



Postal & Registered Office

Middle Section of Hanwu Road
Hantai District
Shanxi Province
China

FNSX Code:MGF

Announcement No. : 2022-001

April 1, 2022

Company Announcements Office

Shaanxi Mingguan Food and Beverage Co., LTD 2021 Annual Report

The board of directors and all directors of the company guarantee that there is no false record, misleading statement, or material omission in the contents of this announcement, and assume individual and joint liability for the authenticity, accuracy, and completeness of the contents.

The future planning, development strategy, and other forward-looking descriptions in this report do not constitute a material commitment of the Company to investors, so investors are advised to pay attention to risks.

I: Changes in the management of the Company

- i There is no change of directors during the whole year, and all directors are in office.
- ii There is no change of senior executives of the company in the whole year, and all senior executives remain in office.
- iii There is no increase or withdrawal of shareholders accounting for 5% or more of the total shares of the company.

II: Disclosure and forecast of company performance

i Shaanxi Mingguan Food and Beverage Co., LTD. Sales revenue in 2021: RMB 18.03 million. Food accounted for 70%, condiments accounted for 30%; Reasons for the year-on-year decline in products: were affected by the epidemic, market sales are sluggish, and the industry is gradually resuming work and production, resulting in slow sales for various reasons.

ii Business outlook of Shaanxi Mingguan Food & Beverage Co., LTD in 2022. In 2022, the company's revenue is expected to be 25 million yuan to 30 million yuan. The epidemic situation will gradually improve, the market development area will gradually expand, and the sales will gradually reach the expected results. Meanwhile, channel sales and online sales will be launched in other provinces and cities in China.

III: Investment in fixed assets of the company



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Shaanxi Mingguan Food and Beverage Co., Ltd. in 2021, the production workshop fire facilities renovation project of 170,000 yuan; Purification workshop renovation project 652,000 yuan; The storage tank project is RMB 430,000, totaling RMB 1.252 million. The Company did not dispose of any major assets during the year, nor did the national and regional policies on the industry in which the company operates make any major adjustments.

IV. R&D investment of the company

Shaanxi Mingguan Food and Beverage Co., Ltd. signed the technology development of "Cytological function evaluation of *Eucommia ulmoides* leaves extract" with the Technical Institute of Physics and Chemistry, Chinese Academy of Sciences in December 2021. The two sides will work together to complete the evaluation technology of antioxidant activity of *eucommia ulmoides* leaf extract and the study of antitumor activity of *eucommia ulmoides* leaf extract. The research and development technology will be used for Shaanxi Mingguan Food and Beverage Co., Ltd. new product new formula investment and used for the existing Shaanxi Mingguan Food and beverage Co., Ltd. currently sold products taste improvement.

V: The company's future development plan

The company plans to start in 2022, gradually complete the transformation of the existing production workshop, focusing on the seasoning production workshop and food production workshop to complete the transformation, further strengthen the company's standardized plant construction, and strive to complete the construction of the company's 100,000 class 550 square meters purification workshop in 2022. In terms of the company's management system, it is expected to complete the Company's IS quality system certification in 2022. At the same time, in terms of sales channels, we will further deepen the offline sales, further develop the company's product categories, strengthen the company's advantages in the field of food, bread, and pastry, and carry out multi-channel sales on the Internet. In the context of the global COVID-19 pandemic, Tik-Tok Store, Kwai Store, Tmall and Pinduoduo stores have been fully utilized to expand online live streaming and goods delivery, and strengthen online sales efforts and work.

It is hereby notified the above

Mingguan USA Limited

Audit Report

Censorship (2022) No. 000

To all shareholders of Shaanxi Mingguan Food and Beverage Co., Ltd:

1. Audit Opinions

We have audited the financial statements of Shanghai Mingguan Food Co., Ltd. (hereinafter referred to as "Mingguan Food"), including the balance sheet as at December 31, 2021, the income statement for the year 2021, the cash flow statement, the statement of changes in shareholders' equity and the notes to the relevant financial statements.

In our opinion, the attached financial statements have been prepared in all material respects in accordance with the provisions of the Accounting Standards for Business Enterprises and fairly reflect Mingguan food's financial position as at December 31, 2021 and the operations and cash flows for 2021.

2. The basis for the audit opinion

We performed the audit report in accordance with the provisions of the China Certified Public Accountants Auditing Standards. Our responsibilities under these standards are further elaborated in the "Responsibility of Certified Public Accountants for the Audit of Financial Statements" section of the audit report. In accordance with the Code of Ethics for Certified Public Accountants in China, we are independent from Mingguan Food and fulfill other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for issuing an audit opinion.

3. Other Information

The Management of Mingguan Food (hereinafter referred to as "Management") is responsible for other information. Other information includes information covered in the

2021 Annual Report, but excludes the financial statements and the audit report.

Our audit opinion on the financial statements does not cover other information, nor do we issue any confirmation conclusions on other information.

In conjunction with our audit of the financial statements, it is our responsibility to read additional information, in doing so, to consider whether there are material inconsistencies or appear to be material misstatements in the financial statements or what we have learned during the course of the audit.

Based on the work we have done, if we determine that there are material misstatements in other information, we should report that fact. In that regard, we have nothing to report on.

4. Responsibilities of Management and Governance for Financial Statements

The Management of Mingguan Food (hereinafter referred to as "Management") is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve fair reflection and designing, implementing and maintaining the necessary internal controls so that the financial statements are free of material misstatement due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Mingguan Foods' ability to continue to operate the business, disclosing matters related to business operation (if applicable) and applying the assumptions for continuing operation, unless the Management plans to liquidate Mingguan Food, terminate operations or have no other realistic option.

The Governance is responsible for overseeing Mingguan Food's financial reporting process.

5. The responsibility of the certified public accountant for the audition of Financial Statements

Our goal is to obtain reasonable assurance as to whether the Financial Statements as a whole are free from material misstatements due to fraud or error, and to issue the Audit Report containing an audit opinion. Reasonable assurance is a high level of assurance, but

there is no guarantee that an audit performed in accordance with auditing standards will always detect material misstatement. Misstatements can result from fraud or errors and are generally considered material if there is a reasonable expectation that misstatements, individually or collectively, may affect the economic decisions made by users of the financial statements based on the financial statements.

We perform the audit work in accordance with the Auditing Standards, from the prospective of professional judgment. At the same time, we also perform the following tasks:

(a) identify and assess the risk of material misstatement of financial statements due to fraud or error, design and implement audit to address these risks, and obtain sufficient and appropriate audit evidence as a basis for issuing an audit opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal controls, the risk of material misstatement due to fraud is higher than the risk of failure to discover material misstatement due to error.

(b) understand the internal controls associated with the audit in order to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

(c) evaluate the appropriateness of Management's selection of accounting policies and the reasonableness of making accounting estimates and related disclosures.

(d) Draw conclusions about the appropriateness of Management's assumption of continuing operation. At the same time, based on the audit evidence obtained, it is concluded whether there are material uncertainties about matters or circumstances that may lead to significant doubts about Mingguan Food' ability to continue as a going concern. If we conclude that there are significant uncertainties, the auditing standards require us to bring the relevant disclosures in the financial statements to the attention of users of the statements in our audit reports; Our conclusions are based on information available as of the date of the audit report. However, future events or circumstances may result in Mingguan Food not being able to continue as a going concern to operate business.

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

events.

We communicate with the Governance on matters such as the scope of the audition, time and major audit findings, including the internal control deficiencies we identified as noteworthy in our audits.

Asia Pacific (Group)CPAS
(Special General Partnership)

CPA:

CPA:

China·Beijing

March 15, 2022

Shaanxi Mingguan Food and Beverage Co. LTD

Notes to the 2021 Financial Statements

((Monetary unit: RMB Currency: RMB))

I. Basic Information

Shaanxi Mingguan Food and Beverage Co., LTD. (hereinafter referred to as the “Company”) was established on September 3, 2001, unified credit code: 91610700222790108H; the registered capital of the company is RMB 6,000.00 Million and the legal representative is Li Shi. Mingguan Food registered and headquartered in Baisheng Industrial Park, Middle Hanwu Road, Economic Development Zone, Hanzhong City, Shaanxi Province in China.

Business scope:

General items: sales of agricultural and sideline products (except the items that need to be approved according to law, independently carry out business activities according to law with business license).

Licensed items: food production; food business; grain purchase; grain processing food production; food business (selling prepackaged food); food import and export; import and export of goods (for items subject to approval according to law, business activities can only be carried out with the approval of relevant departments, and the specific business items shall be subject to the approval result).

The financial statements have been approved by the Board of Directors of the Company on March 15, 2022.

II. Basis financial statement preparation

(1) Basis

The financial statements of the Company are prepared based on the assumption of continuing business operation and in accordance with the accounting Standards for Business Enterprises issued by the Ministry of Finance and their application guidelines, explanations and other relevant provisions (collectively, "Accounting Standards for Business Enterprises") in accordance with the transactions and events actually occurring.

The company's accounting is based on the accrual basis. With the exception of certain financial instruments, the financial statements are measured at historical cost. In case of impairment of assets, provision for impairment shall be made in accordance with relevant provisions.

(2) Continual operation

The Company has evaluated its ability to continue business operation for the 12 months beginning at the end of the reporting period and has found no matters or circumstances that raise significant doubts about its ability to operate. Therefore, the financial statements have been prepared on the assumption of continual operation.

III. Important accounting policies and estimates

(1) Statement of compliance with accounting standards for business

The financial statements prepared by the Company comply with the requirements of accounting standards for business, and truly and completely reflect the financial position of the Company as of December 31, 2021, as well as the operating results and cash flows of 2021 and other relevant information. In addition, the financial statements of the Company comply in all material respects with the disclosure requirements related to the financial statements and notes specified in the Rules for Information Disclosure and Filing of Companies Offering Public Securities No. 15 -- General Provisions on Financial Reporting as amended by the China Securities Regulatory Commission in 2014.

(2) Fiscal year

The fiscal year of the company is based on the Gregorian calendar year, starting from January 1 to December 31 of the Gregorian calendar.

(3) Business cycle

The operating cycle is 12 months and uses it as a liquidity division standard for assets and liabilities.

(4) Standard currency for accounting

The accounting standard currency of the company is RMB, and the currency used in the preparation of financial statements is RMB. The company and its subsidiaries select accounting standard currency based on the denomination and settlement currency of major

business receipts and payments.

(5) Determination standards for cash and cash equivalents

Cash on hand and deposits readily available for payment are recognized as cash in the preparation of the statement of cash flows. Cash equivalents are investments that are held for a short period of time (generally maturing within three months from the date of purchase) which are liquid and easily converted into known amounts of cash and have little risk of changing in value.

(6) Impairment of financial instruments

The company need to confirm the impairment loss of financial assets of financial assets measured at the amortized cost, measured at fair value and the changes are included in the debt instruments of other comprehensive income investment, lease receivables, include notes receivable, accounts receivable, other receivables, creditor's rights investment, other creditor's rights investment, long-term receivables, etc. In addition, provision for impairment and recognition of credit impairment losses shall also be made for contractual assets and part of financial guarantee contracts in accordance with the accounting policies described in this Part.

1. Confirmation method of impairment provision

On the basis of expected credit losses, the Company shall make provision for impairment and recognize credit impairment losses for the above items according to the applicable measurement method of expected credit losses (general method or simplified method).

Credit loss refers to the difference between all contract cash flows discounted and receivable under the contract and all expected cash flows received by the company at the original actual interest rate, namely, the present value of all cash shortfalls. For the financial assets purchased or originated with credit impairment, the Company discounts the financial assets according to the real interest rate of credit adjustment.

Expected credit losses and the method of measuring means, the company at each

balance sheet date to assess whether financial assets (including assets, and other applicable project contract, hereinafter the same) after the initial recognition of credit risk has increased significantly, If the credit risk has increased significantly since the initial recognition, the Company shall measure the loss provision at an amount equivalent to the expected credit loss during the entire term of existence. If the credit risk has not increased significantly since the initial recognition, the Company measures the loss provision at an amount equivalent to the expected credit loss within the next 12 months. In assessing expected credit losses, the Company considers all reasonable and evidence-based information, including forward-looking information.

2.Criteria for judging whether credit risk has increased significantly since the confirmation

If the default probability of a financial asset in the expected lifetime determined on the balance sheet date is significantly higher than the default probability in the expected lifetime determined at the initial recognition, it indicates that the credit risk of the financial asset has increased significantly. Except in exceptional circumstances, the Company shall adopt the change in default risk occurring within the next 12 months as a reasonable estimate of the change in default risk occurring throughout the duration to determine whether the credit risk has increased significantly since the recognition.

3. Assessing expected credit risk on a portfolio basis

The company evaluates individual credit risks of financial assets with significantly different credit risks, such as accounts receivable from related parties; Receivables in dispute with the other party or involved in litigation or arbitration; Receivables where there is a clear indication that the debtor is likely to be unable to meet repayment obligations.

In addition to financial assets for individual credit risk assessment, the Company divides financial assets into different groups based on common risk characteristics and evaluates credit risk on a portfolio basis.

4.Accounting treatment of impairment of financial assets

At the end of the period, the Company calculates the expected credit loss of various financial assets. If the expected credit loss is greater than the carrying amount of its current impairment reserve, the difference will be recognized as an impairment loss. If it is less than the carrying amount of the current impairment provision, the difference is recognized as an impairment gain.

5. Determination method of credit loss of various financial assets

(1) Accounts receivable and contract assets

For receivables and contract assets that do not contain significant financing, the Company shall measure the loss provision according to the amount of expected credit losses equivalent to the entire term.

For receivables, contract assets and lease receivables that contain significant financing, the Company elects to always measure the loss provision at an amount equal to the expected credit loss over the life of the company.

(2) Other accounts receivable

Based on whether the credit risks of other receivables have increased significantly since the initial recognition, the Company shall measure the impairment losses by an amount equivalent to the expected credit losses in the next 12 months or the entire operation of the company.

(7) Inventory

1. Inventory classification

The inventory is classified as: goods in transit, raw materials, revolving materials, goods in stock, products in process, contract performance costs, goods shipped, commissioned processing materials, consumable biological assets, etc

2. Valuation method for acquisition and delivery of inventory

Inventory is measured at cost when acquired. Inventory costs include procurement costs, processing costs and other costs.

Inventory is priced on a first in first out basis when shipped.

3. Determination basis of net realizable value of inventory and withdrawal method of inventory depreciation reserve

After a comprehensive inventory inspection at the end of the period, the inventory depreciation reserve shall be withdrawn or adjusted according to the lower cost and net realizable value of the inventory.

In the course of normal production and operation, the net realizable value of goods inventories directly for sale, such as finished products, goods in stock and materials for sale, shall be determined from the estimated selling price of such inventories after deducting the estimated selling expenses and relevant taxes; In the course of normal production and operation, the net realizable value of the inventory of materials that need to be processed shall be determined by subtracting the estimated cost to be incurred at the time of completion, estimated sales expenses and relevant taxes from the estimated selling price of finished products; The net realizable value of the inventories held for the execution of the sales contract or labor contract shall be calculated on the basis of the contract price. If the quantity of the inventories held is greater than the quantity ordered in the sales contract, the net realizable value of the excess inventories shall be calculated on the basis of the general selling price.

At the end of the period, provision for inventory depreciation shall be made according to individual inventory items; However, for inventories with large quantities and low unit prices, provision for inventory price decline shall be made according to inventory categories; For inventories that are related to product series produced and sold in the same region, have the same or similar end use or purpose, and are difficult to measure separately from other items, the provision for inventory depreciation shall be combined.

If the influencing factors of inventory value write-down have disappeared, the amount of write-down shall be restored, and the amount of write-down shall be converted back into the original amount of inventory depreciation reserve, and the converted amount shall be included in the current profit and loss.

4. Inventory system

The amortization method of low value consumables and packaging is adopted by perpetual inventory system

(1) Low-value consumables adopt a re-distribution method;

(2) Packaging adopts a reselling method.

(8) Investment real estate

1. Initial measurement of investment real estate

The company's investment real estate includes the leased land use right, the land use right held and ready to be transferred after appreciation, and the leased buildings.

2. Follow-up measurement of investment real estate

The company adopts the fair value model for the follow-up measurement of investment real estate.

When the investment real estate is disposed of or permanently withdrawn from use and no economic benefit is expected from its disposal, the recognition of the investment real estate shall be terminated. The disposal income from the sale, transfer, scrapping or destruction of the investment real estate shall be included in the current profit and loss after deducting its carrying value and relevant taxes and fees.

(9) Fixed assets

1. The recognition conditions for fixed assets

Fixed assets refer to tangible assets held for the production of goods, provision of labor services, lease or operation and management, and with a useful life exceeding one fiscal year. Fixed assets are classified into houses and buildings, machinery and equipment, electronic equipment, transportation equipment and other equipment. A fixed asset shall be recognized when the following conditions are met : (1) the economic benefits related to the fixed asset are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost, taking into account the impact of expected disposal costs.

2. Depreciation method

Depreciation of fixed assets is classified and drawn by means of average life method, and the depreciation rate is determined according to fixed assets category, expected service

life and expected net salvage value rate. If the service life of each component of a fixed asset is different or provides economic benefits to the enterprise in different ways, different depreciation rates or depreciation methods shall be selected and depreciation shall be calculated separately.

(10) Intangible assets

1. The valuation method of intangible assets

(1) Initial measurement shall be made according to cost when obtaining intangible assets

The cost of purchased intangible assets includes the purchase price, relevant taxes and other expenses directly attributable to the achievement of the intended use of such assets. If the purchase price of an intangible asset exceeds the normal credit conditions and the payment is delayed, the cost of the intangible asset shall be determined on the basis of the present value of the purchase price.

Internal self-developed intangible assets, and its cost includes: the development of the intangible assets, consumption of materials, labor costs, registration fees, used in the development process of the amortization of patents and other concessions and for capitalization of interest costs, as well as to make the intangible asset to the expected purpose of the other direct costs.

(2) Subsequent measurement

Analyze and judge the service life of intangible assets when obtaining them.

Intangible assets with limited service life shall be amortized according to the straight-line method within the period of bringing economic benefits to the enterprise; If the term of economic benefits brought by intangible assets to the enterprise cannot be foreseen, it shall be regarded as intangible assets with uncertain service life and shall not be amortized.

2. The estimated service life of intangible assets with limited service life

At the end of each month, the service life and amortization method of intangible assets with limited service life shall be reviewed.

Upon review, the service life and amortization method of intangible assets at the end

of the current year are not different from previous estimates.

3.The judgment basis of intangible assets with uncertain service life

As of the balance sheet date, the Company has no intangible assets with uncertain service life.

(11)Employee compensation

Employee compensation refers to the various forms of reward or compensation that give for the service that obtains worker to offer or remove labor relation. Including short-term compensation, post-separation benefits, dismissal benefits and other long-term employee benefits.

(12)Revenue

1. General principles of revenue recognition

When the Company performs its performance obligation under the Contract, that is, when the customer acquires control of the relevant commodity or service (" commodity "), it recognizes revenue according to the transaction price apportion to the performance obligation.

Performance obligation refers to the commitment of the company in the contract to transfer clearly distinguishable goods or services to the customer.

To gain control over a commodity means to dominate the use of the commodity and gain almost all economic benefits from it.

2. The specific method of revenue recognition

The company's revenue mainly comes from the following types of business:

(1) Sales contract

The contract between the company and the customer for the sale of goods usually contains only performance obligations for the transfer of goods. The Company generally recognizes revenue at the point of transfer of the control right on the basis of comprehensive consideration of the following factors: the current right to collect the goods acquired, the transfer of major risks and rewards in the ownership of the goods, the transfer of legal ownership of the goods, the transfer of the physical assets of the goods, and the acceptance of the goods by the customer.

(13) Other important accounting policies and estimates

None

IV. Taxes

1. Main taxes and tax rates

The main taxes and tax rates applicable to the company this year are listed as follows:

Tax type	tax basis	Tax rate or levy rate
The VAT	Output tax shall be calculated on the basis of taxable sales income, and VAT shall be paid after deducting the input tax deducted in the current period	13%
Urban maintenance and construction tax	Paid-in VAT,	7%
Education surcharge	Paid-in VAT and consumption tax	3%
Additional local education fees	Paid-in VAT and consumption tax	2%、
Corporate income tax	Taxable income	25%

V. Notes to major items in the financial statements

(Unless otherwise specified, the following units shall be RMB , and the balance at the end of last year shall be the ending balance.)

(1) Monetary capital

project	Balance at the end of this year	Balance at end of last year
Cash on hand	27,459.10	127,572.53
Bank deposits	8,657.02	7,683.60
Other monetary funds	9,337.03	456,761.37
A combined	45,453.15	592,017.50
Among them: the total amount of money deposited abroad		

(2) Accounts receivable

1. Disclosure by age

aging	The ending balance
Within 1 year	2,206,767.86
1 to 2 years	2,136,987.86
2 to 3 years	1,779,857.18
subtotal	6,123,612.90

aging	The ending balance
Minus: allowance for bad debts	563,312.99
Total	5,560,299.91

2. Bad debt provisions

Type	Balance at the beginning of this year	Amount change at the current period			The ending balance
		Accrual	Take back or reverse	Reseller or cancel after verification	
Accounts receivable	369,828.82	193,484.17			563,312.99
Total	369,828.82	193,484.17			563,312.99

(3) advance payment

1. advance payment by age

Aging	Balance at the end of this year		Balance at end of last year	
	amount	ratio (%)	amount	ratio (%)
Within 1 year	293,650.00	100.00	300,220.00	100.00
1 to 2 years				
2 to 3 years				
Over 3 years				
Total	293,650.00	100.00	300,220.00	100.00

(4) Other accounts receivable

item	Balance at the end of this year	Balance at end of last year
Other accounts receivable	23,488,866.09	24,691,802.19
Total	23,488,866.09	24,691,802.19

1. Other accounts receivable

(1) Disclosure by age

Aging	The ending balance
Within 1 year	6,580,535.47
1 to 2 years	597,121.47
2 to 3 years	17,731,675.79
Subtotal	24,909,332.73
Minus: allowance for bad debts	1,420,466.64
Total	23,488,866.09

(2) Accrual for bad debts

Provision for bad debt	Phase one	phase two	phase three	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire operation (no credit impairment)	Expected credit loss over the operation (credit impairment incurred)	
Balance on January 1, 2021	1,299,568.54			1,299,568.54
Accrual	120,898.10			120,898.10
Reverse				
Reseller cancel after verification				
Other changes				
Balance on December 31, 2021	1,420,466.64			1,420,466.64

(3) Bad debt

item	Balance at the beginning of this year	Amount change at the current period			The ending balance
		Accrual	Take back or reverse	Reseller or cancel after verification	
Accounts receivable	1,299,568.54	120,898.10			1,420,466.64
Total	1,299,568.54	120,898.10			1,420,466.64

(5) Inventory

1. Inventory classification

item	Balance at the end of this year			Balance at end of last year		
	Book balance	depreciation reserve	Book balance	depreciation reserve	falling price reserves	book value
The raw materials	2,035,781.08		2,035,781.08	2,143,183.60		2,143,183.60
Inventory goods	851,344.07		851,344.07	795,380.51		795,380.51
Low value consumables	12,556.35		12,556.35	83,570.00		83,570.00
Total	2,899,681.50		2,899,681.50	3,022,134.11		3,022,134.11

(6) long-term receivables

1. long-term receivables

item	Ending balance			Balance at end of last year			Discount rate interval
	Book balance	depreciation reserve	Book balance	depreciation reserve	falling price reserves	book value	
Shareholder contribution	43,927,586.34	3,682,220.94	40,245,365.40	49,272,789.74	5,345,203.40	43,927,586.34	
Total	43,927,586.34	3,682,220.94	40,245,365.40	43,927,586.34	5,345,203.40	43,927,586.34	

(7) investment property

(1) Investment real estate with fair value measurement model

(1) (1) Fair value change form

item	Houses and buildings	Total
I. Balance at the end of last year	10,557,770.14	10,557,770.14
II. Changes in the current period		
Add: outsourcing		
Inventory, fixed assets, construction in progress transferred		
Increase in business consolidation		
minus: disposal		
Other transfer		
Change in fair value	549,883.86	549,883.86
III. Ending balance	10,007,886.28	10,007,886.28

(8) Fixed Assets

1. Fixed assets

Item	Houses and buildings	production equipment	Furniture equipment	transportation	Electronic equipment	total
I. the original book value:						
1. Balance at the end of last year	6,861,998.86	4,274,950.54	1,989,878.44	94,861.99	51,367.26	13,273,057.09
2. Amount increased in the current period	296,008.80	494,680.00	12,046.00		59,773.00	862,507.80
(1) acquisition	296,008.80	494,680.00	12,046.00		59,773.00	862,507.80

Item	Houses and buildings	production equipment	Furniture equipment	transportation	Electronic equipment	total
3. Reduce the amount for the current period						
Ending balance	7,158,007.66	4,769,630.54	2,001,924.44	94,861.99	111,140.26	14,135,564.89
II. Accumulated depreciation						
1. Balance at the end of last year	5,357,054.81	1,219,957.11	1,699,719.04	80,619.00	19,972.53	8,377,322.49
2. Amount increased in the current period	774,547.92	396,042.79	58,036.25	3,800.04	7,063.01	1,239,490.01
(1) Accrual	774,547.92	396,042.79	58,036.25	3,800.04	7,063.01	1,239,490.01
3. Reduce the amount for the current period						
(1) Disposal or scrap						
4. ending balance	6,131,602.73	1,615,999.90	1,757,755.29	84,419.04	27,035.54	9,616,812.50
Impairment provisions						
1. Balance at the end of last year						
2. Amount increased in the current period						
3. Reduce the amount for the current period						
Ending balance						
4. Book value						
1. Ending book value	1,026,404.93	3,153,630.64	244,169.15	10,442.95	84,104.72	4,518,752.39
2. Book value at the end of last year	1,504,944.05	3,054,993.43	290,159.40	14,242.99	31,394.73	4,895,734.60

(9) intangible assets

1. intangible assets

Item	Land use right	Total
I. the original book value		
1. Balance at the end of last year	4,652,899.00	4,652,899.00
2. Amount increased in the current period		
3. The reducing amount for the current period		
Ending balance		

Item	Land use right	Total
II.accumulated amortization	4,652,899.00	4,652,899.00
1. Balance at the end of last year	1,466,531.26	1,466,531.26
2. Amount increased in the current period	93,057.98	
3. The reducing amount for the current period		
Closing balance	1,559,589.24	1,559,589.24
III. Impairment provisions		
1. Balance at the end of last year		
2. Amount increased in the current period		
(1) Accrual		
3. The reducing amount for the current period		
(1) Disposal		
Closing balance		
IV. Book value		
1. Ending book value	2,907,193.79	2,907,193.79
2. Book value at the end of last year	3,000,251.77	3,000,251.77

The proportion of intangible assets formed through the company's internal research and development to the balance of intangible assets at the end of this period is

(10)Accounts payable

1.Accounts payable

item	Balance at the end of this year	Balance at end of last year
Loan	1,620,268.50	3,357,373.71
logistics cost	55,154.20	338,433.20
Total	1,675,422.70	3,695,806.91

2.Accounts payable older than 1 year

item	Balance at the end of this year	Reasons for non-repayment or carryover
Chang-wei zhao	102,606.00	
Mianxian Yinhan Trading Co., LTD. (Zhao Shuohong)	68,264.90	
Shaanxi Shan ping color printing packaging company	75,333.40	
Total	246,204.30	

(11)employee pay payable

1.The list of employee pay payable

Item	Balance at end of last year	Increase in current period	decrease in current period	Ending balance
I.Short-term compensation	203,416.91	2,673,819.45	2,693,062.49	184,173.87
Total	203,416.91	2,673,819.45	2,693,062.49	184,173.87

(12)Taxes and fees payable

item	Ending balance	Balance at end of last year
VAT	10,182.88	9,174.92
Urban maintenance and construction tax	641.20	
Education surcharge	305.49	
Additional local education fees	203.65	
Total	11,333.22	9,174.92

(13)other fees payable

1. listed by classification

item	Ending balance	Balance at end of last year
Interest payable		
Dividends payable		
Other payables	19,927,200.92	20,434,376.26
Total	19,927,200.92	20,434,376.26

2. Other significant payables with an account age of more than 1 year

item	Ending balance	Reasons for non-repayment or carryover
disbursements	109,052.71	843,097.24
borrowing	645,407.00	760,407.00
Total	754,459.71	1,603,504.24

(14)equity

1. Changes in equity capital

Item	Balance at end of last year	increases or decreases (+, —)					Ending balance
		Issuing new shares	donate shares	Conversion of provident fund	Others	Subtotal	
the sum of shares	60,000,000.00						60,000,000.00

(15) Surplus reserves

Details of surplus reserves

Item	Balance at end of last year	Balance at the beginning of this year	Increase in current period	decrease in current period	Ending balance
Statutory surplus reserve	1,408,106.30				1,408,106.30
Discretionary surplus reserves					
Total	1,408,106.30				1,408,106.30

(16) Undistributed profit

Item	The present period	The last period
Undistributed profit prior to adjustment	8,901,811.52	11,823,127.40
Total amount of undistributed profit at the beginning of adjustment period (increase +, decrease -)		
The undistributed profit at the beginning after adjustment	8,901,811.52	11,823,127.40
Plus: Net profit attributable to the owner of the parent company for the current period	-2,339,824.61	-2,921,315.88
Minus: withdrawal of legal surplus reserve		
Withdraw any surplus reserve		
Extract general risk preparedness		
Undistributed profit at the end of the period	6,561,986.91	8,901,811.52

(17) Operating revenue and operating costs

1. Operating revenue and operating costs

item	The current amount		The amount at the previous period	
	Operating revenue	operating costs	Operating revenue	operating costs
Main business	17,743,877.77	12,750,890.19	15,999,436.34	11,118,089.44
Other business	286,262.01	29,693.67	109,709.20	
Total	18,030,139.78	12,780,583.86	16,109,145.54	11,118,089.44

(18) taxes and the additional fees

item	The current amount	The amount at the previous period
VAT	115,531.15	34,011.29
Urban maintenance and construction tax	7,350.59	2,311.74
Additional education fees	3,434.43	1,020.33

item	The current amount	The amount at the previous period
Additional local education fees	2,276.31	680.23
Stamp duty	18,137.00	3,135.40
Water conservancy Fund	4,844.05	1,247.07
Property tax	26,547.08	19,910.31
Land use tax	24,985.40	18,739.05
Water resources tax	3,008.80	7,787.33
Environmental protection tax	13,461.85	8,270.96
Total	219,576.66	97,113.71

(19) selling expenses

Item	The current amount	The amount at the previous period
worker wages	474,352.00	529,905.00
Advertising expenses	52,041.89	294,212.09
transportation	85,737.64	105,550.06
Depreciation cost	3,800.04	6,290.62
Car cost	38,202.77	29,010.31
Postage fees	155,514.22	803,931.80
Handling charge	17,749.50	21,302.10
office	1,280.00	60,968.42
travel	14,166.00	3,997.50
Business entertainment expenses	3,766.00	3,601.00
The gifts	40,892.63	20,987.43
Promotion allowance	7,802.65	32,780.43
Rebates fee	508,225.22	413,850.65
Contract subsidies	5,500.00	5,110.00
Miscellaneous fees	99,405.90	98,621.46
The service fee	1,742,544.42	1,600,632.26
Other fees	45,960.80	550.75
Total	3,296,941.68	4,031,301.88

(20) Management fees

Item	The current amount	The amount at the previous period
worker wages	753,773.00	513,337.00
Employee welfare	130,308.60	72,899.54
Office expenses	88,054.16	30,687.00

Item	The current amount	The amount at the previous period
Travel expense	53,443.31	48,491.34
Business entertainment expenses	153,579.36	157,594.51
Meeting expenses	111,726.60	-
Labor protection money	5,454.54	4,534.40
Consulting fees	167,257.00	46,000.00
Repair fees	39,280.11	5,895.70
Water and electricity fees	44,184.27	24,834.54
Discount and amortization fees	772,621.12	762,776.76
Training fees	67,573.00	18,590.00
Postage fees	8,177.20	3,007.00
Low value consumables	17,934.34	4,009.50
Factory shut up losses	73,035.10	37,667.64
Other fees	176,719.41	742,108.36
The management fee	165,000.00	110,000.00
Research and development costs	8,275.04	17,845.22
Property insurance premium	27,990.00	
Employee's premium	194,717.12	84,601.38
Detect cost	6,033.03	15,850.00
Material consumption	14,028.99	5,641.74
Total	3,079,165.30	2,706,371.63

Other instructions:

(21) financial cost

Item	The current amount	The amount at the previous period
Interest expenses	170,500.00	
minus: interest income	442.20	1,408.11
processing fees	10,893.51	16,260.86
Total	180,951.31	14,852.75

(22) Change in fair value gain

Source of fair value change	The current amount	The amount at the previous period
Trading financial assets		
Wherein: the fair value change income generated by derivative financial instruments		
Transactional financial liabilities		
Investment real estate measured at fair value	549,883.86	439,907.09
Total	549,883.86	439,907.09

(23) Asset impairment loss

Item	The current amount	The amount at the previous period
Bad debt losses	314,382.27	659,805.81
Impairment losses on assets held for sale		
Impairment losses on long-term equity investments		
Impairment losses on investment real estate		
Impairment loss of fixed assets		
Impairment loss of engineering materials		
Impairment loss of construction in progress		
Impairment loss of productive biological assets		
Impairment losses on oil and gas assets		
Impairment loss of intangible assets		
Goodwill impairment loss		
impairment loss of the contract performance cost		
impairment loss of the contract acquisition cost		
Impairment loss of contract assets		
Impairment loss on use right assets		
Other losses		
Total	314,382.27	659,805.81

(24) Non-operating income

Item	current amount	amount at the previous period	amount recorded in non-recurring profit and loss of the current period
Government subsidies	100,000.00	199,100.00	100,000.00
other	90,873.03	38,034.89	90,873.03
Total	190,873.03	237,134.89	190,873.03

(25) Non-operating expense

Item	current amount	amount at the previous period	amount recorded in non-recurring profit and loss of the current period
Indemnity	13,892.90	10,758.00	13,892.90
Donation outlay	3,458.00	6,016.50	3,458.00
Scrap spending	98,747.49	127,415.41	98,747.49
penalty cost	5,000.00	20,000.00	5,000.00
Social security interest	4,454.09		4,454.09
other	13,800.00	35,920.09	13,800.00

Item	current amount	amount at the previous period	amount recorded in non-recurring profit and loss of the current period
Total	139,352.48	200,110.00	139,352.48

(26) Net profit from continuing operations and net profit from discontinued operations

Item	Current period		Last period	
	amount incurred	Profit and loss attributable to the owner of the parent company	amount incurred	Profit and loss attributable to the owner of the parent company
Net profit from continuing operations	-2,339,824.61	-2,339,824.61	-2,921,315.88	-2,921,315.88
Net profit from discontinued operations				
Total	-2,339,824.61	-2,339,824.61	-2,921,315.88	-2,921,315.88

(27) Supplementary information on the statement of cash flows

1. Supplementary data to the cash flow statement

Supplementary data	current amount	amount at the previous period
1. Adjustment of net profit to cash flow from operating activities:		
Net profit	-2,339,824.61	-2,921,315.88
Plus: credit impairment losses	864,266.13	1,099,712.90
Depreciation of fixed assets, oil and gas assets and productive biological assets	1,789,373.87	440,365.42
Depreciation of use-right assets		
Amortization of intangible assets	93,057.98	93,057.98
Amortization of long-term deferred expenses		
Loss on disposal of fixed assets, intangible assets and other long-term assets (income marked with "-")		
Loss on the abandonment of fixed assets (income marked with "-")		
Loss on changes in fair value (marked with "-" for gains)		
Financial expenses (revenue marked with "-")		
Investment loss (income marked with "-")		
Decrease in deferred income tax assets (marked with "-" for increase)		
Increase in deferred income tax liability (marked with "-" for decrease)		
Decrease in inventory (increase marked with "-")	122,452.61	-995,861.20
Decrease of operating receivable items (marked	-1,350,959.18	-1,099,072.84

Supplementary data	current amount	amount at the previous period
with "-" for increase)		
Increase of operational payable items (marked with "-" for decrease)	-2,544,644.29	10,794,998.15
other		
Net cash flows from operating activities	-3,366,277.49	7,411,884.53
2.Main event not involving cash expenditures		
The amount of endorsed transfer of bank acceptance bill received from sale of goods or provision of services		
Conversion of debt to capital		
convertible corporate bond that matures within one year		
Fixed asset from financing leasing		
3. Net change in cash and cash equivalents:		
Ending balance of cash	45,453.15	592,017.50
Minus: cash balance at the end of the previous year	592,017.50	1,106,288.67
Plus: ending balance of cash equivalents		
Minus: balance of cash equivalents at the end of the previous year		
Net increase in cash and cash equivalents	-546,564.35	-514,271.17

2. Composition of cash and cash equivalents

Item	current amount	amount at the previous period
I. Cash	45,453.15	592,017.50
Including : inventory cash	27,459.10	127,572.53
A bank deposit that is readily available for payment	8,657.02	7,683.60
Other monetary funds readily available for payment	9,337.03	456,761.37
Money deposited with the central bank that is available for payment		
Interbank deposit		
Release of interbank funds		
II.Cash equivalents	45,453.15	592,017.50
Among them: bond investments maturing within three months		
Balance of cash and cash equivalents at the end of the period	45,453.15	592,017.50
Among them: restricted cash and cash equivalents used by the parent company or subsidiaries within the company		

VI.Commitments and contingencies

(I) Important Commitments

As of December 31, 2021, the Company has no material commitments to disclose. (二)

(II)Contingencies

1. Significant contingencies before the balance sheet date

As of December 31, 2021, the Company has no material pending litigation, external guarantees and other contingencies that should be disclosed.

VII.Events occurring after the balance sheet date

As of the date of issuance of the report, the company is not required to disclose events after the balance sheet date.

VIII.Other Important matters

NONE

Shaanxi Mingguan Food and Beverage Co. LTD

(Seal)

March 15, 2002