirement of fixed assets (gain to be listed with "-")		
Loss from changes in fair value (gain to be listed with "-")	2,732,268.58	10,567,743.62
Financial expense (gain to be listed with "-")	6,563,081.07	9,100,270.87
Investment loss (gain to be listed with "-")	-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 of deferred income 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 items payable (decrease to be listed with "-")	28,108,259.70	28,776,082.79
Others		
Net cash flows from operating activities	327,753,897.88	390,288,813.85
2. Major investment and financing activities not relating to cash deposit and withdrawal		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	78,380,580.53	301,275,968.63

Less: beginning balance of cash	301,275,968.63	160,223,387.69
Add: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-222,895,388.10	141,052,580.94

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	78,380,580.53	301,275,968.63
Including: cash on hand	6,016.65	20,879.87
Cash at bank available for payment at any time	45,536,363.87	241,190,505.42
Other cash at bank and on hand available for payment on demand	32,838,200.01	60,064,583.34
III. Ending balance of cash and cash equivalents	78,380,580.53	301,275,968.63

(3) Cash at bank and on hand not belonging to cash and cash equivalents

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Reasons for not belonging to cash and cash equivalents
Security deposits for notes payable	42,100,334.71	33,113,263.10	Guarantee deposits of notes
Futures and options account margin	28,748,241.60	22,848,540.40	Deposits for gold futures trading business restricted
Gold leasing security deposits and interests	0.01	20,069,638.91	Deposits for gold leasing business restricted
Judicially frozen amount		663,948.65	Judicial freezing
Total	70,848,576.32	76,695,391.06	

62. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Ending balance of foreign currency	Conversion exchange rate	Ending balance of converted RMB
Cash at bank and on hand			
Including: USD	857.08	7.0288	6,024.24
EUR			
HKD	109,623.44	0.90322	99,014.08
Accounts receivable			

Including: USD			
EUR			
HKD			
Long-term loans			
Including: USD			
EUR			
HKD			
Other receivables			
Including: USD	205,381.99	7.0288	1,443,588.93
Other payables			
Including: HKD	3,376,679.37	0.90322	3,049,884.34

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

Applicable Not applicable

63. Leases

(1) The Company as the lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Lease expenses for short-term leases and low-value asset leases utilizing the practical expedient

Applicable Not applicable

Situations involving sale and leaseback transactions

(2) The Company as the lessor

Operating lease as lessor

Applicable Not applicable

Unit: RMB

Item	Lease income	Including: income related to variable lease payments that are not included in the measurement of lease receipts
Lease	329,714,550.42	
Total	329,714,550.42	

Finance lease as lessor

Applicable Not applicable

Annual undiscounted lease receipts in the next five years

Applicable Not applicable

Reconciliation of undiscounted lease payments to net lease investment

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

Applicable Not applicable

VIII. R&D Expenditures

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Labor costs	1,970,701.92	2,980,237.50
Cost of materials and purchased items	938,250.41	
Depreciation and amortization expenses	178,434.56	70,296.60
Others	10,841.35	218,285.78
Total	3,098,228.24	3,268,819.88
Including: expensed R&D expenditures	3,098,228.24	3,268,819.88

IX. Changes in Consolidation Scope**1. Changes in consolidation scope for other reasons**

Changes in the scope of consolidation due to other reasons (such as establishing new subsidiaries, liquidating subsidiaries) and related information:

Subsidiaries disposed of during the current period:

Company name	Time of cancellation
Shenzhen Huari Anxin Automobile Inspection Co., Ltd.	December 18, 2025

X. Equity in Other Entities**1. Equity in subsidiaries****(1) Composition of the group**

Unit: RMB

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Acquisition method
					Direct	Indirect	
Shenzhen Tellus Jewelry Technology Development Co., Ltd.	32,900,000.00	Shenzhen	Shenzhen	Commerce	5.00%	95.00%	Establishment
Shenzhen Bao'an Shiquan Industry Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,150,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen	1,500,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment

Tellus Chuangying Technology Co., Ltd.							t
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	9,607,800.00	Shenzhen	Shenzhen	Commerce	51.00%	0.00%	Establishment
Shenzhen Tellus Shuibei Jewelry Co., Ltd.	18,960,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Automobile Industry Supply and Marketing Company	11,110,000.00	Shenzhen	Shenzhen	Commerce	0.00%	100.00%	Establishment
Shenzhen Zhongtian Industry Co., Ltd.	366,221,900.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Huari Automobile Sales and Service Co., Ltd.	2,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Establishment
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Commerce	100.00%	0.00%	Establishment
Shenzhen Jewelry Industry Service Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Commerce	65.00%	0.00%	Establishment
Shanghai Fanyue Diamond Co., Ltd.	3,500,000.00	Shanghai	Shanghai	Commerce	0.00%	100.00%	Establishment
Guorun Gold Shenzhen Co., Ltd.	200,000,000.00	Shenzhen	Shenzhen	Commerce	36.00%	3.25%	Establishment
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	USD 4,000,000.00	Shenzhen	Shenzhen	Commerce	60.00%	0.00%	Acquired through a business merger not under common control

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

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

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

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

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

(2) Important non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Equity balance of minority shareholders at the end of the period
Guorun Gold Shenzhen Co., Ltd.	60.75%	-4,832,660.48		115,490,770.20

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

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

Unit: RMB

Name of subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guorun Gold Shenzhen Co., Ltd.	297,715,740.32	96,310,970.23	394,026,710.55	201,366,949.59	2,551,497.26	203,918,446.85	389,613,130.69	7,015,684.80	396,628,815.49	194,653,052.28	3,912,502.84	198,565,555.12

Unit: RMB

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Guorun Gold Shenzhen Co., Ltd.	1,122,932,615.31	-7,954,996.67	-7,954,996.67	83,144,531.36	2,299,835,371.86	150,733.58	150,733.58	204,070,004.99

2. Equity in joint ventures or associates

(1) Important joint ventures or associates

Name of joint venture or associate	Principal place of business	Place of registration	Nature of business	Shareholding proportion		Accounting treatment method for investment in joint ventures or associates
				Direct	Indirect	
I. Joint venture						
Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen	Shenzhen	Leasing services	50.00%		Equity method
II. Associates						
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen	Shenzhen	Automobile sales	35.00%		Equity method

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

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

(2) Main financial information of important joint ventures

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
	Shenzhen Tellus-Gmond Investment Co., Ltd.	Shenzhen Tellus-Gmond Investment Co., Ltd.
Current assets	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
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	124,654,999.36	112,432,008.52
Shares of net assets calculated as per the shareholding proportion	62,327,499.68	56,216,004.26
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		

Book value of equity investments to joint ventures	62,327,499.68	56,216,004.26
Fair value of equity investment in joint ventures with public offer		
Operating revenue	137,742,396.17	132,430,277.65
Financial 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 year	20,000,000.00	15,000,000.00

(3) Major financial information of important associates

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.
Current assets	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
Minority shareholders' equity		
Equity attributable to shareholders of the parent company	50,343,011.14	43,396,930.19
Shares of net assets calculated as per the shareholding proportion	17,620,053.90	15,188,925.57
Adjustments		
--Goodwill		
--Unrealized profit of internal transactions		
--Others		
Book value of equity investments in associates	17,620,053.90	15,188,925.57
Fair value of equity investments in associates with a public offer		
Operating revenue	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 year		

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

Unit: RMB

	Ending balance/amount incurred in the current period	Beginning balance/amount incurred in the previous period
Joint ventures:		
Total book value of investments	14,533,606.99	13,680,093.35
Total amount of the following items at the shareholding percentage		
--Net profit	1,649,890.24	754,101.51
--Total comprehensive income	1,649,890.24	754,101.51
Associates:		
Total amount of the following items at the shareholding percentage		

(5) Excess losses incurred by joint ventures or associates

Unit: RMB

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

XI. Government Subsidies

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

Applicable Not applicable

Reasons for failing to receive the estimated amount of government subsidies at the expected time point

Applicable Not applicable

2. Liability-related items with government subsidies

Applicable Not applicable

Unit: RMB

Accounting item	Beginning balance	Amount of new subsidies in the current	Amount included in non-operating	Amount transferred to other income in the current	Other changes in the current period	Ending balance	Asset/income -related

		period	revenue in the current period	period			
Deferred income	7,837,477.60			1,780,205.93		6,057,271.67	Asset-related

3. Government subsidies included in the current profit or loss

Applicable Not applicable

Unit: RMB

Accounting item	Amount incurred in the current period	Amount incurred in the previous period
Other income	478,581.87	4,744,190.54

XII. Risks Related to Financial Instruments

1. Various risks arising from financial instruments

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

1. Risk management objectives and policies

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

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

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

(1) Credit risks

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

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

For expected bank deposits, no major credit risk is generated as the Company's bank deposits are mainly kept in state-owned banks and other large and medium-sized listed banks.

For notes receivable, accounts receivable, other receivables, and long-term receivables, relevant policies are established by the Company to control credit risk exposure. The Company evaluates customers' credit qualifications based on their financial status, credit records, and other factors such as current market conditions, and sets corresponding credit periods. The Company will monitor the credit records of customers regularly. For customers with poor credit records, measures such as written payment demand, shortening the credit period, or canceling the credit period will be adopted by the Company to ensure the overall credit risk is within the controllable scope.

The Company's debtors of accounts receivable are customers distributed in different industries and areas. The Company continuously conducts credit assessments on the financial status of accounts receivable and, when appropriate, purchases credit guarantee insurance.

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

Among the accounts receivable of the Company, the accounts receivable from the top five customers account for 51.14% of the total accounts receivable (2024: 28.78%). Additionally, among the other receivables, the amounts owed by the top five companies in amount in arrear represent 65.83% of the Company's total other receivables (2024: 48.62%).

(2) Liquidity risks

Liquidity risk refers to the risk of a shortage of funds arising from the performance of the Company's obligations to settle through the delivery of cash or other financial assets.

In managing liquidity risk, the Company maintains sufficient cash and cash equivalents as deemed necessary by management and monitors them to meet operational needs and mitigate the impact of cash flow volatility. The management of the Company monitors the utilization of bank loans and ensures compliance with borrowing agreements. Meanwhile, the Company has obtained commitments from major financial institutions regarding the provision of adequate reserve funds to meet the Company's fund requirements in the short and long terms.

Sources of the Company's working capital include funds generated from operating activities, bank loans, and other borrowings. At the end of the period, the unused bank borrowing limit of the Company was RMB 889 million (RMB 20 million at the end of the previous year).

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

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

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

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

Item	Ending balance				
	Within 1 year	1–2 years	2–3 years	Over 3 years	Total
Financial liabilities:					
Short-term borrowings	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 payables	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 liabilities	-	1,129.41	1,149.10	6,471.98	8,750.49
Long-term payables	-	-	-	392.02	392.02
Total financial liabilities and contingent liabilities	20,651.53	7,330.85	1,513.99	17,715.23	47,211.61

The amount of financial liabilities disclosed in the above table is undiscounted contractual cash flows and may therefore differ from their book amount in the balance sheet.

The maximum guarantee amount of the signed guarantee contract does not represent the amount to be paid.

(3) Market risks

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development. Market risks include interest rate risk, exchange rate risk, and other price risks.

Interest rate risk

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

The interest rate risk of the Company mainly arises from long-term borrowings from banks, bonds payable, and other long-term debts with interest. Financial liabilities with a floating interest rate expose the Company to cash flow interest rate risk, and financial liabilities with a fixed interest rate expose it to a fair value interest rate risk. The Company determines the ratio of fixed-rate and floating-rate contracts based on the market environment and maintains an appropriate combination of fixed-rate and floating-rate instruments through regular review and monitoring.

The Company keeps an eye on the effect of changes in interest rates on the Company's interest rate risk. At present, the Company does not have any interest rate hedging policy. However, the management is responsible for monitoring interest rate risks and will consider hedging significant interest rate risks when necessary. The increase in interest rates will increase the cost of new interest-bearing debts and the Company's unpaid interest expense on interest-bearing debts accrued at floating interest rates, which will have a significant adverse effect on the Company's financial results. The management will duly make adjustments according to the latest market conditions. These adjustments may reduce interest rate risks via interest rate swaps.

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact after re-measurement of the above financial instruments according to the new interest rate, assuming that the interest rate on the balance sheet date changes. For floating rate non-derivative instruments held on the balance sheet date that expose the Company to cash flow interest rate risk, the impact of net profit and shareholders' equity in the above sensitivity analysis is the impact of the above interest rate changes on the estimated annual interest expenses or revenue. The previous year's analysis was based on the same assumption and methodology.

Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Exchange rate risk may come from financial instruments valued in a foreign currency other than the recording currency.

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

The Company keeps an eye on the effect of the fluctuation in exchange rates on its exchange rate risk. At present, the Company does not take any action to avoid exchange rate risks. However, the management is responsible for monitoring exchange rate risks and will consider hedging significant interest rate risks when necessary.

2. Capital management

The objective of the Company's capital management policy is to ensure the sustainability of operations, thereby providing returns to shareholders and benefiting other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.

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

The Company monitors capital structure based on the asset-liability ratio (i.e., total liabilities divided by total assets). At the end of the period, the Company's asset-liability ratio was 24.68% (26.85% at the end of the previous year).

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

To avoid the risk of changes in the fair value of gold raw materials held by them (i.e., the hedged risk), the subsidiaries of the Company, Guorun Gold Shenzhen Co., Ltd. and Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd., analyzed the expected purchase transactions of gold raw materials based on the number of gold bars booked and invested by customers and, on this basis, used hedging instruments such as deferred delivery contracts for spot gold of Shanghai Gold Exchange, gold futures contracts of Shanghai Futures Exchange, and exchange gold options. In this way, the risk of a decline in the gold product price caused by the sharp drop in gold price can be avoided. Guorun Gold, a subsidiary of the Company, formulated the *Hedging Transaction Management Guidelines*, which clearly stipulates the approval authority, operation process, and risk control for the Company to carry out hedging business. The hedge is a fair value hedge. The accounting period specified for the hedging relationship is from January 1, 2025, to December 31, 2025.

The approval procedures for the Company to use its funds to carry out hedging business comply with relevant national laws, regulations, and the *Articles of Association*. The gold deferred transaction hedging business carried out to avoid fluctuations in gold prices is conducive to controlling operational risks and improving the Company's ability to resist market fluctuations.

(2) The Company carries out eligible hedging business and applies hedge accounting

Unit: RMB

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

2025

	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2025
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventory	48,422,300.40	-	756,141.87	-	Inventories	-

2024

	Book value of hedged items		Accumulated amount of hedging adjustment for fair value of hedged items (included in the book value of hedged items)		Listed items of the balance sheet including hedged items	Changes in the fair value of hedged items used as a basis for recognizing an invalid portion of hedges in 2024
	Assets	Liabilities	Assets	Liabilities		
Commodity price risk-inventory	115,731,218.89	-	-874,345.74	-	Inventories	-

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

2025

	Hedging instruments' nominal amount	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2025
		Assets	Liabilities		
Commodity price risk-inventory	48,422,300.40	-	2,702,318.10	Derivative financial assets/liabilities	-

2024

	Hedging instruments' nominal amount	Book value of hedging instruments		Listed items of the balance sheet including hedging instruments	Changes in the fair value of hedging instruments used as a basis for recognizing an invalid portion of hedges in 2024
		Assets	Liabilities		
Commodity price risk-inventory	115,731,218.89	292,078.00	46,660.00	Derivative financial assets/liabilities	-

Note: The invalid portion of hedging mainly comes from basis risk, supply and demand change risks in the spot or futures market, and uncertainty risks in other spot or futures markets. The invalid portions of hedging recognized in the current and previous years are not significant.

(3) The Company carries out hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

Applicable Not applicable

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

(2) Financial assets derecognized due to transfers

Applicable Not applicable

(3) Continuing involvement in the transfer of financial assets

Applicable Not applicable

Other descriptions

XIII. Disclosure of Fair Value

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

Unit: RMB

Item	Ending fair value			
	Level 1 measurement at fair value	Level 2 measurement at fair value	Level 3 measurement at fair value	Total
I. Continuous fair value measurement	--	--	--	--
(1) Held-for-trading financial assets		117,410,631.65		117,410,631.65
(4) Structured deposits and financial products		117,410,631.65		117,410,631.65

(II) Derivative financial assets				
1. Hedging instruments				
(III) Other debt investments		573,849,427.40		573,849,427.40
1. Large-denomination certificate of deposit		573,849,427.40		573,849,427.40
(IV) Other equity instrument investments				
(V) Hedged items	49,178,442.27			49,178,442.27
(VI) Held-for-trading financial liabilities				
Total assets continuously measured at fair value	49,178,442.27	691,260,059.05		740,438,501.32
(VII) Derivative financial liabilities	2,702,318.10			2,702,318.10
1. Hedging instruments	2,702,318.10			2,702,318.10
Total liabilities measured at fair value on a continuous basis	2,702,318.10			2,702,318.10
II. Non-continuous fair value measurement	--	--	--	--

2. The basis for determining the market price of items subject to continuous and non-continuous level 1 fair value measurement

Level 1: Quotations for the same assets or liabilities in active markets (unadjusted).

The Company designates the financial liabilities measured at fair value through profit or loss as the physical gold leasing business from banks by the Company. There is an active market for gold (Shanghai Gold Exchange), and the Shanghai Gold Exchange publishes the closing price of gold contract transactions on each trading day. At the end of the period, the Company uses the closing price published by the Shanghai Gold Exchange on the last trading day as the basis for determining the market price.

The hedged items of the Company are gold product inventories. The hedging instruments are assets/liabilities arising from changes in the fair value of gold futures contracts and gold spot deferred settlement contracts held by the Company. The Company determines the fair value based on the public quotations of gold spot transactions and futures transactions of the Shanghai Gold Exchange and the Shanghai Futures Exchange.

3. Qualitative and quantitative information about valuation techniques and key parameters of items concerning continuous and non-continuous level 2 fair value measurement

Level 2: Observable input values other than market quotations for assets or liabilities in level 1 are used directly (i.e., price) or indirectly (i.e., derived from price).

The trading financial assets held by the Company are bank financial products with one-year principal guaranteed floating income, and their fair value is determined based on discounted future cash flows calculated at an agreed expected rate of return. There is no material difference between the fair value and book cost of other non-current financial assets held by the Company.

Information on level 2 fair value measurement

Content	Ending fair value	Valuation technique	Input value
Derivative instruments:			
Derivative financial assets	-	Discounted cash flow method	Expected interest rate
Derivative financial liabilities	-	Discounted cash flow method	Expected interest rate

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

5. Information on the adjustment between the beginning book value and the ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of unobservable parameters

Level 3: Any input value (unobservable input value) that is not based on observable market data is used for assets or liabilities.

Equity instrument investments are measured by the Company based on the investment cost as a reasonable estimate of the fair value, because the operating environment, operating conditions, and financial conditions of the investee, China PUFA Machinery Industry Co., Ltd., have not changed significantly.

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

Content	Ending fair value	Valuation technique	Unobservable input value	Range (weighted average)
Equity instrument investment:				
Unlisted equity investment	-	Net assets	N/A	N/A

6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period

In this year, the fair value measurement of financial assets and financial liabilities of the Company did not transfer between Level 1 and Level 2, or transfer into or out of Level 3.

For financial instruments traded in active markets, the Company determines their fair value based on active market quotes. For financial instruments not traded in active markets, the Company uses valuation techniques to establish their fair value. The used valuation model mainly includes the discounted cash flow model and the market comparable company model. The input values of valuation techniques mainly include the risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, and discount for lack of marketability (DLOM).

XIV. Related Parties and Related Party Transactions

1. Information of the parent company

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding proportion of the parent company to the Company	Vote proportion of the parent company to the Company
Shenzhen Special Economic Zone Development Group Co., Ltd.	Shenzhen	Real estate development and operation, domestic commerce	RMB 6,179,406,000	49.09%	49.09%

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

2. Information on the subsidiaries of the Company

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

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

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

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

Name of joint venture or associate	Relationship with the Company
Shenzhen Tellus Xinyongtong Automobile Service Co., Ltd.	Associate of the Company
Shenzhen Tellus Automobile Service Chain Co., Ltd.	Associate of the Company
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Associate of the Company
Shenzhen Torch Spark Plug Industry Co., Ltd.	Associate of the Company
Shenzhen Xiandao New Materials Co., Ltd.	Associate of the Company
Shenzhen Telixing Investment Co., Ltd.	Joint venture of the Company

4. Information of other related parties

Name of other related parties	Relationship between other related parties and the Company
Shenzhen SDG Microfinance Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Urban Renewal Investment Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Machinery & Equipment Import & Export Co., Ltd.	Controlled subsidiary of the Company's parent company
Hongkong Yujia Investment Limited	Controlled subsidiary of the Company's parent company
Shenzhen SDG Engineering Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Tellus Yangchun Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen Longgang Tellus Real Estate Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Tellus Property Management Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Service Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Building Technology Co., Ltd.	Controlled subsidiary of the Company's parent company
Shenzhen SDG Eastern Service Co., Ltd.	Controlled subsidiary of the Company's parent company
ISSTech Information Technology Co., Ltd.	Subsidiary controlled by the parent company of the Company within 12 months
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Associate of the Company's parent company
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Enterprise subject to significant influence by shareholders of an

	important subsidiary
Shenzhen ZHL Industrial Co., Ltd.	Minority shareholder of an important subsidiary
Beijing Caishikou Department Store Co., Ltd.	Minority shareholder of an important subsidiary
Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	Investment company of the Company
Shenzhen Zhongminglong Investment Co., Ltd.	Enterprise subject to significant influence by shareholders of an important subsidiary
Shenzhen Jinliantong Digital Technology Co., Ltd.	Enterprise controlled by minority shareholders of an important subsidiary
Shenzhen Yuepengjin Jewelry Co., Ltd.	Enterprise controlled by minority shareholders of an important subsidiary
Shenzhen Yuepengjin E-commerce Co., Ltd.	Enterprise controlled by minority shareholders of an important subsidiary
Guoren Property & Casualty Insurance Co., Ltd.	Enterprise controlled by indirect controlling shareholders

5. Information on related transactions

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

Purchase of goods/receipt of services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Approved transaction amount	Exceeding the transaction amount or not	Amount incurred in the previous period
Shenzhen SDG Service Co., Ltd.	Property management services	21,849,017.09		No	20,270,819.23
Shenzhen SDG Tellus Property Management Co., Ltd.	Property management services	4,039,761.51		No	1,734,135.69
Shenzhen SDG Building Technology Co., Ltd.	Property management services	339,622.65		No	203,773.59
Guoren Property & Casualty Insurance Co., Ltd.	Procurement of insurance services	245,022.72		No	541,600.54
Shenzhen ZHL Industrial Co., Ltd.	Gold processing services	60,811.78		No	841,272.75
Shenzhen Yuepengjin Jewelry Co., Ltd.	Gold processing services	41,590.29		No	54,091.15
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Engineering Repair and Maintenance Services	10,014,262.73		No	11,634,732.07
Shenzhen Zhigu Jinyun Technology Co., Ltd.	Software Usage Fee	28,318.56		No	25,994.42
Shenzhen SDG Engineering Management Co., Ltd.	Supervision Services	361,060.15		No	775,830.53
Shenzhen SDG	Installation			No	117,768.00

Eastern Service Co., Ltd.	Services of Monitoring Systems				
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Information on selling goods/rendering labor services

Unit: RMB

Related party	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Beijing Caishikou Department Store Co., Ltd.	Sales of goods	10,579,497.89	5,942,165.99
Shenzhen Yuepengjin Jewelry Co., Ltd.	Property management expenses	481,929.30	357,459.71
Shenzhen Torch Spark Plug Industry Co., Ltd.	Management esoenses	328,900.00	
Shenzhen SDG Microfinance Co., Ltd.	Property management expenses	188,281.23	161,205.25
Shenzhen ZHL Industrial Co., Ltd.	Agency services	126,903.27	452,001.02
Shenzhen Wahlai Decoration & Furniture Co., Ltd.	Property management expenses	15,756.97	
Shenzhen Yuepengjin E-commerce Co., Ltd.	Sales of goods		83,815,902.66
Shenzhen Telixing Investment Co., Ltd.	Property management expenses		283,018.87

(2) Information on the related lease

The Company as the lessor:

Unit: RMB

Name of lessee	Type of assets leased	Lease income recognized in the current period	Lease income recognized in the previous period
Shenzhen Yuepengjin Jewelry Co., Ltd.	Lease of houses	1,776,970.14	357,182.10
Shenzhen SDG Microfinance Co., Ltd.	Lease of houses	1,098,644.46	1,101,847.98
Shenzhen SDG Tellus Property Management Co., Ltd.	Lease of houses	358,688.48	163,762.85
Shenzhen SDG Service Co., Ltd.	Lease of houses and others	4,332,602.02	4,022,405.39
Shenzhen Torch Spark Plug Industry Co., Ltd.	Safe deposit box leasing	2,293.58	2,293.58
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	Lease of houses		5,190,476.19
Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	Lease of houses		8,000.00

(3) Remuneration of key management personnel

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management	5,009,700.00	4,680,300.00

personnel		
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6. Receivables and payables by related parties

(1) Receivables

Unit: RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen SDG Service Co., Ltd.	759,043.35	7,590.43	1,043,536.03	10,435.36
Accounts receivable	Beijing Caishikou Department Store Co., Ltd.	246,659.80	2,466.60	544,715.30	5,447.15
Accounts receivable	Shenzhen ZHL Industrial Co., Ltd.	92,660.26	926.60		
Accounts receivable	Shenzhen SDG Microfinance Co., Ltd.	8,593.89	85.94		
Accounts receivable	Shenzhen Torch Spark Plug Industry Co., Ltd.	1,000.00	10.00		
Advances to suppliers	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	133,260.81			
Advances to suppliers	Guoren Property & Casualty Insurance Co., Ltd.	133,186.80		162,704.37	
Advances to suppliers	Shenzhen SDG Service Co., Ltd.	6,605.50		7,200.00	
Other receivables	Shenzhen ZHL Industrial Co., Ltd.	18,731,980.00	187,319.80	633,580.65	6,335.81
Other receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	1,360,390.00	1,360,390.00	1,360,390.00	1,360,390.00
Other receivables	Shenzhen Telixing Investment Co., Ltd.	127,299.21	1,272.99	733,103.55	36,057.45
Other receivables	Shenzhen SDG Tellus Property Management Co., Ltd.	57,472.05	5,695.31	18,834.77	3,641.74
Other receivables	Shenzhen Zhigu Jinyun Technology Co., Ltd.	50,000.00	2,500.00	50,000.00	500.00
Other receivables	Shenzhen Xiandao New Materials Co., Ltd.			660,790.09	660,790.09
Other receivables	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	531,882.24	531,882.24	531,882.24	531,882.24
Other receivables	Shenzhen Tellus	114,776.33	114,776.33	114,776.33	114,776.33

	Xinyongtong Automobile Service Co., Ltd.				
Other receivables	Shenzhen SDG Liming Optoelectronics (Group) Co., Ltd.			2,886.00	2,886.00
Long-term receivables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	6,146,228.91	6,146,228.91	6,146,228.91	6,146,228.91

(2) Payables

Unit: RMB

Item	Related party	Ending book balance	Beginning book balance
Accounts payable	Shenzhen SDG Service Co., Ltd.	4,136,158.12	3,865,062.67
Accounts payable	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	1,493,996.39	5,371,011.83
Accounts payable	Shenzhen SDG Tellus Property Management Co., Ltd.	272,000.00	
Accounts payable	Shenzhen Tellus-Gmond Investment Co., Ltd.	200,000.00	200,000.00
Accounts payable	Shenzhen SDG Engineering Management Co., Ltd.	108,038.46	1,365,692.04
Accounts payable	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	45,300.00	45,300.00
Accounts payable	Shenzhen Zhigu Jinyun Technology Co., Ltd.	12,000.00	45,652.00
Accounts payable	Shenzhen ZHL Industrial Co., Ltd.	316.58	669.57
Accounts payable	Shenzhen Yuepengjin Jewelry Co., Ltd.		28,000.00
Advances from customers	Shenzhen Yuepengjin Jewelry Co., Ltd.	36,230.60	
Advances from customers	Shenzhen SDG Tellus Property Management Co., Ltd.	12,920.00	1,243.34
Advances from customers	Shenzhen Yongtong Xinda Testing Equipment Co., Ltd.	68.00	68.00
Advances from customers	Shenzhen SDG Service Co., Ltd.	0.01	
Advances from customers	Shenzhen SDG Microfinance Co., Ltd.		42,625.39
Other payables	Hongkong Yujia Investment Limited	2,255,339.58	2,255,339.58
Other payables	Shenzhen Machinery & Equipment Import & Export Co., Ltd.	1,554,196.80	1,575,452.52
Other payables	Shenzhen Wahlai Decoration & Furniture Co., Ltd.	1,086,322.83	150,929.85
Other payables	Shenzhen Tellus Yangchun Real Estate Co., Ltd.	476,217.49	476,217.49

Other payables	Shenzhen Yuepengjin Jewelry Co., Ltd.	388,102.00	388,102.00
Other payables	Shenzhen SDG Microfinance Co., Ltd.	237,804.66	237,804.66
Other payables	Shenzhen SDG Tellus Property Management Co., Ltd.	151,818.00	441,842.84
Other payables	Shenzhen SDG Service Co., Ltd.	68,026.80	50,506.00
Other payables	Shenzhen SDG Urban Renewal Investment Co., Ltd.	28,766.05	28,766.05
Other payables	Shenzhen Special Economic Zone Development Group Co., Ltd.	3,000.00	3,000.00
Other payables	Shenzhen Torch Spark Plug Industry Co., Ltd.	2,000.00	143,746.10
Other payables	Shenzhen Tellus Automobile Service Chain Co., Ltd.	800.00	800.00
Other payables	Shenzhen Longgang Tellus Real Estate Co., Ltd.	1,095,742.50	1,095,742.50
Other payables	Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	0.00	833,334.00
Other payables	Shenzhen SDG Engineering Management Co., Ltd.	0.00	148,302.24
Other payables	Shenzhen Zhongminglong Investment Co., Ltd.	0.00	14,100.00
Other payables	Shenzhen Shuntian Electric Vehicle Technology Development Co., Ltd.	2,000.00	2,000.00

XV. Commitments and Contingencies

1. Important commitments

Important commitments existing on the balance sheet date

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

2. Contingencies

(1) Important contingencies existing on the balance sheet date

Contingent liabilities or financial effects formed from providing debt guarantees for other companies

Tellus Shuibei Jewelry, a subsidiary of the Company, was formerly known as Shenzhen Auto Motive Industry & Trade General Company. It was converted from an SOE to a limited liability company and renamed in November 2017. In July 2025, it was renamed Shenzhen Tellus Shuibei Jewelry Co., Ltd. In September 2011, Tellus Shuibei Jewelry and Zhu Jinchao executed the *State-owned Enterprise Property Rights Transfer Contract*, pursuant to which they publicly listed and transferred their 14.731% equity in Shenzhen Southern Great Wall Investment Holding Co., Ltd. (hereinafter referred to as "Southern Great Wall Company") in accordance with the law. On the same day, Tellus Shuibei Jewelry and Southern Great Wall Company entered into the *Debt Assumption and Asset Repurchase Agreement* (hereinafter referred to as the "Repurchase

Agreement"). This agreement stipulated that the Company would assume full economic and legal responsibility for all existing/potential debts, contingent liabilities, and disputes of Southern Great Wall Company arising before December 31, 2001, which were attributable to the Company's non-capital injection assets (including operations, financing, and guarantees).

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

As of December 31, 2025, there was no contingency to be disclosed by the Company.

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

The Company had no important contingencies to be disclosed.

XVI. Events after the Balance Sheet Date

1. Profit distribution

Number of dividends per 10 shares to be distributed (RMB)	1.1
Number of dividends per 10 shares declared after deliberation and approval (RMB)	1.1
Profit distribution scheme	Pursuant to the <i>2025 Profit Distribution Plan</i> approved at the Eighteenth Formal Meeting of the Tenth Board of Directors on April 20, 2026, the Company proposes to distribute a cash dividend of RMB 1.10 (tax inclusive) per 10 shares to all shareholders, based on the total share capital of 431,058,320 shares as of December 31, 2025, resulting in a total cash dividend distribution of RMB 47,416,415.20. No bonus shares were issued for the current year, and no capital reserves were converted into share capital.

2. Descriptions for other events after the balance sheet date

As of April 20, 2026, the Company had no events after the balance sheet date that should be disclosed.

XVII. Other Important Matters

1. Segmented information

(1) Determination basis and accounting policy of reporting segments

According to the Company's internal organizational structure, management requirements, and internal reporting system, the business of the Company is divided into two reporting segments. These reporting segments are determined based on the financial information required by the Company's daily internal management. The Group's management regularly evaluates the operating results of these reporting segments to determine the allocation of resources to them and evaluate their performance.

The reporting segments of the Company include:

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

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

(2) Financial information of reporting segments

Unit: RMB

Item	Leasing and services	Jewelry wholesale and retail services	Inter-segment offset	Total
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

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

1. Accounts receivable

(1) Disclosure by account receivable age

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	10,660,018.72	17,614,712.56
1–2 years	58,567.71	2,352,446.33
2–3 years		77,741.87
Over 3 years	77,741.87	484,803.08
3–4 years	77,741.87	
More than 5 years		484,803.08
Total	10,796,328.30	20,529,703.84

(2) Disclosure by bad debt accrual method

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Accounts receivable with provision for bad debts on a single basis						484,803.08	2.36%	484,803.08	100.00%	
Including:										
Accounts receivable for which provision for bad debts is made by combination	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82
Including:										
Including: aging portfolio	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31	20,044,900.76	97.64%	330,869.94	1.65%	19,714,030.82
Total	10,796,328.30	100.00%	146,014.99	1.35%	10,650,313.31	20,529,703.84	100.00%	815,673.02	3.97%	19,714,030.82

Provision for bad debts made by portfolio: aging portfolio

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Within 1 year	10,415,141.55	104,215.66	1.00%
1-2 years	58,567.71	2,928.39	5.00%
2-3 years			
Over 3 years	77,741.87	38,870.94	50.00%
Total	10,551,451.13	146,014.99	

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

 Applicable Not applicable

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	

Balance as of January 1, 2025	330,869.94		484,803.08	815,673.02
Balance as of January 1, 2025 in the current period				
Reversal in the current period	184,854.95			184,854.95
Cancellation in the current period			484,803.08	484,803.08
Balance as of December 31, 2025	146,014.99		0.00	146,014.99

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Write-off	Others	
Provision for bad debts	815,673.02		184,854.95	484,803.08		146,014.99
Total	815,673.02		184,854.95	484,803.08		146,014.99

(4) Accounts receivable that have been written off in the current period

Unit: RMB

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

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

Unit: RMB

Name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contractual assets	Ending balance of bad debt proportion of accounts receivable and impairment provision of contract assets
Zhongbao Jinyuan (Shenzhen) Industrial Development Co., Ltd.	1,389,236.36		1,389,236.36	12.87%	13,892.36
Shenzhen Jinyu Jewelry Co., Ltd.	1,003,030.88		1,003,030.88	9.29%	10,030.31
Chow Sang Sang (China) Co., Ltd.	991,143.46		991,143.46	9.18%	9,911.43
Shenzhen Seven	625,595.33		625,595.33	5.79%	6,255.95

Degree Silversmith Family Industrial Co., Ltd.					
Shenzhen Baijue Industrial Development Co., Ltd.	623,891.20		623,891.20	5.78%	6,238.91
Total	4,632,897.23		4,632,897.23	42.91%	46,328.96

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Other receivables	3,711,404.11	2,839,370.67
Total	3,711,404.11	2,839,370.67

(1) Dividends receivable

1) Category of dividends receivable

Unit: RMB

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

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

Unit: RMB

Project (or the investee)	Ending original value	Aging	Reason for non-recovery	Impairment and judgment basis
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	3-4 years	Not paid yet	The company has huge losses in its financial positions and operating conditions, and the dividends receivable may not be recovered, so full impairment is accrued.
Total	1,305,581.86			

3) Disclosure by bad debt accrual method

 Applicable Not applicable

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	

				n					n	
Provision for bad debts made on an individual basis	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	
Including:										
Including:										
Total	1,305,581.86	100.00%	1,305,581.86	100.00%		1,305,581.86	100.00%	1,305,581.86	100.00%	

Provision for bad debts made on an individual basis:

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Proportion of provision	Reasons for provision
China Pufa Machinery Industry Co., Ltd.	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86	100.00%	The company's financial position is poor
Total	1,305,581.86	1,305,581.86	1,305,581.86	1,305,581.86		

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

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2025			1,305,581.86	1,305,581.86
Balance as of January 1, 2025 in the current period				
Balance as of December 31, 2025			1,305,581.86	1,305,581.86

Division basis and proportion of provision for bad debts at each stage

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

Applicable Not applicable

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

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for	1,305,581.86					1,305,581.86

bad debts						
Total	1,305,581.86					1,305,581.86

(2) Other receivables**1) Classification of other receivables by nature**

Unit: RMB

Nature of payment	Ending book balance	Beginning book balance
Other temporary payments receivable	8,125,713.98	13,967,525.96
Deposits and security deposits	1,610,786.54	1,556,456.27
Concerned intercourse funds within the consolidation scope of receivables	1,562,399.89	61.00
Total	11,298,900.41	15,524,043.23

2) Disclosure by account receivable age

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	1,980,198.21	404,467.63
1–2 years	279,081.91	2,557,254.64
2–3 years	1,837,736.29	1,091.61
Over 3 years	7,201,884.00	12,561,229.35
More than 5 years	7,201,884.00	12,561,229.35
Total	11,298,900.41	15,524,043.23

3) Disclosure by bad debt accrual method

Unit: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion of provision		Amount	Proportion	Amount	Proportion of provision	
Provision for bad debts made on an individual basis	7,152,122.98	63.30%	7,152,122.98	100.00%	0.00	12,511,524.83	80.59%	12,511,524.83	100.00%	0.00
Including:										
Provision for bad debts made on a portfolio basis	4,146,777.43	36.70%	435,373.32	10.50%	3,711,404.11	3,012,518.40	19.41%	173,147.73	5.75%	2,839,370.67
Including										

Aging portfolio	2,535,990.89	22.44%	128,263.70	5.06%	2,407,727.19	1,456,062.04	9.38%	63,267.36	4.35%	1,392,794.68
Portfolio of deposit and security deposit receivable	1,610,786.54	14.26%	307,109.62	19.07%	1,303,676.92	1,556,456.36	10.03%	109,880.37	7.06%	1,446,575.99
Total	11,298,900.41	100.00%	7,587,496.30	67.15%	3,711,404.11	15,524,043.23	100.00%	12,684,672.56	81.71%	2,839,370.67

Provision for bad debts made on a portfolio basis:

Unit: RMB

Name	Ending balance		
	Book balance	Provision for bad debts	Proportion of provision
Aging portfolio	2,535,990.89	128,263.70	5.06%
Portfolio of deposit and security deposit receivable	1,610,786.54	307,109.62	19.07%
Total	4,146,777.43	435,373.32	

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

Unit: RMB

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit loss in the next 12 months	Expected credit loss throughout the duration (no credit impairment has occurred)	Expected credit loss throughout the duration (credit impairment has occurred)	
Balance as of January 1, 2025	173,147.73		12,511,524.83	12,684,672.56
Balance as of January 1, 2025 in the current period				
Provision in the current period	262,225.59		-17,899.51	244,326.08
Cancellation in the current period			5,306,106.09	5,341,502.34
Other changes			-35,396.25	-35,396.25
Balance as of December 31, 2025	435,373.32		7,152,122.98	7,587,496.30

Division basis and proportion of provision for bad debts at each stage

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

Applicable Not applicable

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

Bad debt provision in the current period:

Unit: RMB

Category	Beginning balance	Change during the current period				Ending balance
		Provision	Recovery or reversal	Charge-off or write-off	Others	
Provision for	12,684,672.56	244,326.08		5,306,106.09	-35,396.25	7,587,496.30

bad debts						
Total	12,684,672.56	244,326.08		5,306,106.09	-35,396.25	7,587,496.30

5) Other receivables actually written off in the current period

Unit: RMB

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

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

Unit: RMB

Name	Nature	Ending balance	Aging	Proportion to ending balance of other receivables	Ending balance of provision for bad debts
Shenzhen Zhonghao (Group) Co., Ltd.	Transaction payments	5,000,000.00	Over 3 years	44.25%	5,000,000.00
Shenzhen Petrochemical Group Co., Ltd.	Transaction payments	1,927,833.34	Over 3 years	17.06%	1,927,833.34
Shenzhen Jinzhou Precision Technology Corp.	Guarantees	1,515,467.96	2–3 years	13.41%	303,093.59
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	Transaction payments	745,497.20	1–2 years, over 1 year	6.60%	
China Construction First Group Corporation Limited	Others	583,978.93	2–3 years, 1–2 years	5.17%	74,998.00
Total		9,772,777.43		86.49%	7,305,924.93

3. Long-term Equity Investments

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	713,610,774.41		713,610,774.41	715,566,774.41	1,956,000.00	713,610,774.41
Investment in associates and joint ventures	97,700,900.97	3,225,000.00	94,475,900.97	94,878,995.52	9,787,162.32	85,091,833.20
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

(1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period				Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Provision for impairment	Others		
Shenzhen SDG Tellus Real Estate Co., Ltd.	31,152,888.87						31,152,888.87	
Shenzhen Tellus Chuangying Technology Co., Ltd.	526,308.52						526,308.52	
Shenzhen Tellus Jewelry Technology Development Co., Ltd.	2,883,644.26						2,883,644.26	
Shenzhen Zhongtian Industry Co., Ltd.	369,680.52						369,680.52	
Shenzhen Tellus Shuibeijewelry Co., Ltd.	86,251,071.57						86,251,071.57	
Shenzhen SDG Huari Automobile Enterprise Co., Ltd.	61,908,926.77						61,908,926.77	
Shenzhen Huari Automobile Sales and Service Co., Ltd.	1,807,411.52						1,807,411.52	
Shenzhen Xinyongtong Motor Vehicle Inspection Equipment Co., Ltd.	4,900,000.00						4,900,000.00	
Shenzhen Tellus Treasury Supply Chain Tech Co., Ltd.	50,000,000.00						50,000,000.00	
Shenzhen		1,956,000.0			-			

Hanli High Tech Ceramics Co., Ltd.		0			1,956,000.00			
Shenzhen Jewelry Industry Service Co., Ltd.	32,500,000.00						32,500,000.00	
Guorun Gold Shenzhen Co., Ltd.	72,000,000.00						72,000,000.00	
Total	713,610,774.41	1,956,000.00			1,956,000.00	-	713,610,774.41	

(2) Investment in associates and joint ventures

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of impairment provision	Increase/decrease in the current period								Ending balance (book value)	Ending balance of impairment provision
			Additional investment	Reduced investment	Investment profit or loss recognized by equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividend or profit declared to be distributed	Provision for impairment	Others		
I. Joint venture												
Shenzhen Tellus-Gmond Investment Co., Ltd.	56,216,004.26				26,111,495.42				20,000,000.00			62,327,499.68
Shenzhen Telixing Investment Co., Ltd.	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
II. Associates												
Shenzhen Renfu Tellus Automobiles Service Co., Ltd.	15,188,925.57				2,431,128.33							17,620,053.90
Hunan Changyang Industrial Co., Ltd.		1,810,540.70								1,810,540.70		
Shenzhen Jiecheng Electronics Co., Ltd.		3,225,000.00										3,225,000.00
Shenzhen		4,751,621.60										

Xiandao New Materials Co., Ltd.		2						4,751,621.62			
Shenzhen Tellus Automobile Service Chain Co., Ltd.											
Subtotal	15,188,925.57	9,787,162.32			2,431,128.33			6,562,162.32		17,620,053.90	3,225,000.00
Total	85,091,833.20	9,787,162.32			29,384,067.77		20,000,000.00	6,562,162.32		94,475,900.97	3,225,000.00

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

Applicable Not applicable

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

Applicable Not applicable

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

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

4. Operating revenue and operating costs

Unit: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Costs	Revenue	Costs
Main business	117,402,423.15	53,554,271.59	118,323,197.59	51,537,706.69
Total	117,402,423.15	53,554,271.59	118,323,197.59	51,537,706.69

5. Investment income

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by the cost method	133,425,000.00	71,225,000.00
Long-term equity investment income calculated by the equity method	29,384,067.77	23,580,345.63
Investment income from held-for-trading financial assets during the holding period	1,882,201.18	5,651,479.29
Interest income from large-denomination certificates of deposit and time deposits during the holding period	8,576,431.86	3,291,166.67
Total	173,267,700.81	103,747,991.59

XIX. Supplementary Information

1. Breakdown of current non-recurring profits and losses

Applicable Not applicable

Unit: RMB

Item	Amount	Note
Profits and losses from disposal of non-current assets	-7,087.09	
Government subsidies included in the current profit and loss (excluding those which are closely related to the Company's normal business operations, in line with national policies and regulations, and granted in accordance with defined criteria, and have a continuous influence on the Company's profit and loss)	2,258,991.39	
Profit or loss from changes in the fair value of financial assets and financial liabilities held by the Company as a non-financial company, as well as profit or loss from the disposal of the financial assets and financial liabilities, except in effective hedging activities related to the normal operating activities of the Company.	412,414.59	
Reversal of impairment provision for receivables under separate impairment test	1,039,272.04	
Other non-operating revenue and expenses than the above items	2,892,647.04	
Less: effect on income tax	1,644,348.45	
Effect on minority interests (after-tax)	489,972.15	
Total	4,461,917.37	--

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

Applicable Not applicable

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

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

Applicable Not applicable

Item	Amount involved (RMB)	Reason
Effective hedging	-31,471,401.86	Due to the price fluctuation risk related to gold, effective hedging of gold futures is a means for Guorun Gold and Tellus Treasury, subsidiaries of the Company, to avoid relevant risks. This activity falls under normal proprietary business operations. Therefore, based on the nature and characteristics of its normal business operations, the Company has classified the following items listed in the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to</i>

		<i>the Public—Non-Recurring Profit or Loss</i> (2023 Revision) as recurring profit or loss items: effective hedging related to the normal operations of non-financial enterprises; profits or losses from changes in the fair value of financial assets and financial liabilities held; and profits or losses from the disposal of financial assets and financial liabilities.
Refund of handling fees for individual income tax	50,339.52	According to the <i>Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-Recurring Profit or Loss</i> (2023 Revision), the refund of handling fees for individual income tax received by the Company and its subsidiaries is categorized as income related to routine activities. As it is neither of a special nature nor incidental, it is classified as a recurring profit or loss item.

2. Return on net assets and earnings per share

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profit attributed to ordinary shareholders of the Company	8.06%	0.3314	0.3314
Net profit attributed to ordinary shareholders of the Company after non-recurring profits and losses are deducted	7.81%	0.3211	0.3211

3. Accounting data differences under domestic and foreign accounting standards

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

Applicable Not applicable

(2) Differences in net profits and net assets in the financial reports disclosed simultaneously according to the foreign accounting standards and the Chinese accounting standards

Applicable Not applicable

(3) Specify the reasons for differences in accounting data under domestic and foreign accounting standards; if the adjustment is made to data audited by an overseas audit firm, specify the name of the audit firm

4. Others