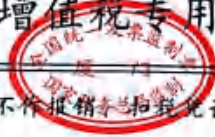




3502221130

厦门增值税专用发票



No 01068675

3502221130
01068675

此联不作为报销等扣税凭证使用

开票日期: 2022年09月15日

中总华森实业 [2021] 302号中总华森实业有限公司

购买方	名称: 漳州圆山发展有限公司					密码区	2++30/81422*06><2+32510-/-/11654482-3<68437**<424132+>5297/2>488/>-2210+><-816114+*>953458/<09-68+95640*2-+4		
	纳税人识别号: 91350603MA2YYRD62N								
地址、电话:		福建省漳州市龙海区九湖镇工业区崇坑工业园2号高新区产业园行政办公楼3楼 0596-5289932							
开户行及账号:		兴业银行漳州分行 161020100100413661							
货物或应税劳务、服务名称 *鉴证咨询服务*审计费		规格型号 中兴华(2022)高(9101#	单位 项	数量 1	单价 94339.622642	金额 94339.62	税率 6%	税额 5660.38	
合计					¥94339.62		¥5660.38		
价税合计(大写)		⊗ 壹拾万圆整				(小写) ¥100000.00			
销售方	名称: 中兴华会计师事务所(特殊普通合伙)福建分所					备注			
	纳税人识别号: 91350203089905454X								
地址、电话:		厦门市思明区湖滨北路72号中国大厦写字楼901室C单元之四 0592-5819060							
开户行及账号:		建行厦门湖滨支行35101551001052532776							

收款人: 陈惠蓉

复核: 刘童童

开票人: 陈惠蓉

销售方: (章)

3502221130

厦门增值税专用发票

No 01068677

3502221130
01068677

此联不作报税凭证使用

开票日期: 2022年09月15日

税总货劳函[2021]302号中钞华森实业有限公司

购买方	名称:	漳州圆山发展有限公司			密码区	//48>9553>2255<4044/06378<*		
	纳税人识别号:	91350603MA2YYRD62N				++9620/6<>>88239>2/468-0<4*		
	地址、电话:	福建省漳州市龙海区九湖镇工业区新坊工业园2号高新区产业园行政办公楼3楼 0596-6209932				3240251>7*0-*>2>59<49669467		
	开户行及账号:	兴业银行漳州分行 161020100100413661				69+8<8-6<9-4*776->587<>2><<		
货物或应税劳务、服务名称		规格型号	单位	数量	单价	金额	税率	税额
*鉴证咨询服务*审计费		华兴华(2022)第19010	项	1	47169.811311	47169.81	6%	2830.19
合计						¥47169.81		¥2830.19
价税合计(大写)		伍万圆整			(小写) ¥50000.00			
销售方	名称:	中兴华会计师事务所(特殊普通合伙)福建分所			备注			
	纳税人识别号:	91350203089905454X						
	地址、电话:	厦门市思明区湖滨北路72号中闽大厦写字楼901室C单元之四 0592-5819560						
	开户行及账号:	建行厦门湖滨支行35101551001052532776						

收款人: 陈惠蓉

复核: 刘童童

开票人: 陈惠蓉

销售方: (章)

第一联: 记账联 销售方记账凭证

3502221130

厦门增值税专用发票

No 01068676

3502221130
01068676

此联不作报销凭证使用

开票日期: 2022年09月15日

名称: 漳州圆山发展有限公司	密码区
纳税人识别号: 91350603MA2YYRD62N	* <968>5694/+1+40</19>66++>+
地址、电话: 福建省漳州市龙海区九湖镇工业区崇坑工业园2号高新区产业园行政办公楼3楼 0596-6289932	0>4558945095/8/>9-77+6>2*39
开户行及账号: 兴业银行漳州分行 161020100100413661	430+36*10+0864/716407>3/-62
	---<4/6591>6781->5-<175134+

货物或应税劳务、服务名称	规格型号	单位	数量	单价	金额	税率	税额
*鉴证咨询服务*审计费	中兴华(2022)第1907	项	1	94339.622642	94339.62	6%	5660.38
合计					¥94339.62		¥5660.38

价税合计(大写)

壹拾万圆整

(小写) ¥100000.00

名称: 中兴华会计师事务所(特殊普通合伙)福建分所	备注
纳税人识别号: 91350203089905454X	
地址、电话: 厦门市思明区湖滨北路72号中闽大厦写字楼901室C单元之四 0592-5819560	
开户行及账号: 建行厦门湖滨支行35101551001052532776	

收款人: 陈惠蓉

复核: 刘盖章

开票人: 陈惠蓉

销售方: (章)

买方 [2021] 302号中新华森实业有限公司

190/07

业务约定书



甲方编号:

乙方编号: 中兴华 (2022) 第 ^{190/07} 号

2022 年 5 月 19 日



业务约定书

甲方：漳州圆山发展有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

兹由甲方委托乙方对甲方境外债券发行项目提供相关鉴证和审阅服务，经双方协商，达成以下约定：

一、服务的目标和范围

1. 乙方接受甲方委托，对甲方 2021 年财务报表出具英文版审计报告。
2. 乙方接受甲方委托，按照（HKSI400）起草安慰函，并于债券定价日签字盖章。

二、甲方的责任

1. 根据《中华人民共和国会计法》及《企业财务会计报告条例》，甲方及甲方负责人有责任保证会计资料的真实性和完整性。因此，甲方管理层有责任妥善保存和提供会计记录（包括但不限于会计凭证、会计账簿及其他会计资料），这些记录必须真实、完整地反映甲方的财务状况、经营成果和现金流量。

2. 按照企业会计准则的规定编制和公允列报财务报表是甲方管理层的责任，这种责任包括：（1）按照企业会计准则的规定编制财务报表，并使其实现公允反映；（2）设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

3. 在编制财务报表时，甲方管理层负责评估甲方的持续经营能力，必要时披露与持续经营相关的事项，并运用持续经营假设，除非管理层计划清算、终止运营或别无其他现实的选择。甲方治理层负责监督甲方的财务报告过程。

4. 及时为乙方的工作提供相关的所有记录、文件和所需的其他信息，并保证所提供资料的真实性和完整性。

5. 确保乙方不受限制地接触其认为必要的甲方内部人员和其他相关人员。

6. 甲方管理层对其作出的与服务有关的声明予以书面确认。

7. 为乙方派出的有关工作人员提供必要的工作条件和协助，乙方将于外勤工作开始前提供主要事项清单。

8. 按照本约定书的约定及时足额支付服务费用。

9. 乙方的服务不能减轻甲方及甲方管理层的责任。

三、乙方的责任：

1. 根据乙方已出具的甲方 2021 年中文版审计报告，出具相应的 2021 年英文版审计报告。

2. 对甲方募集说明书中披露的财务信息（2021 年审计数据（包括 2020 年对比数据））进行核查和圈阅，按照 HKRIS400 的格式样本和提供的等级作出比较或计算而给予圈阅结果。

3. 阅读甲方最新的管理账，管理账期间视债券定价日的时间而定，根据项目进度，阅读甲方 2022 年 6 月或 7 月、8 月的合并层面的管理账（以届时甲方掌握的最新管理账为准），如项目时间表有变化，届时甲方有更新的管理账，则阅读甲方最新的管理账，并就与承销商商定的若干会计科目和去年同期或者上期期末数进行比较并告知计算结果，同时向甲方询问任何不利变化的原因。

4. 向甲方的财务负责人询问至债券定价日前三个工作日的主要会计科目的变化情况，同时向甲方询问任何不利变化的原因。

5. 按照（HKRIS400）起草安慰函，并于债券交割日签字盖章，补充安慰函主要是向甲方的财务负责人询问至债券交割日前三个工作日的主要会计科目的变化情况，同时向甲方询问任何不利变化的原因。

6. 发行通函：发行通函圈阅、审阅募集说明书中的中国审计准则与 IFRS 的重大区别的英文概要（如有），以及其他需要乙方确认的内容。

7. 除下列情况外，乙方应当对执行业务过程中知悉的甲方信息予以保密：（1）法律法规允许披露，并取得甲方的授权；（2）根据法律法规的要求，为法律诉讼、仲裁准备文件或提供证据，以及向监管机构报告发现的违法行为；（3）在法律法规允许的情况下，在法律诉讼、仲裁中维护自己的合法权益；（4）接受注册会计师协会或监管机构的执业质量检查，答复其询问和调查；（5）法律法规、执业准则和职业道德规范规定的其他情形。

8. 审计报告签发日之后，乙方无直接责任去考虑或查明可能影响该期间的会计报表的期后事项。但是，甲方应将在审计报告签发日之后可能影响会计报表的任何重大事项的发生或任何重大事实的发现通知乙方。

四、服务收费

1. 本次服务的收费是以乙方各级别工作人员在本次工作中所耗费的时间为基础计算的。乙方预计本次服务的费用总额为人民币贰拾伍万元。如若每增加一项境外债项目，乙方提供如本约定书“三、乙方的责任”服务，出具相应的安慰函等，每增加一项境外发债业务服务费用为人民币壹拾伍万元。

2. 甲方应于出具英文报告、安慰函后五日内支付款项。

3. 如果由于无法预见的原因，致使乙方从事本约定书所涉及的服务实际时间较本约定书签订时预计的时间有明显的增加或减少时，甲乙双方应通过协商，相应调整本部分第 1 段所述的服务费用。

4. 如果由于无法预见的原因，致使乙方人员抵达甲方的工作现场后，本约定书所涉及的服务中止；如上述情况发生于乙方人员完成现场工作，并离开甲方的工作现场之后，甲方应向乙方支付人民币贰拾万元的补偿费，该补偿费应于甲方收到乙方的收款通知之日起十日内支付。

5. 与本次乙方服务人员的交通、住宿等费用由乙方承担。

五、安慰函、审计报告和审计报告的使用

1. 乙方向甲方致送 2021 年度英文版审计报告一式6份。

2. 乙方向甲方致送安慰函一式6份。

3. 甲方在提交或对外公布乙方出具的审计报告及其后附的已审计财务报表时，不得对其进行修改。当甲方认为有必要修改会计数据、报表附注和所作的说明时，应当事先通知乙方，乙方将考虑有关的修改对审计报告的影响，必要时，将重新出具审计报告。

六、本约定书的有效期间

本约定书自签署之日起生效，并在双方履行完毕本约定书约定的所有义务后终止。但其中第三项第 11 段、第四、五、八、九、十项并不因本约定书终止而失效。

七、约定事项的变更

如果出现不可预见的情况，影响工作如期完成，或需提前出具审计报告和安慰函，甲、乙双方均可要求变更约定事项，但应及时通知对方，并由双方协商解决。

八、终止条款

1. 如果根据乙方的职业道德及其他有关专业职责、适用的法律法规或其他任何法定的要求，乙方认为已不适宜继续为甲方提供本约定书约定的服务时，乙方可以采取向甲方提出合理通知的方式终止履行本约定书。

2. 在本约定书终止的情况下，乙方有权就其于终止之日前对约定的服务项目所做的工作收取合理的费用。

九、违约责任

甲、乙双方按照《中华人民共和国民法典》的规定承担违约责任。

十、适用法律和争议解决

本约定书的所有方面均应适用于中华人民共和国法律进行解释并受其约束。本约定书履行地为乙方出具审计报告所在地，因本约定书引起的或与本约定书有关的任何纠纷或争议(包括关于本约定书条款的存在、效力或终止，或无效之后果)，双方协商确定采取以下第1种方式予以解决：

1. 向甲方所在地有管辖权的人民法院提起诉讼；
2. 提交_____仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式四份，甲、乙方各执两份，具有同等法律效力。

甲方：漳州圆山发展有限公司

授权代表：(签名并盖章)



年 月 日

乙方：中兴华会计师事务所(特殊普通合伙)

授权代表：(签名并盖章)



2022 年 5 月 17 日

**Consolidated and parent company financial
statements of Zhangzhou Yuanshan
Development Co., Ltd in 2021**

Audit report



ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

location: 20/F,Tower B,Lize SOHO,20 Lize Road,Fengtai District,Beijing PR China

Post code: 100073

Tel: (010) 51423818

Fax: (010) 51423816

Table of Contents

1. Audit report

2. Audit report attached

- (1) Consolidated balance sheet**
- (2) Consolidated income statement**
- (3) Consolidated cash flow statement**
- (4) Consolidated statement of changes in shareholder's equity**
- (5) Balance sheet of parent company**
- (6) Income statement of parent company**
- (7) Cash flow statement of parent company**
- (8) Statement of changes in owner's equity of the parent company**
- (9) Notes to financial statements**

3. Annex to audit report

- (1) Copy of business license of zhongxinghua Certified Public Accountants LLP**
- (2) Copy of practicing certificate of zhongxinghua Certified Public Accountants LLP**
- (3) Copy of certified public accountant's practice certificate**



ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

location: 20/F,Tower B,Lize SOHO,20 Lize Road,Fengtai District,Beijing PR China

tel: 010-51423818 fax: 010-51423816

Audit report

Z. X. H. S. Zi (2022) No.190027

All shareholders of Zhangzhou Yuanshan Development Co., Ltd :

1. Audit Opinion

We have audited the financial statements of Zhangzhou Yuanshan Development Co., Ltd. (hereinafter referred to as "Yuanshan Development Company"), including the consolidated and parent company balance sheet as of December 31, 2021, the consolidated and parent company income statement, consolidated and parent company cash flow statement, consolidated and parent company owner's equity change statement and relevant notes to the financial statements in 2021.

We believe that the accompanying financial statements in all material respects in accordance with the provisions of the enterprise accounting standards, fairly reflect the Company's financial position as at December 31, 2021, and the Company's financial performance and cash flows for the financial year 2021.

2. Form the basis of audit opinions

We carried out the audit in accordance with the provisions of the Chinese CPA Audit Standards. The audit report, "CPA's responsibility for financial statement audits", further elaborates our responsibilities under these Guidelines. In accordance with the Code of Ethics of Chinese Certified Public Accountants. We maintain independent in the processes of auditing Yuanshan Development Company and fulfill other responsibilities of professional ethics. We believe that the audit evidence we have obtained is adequate and appropriate which provides the basis for the publication of the audit opinion.

3. The responsibility of management for the financial statements

Yuanshan Development Company Management (hereinafter referred to as Management) is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the enterprise accounting standards. It means management should design, implement and maintain internal control relevant to



enable the preparation and fair presentation of financial statements. In this case, the financial statements are free of material misstatements, whether due to fraud or errors. In preparing the financial statements, the management is responsible for evaluating the continuous operation capability of Yuanshan Development Company, disclosing the matters related to the continuous operation and applying the going concern basis of accounting . Unless management plans to liquidate Yuanshan Development Company, terminate the operation or have no other realistic choice. The Management is responsible for supervising the financial reporting process of Yuanshan Development Company.

4. The Responsibility of Certified Public Accountants

Our objective is to obtain reasonable assurance of the absence of material misstatements of the financial statements as a result of whether fraud or error and to issue an audit report containing the audit opinion. A reasonable guarantee is a high level of assurance, but it is not guaranteed that audits carried out in accordance with the audit standards will always found the presence of a significant misstatement. False positives may happen due to fraud or errors. If a reasonable expectation of misstatement is separate or aggregated may affect economic decisions made by users of financial statements based on financial statements. The misstatement is generally considered significant.

In the process of implementing audit in accordance with audit standards, we use professional judgment and we maintain professional skepticism. At the same time, we also perform the following tasks:

(1) Identify and evaluate the risk of material misstatement of financial statements resulting from fraud or error, design and implement audit procedures to respond to these risks and obtain adequate and appropriate audit evidence as a basis for issuing an audit opinion. As fraud may involve collusion, forgery, intentional omission, misrepresentation or supremacy over internal control, it is not possible to find that the risk of material misstatement due to fraud is greater than the risk of failure to detect material misstatement due to errors.

(2) To be aware of internal controls related to audits in order to design appropriate audit procedures, but we do not comment on the effectiveness of internal controls.

(3) Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(4) Draw conclusions on the appropriateness of the management's use of the going concern basis of accounting. At the same time, based on the audit evidence we have



obtained, it may lead to the conclusion that there is significant uncertainty about the matters or circumstances that cause serious doubts about the sustainable operation ability of Yuanshan Development Company. If we come to the conclusion that there is significant uncertainty, the audit guidelines require us to draw the report user's attention to the relevant disclosures in the financial statements in the audit report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on information available as of the date of the audit report. However, the future matters or circumstances may cause Yuanshan Development Company cannot continue as a going concern.

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

(6) Obtain adequate and appropriate audit evidence on the financial information of the entity or business activity in Yuanshan Development Company in order to publish the audit opinion on the financial Statement. We are responsible for directing, supervising and enforcing the group audits and taking full responsibility for the audit opinion. We communicate with the management on the planned audit scope, timing and major audit findings, including communicating the notable internal control flaws that we identified in the Audit.

Zhongxinghua Certified Public Accountants LLP

China CPA:

Beijing,China

China CPA:

April.20.2022

Consolidated balance sheet

December 31, 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Closing balance	Beginning balance	Balance at the end of last year
Current assets:				
Cash at bank and on hand	Note VI 1	956,211,569.60	518,697,573.68	518,697,573.68
Provision for settlement				
Lending funds				
Trading financial assets			86,800,000.00	
Financial assets measured at fair value through	Note VI 2			86,800,000.00
Derivative financial assets				
Notes receivable	Note VI. 3		6,900,000.00	7,050,000.00
Accounts receivable	Note VI 4	3,131,675,781.18	1,858,768,278.51	1,877,081,265.42
Receivables financing			150,000.00	
Prepayments	Note VI. 5	1,054,239,483.40	296,196,522.33	294,394,305.28
Receivable premium				
Accounts receivable reinsurance				
Reinsurance contract reserve receivable				
Other receivables	Note VI 6	1,052,802,335.02	286,131,963.87	286,131,963.87
Purchase of resale financial assets				
Inventories	Note VI. 7	755,833,787.10	1,449,018,608.37	1,449,018,608.37
Contract assets				
Assets held for sale				
Non current assets due within one year				
Other current assets	Note VI 8	97,715,676.84	17,415,617.27	17,415,617.27
Total current assets		7,048,478,633.14	4,520,078,564.03	4,536,589,333.89
Non current assets:				
Issuing entrusted loans and advances				
Debt investment	Note VI. 9	400,000.00		
Available for sale financial assets	Note VI. 10			3,000,000.00
Other debt investment				
Held to maturity investment				
long-term receivables				
Long term equity investment	Note VI 11	462,640,034.74	242,200,561.54	242,200,561.54
Investment in other equity instruments				
Other non current financial assets	Note VI. 12	75,161,978.02	3,000,000.00	
Investment real estate	Note VI 13	3,120,589,728.42	3,056,904,496.42	3,056,904,496.42
Fixed assets	Note VI 14	26,969,960.12	27,626,992.87	27,626,992.87
Construction in progress	Note VI. 15	565,742,176.19	288,147,128.75	288,147,128.75
Productive biological assets				
Oil and gas assets				
Right of use assets	Note VI 16	2,812,760.77	5,062,969.33	
Intangible assets	Note VI 17	92,121,664.26	84,932,697.99	84,932,697.99
Development expenditure				
Goodwill				
Long term deferred expenses	Note VI 18	461,557.37	2,091,494.15	2,091,494.15
Deferred tax assets	Note VI 19	4,434,667.09		
Other non current assets	Note VI 20	479,676,755.79		
Total non-current assets		4,831,011,282.77	3,709,966,341.05	3,704,903,371.72
Total Assets		11,879,489,915.91	8,230,044,905.08	8,241,492,705.61

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Consolidated balance sheet (Continued)

December 31, 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Closing balance	Beginning balance	Balance at the end of last year
Current liabilities:				
Short-term loans	Note VI 21	894,087,194.78	527,500,000.00	527,500,000.00
Borrowing from the central bank				
Borrowing funds				
Trading financial liabilities				
Financial liabilities measured at fair value through profit or loss for the current period				
Derivative financial liabilities				
Notes payable	Note VI 22	893,785,764.87	553,447,746.09	553,447,746.09
Accounts payable	Note VI 23	300,129,218.22	130,240,108.90	142,687,302.75
Advances received	Note VI 24	882,514.00	1,396,845.73	138,547,901.00
Financial Assets Sold for Repurchase	Note VI 25			
Deposit taking and interbank deposit	Note VI 26			
Funds from securities trading agency	Note VI 27			
Acting underwriting securities	Note VI 28			
Contractual liabilities	Note VI 25	89,356,556.50	121,504,340.01	
Employee benefits payable	Note VI 26	1,482,708.02	122,680.30	122,680.30
Current tax liability	Note VI 27	42,458,231.10	51,842,435.40	52,198,060.58
Other payables	Note VI 28	109,494,792.55	134,115,786.21	134,115,786.21
Handling charges and commissions payable				
Accounts payable reinsurance				
Liabilities held for sale				
Non current liabilities due within one year	Note VI 29	549,457,985.81	75,432,945.25	72,961,453.44
Other current liabilities	Note VI 30	91,987,039.29	15,646,715.26	
Total Current Liabilities		2,973,122,005.14	1,611,249,603.15	1,621,580,930.37
Non current liabilities:				
Insurance contract reserve				
Long term loans	Note VI 31	660,850,000.00	438,000,000.00	438,000,000.00
Bonds payable	Note VI 32	1,439,063,495.12		
Including: preferred shares				
Perpetual bond				
Lease liabilities	Note VI. 33		2,591,477.52	
Long term payables	Note VI 34	1,071,465,156.94	473,282,285.58	473,282,285.58
Long term employee compensation payable				
Estimated liabilities				
Deferred income	Note VI. 35	34,251,329.35	20,632,256.30	20,632,256.30
Deferred Tax Liability	Note VI 19	15,015,577.63		
Other non current liabilities				
Total Non-current Liabilities		3,220,645,559.04	934,506,019.40	931,914,541.88
Total liabilities		6,193,767,564.18	2,545,755,622.55	2,553,495,472.25
Owner's equity:				
Paid in capital	Note VI 36	866,776,613.87	866,776,613.87	866,776,613.87
Other equity instruments				
Including: preferred shares				
Perpetual bond				
Capital reserve	Note VI 37	4,350,976,978.90	4,491,848,913.98	4,491,848,913.98
Less: treasury shares				
Other comprehensive income				
Special reserve				
Surplus reserve	Note VI 38	48,856,471.50	35,195,537.41	35,195,537.41
General risk reserve	Note VI 39			
Undistributed profit	Note VI 39	405,462,809.72	285,081,037.72	288,788,988.55
Total owner's equity attributable to the parent company		5,672,072,873.99	5,678,902,102.98	5,682,610,053.81
Minority interests		13,649,477.74	5,387,179.55	5,387,179.55
Total owner's equity		5,685,722,351.73	5,684,289,282.53	5,687,997,233.36
Total liabilities and owner's equity		11,879,489,915.91	8,230,044,905.08	8,241,492,705.61

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Consolidated income statement

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Current amount	Amount of previous period
1、 Total operating income		4,263,383,399.12	2,856,781,760.01
Including: operating income	Note VI 40	4,263,383,399.12	2,856,781,760.01
Interest income			
Earned premium			
Fee and commission income			
2、 Total operating cost		4,168,531,813.45	2,771,759,574.23
Including: operating cost	Note VI 40	3,968,132,741.87	2,664,364,901.37
Interest expense			
Handling charges and commission expenses			
Surrender money			
Net compensation expenditure			
Net amount of insurance contract reserve			
Expenditures dividend policy			
Reinsurance expenses			
Taxes and surcharges	Note VI 41	12,422,868.67	4,315,213.49
Sales expense	Note VI 42	1,589,260.55	3,853,756.03
Administrative expenses	Note VI 43	67,929,814.20	49,627,960.92
R & D expenses			
Financial expenses	Note VI 44	118,457,128.16	49,597,742.42
Including: interest expense		173,564,111.20	78,126,083.29
Interest income		62,193,762.81	29,877,130.84
Plus: other income	Note VI. 45	11,592,290.23	21,523,868.13
Investment income (loss expressed with "-")	Note VI 46	2,534,877.46	4,545,980.89
Including: investment income from associates and joint ventures		2,534,877.46	4,545,980.89
Income from derecognition of financial assets measured at amortized cost			
Exchange gain (loss is indicated with "-")			
Net exposure hedging income (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")	Note VI. 47	62,347,210.02	16,019,659.92
Credit impairment loss (loss expressed with "-")	Note VI 48	7,822,434.49	
Asset impairment loss (loss expressed with "-")	Note VI 49		-5,387,081.71
Income from asset disposal (loss expressed with "-")	Note VI. 50	163,774.07	
3、 Operating profit (loss expressed with "-")		179,312,171.94	121,724,613.01
add: non operating income	Note VI. 51	140,534.05	99,564.71
Less: non operating expenses	Note VI. 52	2,578,014.62	821,670.38
4、 Total profit (total loss expressed with "-")		176,874,691.37	121,002,507.34
Less: income tax expense	Note VI 53	44,030,175.69	5,432,909.37
5、 Net profit (net loss expressed with "-")		132,844,515.68	115,569,597.97
(1) Classification by business continuity:			
1. Net profit from continuing operations (net loss expressed with "-")		132,844,515.68	115,569,597.97
2. Net profit from discontinued operations (net loss expressed with "-")			
(2) Classification by Ownership:			
1. Net profit attributable to shareholders of the parent company (net loss expressed with "-")		134,042,706.09	115,994,759.70
2. Minority shareholders' profit and loss (net loss expressed with "-")		-1,198,190.41	-425,161.73
6、 After tax net amount of other comprehensive income			
(1) After tax net amount of other comprehensive income attributable to the owner of the parent company:			
1. other comprehensive income that cannot be reclassified into profit or loss			
(1) Remeasurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of enterprise's own credit risk			
(5) Other			
2. other comprehensive income reclassified into profit and loss			
(1) Other comprehensive income that can be transferred to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Changes in fair value of available for sale financial assets investment			
(4) Amount of reclassification of financial assets into other comprehensive income			
(5) Profit and loss of held to maturity investments reclassified as available for sale financial assets			
(6) Provision for credit impairment of other debt investments			
(7) Cash flow hedging reserve			
(8) Translation difference of foreign currency financial statements			
(9) Other			
(2) After tax net amount of other comprehensive income attributable to minority shareholders			
7、 Total comprehensive income		132,844,515.68	115,569,597.97
(1) Total comprehensive income attributable to owners of the parent company		134,042,706.09	115,994,759.70
(2) Total comprehensive income attributable to minority shareholders		-1,198,190.41	-425,161.73

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Consolidated cash flow statement

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Current amount	Amount of previous period
1、 Cash flow from operating activities:			
Cash received from selling goods and rendering services		2,915,615,185.27	2,600,890,432.63
Net increase in customer deposits and interbank deposits			
Net increase in borrowings from the central bank			
Net increase in borrowings from other financial institutions			
Cash received from premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits and investments of the insured			
Cash received from interest, handling charges and commissions			
Net increase in borrowings			
Net increase in repurchase business funds			
Net cash received from agency trading of securities			
Refunds of taxes			
Other cash received related to operating activities	Note VI 54	130,396,186.96	25,468,490.70
Subtotal of cash inflow from operating activities		3,046,011,372.23	2,626,358,923.33
Cash paid for purchasing goods and receiving services		3,596,847,021.36	2,509,579,734.11
Net increase in customer loans and advances			
Net increase in deposits with the central bank and other banks			
Cash paid for compensation of original insurance contract			
Net increase in lending funds			
Cash paid for interest, service charge and commission			
Cash paid for policy dividends			
Cash paid to and for employees		97,211,510.53	28,022,228.40
Taxes paid		22,842,682.15	51,771,920.45
Other cash paid related to operating activities	Note VI 54	295,600,000.53	17,755,262.69
Subtotal of cash outflow from operating activities		4,012,501,214.57	2,607,129,145.65
Net cash flow from operating activities		-966,489,842.34	19,229,777.68
2、 Cash flow from investment activities:			
Cash received from investment recovery		34,142,550.00	
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		219,741.58	
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities	Note VI 54	180,138,867.42	
Subtotal of cash inflow from investment activities		214,501,159.00	
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		526,165,116.48	167,774,931.31
Cash paid for investment		335,132,550.00	584,082,057.94
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid related to investment activities	Note VI 54	906,183,305.58	
Subtotal of cash outflow from investment activities		1,767,480,972.06	751,856,989.25
Net cash flow from investment activities		-1,552,979,813.06	-751,856,989.25
3、 Cash flow from financing activities:			
Cash received from investment absorption		27,200,000.00	10,990,161.28
Including: cash received from minority shareholders' investment by subsidiaries			
Cash received from borrowing		3,761,592,639.22	1,524,227,317.27
Other cash received related to financing activities	Note VI 54	910,000,000.00	66,995,352.15
Subtotal of cash inflow from financing activities		4,698,792,639.22	1,602,212,830.70
Cash paid for debt repayment		1,432,162,643.92	361,085,667.07
Cash paid for distribution of dividends, profits or interest payments		168,193,657.80	333,448,020.69
Including: dividends and profits paid by subsidiaries to minority shareholders			
Other cash paid related to financing activities	Note VI 54	437,005,995.79	600,000.00
Subtotal of cash outflows from financing activities		2,037,362,297.51	695,133,687.76
Net cash flow from financing activities		2,661,430,341.71	907,079,142.94
4、 Effect of exchange rate changes on cash and cash equivalents		-38,784.00	-170,133.20
5、 Net increase in cash and cash equivalents		141,921,902.31	174,281,798.17
Add: balance of cash and cash equivalents at the beginning of the period		252,123,390.97	77,841,592.80
6、 Balance of cash and cash equivalents at the end of the period		394,045,293.28	252,123,390.97

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting; person in charge of accounting agency:

Consolidated statement of changes in owner's equity

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	Current amount												
	Owner's equity attributable to the parent company										Minority interests	Total owner's equity	
	Paid in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive	Special reserve	Surplus reserve	Undistributed profit			Subtotal
preferred stock	Perpetual bond	other											
1、 Balance at the end of last year	866,776,613.87				4,491,848,913.98				35,195,537.41	288,788,988.55	5,682,610,053.81	5,387,179.55	5,687,997,233.36
Add: changes in accounting policies													
early error correction										-3,707,950.83	-3,707,950.83		-3,707,950.83
other													
2、 Balance at the beginning of the year	866,776,613.87				4,491,848,913.98				35,195,537.41	285,081,037.72	5,678,902,102.98	5,387,179.55	5,684,289,282.53
3、 Increase / decrease in current period (decrease is indicated with minus)					-140,871,935.08				13,660,934.09	120,381,772.00	-6,829,228.99	8,262,298.19	1,433,069.20
(1) Total comprehensive income					-140,886,530.82					134,042,706.09	134,042,706.09	-1,198,190.41	132,844,515.68
(2) Capital invested and reduced by owners					-140,886,530.82						-140,886,530.82	10,000,000.00	-130,886,530.82
1. Capital invested by owners					-140,886,530.82						-140,886,530.82	10,000,000.00	-130,886,530.82
2. Capital invested by other equity instrument holders													
3. Amount of share based payment included in owner's equity													
4. Other													
(3) Profit distribution									13,660,934.09	-13,660,934.09		-539,511.40	-539,511.40
1. Appropriation of surplus reserve									13,660,934.09	-13,660,934.09			
2. Withdraw general risk reserves													
3. Distribution to owners												-539,511.40	-539,511.40
4. Other													
(4) Internal carry forward of shareholders' equity													
1. Capital reserve converted into capital													
2. Surplus reserve converted to capital													
3. Surplus reserves to cover losses													
4. Change amount of defined benefit plan carried forward to retained earnings													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Current withdrawal													
2. Current use													
(6) Other					14,595.74						14,595.74		14,595.74
4、 Balance at the end of the year	866,776,613.87				4,350,976,978.90				48,856,471.50	405,462,809.72	5,672,072,873.99	13,649,477.74	5,685,722,351.73

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative person in charge of Accounting: person in charge of accounting body:

Consolidated statement of changes in owner's equity (Continued)

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	Amount of previous period												
	Owner's equity attributable to the parent company											Minority interests	Total owner's equity
	Paid in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive	Special reserve	Surplus reserve	Undistributed profit	Subtotal		
preferred stock	Perpetual bond	other											
1、 Balance at the end of last year	866,776,613.87				2,948,236,498.51				19,948,107.33	188,041,658.93	4,023,002,878.64	392,341.28	4,023,395,219.92
Add: changes in accounting policies													
early error correction													
other													
2、 Balance at the beginning of the year	866,776,613.87				2,948,236,498.51				19,948,107.33	188,041,658.93	4,023,002,878.64	392,341.28	4,023,395,219.92
3、 Increase / decrease in current period (decrease is indicated with minus)					1,543,612,415.47				15,247,430.08	100,747,329.62	1,659,607,175.17	4,994,838.27	1,664,602,013.44
(1) Total comprehensive income										115,994,759.70	115,994,759.70	-425,161.73	115,569,597.97
(2) Capital invested and reduced by owners					1,543,612,415.47						1,543,612,415.47	5,420,000.00	1,549,032,415.47
1. Capital invested by owners					1,543,612,415.47						1,543,612,415.47	5,420,000.00	1,549,032,415.47
2. Capital invested by other equity instrument holders													
3. Amount of share based payment included in owner's equity													
4. Other													
(3) Profit distribution									15,247,430.08	-15,247,430.08			
1. Appropriation of surplus reserve									15,247,430.08	-15,247,430.08			
2. Withdraw general risk reserves													
3. Distribution to owners													
4. Other													
(4) Internal carry forward of shareholders' equity													
1. Capital reserve converted into capital													
2. Surplus reserve converted to capital													
3. Surplus reserves to cover losses													
4. Change amount of defined benefit plan carried forward to													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Current withdrawal													
2. Current use													
(6) Other													
4、 Balance at the end of the year	866,776,613.87				4,491,848,913.98				35,195,537.41	288,788,988.55	5,682,610,053.81	5,387,179.55	5,687,997,233.36

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative person in charge of Accounting: person in charge of accounting body:

Balance sheet

December 31, 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Closing balance	Beginning balance	Balance at the end of last year
Current assets:				
Cash at bank and on hand		326,409,514.71	25,007,622.79	25,007,622.79
Trading financial assets				
Financial assets measured at fair value through				
Derivative financial assets				
Notes receivable				
Accounts receivable	Note XIII. 1	2,521,405,428.98	1,593,455,673.29	1,593,455,673.29
Receivables financing				
Prepayments		504,092,030.77	16,288,030.35	16,288,030.35
Other receivables	Note XIII. 2	1,654,008,653.29	176,837,603.31	176,837,603.31
Inventories		543,907,457.81	1,142,249,030.11	1,142,249,030.11
Contract assets				
Assets held for sale				
Non current assets due within one year				
Other current assets		5,506,436.88		
Total current assets		5,555,329,522.44	2,953,837,959.85	2,953,837,959.85
Non current assets:				
Debt investment				
Available for sale financial assets				3,000,000.00
Other debt investment				
Held to maturity investment				
long-term receivables				
Long term equity investment	Note XIII. 3	926,808,525.02	843,260,562.72	843,260,562.72
Investment in other equity instruments				
Other non current financial assets		3,000,000.00	3,000,000.00	
Investment real estate		2,894,684,945.00	2,841,254,542.00	2,841,254,542.00
Fixed assets		1,941,928.89	262,590.69	262,590.69
Construction in progress		40,139,137.86	1,064,490.56	1,064,490.56
Productive biological assets				
Oil and gas assets				
Right of use assets				
Intangible assets		354,845.14		
Development expenditure				
Goodwill				
Long term deferred expenses				
Deferred tax assets				
Other non current assets		188,735,965.30		
Total non-current assets		4,055,665,347.21	3,688,842,185.97	3,688,842,185.97
Total Assets		9,610,994,869.65	6,642,680,145.82	6,642,680,145.82

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Balance sheet (Continued)

December 31, 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Closing balance	Beginning balance	Balance at the end of last year
Current liabilities:				
Short-term loans		240,400,000.00		
Trading financial liabilities				
Financial liabilities measured at fair value through profit or loss for the current period				
Derivative financial liabilities				
Notes payable		219,991,336.00		
Accounts payable		111,376,898.83	98,927,369.62	98,927,369.62
Advances received			550,000.00	550,000.00
Contractual liabilities				
Employee benefits payable		8,318.98		
Current tax liability		40,414,611.67	27,326,048.56	27,326,048.56
Other payables		113,011,640.44	452,018,363.83	452,018,363.83
Liabilities held for sale				
Non current liabilities due within one year		478,749,129.21	43,096,253.96	43,096,253.96
Other current liabilities		17,818,282.87		
Total Current Liabilities		1,221,770,218.00	621,918,035.97	621,918,035.97
Non current liabilities:				
Long term loans		554,500,000.00	300,000,000.00	300,000,000.00
Bonds payable		1,439,063,495.12		
Including: preferred shares				
Perpetual bond				
Lease liabilities				
Long term payables		681,864,019.00	26,903,746.04	26,903,746.04
Long term employee compensation payable				
Estimated liabilities				
Deferred income		11,050,000.00		
Deferred Tax Liability		13,261,251.63		
Other non current liabilities				
Total Non-current Liabilities		2,699,738,765.75	326,903,746.04	326,903,746.04
Total liabilities		3,921,508,983.75	948,821,782.01	948,821,782.01
Owner's equity:				
Paid in capital		866,776,613.87	866,776,613.87	866,776,613.87
Other equity instruments				
Including: preferred shares				
Perpetual bond				
Capital reserve		4,334,144,557.10	4,475,126,375.86	4,475,126,375.86
Less: treasury shares				
Other comprehensive income				
Special reserve				
Surplus reserve		48,856,471.50	35,195,537.41	35,195,537.41
Undistributed profit		439,708,243.43	316,759,836.67	316,759,836.67
Total owner's equity		5,689,485,885.90	5,693,858,363.81	5,693,858,363.81
Total liabilities and owner's equity		9,610,994,869.65	6,642,680,145.82	6,642,680,145.82

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Income statement

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Current amount	Amount of previous period
1、 Operating income	Note XIII. 4	1,266,517,378.82	817,084,614.76
Less: operating costs	Note XIII. 4	1,031,934,864.30	659,867,950.37
Taxes and surcharges		8,631,846.22	2,495,485.44
Sales expense			
Administrative expenses		17,604,313.93	5,496,439.41
R & D expenses			
Financial expenses		80,991,215.91	15,480,417.98
Including: interest expense			
Interest income			
Plus: other income			2,250,000.00
Investment income (loss expressed with "-")	Note XIII. 5	3,379,781.06	4,762,106.33
Including: investment income from associates and joint ventures		3,379,781.06	4,762,106.33
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedging income (loss expressed with "-")			
Income from changes in fair value (loss expressed with "-")		53,430,403.00	12,240,997.92
Credit impairment loss (loss expressed with "-")		-385,396.48	
Asset impairment loss (loss expressed with "-")			
Income from asset disposal (loss expressed with "-")			
2、 Operating profit (loss expressed with "-")		183,779,926.04	152,997,425.81
add: non operating income		15,370.64	0.20
Less: non operating expenses		1,632,261.05	523,125.24
3、 Total profit (total loss expressed with "-")		182,163,035.63	152,474,300.77
Less: income tax expense		45,553,694.78	
4、 Net profit (net loss expressed with "-")		136,609,340.85	152,474,300.77
(1) Net profit from continuing operations (net loss expressed with "-")			
(2) Net profit from discontinued operations (net loss expressed with "-")			
5、 After tax net amount of other comprehensive income			
(1) Other comprehensive income that cannot be reclassified into profit or loss			
1. remeasure the change of defined benefit plan			
2. other comprehensive income that cannot be transferred to profit or loss under the equity instrument investments			
3. changes in fair value of other equity instrument investments			
4. changes in fair value of enterprise's own credit risk			
5. others			
(2) Other comprehensive income to be reclassified into profit or loss			
1. other comprehensive income that can be transferred to profit or loss under the equity instrument investments			
2. changes in fair value of other debt investments			
3. changes in fair value of available for sale financial asset investment			
4. amount of financial assets reclassified into other comprehensive income			
5. profit and loss of held to maturity investments reclassified as available for sale			
6. provision for credit impairment of other debt investments			
7. cash flow hedging reserve			
8. translation difference of foreign currency financial statements			
9. others			
6、 Total comprehensive income		136,609,340.85	152,474,300.77
7、 Earnings per share:			

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative: person in charge of Accounting: person in charge of accounting agency:

Cash flow statement

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	notes	Current amount	Amount of previous period
1、 Cash flow from operating activities:			
Cash received from selling goods and rendering services		372,813,533.66	63,628,640.80
Refunds of taxes			
Other cash received related to operating activities		67,297,486.73	388,687,082.54
Subtotal of cash inflow from operating activities		440,111,020.39	452,315,723.34
Cash paid for purchasing goods and receiving services		721,337,516.89	386,621,641.49
Cash paid to and for employees		9,446,375.79	2,630,297.37
Taxes paid		11,148,334.97	47,546,059.93
Other cash paid related to operating activities		1,590,967,282.25	523,125.24
Subtotal of cash outflow from operating activities		2,332,899,509.90	437,321,124.03
Net cash flow from operating activities		-1,892,788,489.51	14,994,599.31
2、 Cash flow from investment activities:			
Cash received from investment recovery			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities		106,483,916.22	
Subtotal of cash inflow from investment activities		106,483,916.22	
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		234,054,700.16	38,265,034.94
Cash paid for investment		221,150,000.00	307,300,000.00
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid related to investment activities		443,000,000.00	
Subtotal of cash outflow from investment activities		898,204,700.16	345,565,034.94
Net cash flow from investment activities		-791,720,783.94	-345,565,034.94
3、 Cash flow from financing activities:			
Cash received from investment absorption			
Cash received from borrowing		2,616,150,000.00	370,000,000.00
Other cash received related to financing activities		910,000,000.00	
Subtotal of cash inflow from financing activities		3,526,150,000.00	370,000,000.00
Cash paid for debt repayment		360,250,000.00	
Cash paid for distribution of dividends, profits or interest payments		85,001,982.84	20,534,136.36
Other cash paid related to financing activities		149,186,851.79	769,114.44
Subtotal of cash outflows from financing activities		594,438,834.63	21,303,250.80
Net cash flow from financing activities		2,931,711,165.37	348,696,749.20
4、 Effect of exchange rate changes on cash and cash equivalents			
5、 Net increase in cash and cash equivalents			
Add: balance of cash and cash equivalents at the beginning of the period		19,007,622.79	881,309.22
6、 Balance of cash and cash equivalents at the end of the period		266,209,514.71	19,007,622.79
(the attached notes to the financial statements are an integral part of the financial statements)			
Legal representative: person in charge of			
Accounting: person in charge of accounting agency:			

Statement of changes in owner's equity

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	Current amount										
	Paid in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensiv e income	Special reserve	Surplus reserve	Undistributed profit	Total owner's equity
		preferred stock	Perpetual bond	other							
1、 Balance at the end of last year	866,776,613.87				4,475,126,375.86				35,195,537.41	316,759,836.67	5,693,858,363.81
Add: changes in accounting policies											
early error correction											
other											
2、 Balance at the beginning of the year	866,776,613.87				4,475,126,375.86				35,195,537.41	316,759,836.67	5,693,858,363.81
3、 Increase / decrease in current period (decrease is indicated with minus sign)					-140,981,818.76				13,660,934.09	122,948,406.76	-4,372,477.91
(1) Total comprehensive income										136,609,340.85	136,609,340.85
(2) Capital invested and reduced by owners					-140,996,414.50						-140,996,414.50
1. Capital invested by owners					-140,996,414.50						-140,996,414.50
2. Capital invested by other equity instrument holders											
3. Amount of share based payment included in owner's equity											
4. Other											
(3) Profit distribution									13,660,934.09	-13,660,934.09	
1. Appropriation of surplus reserve									13,660,934.09	-13,660,934.09	
2. Withdraw general risk reserves											
3. Distribution to owners											
4. Other											
(4) Internal carry forward of shareholders' equity											
1. Capital reserve converted into capital											
2. Surplus reserve converted to capital											
3. Surplus reserves to cover losses											
4. Change amount of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Current withdrawal											
2. Current use											
(6) Other					14,595.74						14,595.74
4、 Balance at the end of the year	866,776,613.87				4,334,144,557.10				48,856,471.50	439,708,243.43	5,689,485,885.90

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative person in charge of Accounting: person in charge of accounting body:

Statement of changes in owner's equity (Continued)

Year 2021

Prepared by: Zhangzhou Yuanshan Development Co., Ltd

Monetary unit: RMB

project	Amount of previous period										
	Paid in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensiv e income	Special reserve	Surplus reserve	Undistributed profit	Total owner's equity
		preferred stock	Perpetual bond	other							
1、 Balance at the end of last year	866,776,613.87				2,941,513,960.39				19,948,107.33	179,532,965.98	4,007,771,647.57
Add: changes in accounting policies											
early error correction											
other											
2、 Balance at the beginning of the year	866,776,613.87				2,941,513,960.39				19,948,107.33	179,532,965.98	4,007,771,647.57
3、 Increase / decrease in current period (decrease is indicated with "-")					1,533,612,415.47				15,247,430.08	137,226,870.69	1,686,086,716.24
(1) Total comprehensive income										152,474,300.77	152,474,300.77
(2) Capital invested and reduced by owners					1,533,612,415.47						1,533,612,415.47
1. Capital invested by owners					1,533,612,415.47						1,533,612,415.47
2. Capital invested by other equity instrument holders											
3. Amount of share based payment included in owner's equity											
4. Other											
(3) Profit distribution									15,247,430.08	-15,247,430.08	
1. Appropriation of surplus reserve									15,247,430.08	-15,247,430.08	
2. Withdraw general risk reserves											
3. Distribution to owners											
4. Other											
(4) Internal carry forward of shareholders' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Change amount of defined benefit plan carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Current withdrawal											
2. Current use											
(6) Other											
4、 Balance at the end of the year	866,776,613.87				4,475,126,375.86				35,195,537.41	316,759,836.67	5,693,858,363.81

(the attached notes to the financial statements are an integral part of the financial statements)

Legal representative person in charge of Accounting: person in charge of accounting body:

Zhangzhou Yuanshan Development Co., Ltd
Notes to the 2021 financial statements
(Unless otherwise specified, the unit of amount is RMB)

I. Basic Information of the Company

1、 Place of incorporation, form of organization and address of headquarters of the Company

Zhangzhou Yuanshan Development Co., Ltd. (hereinafter referred to as "the Company" or "the Company") was approved by Zhangzhou High-tech Industrial Development Zone Management Committee (hereinafter referred to as "High-tech Zone Management Committee") [2017] No.8 in December 2017, Established by the Finance Bureau of Zhangzhou High-tech Industrial Development Zone (hereinafter referred to as "High-tech Industrial Development Zone Finance Bureau"), the Company obtained the business license issued by the Market Supervision Administration of Zhangzhou High-tech Industrial Development Zone on December 8, 2017, and now holds a unified social credit code of 91350603MA2YYRD62N. As of December 31, 2021, the registered capital of the company was 1,238,252,300 yuan, and the paid-in capital was 866,776,600 yuan. Registered address of the Company: 3rd Floor, Administrative Office Building, Industrial Park, High-tech Zone, No.2 Caikeng Industrial Park, Jiuhu Industrial Zone, Longhai District, Zhangzhou City, Fujian Province.

2、 The nature of the company's business and its main business activities

The Company belongs to the construction industry, and its business scope mainly includes: investment in construction, trade, finance, real estate, leasing and business services, scientific research and technical services, water conservancy environment and public facilities management; Real estate development and operation (including first-class land development) and leasing operation; Investment, construction and operation of urban infrastructure; Engineering management services.

3、 Consolidated report scope

There are 88 entities included in the consolidated financial statements in 2021. For details, please refer to Note 8 "Interests in Other Entities". Compared with the previous period, the merger scope of the Company in this period increased by 3 and decreased by 1. For details, please refer to Note 7 "Change of Merger Scope".

II. Basis for the preparation of financial statements

1. Compilation basis

The financial statements of the Company are based on the going concern assumption, According to the actual transactions and events, It is prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standards issued by the Ministry of Finance (Order No.33 of the Ministry of Finance

and Order No.76 of the Ministry of Finance), 42 specific accounting standards promulgated and revised on February 15, 2006, guidelines for the application of accounting standards for business enterprises, explanations of accounting standards for business enterprises and other relevant provisions (hereinafter collectively referred to as "Accounting Standards for Business Enterprises").

According to the relevant provisions of the Accounting Standards for Business Enterprises, the accounting of the Company is based on accrual basis. Except for certain financial instruments, these financial statements are measured on a historical cost basis. In case of asset impairment, corresponding provision for impairment shall be made in accordance with relevant provisions.

2. Continuing operations

The financial statements are presented on a going concern basis and the Company has a going concern capability for at least 12 months from the end of the reporting period.

III. Statement of Compliance with Accounting Standards for Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the merger of the Company on December 31, 2021 and the financial situation of the parent company, as well as the merger and operating results of the parent company in 2021, the merger and cash flow of the parent company and other relevant information.

IV. Important Accounting Policies and Accounting Estimates

The Company and its subsidiaries are engaged in construction engineering and trading business operations. According to the actual production and operation characteristics, According to the provisions of relevant accounting standards for enterprises, a number of specific accounting policies and accounting estimates have been formulated for transactions and events such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets and revenue recognition. For details, please refer to note IV, 10 "impairment of financial assets", 17 "fixed assets", 20 "intangible assets", 26 "income" and other descriptions for details

1. Accounting period

The accounting period of the Company is divided into annual period and interim period, and the interim period refers to the reporting period shorter than a full accounting year. The fiscal year of the Company adopts the Gregorian calendar year, that is from January 1 to December 31 each year.

2. Business cycle

The normal operating cycle refers to the period from the purchase of assets for processing to the realization of cash or cash equivalents. The Company takes one year as a business cycle and uses it as the

liquidity division standard of assets and liabilities.

3. Bookkeeping base currency

RMB is the currency in the major economic environment in which the Company and its domestic subsidiaries operate, and the Company and its domestic subsidiaries use RMB as their bookkeeping base currency. The currency used by the Company in preparing these financial statements is RMB.

4. Accounting treatment methods for business combination under the same control and non-same control

Business combination refers to the transaction or event in which two or more separate enterprises are combined to form one reporting subject. Business combination is divided into business combination under the same control and business combination not under the same control.

(1) Merger of enterprises under the same control

Enterprises participating in the merger are subject to the final control of the same party or the same parties before and after the merger, and the control is not temporary, which is an enterprise merger under the same control. For a merger of enterprises under the same control, the party that obtains control over other enterprises participating in the merger on the merger date shall be the merging party, and other enterprises participating in the merger shall be the merged party. The merger date refers to the date when the merging party actually obtains the control right over the merged party.

The assets and liabilities acquired by the Company in the business combination shall be measured according to the book value of the assets and liabilities of the merged party (including goodwill formed by the acquisition of the merged party by the final controlling party) in the consolidated financial statements of the final controlling party on the merger date; The difference between the book value of the net assets obtained and the book value of the consolidated consideration paid (or the total face value of the issued shares) shall be adjusted to the equity premium in the capital reserve. If the equity premium in the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

The merging party refers to all direct expenses incurred in the business combination, which are included in the current profits and losses when incurred.

(2) Merger of enterprises not under the same control

If the enterprises participating in the merger are not ultimately controlled by the same party or the same parties before and after the merger, it is an enterprise merger not under the same control. For a merger of enterprises not under the same control, the party that obtains control over other enterprises participating in the merger on the purchase date shall be the purchaser, and other enterprises participating in the merger shall be the purchaser. The date of purchase refers to the date on which the purchaser actually obtains control over the purchaser.

For business combinations not under the same control, Consolidation costs include the assets paid by

the purchaser to obtain control over the purchaser on the purchase date, the liabilities incurred or assumed, and the fair value of equity securities issued. Intermediary fees such as auditing, legal services, evaluation and consultation and other management fees incurred for business combination are included in the current profits and losses when they are incurred. The transaction costs of equity securities or debt securities issued by the purchaser as consolidated consideration shall be included in the initial recognition amount of equity securities or debt securities. The contingent consideration involved is included in the consolidated cost according to its fair value on the purchase date. If new or further evidence of the existing situation on the purchase date appears within 12 months after the purchase date and it is necessary to adjust the contingent consideration, the consolidated goodwill shall be adjusted accordingly. The merger costs incurred by the purchaser and the identifiable net assets acquired in the merger are measured at the fair value at the date of purchase. The difference between the combined cost and the fair value share of the identifiable net assets of the acquiree at the purchase date obtained in the combination is recognized as goodwill. If the combined cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, Firstly, the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree and the measurement of combined cost are reviewed. If the combined cost is still less than the fair value share of identifiable net assets of the acquiree obtained in the merger after review, the difference is included in the current profits and losses.

The purchaser obtains the deductible temporary difference of the purchaser, If the deferred income tax assets are not recognized on the date of purchase because they do not meet the conditions for recognition of deferred income tax assets, Within 12 months after the date of purchase, If new or further information is obtained to show that the relevant situation on the purchase date already exists and the economic benefits brought by the deductible temporary difference of the purchased party can be realized, the relevant deferred income tax assets will be recognized, and goodwill will be reduced at the same time. If goodwill is insufficient to offset, the difference will be recognized as current profits and losses; In addition to the above, if deferred income tax assets related to business combination are recognized, they shall be included in the profits and losses of the current period.

Merger of enterprises not under the same control realized step by step through multiple transactions, According to the Notice of the Ministry of Finance on Printing and Distributing No.5 Interpretation of Accounting Standards for Business Enterprises (Caikuai [2012] No.19) and the judgment standard of "package transaction" in Article 51 of Accounting Standards for Business Enterprises No.33-Consolidated Financial Statements (see Notes 4 and 5 (2)), it is judged whether the multiple transactions belong to "package transaction". If it is a "package transaction", refer to the description in the previous paragraphs of this Part and Notes 4 and 15 "Long-term Equity Investment" for accounting treatment; If it is not a "package transaction", separate individual financial statements from consolidated financial statements for

relevant accounting treatment:

In individual financial statements, the sum of the book value of the equity investment held by the purchased party before the purchase date and the newly added investment cost on the purchase date shall be taken as the initial investment cost of the investment; Where the equity of the acquiree held before the purchase date involves other comprehensive income, At the time of disposal of the investment, other comprehensive income related to it is accounted for on the same basis as the acquiree directly disposes of the related assets or liabilities (i.e., Except for the corresponding share of the changes caused by the remeasurement of the net liabilities or net assets of the defined benefit plan by the purchased party calculated according to the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the purchased party held before the purchase date is re-measured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value is included in the current investment income; Where the equity of the acquiree held before the purchase date involves other comprehensive income, Other comprehensive income related to it should be accounted for on the same basis as the acquiree's direct disposal of related assets or liabilities (i.e., Except for the corresponding share of the changes caused by the remeasurement of the net liabilities or net assets of the defined benefit plan by the purchased party calculated according to the equity method, the rest is converted into the current investment income on the purchase date).

5. Preparation method of consolidated financial statements

(1) Principles for determining the scope of consolidated financial statements

The consolidation scope of consolidated financial statements is determined on the basis of control. Control means that the Company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. The scope of the merger includes the Company and all its subsidiaries. Subsidiary refers to the main body controlled by the company.

The Company will re-evaluate the relevant elements involved in the above control definition as a result of changes in relevant facts and circumstances.

(2) Methods of preparing consolidated financial statements

From the date of obtaining the net assets of subsidiaries and the actual control rights of production and operation decisions, the Company began to bring them into the scope of merger; It shall stop being included in the scope of merger from the date of losing the actual control right. For the disposed subsidiaries, the operating results and cash flows before the disposal date have been properly included in the consolidated income statement and consolidated cash flow statement; For subsidiaries disposed of in the current period, the opening amount of the consolidated balance sheet will not be adjusted. The operating results and cash flows after the purchase date of a subsidiary increased by business combination

not under the same control have been properly included in the consolidated income statement and consolidated cash flow statement, and the opening amount and comparative amount of the consolidated financial statements are not adjusted. The operating results and cash flows from the beginning of the consolidation period to the consolidation date of the subsidiaries that have been increased by business combination under the same control have been properly included in the consolidated income statement and consolidated cash flow statement, and the comparison amount of the consolidated financial statements has been adjusted at the same time.

In the preparation of consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary are inconsistent with those adopted by the Company, necessary adjustments shall be made to the financial statements of the subsidiary in accordance with the accounting policies and accounting periods of the Company. For subsidiaries acquired by business combination not under the same control, their financial statements shall be adjusted based on the fair value of identifiable net assets at the purchase date.

All material balances, transactions and unrealized profits within the Company are offset at the time of preparation of the consolidated financial statements.

Shareholders' equity of subsidiaries and the part of current net profit and loss not owned by the Company are separately listed as minority shareholders' equity and minority shareholders' profit and loss in the consolidated financial statements under shareholders' equity and net profit. The share of minority shareholders' equity in the current net profit and loss of subsidiaries is listed as "minority shareholders' profit and loss" under the net profit item in the consolidated income statement. The minority shareholders' share of the subsidiary's losses exceeds the minority shareholders' share in the initial shareholders' equity of the subsidiary, which still offsets the minority shareholders' equity.

When the control of the original subsidiary is lost due to the disposal of part of the equity investment or other reasons, the remaining equity shall be re-measured according to its fair value on the date of loss of control. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the share of the net assets of the original subsidiary that should be continuously calculated from the date of purchase according to the original shareholding ratio, is included in the investment income of the current period when the control right is lost. Other comprehensive income related to the equity investment of the original subsidiary, In case of loss of control, the accounting treatment shall be carried out on the same basis as the direct disposal of related assets or liabilities by the acquired party (i.e., except for the changes caused by remeasuring the net liabilities or net assets of the defined benefit plan in the original subsidiary, the rest shall be converted into the current investment income). Thereafter, the remaining equity shall be subsequently measured in accordance with relevant provisions such as Accounting Standards for Business Enterprises No.2-Long-term Equity

Investment or Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments. For details, please refer to Notes 4 and 15 "Long-term Equity Investment" or Notes 4 and 9 "Financial Instruments".

If the Company disposes of the equity investment in subsidiaries step by step through multiple transactions until the loss of control rights, it is necessary to distinguish whether the transactions of disposing of the equity investment in subsidiaries until the loss of control rights are package transactions. The terms, conditions and economic impact of various transactions dealing with equity investment in subsidiaries meet one or more of the following conditions, which usually indicates that multiple transactions should be treated as a package transaction: ① These transactions are concluded at the same time or in consideration of each other's influence; (2) These transactions as a whole can achieve a complete business result; The occurrence of one transaction depends on the occurrence of at least one other transaction; (4) A transaction is uneconomical when viewed alone, but it is economical when considered together with other transactions. Not a package deal, Each transaction shall be accounted for according to the applicable principles of "partial disposal of long-term equity investment in subsidiaries without loss of control" (see Notes 4, 15, (2) ④) and "loss of control over original subsidiaries due to disposal of partial equity investment or other reasons" (see the previous paragraph for details). If the transactions of disposing of equity investment in subsidiaries until the loss of control rights belong to a package transaction, each transaction shall be treated as a transaction of disposing of subsidiaries and losing control rights for accounting treatment; However, the difference between the disposal price before the loss of control and the share of the net assets of the subsidiary corresponding to the disposal investment is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profits and losses of the current period when the control is lost.

6. Classification of Joint Venture Arrangements and Accounting Treatment Methods for Joint Venture

A joint venture arrangement refers to an arrangement jointly controlled by two or more participants. According to the rights and obligations of the Company under the Joint Venture Arrangement, the Joint Venture Arrangement is divided into Joint Venture and Joint Venture. Joint operation refers to a joint venture arrangement in which the Company enjoys the assets related to the Arrangement and bears the liabilities related to the Arrangement. A joint venture refers to a joint venture arrangement in which the Company has rights only over the net assets of the arrangement.

The investment of the Company in the joint venture shall be accounted for by the equity method, and shall be handled in accordance with the accounting policies stated in Notes 4, 15 (2) ② "Long-term equity investment accounted by the equity method".

As a joint venture party, the Company recognizes the assets held separately and the liabilities

assumed separately by the Company, and recognizes the assets held jointly and the liabilities assumed jointly according to the Company's share; Recognize the income generated from the sale of the company's share of joint operating output; Recognize the income generated from the sale of output in joint operations according to the company's share; Recognize the expenses incurred by the Company alone and the expenses incurred by joint operations according to the Company's share.

When the Company invests in or sells assets to a joint venture as a joint venture (the assets do not constitute business, the same below), or purchases assets from a joint venture, the Company only recognizes the part of the gains and losses arising from the transaction that belongs to other participants in the joint venture before the assets are sold to a third party. If these assets suffer asset impairment losses that meet the requirements of Accounting Standards for Business Enterprises No.8-Asset Impairment, the Company will fully recognize the losses when the Company invests or sells assets to the joint operation; In the case of assets purchased by the Company from joint operation, the Company recognizes the loss according to its share.

7. Criteria for determining cash and cash equivalents

The Company's cash and cash equivalents include cash on hand, deposits readily available for payment, and investments held by the Company with short maturities (usually due within three months from the date of purchase), strong liquidity, easy conversion into known amounts of cash, and little risk of value change.

8. Foreign currency business and translation of foreign currency statements

(1) Translation method of foreign currency transactions

When the foreign currency transactions of the Company are initially recognized, According to the spot exchange rate of the trading day (usually refers to the middle price of the foreign exchange quotation of the current day published by the People's Bank of China, the same below), it is converted into the bookkeeping base currency amount, but the foreign currency exchange business or transactions involving foreign currency exchange of the Company are converted into the bookkeeping base currency amount according to the actually adopted exchange rate.

(2) The conversion method of foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency items are converted at the spot exchange rate on the balance sheet date, and the resulting exchange differences are included in the current profits and losses.

(3) Translation method of foreign currency financial statements

If the preparation of consolidated financial statements involves overseas operations, if there are foreign currency monetary items that substantially constitute net investment in overseas operations, the exchange difference arising from exchange rate changes shall be recognized as other comprehensive

income as "foreign currency statement translation difference"; When disposing of overseas operations, it shall be included in the profits and losses of the current period.

Foreign currency financial statements of overseas operations are converted into RMB statements according to the following methods: assets and liabilities in the balance sheet are converted at the spot exchange rate on the balance sheet date; Except for the "undistributed profit" item, other items of shareholders' equity items are converted at the spot exchange rate at the time of occurrence. The income and expense items in the income statement are translated at the spot exchange rate on the transaction date. The undistributed profit at the beginning of the year is the undistributed profit at the end of the year after conversion of the previous year; The undistributed profits at the end of the period are calculated and listed according to the converted profit distribution items; After conversion, the difference between the total amount of assets items, liabilities items and owner's equity items shall be regarded as the translation difference of foreign currency statements and recognized as other comprehensive income. When an overseas operation is disposed of and the control right is lost, the translation difference of the foreign currency statement related to the overseas operation as shown in the owner's equity item in the balance sheet shall be transferred to the profits and losses of the current period of disposal in whole or according to the proportion of the overseas operation disposed of.

Foreign currency cash flow shall be converted at the spot exchange rate on the date of occurrence of cash flow. The impact of exchange rate changes on cash is reported separately in the cash flow statement as a reconciliation item.

9. Financial instruments

A financial asset or financial liability is recognised when the Company becomes a party to a financial instrument contract.

(1) Classification, recognition and measurement of financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into: financial assets measured by amortized cost; Financial assets measured at fair value and whose changes are included in other comprehensive income; Financial assets measured at fair value and whose changes are included in current profits and losses.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value and whose changes are included in current profits and losses, relevant transaction costs are directly included in current profits and losses; For other types of financial assets, relevant transaction costs are included in the initial recognition amount. For accounts receivable or notes receivable arising from the sale of products or the provision of labor services, which do not include or consider significant financing components, the Company shall take the consideration amount expected to be entitled to receive as the

initial recognition amount.

① Financial assets measured by amortized cost

The Company's business model for managing financial assets measured at amortized cost is to collect contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangement, that is, the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the Company adopts the effective interest rate method and carries out subsequent measurement according to amortized cost, and the gains or losses arising from amortization or impairment are included in the current profits and losses.

② Financial assets measured at fair value and whose changes are included in other comprehensive income

The Company's business model for managing such financial assets is to target both the collection of contractual cash flow and the sale, and the contractual cash flow characteristics of such financial assets are consistent with the basic lending arrangements. The Company measures such financial assets at fair value and their changes are included in other comprehensive income, but impairment losses or gains, exchange gains and losses and interest income calculated according to the effective interest rate method are included in current profits and losses.

In addition, the Company designated some non-trading equity instrument investments as financial assets measured at fair value and whose changes are included in other comprehensive income. The Company includes dividend income related to such financial assets in current profits and losses, and changes in fair value are included in other comprehensive income. When the financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings, and will not be included in current profits and losses.

③ Financial assets measured at fair value and whose changes are included in current profits and losses

The Company classifies the above-mentioned financial assets other than those measured at amortized cost and those measured at fair value and whose changes are included in other comprehensive income as financial assets measured at fair value and whose changes are included in current profits and losses. In addition, at the time of initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company designated some financial assets as financial assets measured at fair value and whose changes are included in current profits and losses. For such financial assets, the Company adopts fair value for subsequent measurement, and changes in fair value are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified at the time of initial recognition as financial liabilities and other financial liabilities measured at fair value and whose changes are included in profits and losses of the current period. For financial liabilities measured at fair value and whose changes are included in current profits and losses, the relevant transaction costs are directly included in current profits and losses, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

① Financial liabilities measured at fair value and whose changes are included in current profits and losses

Financial liabilities measured at fair value and whose changes are included in current profits and losses include transactional financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated as measured at fair value at initial recognition and whose changes are included in current profits and losses.

Transactional financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured according to their fair value, and changes in fair value are included in current profits and losses except those related to hedge accounting.

Financial liabilities designated as measured at fair value and whose changes are included in current profits and losses, Changes in the fair value of the liability caused by changes in the Company's own credit risk are included in other comprehensive income, and when the liability is derecognized, the accumulated changes in its fair value caused by changes in its own credit risk included in other comprehensive income are transferred to retained earnings. Other changes in fair value are included in current profits and losses. If the accounting mismatch in profit and loss will be caused or enlarged by dealing with the impact of the change of credit risk of these financial liabilities in the above way, the Company will include all the gains or losses of the financial liabilities (including the impact amount of the change of credit risk of the enterprise itself) in the current profit and loss.

② Other financial liabilities

Other financial liabilities except financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets are classified as financial liabilities measured at amortized cost, which are subsequently measured at amortized cost, and gains or losses arising from derecognition or amortization are included in current profits and losses.

(3) Confirmation basis and measurement method of financial asset transfer

Financial assets that meet one of the following conditions shall be terminated and confirmed: ① The contractual right to receive cash flow from the financial assets shall be terminated; (2) The financial asset has been transferred, and almost all risks and rewards in the ownership of the financial asset have been transferred to the transferee; The financial asset has been transferred. Although the enterprise has neither

transferred nor retained almost all risks and rewards in the ownership of the financial asset, it has given up its control over the financial asset.

If the enterprise neither transfers nor retains almost all risks and rewards in the ownership of financial assets, and does not give up its control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly. The degree of continued involvement in the transferred financial assets refers to the risk level faced by the enterprise due to the change of the value of the financial assets.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received due to the transfer and the accumulated amount of changes in fair value originally included in other comprehensive income shall be included in the current profits and losses.

If the partial transfer of financial assets meets the conditions for derecognition, Allocate the book value of the transferred financial assets between derecognition and non-derecognition according to their relative fair values, And the difference between the sum of the consideration received due to the transfer and the accumulated amount of fair value changes originally included in other comprehensive income that should be allocated to the derecognition part and the aforesaid book amount allocated shall be included in the current profits and losses.

For financial assets sold with recourse or endorsed for transfer of financial assets held by the Company, it is necessary to determine whether almost all risks and rewards in the ownership of the financial assets have been transferred. If almost all risks and rewards in the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated; If almost all risks and rewards in the ownership of financial assets are retained, the recognition of the financial assets will not be terminated; If almost all risks and rewards in the ownership of financial assets are neither transferred nor retained, it will continue to judge whether the enterprise retains control over the assets and carry out accounting treatment according to the principles mentioned in the previous paragraphs.

(4) Derecognition of financial liabilities

If the current obligations of a financial liability (or part thereof) have been discharged, the Company shall terminate the recognition of the financial liability (or part thereof). If the Company (the borrower) and the lender sign an agreement to replace the original financial liability by assuming a new financial liability, and the contract terms of the new financial liability are substantially different from those of the original financial liability, the original financial liability shall be terminated and a new financial liability shall be recognized at the same time. If the Company substantially modifies the contract terms of the original financial liability (or part thereof), the original financial liability shall be terminated and a new

financial liability shall be recognized according to the modified terms.

If a financial liability (or part thereof) is derecognized, the Company shall record the difference between its book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) into the profits and losses of the current period.

(5) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized amount of financial assets and financial liabilities, Where such legal rights are currently enforceable and the Company plans to settle the financial assets on a net basis or realize the financial assets and liquidate the financial liabilities at the same time, the financial assets and financial liabilities are shown in the balance sheet on a net basis after offset against each other. In addition, financial assets and financial liabilities are listed separately in the balance sheet and are not offset against each other.

(6) Methods for determining the fair value of financial assets and financial liabilities

Fair value refers to the price that market participants can receive from selling an asset or pay for transferring a liability in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the Company adopts quotations in the active market to determine their fair values. Quotation in an active market refers to the price that can be easily obtained from exchanges, brokers, trade associations, pricing service institutions, etc. on a regular basis, and represents the price of actual market transactions in fair transactions. Where there is no active market for financial instruments, the Company adopts valuation techniques to determine their fair values. Valuation techniques include reference to prices used in recent market transactions by parties familiar with the situation and willing to trade, reference to current fair values of other financial instruments that are substantially the same, discounted cash flow method and option pricing model, etc. In valuation, the Company adopts valuation techniques applicable in the current situation and supported by sufficient available data and other information, selects input values consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and gives priority to the relevant observable input values as much as possible. Non-inputs are used in cases where the relevant observable inputs are not available or are not feasible to obtain.

(7) Equity Instruments

An equity instrument refers to a contract that can prove that it owns the residual interest in the assets of the company after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of equity instruments by the Company are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize changes in the fair value of equity instruments.

Dividends (including "interest" arising from instruments classified as equity instruments) distributed

during the existence of the Company's equity instruments shall be treated as profit distribution.

10. Impairment of financial assets

The financial assets for which impairment losses need to be recognized by the Company are financial assets measured at amortized cost, and debt instrument investments measured at fair value and whose changes are included in other comprehensive income, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investment, long-term receivables, etc. In addition, for some financial guarantee contracts, impairment reserves are also made and credit impairment losses are recognized in accordance with the accounting policies mentioned in this part.

(1) Confirmation method of impairment reserve

On the basis of expected credit loss, the Company makes provision for impairment and recognizes credit impairment loss for the above items according to its applicable measurement method of expected credit loss (general method or simplified method).

Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received, which is discounted by the Company at the original effective interest rate, that is, the present value of all cash shortages. Among them, for the purchased or originated financial assets with credit impairment, the Company discounts the financial assets according to the credit-adjusted effective interest rate.

The general method of measuring expected credit loss means that the Company evaluates whether the credit risk of financial assets has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the Company measures the loss reserve according to the amount equivalent to the expected credit loss in the whole duration; If there is no significant increase in credit risk since initial recognition, the Company measures the loss provision at an amount equivalent to the expected credit loss in the next 12 months. When assessing the expected credit loss, the Company considers all reasonable and well-founded information, including forward-looking information.

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

(2) The criteria for judging whether the credit risk has increased significantly since the initial confirmation

If the default probability of a financial asset in the expected duration determined on the balance sheet date is significantly higher than the default probability in the expected duration determined at the time of initial recognition, it indicates that the credit risk of the financial asset increases significantly. Except for special circumstances, the Company adopts the change of default risk in the next 12 months as a

reasonable estimate of the change of default risk in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

The Company will consider the following factors when assessing whether there is a significant increase in credit risk:

- 1) Whether the actual or expected operating results of the debtor have changed significantly;
- 2) Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor is located;
- 3) Whether there are significant changes in the value of collateral as collateral for debt or the quality of collateral or credit enhancement provided by third parties, which are expected to reduce the debtor's economic motivation to repay the loan within the time limit stipulated in the contract or affect the probability of default;
- 4) Whether the debtor's expected performance and repayment behavior have changed significantly;
- 5) Whether the Company's credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the Company determines that a financial instrument has only a low credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. If the default risk of a financial instrument is low, the borrower's ability to fulfill its contractual cash flow obligations in a short period of time is strong, and even if there are adverse changes in the economic situation and operating environment in a long period of time, it may not necessarily reduce the borrower's performance of its contractual cash obligations, then the financial instrument is regarded as having low credit risk.

(3) Criteria for judging financial assets whose credit impairment has occurred

When one or more events that adversely affect the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset with credit impairment. Evidence of credit impairment of financial assets includes the following observable information:

- 1) The issuer or debtor has major financial difficulties;
- 2) The debtor violates the contract, such as default or overdue payment of interest or principal;
- 3) The creditor grants concessions that the debtor would not otherwise have made for economic or contractual reasons relating to the debtor's financial difficulties;
- 4) The debtor is likely to go bankrupt or undergo other financial reorganization;
- 5) The financial difficulties of the issuer or debtor lead to the disappearance of the active market of the financial asset;
- 6) Buy or generate a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

Credit impairment of financial assets may be caused by the joint action of multiple events, not

necessarily by individually identifiable events.

(4) Portfolio method to evaluate expected credit risk based on portfolio

The Company evaluates the credit risk of financial assets with significantly different credit risks, such as: receivables from related parties; Receivables in dispute with the other party or involving litigation or arbitration; Receivables that have obvious signs that the debtor is likely to fail to fulfill its repayment obligations.

Except for financial assets for which credit risk is assessed individually, the Company divides financial assets into different groups based on common risk characteristics. The common credit risk characteristics adopted by the Company include: financial instrument types, aging combinations, etc., and credit risk is assessed on the basis of combinations.

(5) Accounting treatment method of financial assets impairment

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

(6) Determination method of credit loss of various financial assets

Bills receivable

The Company measures the loss provision for bills receivable according to the amount equivalent to the expected credit loss during the whole life. Based on the credit risk characteristics of bills receivable, they are divided into different combinations:

Project	The basis for determining the combination
Bank acceptance bill	The acceptor is a bank with less credit risk, and no provision for bad debts is made
Commercial acceptance bill	According to the acceptor's credit risk division, it is the same as the "accounts receivable" combination

② Accounts receivable

For receivables that do not contain significant financing components, the Company measures the loss provision according to the amount equivalent to the expected credit loss during the whole life.

For receivables containing significant financing components, the Company chooses to always measure the loss provision at an amount equivalent to the expected credit loss during the existence period.

In addition to the accounts receivable whose credit risk is assessed individually, they are divided into different combinations based on their credit risk characteristics:

Project	The basis for determining the combination
Portfolio of receivables from	This portfolio is divided into receivables from government

Project	The basis for determining the combination
government agencies	agencies, excluding provision for bad debts
Portfolio of receivables from related parties	This portfolio is divided into related parties by receivables, and no provision for bad debts is made
Aging combination	The credit risk of this portfolio is characterized by the aging of receivables, as shown in the following table for details

The proportion of provision for bad debts in the aging portfolio of receivables is as follows:

Aging	Accrual ratio of accounts receivable (%)	Proportion of other receivables accrued (%)
Within 1 year (including 1 year)	0	0
1-2 years	5	5
2-3 years	10	10
3-4 years	20	20
4-5 years	50	50
Over 5 years	100	100

③ Other receivables

According to whether the credit risk of other receivables has increased significantly since the initial recognition, the Company measures the impairment loss with an amount equivalent to the expected credit loss in the next 12 months or the whole existence period. Except for other receivables whose credit risk is assessed individually, they are divided into different combinations based on their credit risk characteristics:

Project	The basis for determining the combination
Portfolio of receivables from government agencies	This portfolio is divided into receivables from government agencies, excluding provision for bad debts
Portfolio of receivables from related parties	This portfolio is divided into related parties by receivables, and no provision for bad debts is made
Aging combination	This portfolio takes the aging of receivables as its credit risk characteristic, which is the same as accounts receivable

11. Receivables financing

Bills receivable and accounts receivable classified as measured at fair value and whose changes are included in other comprehensive income are listed as receivables financing for those with a term of one year (including one year) from acquisition; If the term from acquisition is more than one year, it shall be listed as other creditor's rights investment. For its relevant accounting policies, please refer to Notes 4 and 9 "Financial Instruments" and Notes 4 and 10 "Impairment of Financial Assets".

12. Inventory

(1) Classification of inventory

Inventory mainly includes raw materials, inventory goods and development costs.

(2) Valuation method of inventory acquisition and issuance

Inventory is priced at actual cost when acquired, and inventory cost includes procurement cost and other costs. The weighted average method shall be used for pricing when collecting and issuing; For real estate development business, inventory is initially measured at cost. Inventory mainly includes inventory materials, development products under construction (development cost), completed development products and development products temporarily leased for sale. The cost of developing products includes land transfer fees, expenditure on basic supporting facilities, expenditure on construction and installation projects, borrowing costs incurred before the completion of development projects and other related expenses in the development process. When inventory is issued, its actual cost is determined by individual valuation method.

(3) Confirmation of net realizable value of inventory and accrual method of depreciation reserve

Net realizable value refers to the estimated selling price of inventory minus the estimated cost to be incurred at the time of completion, the estimated selling expenses and related taxes and fees in daily activities. In determining the net realizable value of inventories, it is based on the conclusive evidence obtained, taking into account the purpose of holding inventories and the impact of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory depreciation reserve is drawn. Inventory depreciation provision is usually based on the difference between the cost of a single inventory item and its net realizable value. For inventories with large quantity and low unit price, provision for inventory depreciation shall be made according to inventory category; For inventories that are related to product series produced and sold in the same area, have the same or similar end use or purpose, and are difficult to be measured separately from other items, the provision for inventory depreciation can be made together.

After the provision for inventory depreciation has been made, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of inventory being higher than its book value, it shall be reversed within the original provision for inventory depreciation, and the reversed amount shall be included in the current profits and losses.

(4) The inventory system of inventory is perpetual inventory system.

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

Low-value consumables are amortized according to the one-time amortization method when they are collected; Packaging materials are amortized by one-time amortization method when they are collected.

13. Contract assets

The Company lists as contract assets in the balance sheet the right that the customer has not paid the contract consideration, but the Company has fulfilled its performance obligations according to the contract and does not receive money from the customer unconditionally (i.e. only depending on the passage of time). Contract assets and contract liabilities under the same contract are shown on a net basis, and contract assets and contract liabilities under different contracts are not offset.

Please refer to Notes 4 and 10, Impairment of Financial Assets for the determination method and accounting treatment method of expected credit loss of contract assets.

14. Assets held for sale and disposal group

A non-current asset or disposal group is classified as held for sale if the Company recovers its carrying value primarily through sale (including exchange of non-monetary assets with commercial substance, the same below) rather than continuous use. The specific criteria are to meet the following conditions at the same time: a non-current asset or disposal group can be sold immediately under the current situation according to the practice of selling such assets or disposal groups in similar transactions; The Company has made a resolution on the sale plan and obtained a definite purchase commitment; The sale is expected to be completed within a year. Among them, the disposal group refers to a group of assets disposed of by sale or other means as a whole in a transaction, and liabilities directly related to these assets transferred in the transaction. If the asset group or combination of asset groups to which the disposal group belongs allocates the goodwill obtained in the business combination in accordance with the Accounting Standards for Business Enterprises No.8-Impairment of Assets, the disposal group shall include the goodwill allocated to the disposal group.

When the Company is initially measured or re-measured on the balance sheet date and divided into non-current assets held for sale and disposal groups, If the book value is higher than the net amount of fair value minus the selling expenses, the book value shall be written down to the net amount of fair value minus the selling expenses, and the written down amount shall be recognized as asset impairment loss, which shall be included in the current profits and losses, and the impairment reserve for assets held for sale shall be made at the same time. For the disposal group, the recognized asset impairment loss is first offset against the book value of goodwill in the disposal group, and then proportionally offset against the book value of various non-current assets in the disposal group subject to the measurement requirements of Accounting Standards for Business Enterprises No.42-Non-current Assets Held for Sale, Disposal Group and Termination of Operation (hereinafter referred to as "Held for Sale Standards"). If the net amount of the fair value of the disposal group held for sale minus the selling expenses increases on the subsequent balance sheet date, The amount previously written down shall be restored, And reverse within the amount of asset impairment loss recognized by non-current assets subject to the measurement requirements of the

held for sale standard after being classified as held for sale, The reversal amount is included in the profits and losses of the current period, and its book value is increased proportionally according to the proportion of the book value of various non-current assets in the disposal group except goodwill, which are measured by the applicable standards for holding for sale; The book value of goodwill offset and the impairment loss of non-current assets subject to the measurement requirements of the held-for-sale standard shall not be reversed before being classified as held-for-sale.

Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or amortization, and interest and other expenses of liabilities held for sale in the disposal group continue to be recognized.

When the non-current assets or disposal group no longer meet the classification conditions of the category held for sale, The Company does not continue to classify it as held for sale or remove non-current assets from the disposal group held for sale, It is measured according to the lower of the following two: (1) the book value before being classified as held for sale, adjusted according to the depreciation, amortization or impairment that should have been recognized if it was not classified as held for sale; (2) Recoverable amount.

15. Long-term equity investment

The long-term equity investment referred to in this Part refers to the long-term equity investment that the Company has control, joint control or significant influence on the invested entity. The Company has no control, joint control or significant influence on the long-term equity investment of the invested entity, Accounting as a financial asset measured at fair value and whose changes are included in the profits and losses of the current period. If it is non-transactional, the Company may choose to designate it as a financial asset measured at fair value and whose changes are included in other comprehensive income at the time of initial recognition. For details of its accounting policies, please refer to Notes 4 and 9 "Financial Instruments".

Joint control refers to the common control of an arrangement by the Company according to relevant agreements, and the relevant activities of the arrangement must be unanimously agreed by the participants sharing control rights before decision-making can be made. Significant influence means that the Company has the power to participate in the decision-making of the financial and operating policies of the invested entity, but cannot control or jointly control the formulation of these policies with other parties.

(1) Determination of investment cost

For the long-term equity investment obtained from the merger of enterprises under the same control, the initial investment cost of the long-term equity investment shall be the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party on the merger date. The difference between the initial investment cost of long-term equity investment and the

book value of cash paid, non-cash assets transferred and debts undertaken, and the adjustment of capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Where equity securities are issued as merger consideration, On the merger date, the initial investment cost of long-term equity investment shall be taken as the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party, and the total par value of the issued shares shall be taken as the share capital. The capital reserve shall be adjusted according to the difference between the initial investment cost of long-term equity investment and the total par value of the issued shares; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the equity of the merged party under the same control is acquired step by step through multiple transactions, and finally the enterprise merger under the same control is formed, it should be treated respectively whether it belongs to a "package transaction"; If it belongs to a "package transaction", each transaction should be treated as a transaction for obtaining control rights. Not a "package deal", On the merger date, the initial investment cost of long-term equity investment shall be taken as the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party, The difference between the initial investment cost of the long-term equity investment and the book value of the long-term equity investment before the merger plus the book value of the newly paid consideration for the shares obtained on the merger date, and the capital reserve is adjusted; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Other comprehensive income recognized as equity investments held before the merger date are accounted for by the equity method or as financial assets measured at fair value and whose changes are included in other comprehensive income, shall not be accounted for temporarily.

For the long-term equity investment obtained from the merger of enterprises not under the same control, the initial investment cost of the long-term equity investment shall be taken as the merger cost on the purchase date, and the merger cost shall include the sum of the assets paid by the purchaser, the liabilities incurred or assumed, and the fair value of the equity securities issued. If the equity of the purchased party is acquired step by step through multiple transactions, and finally an enterprise merger not under the same control is formed, it should be dealt with separately whether it belongs to a "package transaction"; If it belongs to a "package transaction", each transaction should be treated as a transaction for obtaining control rights. If it is not a "package transaction", the sum of the book value of the equity investment originally held by the purchased party plus the newly added investment cost shall be taken as the initial investment cost of the long-term equity investment calculated by the cost method instead. If the equity originally held is accounted for by the equity method, the relevant other comprehensive income will not be accounted for for the time being.

Intermediary expenses such as auditing, legal services, evaluation and consultation and other related management expenses incurred by the merging party or the purchaser for enterprise merger shall be included in the current profits and losses when incurred.

Other equity investments except long-term equity investments formed by business combination, Initial measurement at cost, The cost depends on the different ways of obtaining long-term equity investment, They are determined according to the actual cash purchase price paid by the Company, the fair value of equity securities issued by the Company, the value agreed in the investment contract or agreement, the fair value or original book value of assets exchanged in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment itself. Expenses, taxes and other necessary expenses directly related to obtaining long-term equity investment are also included in the investment cost. If additional investment can have a significant impact on the invested entity or exercise joint control but does not constitute control, the long-term equity investment cost is the sum of the fair value of the original equity investment determined in accordance with Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments plus the new investment cost.

(2) Subsequent measurement and profit and loss recognition methods

For long-term equity investment with joint control (except for joint operators) or significant influence of the invested entity, the equity method shall be adopted for accounting. In addition, the company's financial statements use the cost method to account for the long-term equity investment that can control the invested entity.

① Long-term equity investment calculated by cost method

When the cost method is adopted, the long-term equity investment is priced according to the initial investment cost, and the cost of long-term equity investment is adjusted by adding or recovering investment. Except for the cash dividends or profits that have been declared but not yet paid in the actual payment or consideration when obtaining the investment, the current investment income shall be recognized according to the cash dividends or profits declared and paid by the invested entity.

② Long-term equity investment calculated by equity method

When the equity method is used for accounting, if the initial investment cost of long-term equity investment is greater than the fair value share of identifiable net assets of the invested entity at the time of investment, the initial investment cost of long-term equity investment will not be adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the invested entity at the time of investment, the difference shall be included in the current profits and losses, and the cost of long-term equity investment shall be adjusted at the same time.

When using the equity method for accounting, the investment income and other comprehensive income shall be recognized respectively according to the share of the net profit and loss and other

comprehensive income realized by the invested entity, and the book value of long-term equity investment shall be adjusted at the same time; Reduce the book value of long-term equity investment according to the portion that should be calculated according to the profits or cash dividends declared and distributed by the invested entity; The book value of long-term equity investment shall be adjusted and included in the capital reserve for other changes in owner's equity of the invested entity except net profit and loss, other comprehensive income and profit distribution. When confirming the share of the net profit and loss of the invested entity, the net profit of the invested entity shall be adjusted and confirmed based on the fair value of various identifiable assets of the invested entity at the time of obtaining the investment. If the accounting policies and accounting periods adopted by the invested entity are inconsistent with those of the Company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policies and accounting periods of the Company, and the investment income and other comprehensive income shall be recognized accordingly. For transactions between the Company and associated enterprises or joint ventures, if the assets invested or sold do not constitute business, the unrealized internal transaction gains and losses attributable to the Company shall be offset according to the proportion enjoyed, and the investment gains and losses shall be recognized on this basis. However, if the unrealized internal transaction losses between the Company and the invested entity belong to the impairment losses of the transferred assets, they will not be offset. If the assets invested by the Company in a joint venture or associated enterprise constitute a business, and the investor obtains long-term equity investment but does not obtain control rights, the fair value of the invested business shall be taken as the initial investment cost of the newly added long-term equity investment, and the difference between the initial investment cost and the book value of the invested business shall be fully included in the current profits and losses. If the assets sold by the Company to a joint venture or associated enterprise constitute a business, the difference between the consideration obtained and the book value of the business shall be fully recorded in the profits and losses of the current period. If the assets purchased by the Company from associated enterprises and joint ventures constitute business, accounting treatment shall be carried out in accordance with the provisions of Accounting Standards for Business Enterprises No.20-Business Combination, and the gains or losses related to transactions shall be fully recognized.

When confirming the net loss incurred by the invested entity that should be shared, the book value of the long-term equity investment and other long-term rights and interests that substantially constitute the net investment of the invested entity shall be written down to zero. In addition, if the Company has the obligation to bear additional losses to the invested entity, the estimated liabilities shall be recognized according to the expected obligations and included in the current investment losses. If the invested entity realizes net profit in the following period, the Company shall resume the recognition of the income sharing amount after the income sharing amount makes up for the unrecognized loss sharing amount.

For the long-term equity investment in joint ventures and joint ventures held by the Company before the first implementation of the new accounting standards, if there is a debit difference of equity investment related to the investment, the amount amortized straight-line according to the original remaining period shall be included in the current profits and losses.

③ Acquisition of minority shares

When preparing consolidated financial statements, the capital reserve shall be adjusted for the difference between the newly added long-term equity investment due to the purchase of minority equity and the share of net assets that should be continuously calculated from the purchase date (or merger date) of subsidiaries according to the newly added shareholding ratio. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

④ Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially disposes of the long-term equity investment in subsidiaries without losing control rights, and the difference between the disposal price and the net assets of subsidiaries corresponding to the disposal of the long-term equity investment is included in shareholders' equity; If the parent company partially disposes of the long-term equity investment in the subsidiary, resulting in the loss of control over the subsidiary, it shall be handled according to the relevant accounting policies mentioned in Notes 4, 5 and (2) "Methods for Preparing Consolidated Financial Statements".

For the disposal of long-term equity investment under other circumstances, the difference between the book value of the disposed equity and the actual acquisition price shall be included in the current profits and losses.

For long-term equity investment accounted for by the equity method, if the remaining equity after disposal is still accounted for by the equity method, other comprehensive income originally included in the owner's equity shall be accounted for according to the corresponding proportion on the same basis as the direct disposal of related assets or liabilities by the invested entity. Owner's equity recognized due to changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution of the investee shall be carried forward to the current profit and loss in proportion.

Long-term equity investment calculated by cost method, If the remaining equity after disposal is still accounted for by cost method, Other comprehensive income recognized by the equity method or financial instrument recognition and measurement standards before obtaining control over the invested entity shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the invested entity, and shall be carried forward to the current profits and losses in proportion; Changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution in the net assets of the invested entity recognized by the equity method are carried forward to the current profit and loss in

proportion.

16. Investment real estate

Investment real estate refers to the real estate held for earning rent or capital appreciation, or both. Including leased land use rights, land use rights held and ready to be transferred after appreciation, leased buildings, etc.

For investment real estate that adopts fair value model for subsequent measurement, the basis for accounting policy selection is that the Company can obtain the market price and other relevant information of similar or similar real estate from the real estate transaction market, so as to make a reasonable estimate of the fair value of investment real estate. And obtain the fair value appraisal report of investment real estate issued by the appraisal institution.

The Company does not accrue depreciation or amortize investment real estate, and adjusts its book value based on its fair value on the balance sheet date. The difference between the fair value and the original book value is included in the current profits and losses.

When determining the fair value of investment real estate, refer to the current market price of similar or similar real estate in the active market; If the current market price of similar or similar real estate cannot be obtained, refer to the latest transaction price of similar or similar real estate in the active market, and consider factors such as transaction situation, transaction date and location, so as to make a reasonable estimate of the fair value of investment real estate; Or determine its fair value based on the present value of the expected future rental income and related cash flows.

In rare cases, If there is evidence that, When the Company acquires an investment real estate for the first time (or when an existing real estate becomes an investment real estate for the first time after completing construction or development activities or changing its use), if the fair value of the investment real estate cannot be obtained continuously and reliably, the investment real estate shall be measured by cost mode until disposal, and no residual value shall be assumed.

When self-use real estate or inventory is converted into investment real estate, it shall be priced according to the fair value on the date of conversion. If the fair value on the date of conversion is less than the original book value, the difference shall be included in the current profits and losses; If the fair value on the date of conversion is greater than the original book value, the difference shall be recognized as other comprehensive income. When investment real estate is converted into self-use real estate, the book value of self-use real estate shall be taken as the fair value on the date of conversion, and the difference between the fair value and the original book value shall be included in the current profits and losses.

When the investment real estate is disposed of or permanently withdrawn from use and it is not expected to obtain economic benefits from its disposal, the confirmation of the investment real estate shall be terminated. The disposal income from the sale, transfer, scrapping or damage of investment real estate

is included in the current profits and losses after deducting its book value and relevant taxes and fees.

17. Fixed assets

(1) Confirmation conditions of fixed assets

Fixed assets refer to tangible assets held for the production of goods, provision of labor services, leasing or management, and with a service life exceeding one accounting year. Fixed assets are recognised only when the economic benefits associated with them are likely to flow into the Company and their costs can be measured reliably. Fixed assets are initially measured at cost and taking into account the influence of estimated disposal cost.

(2) Depreciation method of all kinds of fixed assets

Depreciation of fixed assets shall be accrued within their service life by using the life average method from the next month after they reach the scheduled serviceable condition. The service life, estimated net salvage value and annual depreciation rate of various fixed assets are as follows:

Category	Depreciation method	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Age average method	5-20 years	5	4.75-19.00
Machinery and equipment	Age average method	8-10 years	5	9.50-11.875
Transport equipment	Age average method	5-10 years	5	9.50-19.00
Office equipment and others	Age average method	3-5 years	5	19.00-31.67

Estimated net salvage value refers to the amount obtained by the Company from the disposal of fixed assets after deducting the estimated disposal expenses, assuming that the estimated service life of the fixed assets has expired and is in the expected state at the end of the service life.

(3) Test method for impairment of fixed assets and provision method for impairment

Please refer to Notes 4 and 22 "Impairment of Long-term Assets" for details of impairment test methods and impairment provision methods of fixed assets.

(4) Other explanations

Subsequent expenses related to fixed assets, if the economic benefits related to the fixed assets are likely to flow in and the cost can be measured reliably, are included in the cost of fixed assets, and the book value of the replaced part is derecognized. Other subsequent expenditures other than this shall be included in the current profits and losses when incurred.

When a fixed asset is in a state of disposal or is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated. The difference between the disposal income from the sale, transfer, scrapping or damage of fixed assets after deducting its book value and relevant taxes and fees is included in the current profits and losses.

18. Projects under construction

The cost of construction in progress is determined according to the actual project expenditure, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches the scheduled serviceable condition and other related expenses, etc.

Construction in progress is carried forward to fixed assets after reaching the scheduled serviceable condition.

For the impairment test method and impairment provision method of construction in progress, please refer to Notes 4 and 22 "Impairment of Long-term Assets".

19. Borrowing costs

Borrowing costs include interest on borrowing, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowing. Borrowing costs that can be directly attributed to the purchase, construction or production of assets eligible for capitalization shall be capitalized when the asset expenditure has occurred, the borrowing costs have occurred, and the purchase, construction or production activities necessary to make the assets reach the intended usable or marketable state have started; When the assets constructed or produced that meet the capitalization conditions reach the predetermined usable state or saleable state, capitalization shall be stopped. The remaining borrowing costs are recognized as expenses in the current period.

The actual interest expenses incurred in the current period of special loans shall be capitalized after deducting the interest income obtained by depositing unused loan funds into banks or the investment income obtained by temporary investment; The capitalization amount of general loan is determined by multiplying the weighted average of asset expenditure of accumulated asset expenditure exceeding special loan by the capitalization rate of occupied general loan. The capitalization rate is calculated and determined according to the weighted average interest rate of general loans.

During the capitalization period, all the exchange differences of foreign currency special loans shall be capitalized; Exchange differences of foreign currency general loans are included in current profits and losses.

Assets eligible for capitalization refer to assets such as fixed assets, investment real estate and inventory that need a long time of purchase, construction or production activities to reach the intended usable or marketable state.

If the assets that meet the capitalization conditions are abnormally interrupted in the process of

purchase, construction or production, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended until the purchase, construction or production activities of assets are resumed.

20. Intangible assets

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenses related to intangible assets are included in the cost of intangible assets if the related economic benefits are likely to flow into the Company and the cost can be measured reliably. Expenditures of other items are included in current profits and losses when they occur.

The acquired land use right is usually accounted for as intangible assets. For self-development and construction of buildings such as factories, the relevant land use right expenditure and building construction cost are accounted for as intangible assets and fixed assets respectively. If it is a purchased house and building, the relevant price will be distributed between the land use right and the building. If it is difficult to distribute reasonably, all of them will be treated as fixed assets.

Intangible assets with limited service life shall be amortized by straight-line method in average installments within their expected service life from the time they are available for use, minus the amount of impairment reserve accrued. Intangible assets with uncertain service life shall not be amortized.

Among them, the service life and amortization method of intangible assets are as follows:

Project	Service life	Amortization method
Land use right	50 years	Straight line method
Patent right to use	10 years	Straight line method
Software and others	10 years	Straight line method

At the end of the period, the service life and amortization method of intangible assets with limited service life shall be reviewed, and if there is any change, it shall be treated as a change in accounting estimation. In addition, the service life of intangible assets with uncertain service life is reviewed. If there is evidence that the period when the intangible assets bring economic benefits to the enterprise is predictable, the service life is estimated and amortized according to the amortization policy of intangible assets with limited service life.

For the impairment test method and impairment provision method of intangible assets, please refer to Notes 4 and 22 "Impairment of Long-term Assets".

21. Long-term deferred expenses

Long-term deferred expenses are expenses incurred for a period of more than one year that should be borne by the reporting period and subsequent periods. The company's long-term prepaid expenses mainly

include renovation expenses, etc. Long-term prepaid expenses are amortized on a straight-line basis during the expected benefit period.

22. Impairment of long-term assets

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, right-to-use assets, investment real estate measured by cost model and long-term equity investment in subsidiaries, joint ventures and associated enterprises, the Company judges whether there are signs of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount shall be estimated and impairment test shall be conducted. Goodwill, intangible assets with uncertain service life and intangible assets that have not yet reached serviceable condition shall be tested for impairment every year regardless of whether there are signs of impairment.

If the impairment test result shows that the recoverable amount of an asset is lower than its book value, the impairment reserve shall be accrued according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset minus disposal expenses and the present value of the estimated future cash flow of the asset. The fair value of assets is determined according to the sales agreement price in fair trade; If there is no sales agreement but there is an active market for assets, the fair value shall be determined according to the buyer's bid of the assets; If there is no sales agreement and an active market for assets, the fair value of assets is estimated on the basis of the best available information. Disposal expenses include legal fees related to asset disposal, relevant taxes and fees, handling fees and direct expenses incurred to make assets saleable. The present value of the estimated future cash flow of an asset shall be determined according to the estimated future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount shall be determined by selecting an appropriate discount rate. The provision for impairment of assets is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of individual assets, the recoverable amount of asset group shall be determined by the asset group to which the assets belong. An asset group is the smallest portfolio that can independently generate cash inflows.

For goodwill listed separately in financial statements, when impairment test is carried out, the book value of goodwill is allocated to the asset group or combination of asset groups that are expected to benefit from the synergy effect of business combination. If the test results show that the recoverable amount of the asset group or combination of asset groups containing the allocated goodwill is lower than its book value, the corresponding impairment loss shall be recognized. The amount of impairment loss is first offset against the book value of goodwill allocated to the asset group or combination of asset groups, and then offset against the book value of other assets in proportion to the book value of other assets except goodwill in the asset group or combination of asset groups.

Once the impairment loss of the above assets is confirmed, the part whose value has been recovered

will not be reversed in the following period.

23. Contract liabilities

Contract liabilities refer to the obligations of the Company to transfer goods to customers after receiving or receiving consideration from customers. If the customer has paid the contract consideration or the company has obtained the unconditional collection right before the company transfers the goods to the customer, the company will list the received or receivable as a contract liability at the earlier of the actual payment and the due payment of the customer. Contract assets and contract liabilities under the same contract are shown on a net basis, and contract assets and contract liabilities under different contracts are not offset.

24. Employee compensation

The company's employees' salary mainly includes short-term employees' salary, post-employment benefits and dismissal benefits. Among them:

Short-term salary mainly includes wages, bonuses, allowances and subsidies, employee welfare funds, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing accumulation funds, trade union funds and employee education funds, non-monetary benefits, etc. During the accounting period when employees provide services to the Company, the Company recognizes the actual short-term employee compensation as a liability and records it into the current profits and losses or related asset costs. Where non-monetary benefits are measured at fair value.

Post-employment benefits mainly include basic old-age insurance, unemployment insurance and annuity. After-service benefit plans include defined contribution plans. If a defined contribution plan is adopted, the corresponding deposit amount shall be included in the relevant asset cost or current profits and losses when it occurs.

Dissolve the labor relationship with employees before the expiration of their labor contracts, Or propose compensation to encourage employees to voluntarily accept the reduction, When the Company cannot unilaterally withdraw the dismissal benefits provided due to the termination of labor relations plan or the reduction proposal, and the Company recognizes the costs related to the reorganization involving the payment of dismissal benefits, the employee compensation liabilities arising from dismissal benefits shall be recognized and recorded in the current profits and losses. However, if the dismissal benefits are not expected to be fully paid within 12 months after the end of the annual reporting period, they shall be treated according to the salaries of other long-term employees.

The internal retirement plan of employees adopts the same principle as the above dismissal benefits. The Company will include the salaries and social insurance premiums to be paid from the date when employees stop providing services to the normal retirement date into the current profits and losses (dismissal benefits) when they meet the conditions for recognizing estimated liabilities.

Other long-term employee benefits provided by the Company to employees that meet the set contribution plan shall be accounted for according to the set contribution plan, and in addition, shall be accounted for according to the set benefit plan.

25. Estimated liabilities

When the obligations related to contingencies meet the following conditions at the same time, they are recognized as estimated liabilities: (1) The obligations are current obligations undertaken by the Company; (2) The performance of this obligation is likely to lead to the outflow of economic benefits; (3) The amount of the obligation can be measured reliably.

At the balance sheet date, the estimated liabilities are measured according to the best estimate of the expenditure required to fulfill the relevant current obligations, taking into account factors such as risks, uncertainties and time value of money related to contingencies.

If all or part of the expenses required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount shall be recognized as an asset separately when it is basically determined that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liabilities.

26. Income

When the contract between the Company and the customer meets the following conditions at the same time, the revenue is recognized when the customer obtains the control right of the relevant goods: the parties to the contract have approved the contract and promised to fulfill their respective obligations; The contract clarifies the rights and obligations of all parties to the contract related to the transferred goods or services; The contract has clear payment terms related to the transferred goods; The contract has commercial substance, that is, the performance of the contract will change the risk, time distribution or amount of the company's future cash flow; The consideration that the company is entitled to for transferring goods to customers is likely to be recovered.

On the commencement date of the contract, the Company identifies each individual performance obligation existing in the contract, and allocates the transaction price to each individual performance obligation according to the relative proportion of the individual selling price of the goods promised by each individual performance obligation. When determining the transaction price, the influence of variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors is considered.

For each individual performance obligation in the contract, if one of the following conditions is met, the Company will recognize the transaction price allocated to the individual performance obligation as income according to the performance progress during the relevant performance period: the customer obtains and consumes the economic benefits brought by the Company's performance while the Company

performs the contract; Customers can control the goods under construction during the performance of the company; The goods produced during the performance of the Company have irreplaceable uses, and the Company has the right to collect money for the accumulated performance completed so far during the whole contract period. The performance progress is determined by input method or output method according to the nature of the transferred goods. When the performance progress cannot be reasonably determined, if the costs incurred by the Company are expected to be compensated, the revenue shall be recognized according to the amount of costs incurred until the performance progress can be reasonably determined.

If one of the above conditions is not met, the Company will recognize the revenue from the transaction price allocated to the individual performance obligation at the time when the customer obtains the control right of the relevant commodity. When judging whether the customer has obtained the control right of the commodity, the company considers the following signs: the enterprise enjoys the current collection right for the commodity, that is, the customer has the current payment obligation for the commodity; The enterprise has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity; The enterprise has transferred the commodity in kind to the customer, that is, the customer has possessed the commodity in kind; The enterprise has transferred the main risks and rewards on the ownership of the commodity to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the commodity; The customer has accepted the commodity; Other signs that the customer has gained control of the goods.

The Company's business of selling goods usually only includes the performance obligation of transferring goods. When the goods have been issued and received the customer's receipt, the control right of the goods is transferred, and the Company recognizes the realization of revenue at that time.

The company provides customers with construction projects, Because the customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company's performance, For projects with large investment amount and long construction period, the settlement shall be made according to the annual investment progress of the project, and other projects shall be settled after the completion of the project. The Company shall confirm the income according to the settlement price settled with the entrusting party.

27. Contract cost

The incremental costs incurred by the Group in order to obtain the contract, which are expected to be recovered, are recognized as an asset as contract acquisition costs.

If the cost incurred for performing the contract does not fall within the scope of accounting standards for enterprises other than Accounting Standards for Business Enterprises No.14-Income (Revised in 2017) and meets the following conditions at the same time, It is recognized as an asset as the contract

performance cost: ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by customers and other costs incurred only due to the contract; (2) This cost increases the resources used by the Group to fulfill its performance obligations in the future; ③ The cost is expected to be recovered.

Assets related to contract costs are amortized on the same basis as the recognition of commodity income related to the assets, and are included in current profits and losses.

28. Government subsidies

Government subsidy refers to the monetary assets and non-monetary assets obtained by the Company free of charge from the government, excluding the capital invested by the government as an investor and enjoying corresponding owner's equity. Government subsidies are divided into asset-related government subsidies and income-related government subsidies. The Company defines the government subsidy obtained for purchasing, building or otherwise forming long-term assets as the government subsidy related to assets; The remaining government subsidies are defined as government subsidies related to income. If the government document does not specify the subsidy object, The subsidy is divided into income-related government subsidy and asset-related government subsidy in the following ways: (1) If the government document specifies the specific project targeted by the subsidy, the relative proportion of the expenditure amount forming assets and the expenditure amount included in the expenses shall be divided according to the budget of the specific project, and the division ratio shall be reviewed on each balance sheet date and changed if necessary; (2) If the purpose is only stated in the government documents, and no specific items are specified, it will be regarded as government subsidies related to income. If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If the government subsidy is a non-monetary asset, it shall be measured according to the fair value; If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount. Government subsidies measured in nominal amount are directly included in current profits and losses.

The Company usually recognizes and measures government subsidies according to the paid-in amount when they are actually received. However, at the end of the period, there is conclusive evidence that it can meet the relevant conditions stipulated by the financial support policy, and it is expected to receive financial support funds, which shall be measured according to the amount receivable. Government subsidies measured according to the amount receivable should meet the following conditions at the same time: (1) The amount of subsidies receivable has been confirmed by the competent government department, or can be reasonably calculated according to the relevant provisions of the officially issued financial fund management measures, and it is estimated that there is no major uncertainty in the amount; (2) It is based on the financial support projects officially issued by the local financial department and voluntarily disclosed in accordance with the Regulations on the Openness of Government Information and its

financial fund management measures, and the management measures should be inclusive (any enterprise that meets the prescribed conditions can apply), rather than specifically formulated for specific enterprises; (3) The relevant subsidy approval has clearly promised the disbursement period, and the disbursement of the money is guaranteed by the corresponding financial budget, so it can be reasonably guaranteed that it can be received within the prescribed time limit; (4) Other relevant conditions (if any) to be met according to the specific conditions of the Company and the subsidy matters.

Government subsidies related to assets are recognized as deferred revenue, and are included in current profits and losses in stages according to reasonable and systematic methods during the service life of related assets. Government subsidies related to income, which are used to compensate related costs or losses in subsequent periods, are recognized as deferred revenue and included in current profits and losses during the period when related costs or losses are recognized; If it is used to compensate the related costs or losses that have already occurred, it shall be directly included in the current profits and losses.

At the same time, it includes government subsidies related to assets and income, and distinguishes different parts for accounting treatment; If it is difficult to distinguish, it will be classified as government subsidies related to income as a whole.

Government subsidies related to the daily activities of the Company shall be included in other income or offset related costs according to the essence of economic business; Government subsidies unrelated to daily activities are included in non-operating income and expenditure.

When the confirmed government subsidy needs to be returned, if there is a relevant deferred revenue balance, the book balance of the relevant deferred revenue shall be offset, and the excess shall be included in the current profits and losses; In other cases, it shall be directly included in the current profits and losses.

29. Deferred income tax assets/deferred income tax liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current period and previous periods shall be measured by the expected income tax payable (or refunded) according to the provisions of the tax law. The taxable income amount on which the current income tax expense is calculated is calculated after adjusting the pre-tax accounting profit of the current year according to the relevant tax laws.

(2) Deferred income tax assets and deferred income tax liabilities

The difference between the book value of certain assets and liabilities and their tax basis, As well as the temporary difference caused by the difference between the book value and the tax basis of items that are not recognized as assets and liabilities but whose tax basis can be determined according to the provisions of the tax law, the balance sheet liability method is adopted to recognize deferred income tax assets and deferred income tax liabilities.

Deferred income tax liabilities are not recognized for taxable temporary differences related to the initial recognition of goodwill and the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) when they occur. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the Company can control the reversal time of the temporary differences, and the temporary differences are likely not to be reversed in the foreseeable future, the relevant deferred income tax liabilities will not be recognized. Except for the above exceptions, the Company recognizes all other deferred income tax liabilities arising from taxable temporary differences.

Deferred income tax assets are not recognized for deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) at the time of occurrence. In addition, for deductible temporary differences related to investments in subsidiaries, associated enterprises and joint ventures, if the temporary differences are not likely to be reversed in the foreseeable future, or the taxable income used to offset the deductible temporary differences is not likely to be obtained in the future, the relevant deferred income tax assets will not be recognized. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences to the extent that it is likely to obtain taxable income to offset deductible temporary differences.

For deductible losses and tax credits that can be carried forward to future years, the corresponding deferred income tax assets are recognized to the extent that it is likely to obtain future taxable income to offset deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured according to the applicable tax rate during the expected recovery of related assets or settlement of related liabilities according to the provisions of the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed, and if it is likely that sufficient taxable income will not be obtained in the future to offset the benefits of deferred income tax assets, the book value of deferred income tax assets will be written down. When sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

(3) Income tax expense

Income tax expenses include current income tax and deferred income tax.

Except for the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in shareholders' equity, As well as deferred income tax arising from business combination to adjust the book value of goodwill, other current income tax and deferred income tax expenses or income are included in current profits and losses.

(4) Offset of income tax

Where the Company has a legal right to settle on a net basis and intends to settle on a net basis or to acquire assets and settle liabilities simultaneously, the Company's current income tax assets and current income tax liabilities are reported on a net basis after offset.

When you have the legal right to settle the current income tax assets and current income tax liabilities on a net basis, And deferred income tax assets and deferred income tax liabilities are related to the income tax collected by the same tax collection and management department on the same taxpayer or related to different taxpayers, However, in each future reversal period of significant deferred income tax assets and liabilities, when the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis or acquire assets and settle liabilities at the same time, the deferred income tax assets and deferred income tax liabilities of the Company are reported on a net basis after offset.

30. Leasing

A lease is a contract whereby the Company assigns or acquires the right to control the use of one or more identified assets for a certain period of time in exchange for or in payment of consideration. On the commencement date of a contract, the Company evaluates whether the contract is a lease or contains a lease.

(1) The company as the lessee

The leased assets of the Company are mainly houses and buildings.

① Initial measurement

At the beginning of the lease term, the Company recognizes the right to use the leased assets during the lease term as the right to use assets, and recognizes the present value of unpaid lease payments as lease liabilities, except for short-term leases and low-value asset leases. When calculating the present value of the lease payment amount, the Company adopts the interest rate included in the lease as the discount rate; If the interest rate included in the lease cannot be determined, the incremental loan interest rate of the lessee shall be used as the discount rate.

② Subsequent measurement

The Company shall accrue depreciation for the assets with the right to use from the month when the lease term begins. If the ownership of the leased assets can be reasonably determined when the lease term expires, the Company shall accrue depreciation for the remaining service life of the leased assets. If it cannot be reasonably determined that the ownership of the leased assets can be acquired when the lease term expires, the Company shall accrue depreciation within the shorter of the lease term and the remaining service life of the leased assets.

For lease liabilities, the Company calculates the interest expense for each period of the lease term at a fixed periodic interest rate, which is included in the current profit and loss or the related asset cost. Variable lease payments not included in the measurement of lease liabilities are included in current profits and losses or related asset costs when they actually occur.

After the start of the lease period, When the actual fixed payment amount changes, the expected payable amount of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, and the evaluation result or actual exercise of the purchase option, renewal option or termination option changes, The Company re-measures the lease liability based on the present value of the changed lease payments and adjusts the book value of the right-to-use assets accordingly. If the book value of the right to use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company will record the remaining amount into the current profits and losses.

③ Short-term lease and low-value asset lease

For short-term leases (leases with a lease period of no more than 12 months on the lease commencement date), low-value asset leases and related party leases within the scope of group consolidation, The Company adopts a simplified treatment method, does not recognize the right-to-use assets and lease liabilities, and records the lease payment amount into the relevant asset cost or current profits and losses according to the straight-line method or other systematic and reasonable methods during each period of the lease term.

④ Lease change

If the lease changes and the following conditions are met at the same time, the Company will treat the lease change as a separate lease for accounting treatment:

The lease change expands the scope of the lease by adding the right to use one or more leased assets;

The increased consideration is equivalent to the separate price of the extended lease scope adjusted according to the conditions of the contract.

If the lease change is not accounted for as a separate lease, (Except for the simplified method of contract change directly caused by novel coronavirus pneumonia epidemic,) On the effective date of lease change, the Company re-allocates the consideration of the changed contract, re-determines the lease term, and re-measures the lease liability according to the present value calculated by the changed lease payment amount and the revised discount rate.

If the lease scope is reduced or the lease term is shortened due to the lease change, the Company shall

reduce the book value of the right-to-use assets accordingly, and record the gains or losses related to partial or complete termination of the lease into the current profits and losses. In case of re-measurement of lease liabilities due to other lease changes, the Company shall adjust the book value of the right-to-use assets accordingly.

(2) As the lessor, the company

On the commencement date of the lease, the Company divides the lease into finance lease and operating lease based on the substance of the transaction. Financial lease refers to a lease that essentially transfers almost all risks and rewards related to the ownership of leased assets. Operating leases refer to leases other than finance leases.

① Operating lease

The Company recognizes lease receipts from operating leases as rental income for each period of the lease term using the straight-line method. Variable lease payments relating to operating leases that are not included in lease receipts are included in current profits and losses when they are actually incurred.

② Lease alteration

If an operating lease is changed, the Company will account for it as a new lease from the effective date of the change, and the advance or receivable lease receipts related to the lease before the change will be regarded as the new lease receipts.

31. Changes in important accounting policies and accounting estimates

(1) Changes in accounting policies

① Accounting policy changes caused by the implementation of the new financial instrument standards

On March 31, 2017, the Ministry of Finance issued Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments (Revised in 2017) (Caikuai [2017] No.7) and Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets (Revised in 2017) (Caikuai [2017] No.8) Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments (2017 Revision) (Caikuai [2017] No.14) was issued on May 2, 2017 (the above standards are collectively referred to as "New Financial Instrument Standards"), and the Company began to implement the aforesaid new financial instrument standards from January 1, 2021.

All financial assets recognised under the new IFRS are subsequently measured at amortized cost or fair value. On the implementation date of the new financial instrument standards, Evaluate the business model of managing financial assets on the basis of the existing facts and conditions of the Company on that day, and evaluate the contractual cash flow characteristics of financial assets on the basis of the facts

and conditions at the time of initial recognition. Financial assets are divided into three categories: measured at amortized cost, measured at fair value with changes included in other comprehensive income and measured at fair value with changes included in current profits and losses. Among them, for equity instrument investments measured at fair value and whose changes are included in other comprehensive income, when the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income to retained earnings, and will not be included in current profits and losses.

Under the new financial instrument standards, the Company makes provision for impairment of financial assets measured at amortized cost, debt instrument investments measured at fair value and whose changes are included in other comprehensive income, lease receivables, contract assets and financial guarantee contracts on the basis of expected credit losses, and recognizes credit impairment losses.

The Company applies the new Financial Instrument Standards retroactively, but if the classification and measurement (including impairment) involve the inconsistency between the data in the previous comparative financial statements and the new Financial Instrument Standards, the Company chooses not to restate them. Therefore, for the cumulative impact of the first implementation of the standard, the Company adjusted the retained earnings or other comprehensive income at the beginning of 2021 and the amount of other related items in the financial statements, which were not restated in the financial statements of 2020.

The major changes and impacts of the implementation of the new financial instrument standards on the Company are as follows:

-The income of some wealth management products, trust products, equity income rights and asset management plans held by the Company depends on the rate of return of the underlying assets, which were originally classified as available-for-sale financial assets. As its contractual cash flow is not only the payment of principal and interest based on outstanding principal, the Company reclassified it as a financial asset measured at fair value and whose changes are included in current profits and losses on or after January 1, 2021, and reported it as a transactional financial asset or other non-current financial asset.

-Some available-for-sale debt instruments held by the Company, The cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount, Moreover, the Company's business model of managing the financial asset is to collect the contracted cash flow and sell the financial asset. The Company reclassified it from available-for-sale financial asset to other debt investment on and after January 1, 2021.

--The Company endorses or discounts some bank acceptance bills in daily fund management, With the aim of collecting contractual cash flow and selling financial assets, the Company reclassified these bills receivable as financial asset classes measured at fair value and whose changes are included in other

comprehensive income on and after January 1, 2021, and reported as receivables financing.

A. Comparison Table of Classification and Measurement of Financial Assets before and after the First Implementation Date

A. Impact on consolidated financial statements

December 31, 2020 (before change)			January 1, 2021 (after change)		
Project	Measurement category	Book value	Project	Measurement category	Book value
Monetary fund	Amortized cost	518,697,573.68	Monetary fund	Amortized cost	518,697,573.68
Financial assets measured at fair value and whose changes are included in current profits and losses	Measured at fair value and its changes are included in current profits and losses	86,800,000.00	Transactional financial assets	Measured at fair value and its changes are included in current profits and losses	86,800,000.00
Notes receivable	Amortized cost	7,050,000.00	Notes receivable	Amortized cost	6,900,000.00
			Receivables financing	Measured at fair value and changes included in other comprehensive income	150,000.00
Accounts receivable	Amortized cost	1,877,081,265.42	Accounts receivable	Amortized cost	1,877,081,265.42
Other receivables	Amortized cost	286,131,963.87	Other receivables	Amortized cost	286,131,963.87
Available-for-sale financial assets	Measured at fair value and changes included in other comprehensive income (equity instruments)	3,000,000.00	Other non-current financial assets	Measured at fair value and its changes are included in current profits and losses	3,000,000.00

B. Impact on the Company's financial statements

December 31, 2020 (before change)			January 1, 2021 (after change)		
Project	Measurement category	Book value	Project	Measurement category	Book value
Monetary fund	Amortized cost	25,007,622.79	Monetary fund	Amortized cost	25,007,622.79
Accounts receivable	Amortized cost	1,593,455,673.29	Accounts receivable	Amortized cost	1,593,455,673.29
Other receivables	Amortized cost	176,837,603.31	Other receivables	Amortized cost	176,837,603.31
Available-for-sale financial assets	Measured at fair value and changes included in other comprehensive income (equity instruments)	3,000,000.00	Other non-current financial assets	Measured at fair value and its changes are included in current profits and losses	3,000,000.00

B. On the first implementation date, the adjustment statement of the book value of the original financial assets to the book value of the new financial assets classified and measured in accordance with the provisions of the New Financial Instruments Standards

A. Impact on consolidated statements

Project	December 31, 2020 (before change)	Reclassification	Re- measuremen t	January 1, 2021 (after change)
Amortized cost:				
Notes receivable	7,050,000.00			
Less: Transferred to receivables financing		-150,000.00		
Balance according to the new financial instrument standard				6,900,000.00
Accounts receivable	1,877,081,265.42			
Balance according to the new financial instrument standard				1,877,081,265.42
Other receivables	286,131,963.87			
Balance according to the new financial instrument standard				286,131,963.87
Measured at fair value and its changes are included in current profits and losses:				
Financial assets measured at fair value and whose changes are included in current profits and losses (original standard)	86,800,000.00			
Less: Transferred to transactional financial assets		-86,800,000.00		
Balance according to the new financial instrument standard				--
Transactional financial assets	--			
Add: Transferred from financial assets measured at fair value and whose changes are included in current profits and losses (original		86,800,000.00		

Project	December 31, 2020 (before change)	Reclassification	Re-measurement	January 1, 2021 (after change)
standards)				
Balance according to the new financial instrument standard				86,800,000.00
Other non-current financial assets	--			
Add: Transfer from available-for-sale financial assets (original standards)		3,000,000.00		
Balance according to the new financial instrument standard				3,000,000.00
Measured at fair value and its changes are included in other comprehensive income:				
Available-for-sale financial assets (original standard)	3,000,000.00			
Less: Transfer to other non-current financial assets		-3,000,000.00		
Balance according to the new financial instrument standard				--
Receivables financing	--			
Transfer from notes receivable		150,000.00		
Balance according to the new financial instrument standard				150,000.00

B. Impact on the Company's financial statements

Project	December 31, 2020 (before change)	Reclassification	Re-measurement	January 1, 2021 (after change)
Amortized cost:				
Accounts receivable	1,593,455,673.29			
Balance according to the new financial instrument standard				1,593,455,673.29
Other receivables	176,837,603.31			
Balance according to the new financial instrument standard				176,837,603.31

Project	December 31, 2020 (before change)	Reclassification	Re-measurement	January 1, 2021 (after change)
financial instrument standard				
Measured at fair value and its changes are included in current profits and losses:				
Other non-current financial assets	--			
Add: Transfer from available-for-sale financial assets (original standards)		3,000,000.00		
Balance according to the new financial instrument standard				3,000,000.00
Measured at fair value and its changes are included in other comprehensive income:				
Available-for-sale financial assets (original standard)	3,000,000.00			
Less: Transfer to other non-current financial assets		-3,000,000.00		
Balance according to the new financial instrument standard				--

C. Reconciliation statement of impairment provision for financial assets on the first execution date

A. Impact on consolidated statements

Measurement category	December 31, 2021 (before change)	Reclassification	Re-measurement	January 1, 2021 (after change)
Amortized cost:				
Provision for impairment of accounts receivable	12,593,118.80			12,593,118.80
Provision for impairment of other receivables	6,794.80			6,794.80

② Accounting policy changes caused by the implementation of new income standards

On July 5, 2017, the Ministry of Finance issued the Accounting Standards for Business Enterprises No.14-Income (Revised in 2017) (Caikuai [2017] No.22) (hereinafter referred to as the "New Income Standards"). The Company has implemented the aforesaid new revenue standard since January 1, 2021.

The new revenue criterion establishes a new revenue recognition model for regulating the revenue generated by contracts with customers. In order to implement the new revenue standards, the Company reassessed the recognition and measurement, accounting and presentation of major contract revenue. According to the provisions of the new income standard, the option is to adjust only the cumulative impact number of contracts that have not been completed on January 1, 2021. The accumulated impact amount of the first execution is adjusted to the retained earnings and other related items in the financial statements at the beginning of the current period of the first execution (that is, January 1, 2021), and the information of the comparable period is not adjusted.

The main changes and impacts of the implementation of the new income standards are as follows:

-The Company changes the contract consideration received in advance from customers due to the transfer of goods from the item of "accounts received in advance" to the item of "contract liabilities".

The impact of implementing the new income standard on the financial statements on January 1, 2021

Report item	Amount on December 31, 2020 (before change)		Amount on January 1, 2021 (after change)	
	Consolidated report	Corporate statements	Consolidated report	Corporate statements
Accounts received in advance	138,547,901.00	550,000.00	1,396,845.73	550,000.00
Contract liabilities			121,504,340.01	
Other current liabilities			15,646,715.26	

③ Accounting policy changes caused by the implementation of the new leasing standards

On December 7, 2018, the Ministry of Finance issued the Accounting Standards for Business Enterprises No.21-Leasing (Revised in 2018) (Caikuai [2018] No.35) (hereinafter referred to as the "New Leasing Standards"). The Company has implemented the aforesaid new lease standards since January 1, 2021, and changed relevant accounting policies according to the provisions of the new lease standards.

According to the new lease standards, the Company chooses not to reassess whether the contracts existing before the first execution date are leases or include leases.

The Company chose to adjust only the cumulative impact number of outstanding lease contracts on January 1, 2021. The accumulated impact amount of the first execution is adjusted to the retained earnings and other related items in the financial statements at the beginning of the current period of the first

execution (that is, January 1, 2021), and the information of the comparable period is not adjusted.

On the first implementation date of the new leasing standards (that is, January 1, 2021), the specific convergence treatment of the Company and its impact are as follows:

A. The Company as the Lessee

For the financing lease on the first execution date, the Company, as the lessee, measures the right to use assets and lease liabilities respectively according to the original book value of the financing lease assets and the financing lease payments payable; For the operating lease on the first execution date, the lease liability is measured as the present value discounted by the lessee according to the remaining lease payment amount at the incremental borrowing rate on the first execution date; The unpaid rent payable accrued according to the accrual basis under the original lease standard is included in the remaining lease payment amount.

For the operating lease prior to the first execution date, the Company measures the right-to-use assets according to the amount equal to the lease liability and makes necessary adjustments according to the prepaid rent. The Company conducts impairment tests on the right-to-use assets on the first execution date without adjusting the book value of the right-to-use assets.

The Company does not recognize the right to use assets and lease liabilities for operating leases where the leased assets before the first execution date are low-value assets. For operating leases other than low-value leases on the first execution date, the Company adopts one or more of the following simplified treatment for each lease:

- Leases to be completed within 12 months after the first execution date are treated as short-term leases;
- When measuring lease liabilities, leases with similar characteristics adopt the same discount rate;
- The measurement of the right to use assets does not include the initial direct expenses;
- If there is an option to renew or terminate the lease, the Company shall determine the lease period according to the actual exercise of the option before the first execution date and other latest conditions;
- As an alternative to the impairment test of the right to use assets, the Company evaluates whether the contract including lease is a loss contract before the first execution date according to the Accounting Standards for Business Enterprises No.13-Contingencies, and adjusts the right to use assets according to the loss reserve amount included in the balance sheet before the first execution date;
- In case of lease change before the first execution date, the Company shall conduct accounting

treatment according to the final arrangement of lease change.

B. The Company as the Lessor

For sub-leases classified as operating leases before the first execution date and surviving after the first execution date, the Company, as the sub-lessor, reevaluates and classifies them based on the remaining contract terms and conditions of the original lease and sub-lease on the first execution date. If it is reclassified as a financial lease, it shall be treated as a new financial lease for accounting.

C. The main changes and impacts of the implementation of the new leasing standards are as follows:

--The Company leased the house of Zhangzhou Xiangcheng Weixing Household Appliances Co., Ltd. from April 4, 2020 to April 3, 2023, which was originally treated as an operating lease. According to the new lease standard, on January 1, 2021, it was confirmed that the right to use assets were 5,062,969.33 yuan, and the non-current liabilities due within one year were 2,471,491.81 yuan and the lease liabilities were 2,591,477.52 yuan.

The impact of the changes in accounting policies for the implementation of the new leasing standards on the financial statements on January 1, 2021 is as follows:

Report item	Amount on December 31, 2020 (before change)		Amount on January 1, 2021 (after change)	
	Consolidated report	Corporate statements	Consolidated report	Corporate statements
	Right to use assets			5,062,969.33
Non-current liabilities due within one year			2,471,491.81	
Lease liability			2,591,477.52	

The weighted average of the incremental borrowing rates used for the lease liabilities included in the balance sheet of the Company as at 1 January 2021 is 4.75%.

The adjustment process for the difference between the unpaid minimum lease payment of major operating leases at the end of 2020 and the lease liabilities included on January 1, 2021 disclosed in the 2020 financial statements of the Company is as follows:

Project	Consolidated report	Corporate statements
Minimum lease payment for major operating leases on December 31, 2020	5,327,908.56	
Present value of the above minimum lease payment discounted at incremental borrowing rate	5,062,969.33	
Lease liabilities as of January 1, 2021	5,062,969.33	
Among them: lease liabilities due within one year	2,471,491.81	

V. Taxes

1. Main taxes and tax rates

Taxes	Specific tax rate
Value added tax	Output tax shall be calculated at the tax rates of 13%, 9%, 6% and 3% for taxable income, and VAT shall be calculated and paid according to the difference after deducting the input tax allowed to be deducted in the current period.
Urban maintenance and construction tax	According to the actual payment of 5% of the turnover tax.
Education surcharge	According to the actual payment of 3% of the turnover tax.
Enterprise income tax	The company shall pay 25% of the taxable income.

2. Tax incentives and approvals

According to the "Notice of the Ministry of Finance and the State Administration of Taxation on Expanding the Scope of Preferential Income Tax Policies for Small and Low-profit Enterprises", Caishui [2019] No.13 stipulates that the annual taxable income of small and low-profit enterprises does not exceed 1 million yuan, which is reduced by 25%. Included in the taxable income amount, pay corporate income tax at the rate of 20%; The part of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan shall be included in the taxable income at a reduced rate of 50%, and the enterprise income tax shall be paid at the rate of 20%. Some subsidiaries of the company apply the 20% tax rate of small and low-profit enterprises.

VI. Notes to Items in Consolidated Financial Statements

The following annotation items (including annotations of major items in the company's financial statements), unless otherwise pointed out, "beginning of the year" refers to January 1, 2021, "ending of the

period" refers to December 31, 2021, "end of the previous year" refers to December 31, 2020, "current period" refers to 2021 and "previous period" refers to 2020.

1. Cash at bank and on hand

Project	Closing balance	Balance at the end of last year
Cash on hand	456.80	456.80
Bank deposit	394,044,836.48	252,122,934.17
Other monetary funds	562,166,276.32	266,574,182.71
Total	956,211,569.60	518,697,573.68

Note: The ending balance of other cash at bank and on hand is the deposit deposited by issuing letters of credit and acceptance bills and the deposit of JD.COM Alipay. In addition, there is no other money in the cash at bank and on hand at the end of the period that has restrictions on use due to mortgage, pledge or freezing, and has potential recovery risks.

2. Financial assets measured at fair value through

Project	Balance at the end of last year
Financial assets designated as measured at fair value through	86,800,000.00
Among them: wealth management products-structured deposits	86,800,000.00
Total	86,800,000.00

3. Notes receivable

(1) Classification and listing of bills receivable

Project	Closing balance	Balance at the end of last year
Bank acceptance bill		150,000.00
Commercial acceptance bill		6,900,000.00
Total		7,050,000.00

(2) There are no pledged notes receivable at the end of the period.

4. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within 1 year	2,921,726,104.97	1,796,730,221.53
1 to 2 years	127,895,692.48	35,778,190.61
2 to 3 years	35,268,202.77	51,513,019.79
3 to 4 years	51,513,019.79	

Aging	Closing balance	Balance at the end of last year
4 to 5 years		5,652,952.29
Subtotal	3,136,403,020.01	1,889,674,384.22
Less: provision for bad debts	4,727,238.83	12,593,118.80
Total	3,131,675,781.18	1,877,081,265.42

(2) Classified and listed according to the bad debt accrual method

Category	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accounts receivable with single provision for bad debts	281,145,059.44	8.96			281,145,059.44
Accounts receivable with provision for bad debts by portfolio	2,855,257,960.57	91.04	4,727,238.83	0.17	2,850,530,721.74
Of which: Portfolio of receivables from government agencies	2,517,465,394.99	80.27			2,517,465,394.99
Portfolio of related party transactions receivable	126,683,939.80	4.04			126,683,939.80
Aging combination	211,108,625.78	6.73	4,727,238.83	2.24	206,381,386.95
Total	3,136,403,020.01	100.00	4,727,238.83	0.15	3,131,675,781.18

(Continued)

Category	Balance at the end of last year		
	Book balance	Provision for bad debts	Book value

	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accounts receivable with significant single amount and separate provision for bad debts					
Accounts receivable with provision for bad debts according to the combination of credit risk characteristics	1,889,674,384.22	100.00	12,593,118.80	0.67	1,877,081,265.42
Accounts receivable with insignificant single amount but with separate provision for bad debts					
Total	1,889,674,384.22	100.00	12,593,118.80	0.67	1,877,081,265.42

(1) Accounts receivable with single provision for bad debts at the end of the period

Accounts receivable (by unit)	Closing balance			
	Book balance	Provision for bad debts	Proportion of accrual (%)	Reason for accrual
Fujian Jianchao Construction Group Co., Ltd. (hereinafter referred to as "Jianchao Group")	59,533,029.05			The Company has signed a tripartite agreement with Jianchao Group and a third party, and signed a purchase and sale contract with the third party. The third party supplies goods to the Company, and 40% of the debts formed by the actual supply will repay the money owed by Jianchao Group to the Company. At present, the total price of the signed purchase and sale contracts is 105.8 million yuan, which will be delivered one after another, and new supply contracts will continue to be added in the follow-up. The management of the Company judges that the debts to the third party can cover the payment receivable from Jianchao Group, so it is more likely that the money will be recovered by the third party compensation, so no provision for bad debts has been made
Shanghai Puyang Concrete Co., Ltd. (hereinafter referred to as "Shanghai Puyang")	221,612,030.39			As of March 31, 2022, the Company has recovered the payment amount of Shanghai Puyang RMB 70.3529 million. In addition, most of the balance of payment receivable is in the settlement period, and the management of the Company judges that it is more likely to recover, so

Accounts receivable (by unit)	Closing balance			
	Book balance	Provision for bad debts	Proportion of accrual (%)	Reason for accrual
				no provision for bad debts has been made for this receivable
Subtotal	281,145,059.44		--	--

2 In the portfolio, accounts receivable for which provision for bad debts is made according to the portfolio of accounts receivable from government agencies

Company name	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou High-tech Industrial Development Zone Construction Bureau	2,472,347,762.81		
Zhangzhou High-tech Industrial Development Zone City Construction Service Center	16,102,218.29		
Zhangzhou High-tech Industrial Development Zone Administrative Law Enforcement Bureau	5,408,829.38		
Other receivables from government units	23,606,584.51		
Subtotal	2,517,465,394.99		

3. Accounts receivable for which provision for bad debts is made according to the portfolio of related party transactions in the portfolio

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Yuanshan Municipal Construction Co., Ltd	77,253,472.29		
Zhangzhou Jinzhan Real Estate Co., Ltd	23,471,495.39		
Zhangzhou High-tech Zone Tianjian	21,107,005.86		

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Investment Development Co., Ltd			
Zhangzhou Yuanshan New Town Construction Co., Ltd	2,642,783.67		
Other related party receivables	2,209,182.59		
Subtotal	126,683,939.80		

4. Accounts receivable for which provision for bad debts is made according to the aging combination in the portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Within 1 year	144,262,788.67		
1 to 2 years	39,146,897.71	1,957,344.89	5.00
2 to 3 years	27,698,939.40	2,769,893.94	10.00
Subtotal	211,108,625.78	4,727,238.83	2.24

(3) Provision for bad debts

Category	Balance at the beginning of the year	Amount of change in current period			Closing balance
		Accrual	Withdraw or revert back	Write-off or write-off	
Accounts receivable	12,593,118.80	-7,865,879.97			4,727,238.83
Total	12,593,118.80	-7,865,879.97			4,727,238.83

(4) The accounts receivable of the top five at the end of the period collected by the defaulting party

Company name	Closing balance	Proportion of the total balance of accounts receivable at the end of the period (%)	Ending balance of bad debt provision
Zhangzhou High-tech Industrial Development Zone Construction Bureau	2,472,347,762.81	78.83	
Shanghai puyang concrete co., ltd	221,612,030.39	7.07	
Zhangzhou Yuanshan Municipal Construction Co., Ltd	77,253,472.29	2.46	
Fujian Jianchao Construction Group Co., Ltd	59,533,029.05	1.90	
Fujian Sanmu Construction Development Co., Ltd	56,271,000.00	1.79	
Total	2,887,017,294.54	92.05	

5. Prepayments

(1) Prepayments are listed by age

Aging	Closing balance		Balance at the end of last year	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,019,785,016.76	99.33	286,197,746.26	97.22
1 to 2 years	27,024,274.30	0.67	766,366.68	0.26
2 to 3 years			7,430,192.34	2.52
More than 3 years	7,430,192.34			
Total	1,054,239,483.40	100.00	294,394,305.28	100.00

(2) Advance payment of the top five ending balances collected by prepayment objects

Company name	Closing balance	Proportion of the total balance of prepayment at the end of the period (%)
Xiamen huatong yuanda trading co., ltd	259,249,678.06	24.59
Xiamen Long Ju Yuan Co., Ltd	143,000,000.00	13.56
Xiamen tianhua fengmao trading co., ltd	142,100,000.00	13.48
Zhangzhou Strait Supply Chain Management Co., Ltd	90,898,844.43	8.62
Xiamen yiyao trading co., ltd	76,718,092.76	7.28
Total	711,966,615.25	67.53

6. Other receivables

Project	Closing balance	Balance at the end of last year
Interest receivable	20,919,878.27	7,412,949.49
Other receivables	1,031,882,456.75	278,719,014.38
Total	1,052,802,335.02	286,131,963.87

(1) Interest receivable

Classification of interest receivable

Project	Closing balance	Balance at the end of last year
Wealth management products and other interest	20,919,878.27	7,412,949.49
Total	20,919,878.27	7,412,949.49

(2) Other receivables

① Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within 1 year	948,602,137.82	273,040,222.02
1 to 2 years	82,920,911.64	5,598,684.86

Aging	Closing balance	Balance at the end of last year
2 to 3 years	389,647.56	76,902.30
3 to 4 years	10,000.00	10,000.00
4 to 5 years	10,000.00	
Over 5 years		
Subtotal	1,031,932,697.02	278,725,809.18
Less: provision for bad debts	50,240.27	6,794.80
Total	1,031,882,456.75	278,719,014.38

② Classification according to the nature of funds

Nature of payment	Ending book balance	Book balance at the end of last year
Current account	942,137,831.08	241,942,351.86
Security deposit	16,273,331.94	24,522,402.82
Advance on behalf of	2,983,334.72	11,598,308.18
Equity purchase money	68,000,000.00	
Others	2,538,199.28	662,746.32
Subtotal	1,031,932,697.02	278,725,809.18
Less: provision for bad debts	50,240.27	6,794.80
Total	1,031,882,456.75	278,719,014.38

③ Provision for bad debts

A. Other receivables in the portfolio for which provision for bad debts is made according to the aging portfolio

Provision for bad debts	The first stage	The second stage	The third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the whole duration (no credit impairment occurred)	Expected credit loss for the whole life (credit impairment has occurred)	
Balance at the beginning of the year	3,794.80	1,000.00	2,000.00	6,794.80
Book balance of other receivables at the beginning of the year in current period:				
-Transfer to the second stage	-3,780.00	3,780.00		
-Transfer to the third stage		-1,000.00	1,000.00	
-Go back to the second stage				
-Go back to the first stage				
Accrual in current period	35,665.47	3,780.00	4,000.00	43,445.47
Reversal of current period				
Write-off in current period				
Write-off in current period				
Other changes				
Closing balance	35,680.27	7,560.00	7,000.00	50,240.27

B. In the portfolio, other receivables for which provision for bad debts is made according to the portfolio of receivables from government agencies

Company name	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou High-tech Industrial Development Zone Management Committee	71,825,050.06		
Zhangzhou High-tech Industrial Development Zone Social Enterprise Management Bureau	1,525,216.87		
Zhangzhou High-tech Industry Development Zone Finance Bureau	4,832,407.88		
Zhangzhou Natural Resources Bureau	6,300,000.00		
Other receivables from government agencies	977,775.84		
Subtotal	85,460,450.65		

C. Other receivables in the portfolio for which provision for bad debts is made according to the portfolio of related party transactions receivable

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Yuanshan New Town Construction Co., Ltd	428,029,445.30		
Zhangzhou Yuanxin Investment Co., Ltd	150,000,000.00		
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	150,000,000.00		
Zhangzhou High-tech Zone Jinjian Real Estate Co., Ltd	10,500,000.00		

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Yuanshan Municipal Construction Co., Ltd	180,540,530.22		
Subtotal	919,069,975.52		

④ Bad debt reserves

Category	Balance at the beginning of the year	Amount of change in current period			Closing balance
		Accrual	Withdraw or revert back	Write-off or write-off	
Aging combination	6,794.80	43,445.47			50,240.27
Total	6,794.80	43,445.47			50,240.27

⑤ Other receivables in the top five at the end of the period collected by the defaulting party

Company name	Nature of payment	Closing balance	Aging	Proportion of the total ending balance of other receivables (%)	Provision for bad debts Closing balance
Zhangzhou Yuanshan New Town Construction Co., Ltd	Current account	428,029,445.30	Within 1 year, 1-2 years	41.48	
Zhangzhou Yuanshan Municipal Construction Co., Ltd	Current account	180,540,530.22	Within 1 year, 1-3 years	17.50	
Zhangzhou Yuanxin Investment Co., Ltd	Current account	150,000,000.00	Within year	14.54	
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	Current account	150,000,000.00	Within year	14.54	
Zhangzhou High-tech Industrial Development Zone Management Committee	Equity payments and transactions	71,825,050.06	Within year	6.96	

Company name	Nature of payment	Closing balance	Aging	Proportion of the total ending balance of other receivables (%)	Provision for bad debts Closing balance
Total	--	980,395,025.58	--	95.02	

7. Inventories

(1) Inventory classification

Project	Closing balance		
	Book balance	Inventory depreciation reserve/contract performance cost impairment reserve	Book value
Development cost	541,428,475.56		541,428,475.56
Raw materials	12,289.16		12,289.16
In-process product	522,771.98		522,771.98
Inventory merchandise	209,164,056.61		209,164,056.61
Turnover material	1,008,386.72		1,008,386.72
Expendable biological assets	3,697,807.07		3,697,807.07
Total	755,833,787.10		755,833,787.10

(Continued)

Project	Balance at the end of last year		
	Book balance	Depreciation reserve	Book value
Development cost	1,426,304,544.20		1,426,304,544.20
Inventory merchandise	16,978,643.05		16,978,643.05
Expendable biological assets	5,406,943.14		5,406,943.14

Project	Balance at the end of last year		
	Book balance	Depreciation reserve	Book value
Raw materials	328,477.98		328,477.98
Total	1,449,018,608.37		1,449,018,608.37

(2) At the end of the period, no net realizable value of inventory was found to be lower than the cost, so no provision for inventory depreciation was made.

8. Other current assets

Project	Closing balance	Balance at the end of last year
Input tax to be certified and deducted	89,309,322.88	17,415,617.27
Prepaid expenses	4,042,501.86	
Prepaid expenses and others	4,363,852.10	
Total	97,715,676.84	17,415,617.27

9. Debt investment

Project	Closing balance		
	Book balance	Provision for impairment	Book value
Fujian shanghai information technology co., ltd	400,000.00		400,000.00
Total	400,000.00		400,000.00

10. Available-for-sale financial assets

Project	Balance at the end of last year		
	Book balance	Provision for impairment	Book value
Available-for-sale equity instruments	3,000,000.00		3,000,000.00
Of which: measured at cost	3,000,000.00		3,000,000.00
Total	3,000,000.00		3,000,000.00

11. Long-term equity investment

(1) Classification of long-term equity investment

Project	Closing balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in joint ventures	462,640,034.74		462,640,034.74	242,200,561.54		242,200,561.54
Total	462,640,034.74		462,640,034.74	242,200,561.54		242,200,561.54

(2) Investment in joint ventures and joint ventures

Invested entity	Balance at the beginning of the year	Increase or decrease in current period				
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity
Associated enterprises:						
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	149,776,025.59			3,379,781.06		-3,108.12
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd	90,000,000.00	30,000,000.00				17,703.86
Fujian Yuanshun Real Estate Development Co., Ltd		173,950,000.00				

Invested entity	Balance at the beginning of the year	Increase or decrease in current period				
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity
Zhangzhou Yuanxinda Supply Chain Management Co., Ltd	1,822,915.45			-558.44		
Zhangzhou gute asphalt concrete co., ltd	601,620.50			424.95		
Fujian Jinzhan think tank consulting management co., ltd		11,000,000.00				
Zhangzhou high-tech zone special room property co., ltd		2,940,000.00		-844,770.11		
Total	242,200,561.54	217,890,000.00		2,534,877.46		14,595.74

(Continued)

Invested entity	Increase or decrease in current period			Closing balance	Ending balance of impairment provision
	Declare cash dividends or profits	Provision for impairment	Others		
Associated enterprises:					
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd				153,152,698.53	
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd				120,017,703.86	
Fujian Yuanshun Real Estate Development Co., Ltd				173,950,000.00	
Zhangzhou Yuanxinda Supply Chain Management Co., Ltd				1,822,357.01	
Zhangzhou gute asphalt concrete co., ltd				602,045.45	
Fujian Jinzhan think tank consulting management co., ltd				11,000,000.00	
Zhangzhou high-tech zone special room property co., ltd				2,095,229.89	
Total				462,640,034.74	

12. Other non-current financial assets

Project	Closing balance
Classify financial assets measured at fair value and whose changes are included in current profits and losses	75,161,978.02
Among them: investment in debt instruments	72,161,978.02
Equity instrument investment	3,000,000.00
Total	75,161,978.02

13. Investment real estate

(1) Investment real estate with fair value measurement model

Project	Houses, buildings	Total
I. Balance at the beginning of the year	3,056,904,496.42	3,056,904,496.42
II. Changes in the current period	63,685,232.00	63,685,232.00
Plus: Outsourcing		
Inventory\ Fixed Assets\ Transfer of Construction in Progress		
Increase in business combination		
Less: Disposal		
Other transfer-out		
Change in fair value	63,685,232.00	63,685,232.00
III. Ending balance	3,120,589,728.42	3,120,589,728.42

(2) The amount and reasons of investment real estate for which the property right certificate has not been completed

Project	Book value	Reasons for failing to complete the property right certificate
Lanting Community, Changbian Village, Yancuo Town-Store	208,871,587.00	In process
Lanting Community, Changbian Village, Yancuo Town-Parking Space	333,110,000.00	In process
Jiuhu Narcissus Garden-Parking Space	67,536,000.00	In process
Jingcheng Park Wulin Shantytown Renovation Project-Storefront	48,330,424.00	In process
Jingcheng Park Wulin Shantytown Renovation Project-Parking Space	63,656,000.00	In process
Jingcheng Park Cangxi Shantytown Renovation Project-Storefront	54,332,832.00	In process
Cangxi Shantytown Renovation Project in Jingcheng Park-Parking Space	103,950,000.00	In process
Renovation Project of Longqian Shantytown in Jingcheng Park (Phase I)-Storefront	77,246,311.00	In process
Renovation Project of Longqian Shantytown in Jingcheng Park (Phase I)-Parking Space	86,916,000.00	In process
Yancuo Town Baiyun Community-Store	231,678,200.00	In process
Baiyun Community, Yancuo Town-Parking Space	152,598,000.00	In process
Renovation Project of Shantytown (Dangerous Old House) in Lianpu District-Storefront	117,621,700.00	In process
Renovation Project of Shantytown (Dangerous Old House) in Lianpu District-Parking Space	129,060,000.00	In process
Roadside Village, Yancuo Town, High-tech Zone (Internet of Things)	96,473,300.00	In process
Nanxing Community-Store	58,665,206.00	In process
Nanxing Community-Parking Space	80,610,000.00	In process
Narcissus Garden Store	224,265,429.00	In process
Changfu temporary management room	1,639,354.42	Enterprises build their own temporary houses and cannot apply for property rights certificates

Project	Book value	Reasons for failing to complete the property right certificate
Total	2,136,560,343.42	

14. Fixed assets

(1) Fixed assets

Project	Houses and buildings	Machinery and equipment	Transport equipment	Office equipment and others	Total
I. Original book value					
1. Balance at the beginning of the year	13,970,186.82		24,836,695.26	9,680,799.82	48,487,681.90
2. Increased amount in current period	1,710,326.43	5,724.54	2,058,352.61	1,907,066.83	5,681,470.41
(1) Acquisition		5,724.54	2,058,352.61	1,907,066.83	3,971,143.98
(2) Transfer of construction in progress	1,710,326.43				1,710,326.43
(3) Business combination increases					
3. Amount reduced in current period			722,163.39	32,007.70	754,171.09
(1) Disposal or scrapping			722,163.39	32,007.70	754,171.09
(2) Transfer to investment real estate					
4. Ending balance	15,680,513.25	5,724.54	26,172,884.48	11,555,858.95	53,414,981.22
II. Accumulated depreciation					
1. Balance at the beginning of the year	1,823,999.47		14,199,895.82	4,836,793.74	20,860,689.03

Project	Houses and buildings	Machinery and equipment	Transport equipment	Office equipment and others	Total
2. Increased amount in current period	856,092.63	234.90	3,755,899.55	1,888,316.74	6,500,543.82
(1) Accrual	856,092.63	234.90	3,755,899.55	1,888,316.74	6,500,543.82
3. Amount reduced in current period			886,072.75	30,139.00	916,211.75
(1) Disposal or scrapping			886,072.75	30,139.00	916,211.75
(2) Transfer to investment real estate					
4. Ending balance	2,680,092.10	234.90	17,069,722.62	6,694,971.48	26,445,021.10
III. Provision for impairment					
1. Balance at the beginning of the year	-	-	-	-	-
2. Increased amount in current period	-	-	-	-	-
(1) Accrual	-	-	-	-	-
3. Amount reduced in current period	-	-	-	-	-
(1) Disposal or scrapping	-	-	-	-	-
4. Ending balance	-	-	-	-	-
IV. Book Value					
1. Book value at the end of the period	13,000,421.15	5,489.64	9,103,161.86	4,860,887.47	26,969,960.12
2. Book value at the beginning of the year	12,146,187.35		10,636,799.44	4,844,006.08	27,626,992.87

15. Construction in progress

(1) Construction in Progress

Project	Closing balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Protection project of daffodil producing area	412,888,850.16		412,888,850.16	216,346,116.55		216,346,116.55
Zhangzhou High-tech Zone Industrial Park	68,554,445.13		68,554,445.13	49,077,950.66		49,077,950.66
Nanshan Mountain Renovation Project	11,083,199.33		11,083,199.33			
Multimedia digital exhibition hall	10,945,971.66		10,945,971.66			
Other engineering projects	62,269,709.91		62,269,709.91	22,723,061.54		22,723,061.54
Total	565,742,176.19		565,742,176.19	288,147,128.75		288,147,128.75

(2) Changes of important projects under construction in the current period

Project name	Budget (ten thousand yuan)	Balance at the beginning of the year	Increase in current period Amount	Amount transferred to fixed assets in current period	Other reductions in the current period	Closing balance
Narcissus Origin Reserve (Phase I)	47,288.00	125,346,116.55	33,079,992.94			158,426,109.49
Narcissus Origin Reserve (Phase II)	25,046.65	91,000,000.00	163,462,740.67			254,462,740.67
Zhangzhou High-tech Zone Industrial Park	54,547.19	49,077,950.66	19,476,494.47			68,554,445.13
Nanshan Mountain Renovation Project	1,536.23		11,083,199.33			11,083,199.33

Project name	Budget (ten thousand yuan)	Balance at the beginning of the year	Increase in current period Amount	Amount transferred to fixed assets in current period	Other reductions in the current period	Closing balance
Multimedia digital exhibition hall	1,244.25		10,945,971.66			10,945,971.66
Total	--	265,424,067.21	238,048,399.07			503,472,466.28

(3) There is no situation that the recoverable amount of the construction in progress in this period is lower than the book value, so no provision for impairment has been made.

16. Right to use assets

Project	Houses and buildings	Total
I. Original book value		
1. Balance at the beginning of the year	5,062,969.33	5,062,969.33
2. Increase amount this year		
3. Amount of reduction this year		
4. Year-end balance	5,062,969.33	5,062,969.33
II. Accumulated depreciation		
1. Balance at the beginning of the year		
2. Increase amount this year	2,250,208.56	2,250,208.56
(1) Accrual	2,250,208.56	2,250,208.56
3. Amount of reduction this year		
(1) Disposal		
4. Year-end balance	2,250,208.56	2,250,208.56
III. Provision for impairment		
1. Balance at the beginning of the year		
2. Increase amount this year		
(1) Accrual		

Project	Houses and buildings	Total
3. Amount of reduction this year		
(1) Disposal		
4. Year-end balance		
IV. Book Value		
1. Book value at the end of the year	2,812,760.77	2,812,760.77
2. Book value at the beginning of the year	5,062,969.33	5,062,969.33

Note: For details of the difference between the book value at the beginning of the year and the amount at the end of the previous year, please refer to the explanation of implementing the new lease standards in IV, 31

17. Intangible assets

(1) Intangible assets

Project	Land use right	Patent right	Software and others	Total
I. Original book value				
1. Balance at the beginning of the year	37,431,091.14	60,593,290.71	731,262.84	98,755,644.69
2. Increased amount in current period	13,702,325.00		1,053,920.55	14,756,245.55
(1) Acquisition	13,702,325.00		968,970.55	14,671,295.55
(2) Internal R&D				
(3) Business combination increases				
(4) Transfer of construction in progress			84,950.00	84,950.00
3. Amount reduced in current				

Project	Land use right	Patent right	Software and others	Total
period				
(1) Disposal				
(2) The part that is invalid and derecognized				
4. Ending balance	51,133,416.14	60,593,290.71	1,785,183.39	113,511,890.24
II. Accumulated amortization				
1. Balance at the beginning of the year	1,635,351.34	12,153,659.98	33,935.38	13,822,946.70
2. Increased amount in current period	1,269,607.50	6,134,320.34	163,351.44	7,567,279.28
(1) Accrual	1,269,607.50	6,134,320.34	163,351.44	7,567,279.28
3. Amount reduced in current period				
(1) Disposal				
(2) The part that is invalid and derecognized				
4. Ending balance	2,904,958.84	18,287,980.32	197,286.82	21,390,225.98
III. Provision for impairment				
1. Balance at the beginning of the year	-	-	-	-
2. Increased amount in current period	-	-	-	-
(1) Accrual	-	-	-	-
3. Amount reduced in current period	-	-	-	-

Project	Land use right	Patent right	Software and others	Total
(1) Disposal	-	-	-	-
4. Ending balance	-	-	-	-
IV. Book Value				
1. Book value at the end of the period	48,228,457.30	42,305,310.39	1,587,896.57	92,121,664.26
2. Book value at the beginning of the year	35,795,739.80	48,439,630.73	697,327.46	84,932,697.99

(2) Important individual intangible assets

Project	Ending book value	Residual amortization period
Scientific and technological research and development services and their scientific and technological achievements transformation projects	35,256,132.16	82 months
Min (2019) Longhai Real Estate Rights No.0005107	29,276,689.09	408 months
Longhai 2020G102	7,827,152.67	592 months
Internet of Things intelligent terminal technology research and development service	7,049,178.23	94 months
Longhai 2020G103	5,692,474.67	592 months
Min (2019) Longhai Real Estate Rights No.0005106	5,432,140.88	408 months
Subtotal	90,533,767.70	

(3) Intangible assets There are no intangible assets with limited ownership or right to use at the end of the period.

18. Long-term deferred expenses

Project	Balance at the beginning of the year	Increase amount in current period	Amount amortized in current period	Other reductions	Closing balance
Renovation fee	1,470,825.23	19,800.00	1,044,004.56		446,620.67
Rent	620,668.92		620,668.92		
Decoration fee		27,320.00	12,383.30		14,936.70
Total	2,091,494.15	47,120.00	1,677,056.78		461,557.37

19. Deferred income tax assets/deferred income tax liabilities

(1) Details of unoffset deferred income tax assets

Project	Closing balance		Balance at the end of last year	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Asset impairment reserve	4,761,061.69	1,190,265.42		
Government subsidy	5,547,216.00	1,386,804.00		
Deductible loss	14,831,974.18	3,707,993.54		
Total	25,140,251.87	6,285,062.96		

(2) Details of unoffset deferred income tax liabilities

Project	Closing balance		Balance at the end of last year	
	Taxable temporary difference	Deferred income tax liability	Taxable temporary difference	Deferred income tax liability
Changes in Fair Value of Investment Real Estate	67,463,894.00	16,865,973.50		
Total	67,463,894.00	16,865,973.50		

(3) Deferred income tax assets or liabilities shown as net after offset

Project	Deferred income tax assets and liabilities at the end of the period	Deferred income tax assets or liabilities ending balance after offset	Deferred income tax assets and liabilities offset at the end of last year	Balance of deferred income tax assets or liabilities at the end of last year after offset
Deferred income tax assets	1,850,395.87	4,434,667.09		
Deferred income tax liability	1,850,395.87	15,015,577.63		

20. Other non-current assets

Project	Closing balance	Balance at the end of last year
Amortization of contract performance costs with a period of one year or more than one normal business cycle at the time of initial recognition	163,160,945.49	--
Advance payment of land transfer fee	127,779,845.00	
Expropriation and relocation expenses of projects south of Nanshan Temple	115,818,303.18	
Relocation cost of environmental improvement and remediation project in Tianzhi Village, Yancuo Town	69,117,662.12	--
Interest on finance lease (over one year)	3,800,000.00	
Total	479,676,755.79	

21. Short-term loans

(1) Classification of short-term loans

Project	Closing balance	Balance at the end of last year
Mortgage loan	128,000,000.00	135,000,000.00
Guaranteed loan	738,387,194.78	352,500,000.00
Credit loan	27,700,000.00	40,000,000.00

Project	Closing balance	Balance at the end of last year
Total	894,087,194.78	527,500,000.00

(2) Details of short-term loans at the end of the period

Loan bank	Ending loan balance	Start date	Expiration date	Borrowing type	Pledge, collateral or guarantor
Industrial and Commercial Bank of China Longjiang Branch	27,700,000.00	March 30, 2021	2022-2-29	Credit	
Fujian Zhangzhou Rural Commercial Bank Co., Ltd. Nanxing Branch	19,700,000.00	June 21, 2021	2022-6-1	Guarantee	Guarantor: Zhangzhou High-tech Zone Venture Capital Co., Ltd.
Guangfa Bank Fuzhou Free Trade Zone Branch Business Department	35,000,000.00	September 14, 2021	2022-9-14	Guarantee	Guarantor: Zhangzhou Yuanshan New City Construction Co., Ltd.
Agricultural Development Bank of China Zhangzhou Branch	30,000,000.00	September 23, 2021	2022-9-22	Guarantee	Guarantor: Zhangzhou Jinzhan Real Estate Co., Ltd.
Xiamen International Bank Co., Ltd. Zhangzhou Branch	128,000,000.00	2021-12-2	2022-12-2	Mortgage	Provide mortgage guarantee with investment real estate-93 storefronts and 1550 parking spaces in Longjiang Xinyuan
Zheshang Bank Co., Ltd. Fuzhou Branch	100,000,000.00	March 25, 2021	2022-3-25	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Zhangzhou Rural Commercial Bank Co., Ltd. Nanxing Branch	19,500,000.00	September 24, 2021	2022-9-23	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd. and Zhangzhou Yuanshan New City Construction Co., Ltd.
Ganzhou Bank Co., Ltd. Xiamen Guanyinshan Branch	45,000,000.00	July 1, 2021	2022-7-1	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Straits Bank Co., Ltd. Zhangzhou Branch	10,034,000.00	July 23, 2021	2022-5-3	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Straits Bank Co., Ltd. Zhangzhou Branch	30,000,000.00	July 29, 2021	2022-5-3	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Straits Bank Co., Ltd. Zhangzhou Branch	29,000,000.00	August 27, 2021	2022-5-2	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Straits Bank Co., Ltd. Zhangzhou Branch	98,000,000.00	September 21, 2021	2022-5-2	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co.,

					Ltd.
Fujian Straits Bank Co., Ltd. Zhangzhou Branch	30,000,000.00	September 14, 2021	2022-5-2	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Huaxia Bank Co., Ltd. Xiamen Huli Branch	55,000,000.00	2021-10-18	2022-1-18	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Co., Ltd. Zhangzhou Branch	50,000,000.00	August 4, 2021	2022-8-4	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Co., Ltd. Zhangzhou Branch	23,673,194.78	November 18, 2021	2022-11-18	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Co., Ltd. Zhangzhou Branch	14,250,000.00	2021-12-1	2022-12-1	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Co., Ltd. Zhangzhou Branch	12,070,000.00	12-10 2021	2022-12-10	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Xiamen International Bank Co., Ltd. Zhangzhou Branch	13,160,000.00	June 16, 2021	2022-6-16	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Straits Bank Zhangzhou Branch	80,000,000.00	2021-3-1	2022-2-25	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Zhangzhou Branch	10,000,000.00	June 24, 2021	2022-6-24	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Fujian Zhangzhou Rural Commercial Bank Co., Ltd. High-tech Zone Branch	9,500,000.00	July 8, 2021	2022-7-7	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Quanzhou Bank Zhangzhou Branch Business Department	10,000,000.00	June 30, 2021	2022-6-29	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Zhangzhou Rural Commercial Bank Nanxing Branch	14,500,000.00	September 24, 2021	2022-9-23	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Total	894,087,194.78	--	--	--	--

(3) At the end of this period, the Company has no overdue short-term loans.

22. Notes payable

Species	Closing balance	Balance at the end of last year
Bank acceptance bill	547,360,537.00	553,447,746.09

Species	Closing balance	Balance at the end of last year
Usual letter of credit	346,425,227.87	
Total	893,785,764.87	553,447,746.09

Note: At the end of the period, the Company has no bills payable due and unpaid.

23. Accounts payable

(1) Presentation of accounts payable

Project	Closing balance	Balance at the end of last year
Project payment	114,721,098.84	99,711,063.89
Payment for goods	174,780,668.17	42,897,828.86
Others	10,627,451.21	78,410.00
Total	300,129,218.22	142,687,302.75

(2) Significant accounts payable over 1 year old

Project	Closing balance	Reasons for non-reimbursement or carry-over
Zhangzhou Yuanshan Municipal Construction Co., Ltd	111,376,898.83	Among them: 68,635,493.78 yuan within one year; 42,741,405.05 yuan for more than one year, and the project has not been settled yet
Total	111,376,898.83	--

24. Payment received in advance

(1) Presentation of advance receipts

Project	Closing balance	Balance at the end of last year
Advance payment		134,899,459.96
Rent received in advance and others	882,514.00	3,648,441.04
Total	882,514.00	138,547,901.00

(2) At the end of the period, there is no important advance payment with an aging of more than 1 year.

25. Contract liabilities

(1) Contract liabilities

Project	Closing balance
Advance payment	85,713,066.32
Others	3,643,490.18
Total	89,356,556.50

(2) At the end of the period, there are no important contract liabilities with an aging of more than one year.

26. Employee benefits payable

(1) List of employee benefits payable

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
1. short-term salary	118,959.05	89,386,521.04	88,023,585.12	1,481,894.97
2. Post-employment benefits-defined contribution plan	3,721.25	1,986,993.29	1,989,901.49	813.05
Total	122,680.30	91,373,514.33	90,013,486.61	1,482,708.02

(2) Short-term salary presentation

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
1. Wages, bonuses, allowances and subsidies	110,659.63	84,713,668.87	83,382,637.63	1,441,690.87
2. Employee welfare expenses		1,042,962.36	1,042,962.36	
3. Social insurance premiums	4,215.55	1,115,014.93	1,119,230.48	
Among them: medical insurance premium	3,891.13	954,119.42	958,010.55	
Industrial injury insurance	289.54	92,820.82	93,110.36	

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
premium				
Maternity insurance premium	34.88	68,074.69	68,109.57	
4. Housing Provident Fund		2,042,203.00	2,031,624.87	10,578.13
5. Trade union funds and staff education funds	4,083.87	472,671.88	447,129.78	29,625.97
Total	118,959.05	89,386,521.04	88,023,585.12	1,481,894.97

(3) Presentation of set deposit plan

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
1. Basic old-age insurance	3,721.25	1,927,988.47	1,931,709.72	
2. Unemployment insurance premiums		59,004.82	58,191.77	813.05
Total	3,721.25	1,986,993.29	1,989,901.49	813.05

27. Current tax liability

Project	Closing balance	Balance at the end of last year
Value added tax	866,345.25	40,573,594.37
Enterprise income tax	35,300,498.41	7,304,223.93
Personal income tax	93,780.19	3,451.16
Urban maintenance and construction tax	71,378.22	52,030.61
Education surcharge	168,348.12	156,421.75
Local education surcharge	111,320.45	103,480.22

Project	Closing balance	Balance at the end of last year
Property tax	5,036,910.4	3,337,399.9
Others	809,650.06	667,458.68
Total	42,458,231.10	52,198,060.58

28. Other payables

Project	Closing balance	Balance at the end of last year
Interest payable	33,514,301.37	4,524,941.26
Other payables	75,980,491.18	129,590,844.95
Total	109,494,792.55	134,115,786.21

(1) Interest payable

Project	Closing balance	Balance at the end of last year
Interest payable on bank loans		17,875.00
Interest payable on enterprise loans		3,892,816.26
Interest payable on corporate bonds	33,514,301.37	614,250.00
Total	33,514,301.37	4,524,941.26

At the end of the period, the company has no important overdue interest.

(2) Other payables

① Presented by the nature of the payment

Project	Closing balance	Balance at the end of last year
Security deposit	15,349,805.20	107,209,419.65
Current account	51,037,110.66	21,600,906.81

Project	Closing balance	Balance at the end of last year
Others	9,593,575.32	780,518.49
Total	75,980,491.18	129,590,844.95

② There are no important other payables with an aging of more than 1 year at the end of the period.

29. Non-current liabilities due within one year

Project	Closing balance	Balance at the end of last year
Long-term loans due within one year (Notes 6 and 31)	319,858,000.00	5,000,000.00
Lease liabilities due within 1 year (Notes VI and 33)	3,923,454.66	
Long-term payables due within 1 year (Notes 6 and 34)	225,676,531.15	67,961,453.44
Total	549,457,985.81	72,961,453.44

30. Other current liabilities

Project	Closing balance	Balance at the end of last year
Tax amount of output to be written off	91,987,039.29	
Total	91,987,039.29	

31. Long-term loans

(1) Classification of long-term loans

Project	Closing balance	Balance at the end of last year
Guaranteed loan	980,708,000.00	443,000,000.00
Less: Long-term loans due within one year	319,858,000.00	5,000,000.00

Project	Closing balance	Balance at the end of last year
(Notes VI and 29)		
Total	660,850,000.00	438,000,000.00

(2) Details of long-term loans at the end of the period

Loan bank	Ending loan balance	Which will expire within one year	Start date	Expiration date	Borrowing type	Pledge, collateral or guarantor
Xiamen international trust co., ltd	300,000,000.00	300,000,000.00	June 30, 2020	2022-6-24	Guarantee, pledge	Guarantor: Zhangzhou Yuanshan New Town Construction Co., Ltd.. Pledge 6 million time deposit certificate itself and its fruits and subrogation, etc.
Bohai Bank Co., Ltd. Fuzhou Branch	66,500,000.00	7,000,000.00	January 8, 2021	2024-1-7	Guarantee	Zhangzhou Yuanshan New Town Construction Co., Ltd
Export-Import Bank of China Fujian Branch	449,000,000.00	2,000,000.00	March 24, 2021	2023-3-24	Guarantee	Zhangzhou Jingyuan development co., ltd
Agricultural Bank of China Limited Longwen Branch	50,000,000.00	2,000,000.00	12-29 2021	2024-12-29	Guarantee	Real Estate of Zhangzhou Jinzhan Real Estate Co., Ltd. and Zhangzhou Yuanshan Development Co., Ltd.
Xiamen International Bank Co., Ltd. Zhangzhou Branch	8,008,000.00	8,008,000.00	February 2, 2021	2022-10-26	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
China Development Bank Fujian Branch	100,000,000.00	50,000.00	August 31, 2020	2032-8-30	Guarantee	Guarantor: Zhangzhou Jiulongjiang Group Co., Ltd.
Bank of Communications Co., Ltd. Zhangzhou Branch	7,200,000.00	800,000.00	2020-12-14	2023-12-3	Guarantee	Guarantor: Zhangzhou Yuanshan Development Co., Ltd.
Total	980,708,000.00	319,858,000.00	--	--	--	--

32. Bonds payable

(1) Bonds payable

Project	Closing balance	Balance at the end of last year
21 Round Mountain 01	396,658,664.54	
21 Round Mountain 02	396,340,802.97	
21 Yuanshan Development PPN001	646,064,027.61	
Total	1,439,063,495.12	

(2) Changes in bonds payable

Bond name	Par value	Issue date	Bond maturity	Issue amount	Balance at the beginning of the year
21 Round Mountain 01	100.00	March 30, 2021	3 years	400,000,000.00	
21 Round Mountain 02	100.00	June 23, 2021	3 years	400,000,000.00	
21 Yuanshan Development PPN001	100.00	November 29, 2021	3 years	650,000,000.00	
Subtotal				1,450,000,000.00	
Less: ending balance of part due within one year (Notes 6 and 29)					
Total				1,450,000,000.00	

(Continued)

Bond name	Issue in current period	Interest accrued at par value	Amortization of excess and discount	Repayment in current period	Closing balance
21 Round Mountain 01	400,000,000.00	17,996,712.33	3,341,335.46		396,658,664.54
21 Round Mountain 02	400,000,000.00	12,098,410.96	3,659,197.03		396,340,802.97
21 Yuanshan Development PPN001	650,000,000.00	3,419,178.08	3,935,972.39		646,064,027.61
Subtotal	1,450,000,000.00	33,514,301.37	10,936,504.88		1,439,063,495.12

Bond name	Issue in current period	Interest accrued at par value	Amortization of excess and discount	Repayment in current period	Closing balance
Less: ending balance of part due within one year (Notes 6 and 29)					
Total	1,450,000,000.00	33,514,301.37	10,936,504.88		1,439,063,495.12

33. Lease liabilities

Project	Balance at the beginning of the year	Increase this year			Decrease this year	Year-end balance
		New lease	Interest for the current year	Others		
Lease liability	5,062,969.33		192,462.47		1,331,977.14	3,923,454.66
Less: Lease liabilities due within one year (Notes VI and 29)	2,471,491.81	--	--		--	3,923,454.66
Total	2,591,477.52	--	--		--	

34. Long-term payables

Project	Closing balance	Balance at the end of last year
Long-term payables	1,050,523,868.88	472,290,997.86
Special payables	20,941,288.06	991,287.72
Total	1,071,465,156.94	473,282,285.58

(1) Long-term payables

Project	Closing balance	Balance at the end of last year
Zhangzhou Jiulongjiang Group Co., Ltd	683,000,000.00	333,000,000.00
Bank of China financial leasing co., ltd	240,000,000.00	
The fourth batch of special bonds in 2020	15,000,000.00	15,000,000.00

Project	Closing balance	Balance at the end of last year
Jiangsu financial leasing co., ltd	36,299,749.04	30,000,000.00
Fujian Haixi financial leasing co., ltd	68,679,991.00	40,000,000.00
Fujian huamin finance leasing co., ltd	75,833,408.17	
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	60,000,000.00	
Special debt of Linqian sewage treatment plant	40,000,000.00	40,000,000.00
Litchi Sea Landscape Special Debt	20,000,000.00	20,000,000.00
Far East International Financial Leasing	37,387,251.82	62,252,451.30
Subtotal	1,276,200,400.03	540,252,451.30
Less: part due within one year (Notes VI and 29)	225,676,531.15	67,961,453.44
Total	1,050,523,868.88	472,290,997.86

(2) Special payables

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Municipal engineering construction	991,287.72	3,350,000.34	2,200,000.00	2,141,288.06	
Zhangzhou Finance Bureau supports village-level collective economic development pilot entrusted management funds		18,800,000.00		18,800,000.00	Receive special support funds
Total	991,287.72	22,150,000.34	2,200,000.00	20,941,288.06	

Note: The increase of special payables in the current period is listed in other payables at the end of 2020, and reclassified to special payables in the current period.

35. Deferred revenue

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Government subsidy	20,632,256.30	17,284,216.00	3,665,142.95	34,251,329.35	Receive government subsidies
Total	20,632,256.30	17,284,216.00	3,665,142.95	34,251,329.35	-

Among them, projects involving government subsidies:

Subsidy project	Balance at the beginning of the year	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	Closing balance	Related to assets/income
Internet of Things Intelligent Terminal Subsidy	8,833,333.33			999,999.96		7,833,333.37	Related to assets
Subsidies for scientific and technological research and development services and their achievements transformation projects	8,462,366.67			1,210,833.21		7,251,533.46	Related to assets
High standard farmland construction project	1,911,600.00	1,784,216.00			687,000.00	3,008,816.00	Related to assets
Farmland Ecological Improvement and Farmland Renovation Project in Narcissus Planting Area of Zhangzhou		4,400,000.00				4,400,000.00	Related to assets
Transformer Equipment of Zhongchuangyuan in Zhangzhou High-tech	145,254.48			67,141.32		78,113.16	Related to assets

Subsidy project	Balance at the beginning of the year	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	Closing balance	Related to assets/income
Zone							
Equipment procurement subsidy for technical talents' dual-creation base	1,279,701.82			700,168.46		579,533.36	Related to assets
Landmark station subsidy		50,000.00				50,000.00	Relative to income
Special Subsidy Fund for Central Affordable Housing Project in 2021		11,050,000.00				11,050,000.00	Relative to income
Total	20,632,256.30	17,284,216.00		2,978,142.95	687,000.00	34,251,329.35	--

36. Paid-in capital

Name of investor	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
Zhangzhou High-tech Industry Development Zone Finance Bureau	866,776,613.87			866,776,613.87
Total	866,776,613.87			866,776,613.87

37. Capital reserve

Project	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
Equity premium	4,490,308,442.92		140,886,530.82	4,349,421,912.10
Other capital reserves	1,540,471.06	14,595.74		1,555,066.80
Total	4,491,848,913.98	14,595.74	140,886,530.82	4,350,976,978.90

Note: According to the minutes of the office meeting of the director of the Management Committee

of Zhangzhou High-tech Industrial Development Zone ([2021] No.6) and the minutes of the meeting of the Party and Government Joint Committee of Zhangzhou High-tech Industrial Development Zone ([2021] No.7), The meeting agreed to transfer 100% equity of Zhangzhou High-tech Zone Jinjian Real Estate Co., Ltd. held by Zhangzhou Yuanshan Development Co., Ltd. to Zhangzhou Jinzhan Real Estate Co., Ltd., a subsidiary of Zhangzhou Yuanxin Construction Group Co., Ltd., and the company reduced its long-term equity investment and offset its capital reserve by 140,886,530.82 yuan; The increase in other capital reserves in the current period is due to the accounting of changes in other equity of associated enterprises by the equity method and the recognition of long-term equity investment-changes in other equity.

38. Surplus reserve

Project	Balance at the end of last year	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	35,195,537.41	35,195,537.41	13,660,934.09		48,856,471.50
Total	35,195,537.41	35,195,537.41	13,660,934.09		48,856,471.50

Note: According to the Company Law and the Articles of Association, the Company draws the statutory surplus reserve at 10% of the net profit. If the accumulated amount of statutory surplus reserve reaches more than 50% of the registered capital of the Company, it will not be withdrawn.

39. Undistributed profits

Project	Current period	Previous period
Undistributed profit at the end of last year before adjustment	288,788,988.55	188,041,658.93
Adjust the total undistributed profits at the beginning of the year (increase +, decrease-)	-3,707,950.83	
Undistributed profit at the beginning of the year after adjustment	285,081,037.72	188,041,658.93
Add: Net profit attributable to shareholders of the parent company in the current period	134,042,706.09	115,994,759.70
Less: Withdrawal of statutory surplus reserve	13,660,934.09	15,247,430.08

Project	Current period	Previous period
Withdraw any surplus reserve		
Extract general risk reserve		
Dividend payable on common stock		
Dividend of ordinary stock converted into share capital		
Undistributed profit at the end of the period	405,462,809.72	288,788,988.55

Note: The adjustment of undistributed profit at the beginning of the year is due to the correction of accounting errors in the previous period, which affects the undistributed profit at the beginning of the year by -3,707,950.83 yuan. For details, please refer to Note 12, Explanation of Correction of Errors in the Previous Period of Other Important Matters.

40. Operating income and operating costs

(1) Operating income and operating costs

Project	Current amount		Last year's amount	
	Income	Cost	Income	Cost
Main business	4,258,376,200.65	3,967,418,047.29	2,856,635,956.49	2,664,352,692.37
Other business	5,007,198.47	714,694.58	145,803.52	12,209.00
Total	4,263,383,399.12	3,968,132,741.87	2,856,781,760.01	2,664,364,901.37

(2) The main business arising from the current contract

Project	Current amount		Previous period amount	
	Income	Cost	Income	Cost
Trade income	3,043,303,655.22	3,003,603,599.57	2,132,427,389.12	2,082,659,629.16
Project construction income	1,082,582,415.63	866,615,891.38	692,086,168.24	553,668,934.59
Rental income and others	132,490,129.80	97,198,556.34	32,122,399.13	28,024,128.62

Total	4,258,376,200.65	3,967,418,047.29	2,856,635,956.49	2,664,352,692.37
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41. Taxes and surcharges

Project	Current amount	Last year's amount
Urban maintenance and construction tax	168,982.20	45,268.99
Education surcharge	141,843.02	116,403.42
Local education surcharge	86,821.13	76,824.50
Property tax	8,176,231.79	1,716,481.14
Water Conservancy Fund	1,967,159.01	592,881.85
Stamp duty	1,826,752.10	1,676,068.97
Others	55,079.42	91,284.62
Total	12,422,868.67	4,315,213.49

42. Sales expenses

Project	Current amount	Previous period amount
Promotion fee	164,592.77	2,672,241.28
Depository fee	855,109.44	1,045,193.81
Others	569,558.34	136,320.94
Total	1,589,260.55	3,853,756.03

43. Administrative expenses

Project	Current amount	Previous period amount
Employee salary	34,410,714.83	20,193,890.99
Depreciation and amortization	13,541,836.29	13,628,098.87
Partner management fee	2,991,914.94	3,867,598.09
Rental fee	3,007,408.28	2,209,432.86
Intermediary agency fee	3,318,988.37	2,089,867.54

Project	Current amount	Previous period amount
Incentive fee		980,393.28
Labor cost		965,895.94
Office expenses	1,234,450.96	813,121.36
Business promotion fee	3,831,854.99	688,888.19
Travel expenses	300,856.20	364,299.53
Others	5,291,789.34	3,826,474.27
Total	67,929,814.20	49,627,960.92

44. Financial expenses

Project	Current amount	Previous period amount
Interest expense	173,564,111.20	78,126,083.29
Less: Interest income	62,193,762.81	29,877,130.84
Exchange loss	38,784.00	170,133.20
Handling fees of financial institutions	7,047,995.77	1,178,656.77
Total	118,457,128.16	49,597,742.42

45. Other income

Project	Current amount	Previous period amount	Amount included in current non-recurring gains and losses
Government subsidies related to the daily activities of enterprises	11,584,671.19	21,515,592.68	11,584,671.19
Others	7,619.04	8,275.45	7,619.04
Total	11,592,290.23	21,523,868.13	11,592,290.23

46. Investment income

Project	Current amount	Previous period amount
Long-term equity investment income calculated by equity method	2,534,877.46	4,764,264.14
Investment income from the disposal of financial assets measured at fair value and whose changes are included in the profits and losses of the current period	--	-218,283.25
Total	2,534,877.46	4,545,980.89

47. Income from changes in fair value

Sources of income from changes in fair value	Current amount	Previous period amount
Investment real estate measured at fair value	62,347,210.02	16,019,659.92
Total	62,347,210.02	16,019,659.92

48. Credit impairment loss

Project	Current amount
Bad debt loss of accounts receivable	7,865,879.96
Bad debt loss of other receivables	-43,445.47
Total	7,822,434.49

49. Impairment loss of assets

Project	Current amount	Previous period amount
Bad debt loss	--	-5,387,081.71
Total		-5,387,081.71

50. Income from asset disposal

Project	Current amount	Previous period amount	Amount included in current non-recurring gains and losses
Gains or losses on disposal of fixed assets	163,774.07		163,774.07
Total	163,774.07		163,774.07

51. Non-operating income

Project	Current amount	Previous period amount	Amount included in current non-recurring gains and losses
Waste income	121,202.00		121,202.00
Others	19,332.05	99,564.71	19,332.05
Total	140,534.05	99,564.71	140,534.05

52. Non-operating expenses

Project	Current amount	Previous period amount	Amount included in current non-recurring gains and losses
Damage and scrap loss of non-current assets	-21,216.64	214,243.94	-21,216.64
Including: fixed assets	-21,216.64	214,243.94	-21,216.64
Expenditure on foreign donations	1,762,988.01	470,000.00	1,762,988.01
Extraordinary loss	596,286.05		596,286.05
Fines and late fees	230,131.96		230,131.96
Others	9,825.24	137,426.44	9,825.24
Total	2,578,014.62	821,670.38	2,578,014.62

53. Income tax expenses

(1) Income Tax Expense Schedule

Project	Current amount	Previous period amount
Current income tax expense	33,449,265.15	5,432,909.37
Deferred income tax expense	10,580,910.54	
Total	44,030,175.69	5,432,909.37

(2) Adjustment process of accounting profit and income tax expense

Project	Current amount
Total profit	176,874,691.37
Income tax expenses calculated at the statutory tax rate	44,218,672.84
Influence of different tax rates applied by subsidiaries	-1,729,588.52
Effect of adjusting income tax for previous periods	1,155,714.99
Impact of non-taxable income	481,250.00
Impact of non-deductible costs, expenses and losses	200,141.08
Impact of deductible losses from the use of unrecognized deferred income tax assets in the previous period	-5,005,117.30
The impact of deductible temporary differences or deductible losses on deferred income tax assets not recognized this year	4,709,102.60
Income tax expense	44,030,175.69

54. Items in cash flow statement

(1) Receipt of other cash related to business activities

Project	Current amount	Previous period amount
Receive current funds	82,476,945.57	7,098,925.99
Receive government subsidies	21,439,216.00	18,270,000.00
Others	26,480,025.39	99,564.71

Project	Current amount	Previous period amount
Total	130,396,186.96	25,468,490.70

(2) Payment of other cash related to business activities

Project	Current amount	Previous period amount
Payment of current payments	80,860,730.96	
Pay a security deposit	164,945,804.20	
Payment of expenses	49,793,465.37	17,755,262.69
Total	295,600,000.53	17,755,262.69

(3) Receipt of other cash related to investment activities

Project	Current amount	Previous period amount
Receive current funds	180,138,867.42	
Total	180,138,867.42	

(4) Payment of other cash related to investment activities

Project	Current amount	Previous period amount
Payment of current payments	737,181,649.78	
Pay for equity acquisition	68,000,000.00	
Net decrease in cash transferred from subsidiaries	101,001,655.80	
Total	906,183,305.58	

(5) Receipt of other cash related to fund-raising activities

Project	Current amount	Previous period amount
Principal of financing loan	910,000,000.00	
Receive current funds		66,995,352.15
Total	910,000,000.00	66,995,352.15

(6) Payment of other cash related to fund-raising activities

Project	Amount incurred in current period	Previous period amount
Principal and interest of financing loan	149,186,851.79	
Large certificates of deposit pledged to obtain loans	286,420,568.00	
Others	1,398,576.00	600,000.00
Total	437,005,995.79	600,000.00

55. Supplementary information of cash flow statement

(1) Supplementary information to the cash flow statement

Supplementary information	Current amount	Previous period amount
1. Adjust net profit to cash flow from operating activities:		
Net profit	132,844,515.68	115,569,597.97
Add: Asset impairment reserve		5,387,081.71
Credit impairment loss	-7,822,434.49	
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	6,500,543.82	6,607,144.15
Depreciation of right to use assets	2,250,208.56	
Amortization of intangible assets	7,384,581.61	7,075,697.60
Amortization of long-term prepaid expenses	1,677,056.78	2,671,391.90

Supplementary information	Current amount	Previous period amount
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains are filled with "-")	-163,774.07	
Loss of scrapping of fixed assets (income is filled with "-")	868.70	
Loss from changes in fair value (gains are filled with "-")	-62,347,210.02	-16,019,659.92
Financial expenses (income is filled with "-")	111,370,348.39	40,185,411.26
Investment loss (income is filled with "-")	-2,534,877.46	-4,545,980.89
Decrease in deferred income tax assets (increase is filled with "-")	-4,434,667.09	
Increase in deferred income tax liabilities (decrease is filled with "-")	15,015,577.63	
Decrease in inventory (increase is filled with "-")	551,949,939.05	532,374,878.57
Decrease in operating receivables (increases are filled with "-")	-1,932,778,697.42	-685,356,739.18
Increase in operating payables (decrease is filled with "-")	214,598,177.99	15,280,954.51
Others		
Net cash flow from operating activities	-966,489,842.34	19,229,777.68
2. Major investment and financing activities that do not involve cash receipts and payments:		
Debt to capital		
Convertible corporate bonds due within one year		
Financing leased fixed assets		
3. Net changes in cash and cash equivalents:		

Supplementary information	Current amount	Previous period amount
Closing balance of cash	394,045,293.28	252,123,390.97
Less: Cash balance at the beginning of the year	252,123,390.97	77,841,592.80
Add: Closing balance of cash equivalents		
Less: Balance of cash equivalents at the beginning of the year		
Net increase in cash and cash equivalents	141,921,902.31	174,281,798.17

(2) Composition of cash and cash equivalents

Project	Closing balance	Balance at the beginning of the year
1. Cash	394,045,293.28	252,123,390.97
Including: cash on hand	456.80	456.80
Bank deposits that can be used for payment at any time	394,044,836.48	252,122,934.17
Other monetary funds that can be used for payment at any time		
Money deposited with the central bank that can be used for payment		
Deposit of inter-bank funds		
Lending interbank funds		
II. Cash equivalents		
Among them: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of the period	394,045,293.28	252,123,390.97
Among them: the parent company or subsidiaries within the group use restricted cash and cash equivalents	562,166,276.32	266,574,182.71

Note: Cash and cash equivalents do not include restricted cash and cash equivalents used by parent

companies or subsidiaries within the Group.

56. Assets with restricted ownership or use rights

Project	Ending book value	Restricted reason
Monetary fund	562,166,276.32	Security deposit deposited in issuing letters of credit, bank acceptance bills and large certificates of deposit pledged to obtain loans
Investment real estate	521,784,733.00	Working capital loan
Total	1,083,951,009.32	

VII. Changes in the scope of consolidation

1. Newly established subsidiaries in this period

Company name	Establishment time	Nature of business	Registered capital (ten thousand yuan)	Actual capital contribution (10,000 yuan)	Shareholding ratio% (including indirect shareholding)
Zhangzhou high-tech education group co., ltd	January 5, 2021	Education	5,000.00		100.00
Zhangzhou High-tech Zone Yancuo Xinyuan Nursing Center	12-6 2021	Education	3.00	3.00	100.00
Zhangzhou High-tech Zone Yancuo Longjiang Xinyuan Tuoyu Center	12-6 2021	Education	3.00	3.00	100.00

2. The transfer of reduced subsidiaries in the current period

Company name	Time point of equity transfer	Equity transfer ratio (%)	The consolidated statement level corresponding to the transferred investment enjoys the share of the net assets of the subsidiary	Time point of loss of control	The basis for determining the time point of losing control right
Zhangzhou High-tech Zone Jinjian Real	August 31, 2021	100.00	140,886,530.82	August 31, 2021	For details of equity transfer documents, please

Estate Co., Ltd					refer to the explanations in Notes 6 and 37
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VIII. Rights and Interests in Other Subjects

1. Interests in subsidiaries

Name of Subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding ratio (%)		Mode of Acquisition
				Direct	Indirect	
Zhangzhou high-tech zone venture capital co., ltd	Zhangzhou	Zhangzhou	Investment consulting	100.00	-	Shareholder injection
Zhangzhou High-tech Zone Yuanchuang Commercial Operation Management Co., Ltd	Zhangzhou	Zhangzhou	Commercial operation	-	100.00	Allocate
Zhangzhou High-tech Zone Yuanjian Industry Technology Research Co., Ltd.	Zhangzhou	Zhangzhou	Technical services	-	100.00	Establishment
Zhangzhou tianyuan wurong trading co., ltd	Zhangzhou	Zhangzhou	Wholesale industry	-	60.00	Establishment
Zhangzhou Yuanshan Asset Management Co., Ltd	Zhangzhou	Zhangzhou	Asset management lease	100.00	-	Shareholder injection
Zhangzhou Lihai Property Service Co., Ltd	Zhangzhou	Zhangzhou	Property services	-	100.00	Shareholder injection
Zhangzhou Yuanshan Narcissus Development Co., Ltd	Zhangzhou	Zhangzhou	Flower planting	100.00	-	Allocate
Zhangzhou Jinzhanhuaxiang Development Co., Ltd	Zhangzhou	Zhangzhou	Flower planting	-	50.00	Establishment
Zhangzhou High-tech Zone Municipal Public Utilities Service Co., Ltd	Zhangzhou	Zhangzhou	Public facilities management	100.00	-	Shareholder injection
Zhangzhou High-tech	Zhangzhou	Zhangzhou	Asset operation	-	100.00	Sharehold

Zone City Operation Development Co., Ltd	ou	u	management			er injection
Zhangzhou Yuanshan Yuanda Electronic Equipment Co., Ltd	Zhangzhou	Zhangzhou	Equipment manufacturing industry	-	100.00	Establishment
Zhangzhou Yuanshan Kangjian Food Co., Ltd	Zhangzhou	Zhangzhou	Food manufacturing industry	-	100.00	Establishment
Zhangzhou Yuanshan Hengyun Agriculture Development Co., Ltd	Zhangzhou	Zhangzhou	Research and experimental development	-	100.00	Establishment
Zhangzhou Yuanshan Bingli Food Import and Export Co., Ltd	Zhangzhou	Zhangzhou	Food manufacturing industry	-	100.00	Establishment
Zhangzhou Dahong Gongcheng Storage and Transportation Co., Ltd	Zhangzhou	Zhangzhou	Handling and warehousing industry	-	100.00	Establishment
Zhangzhou Longjiang Trading Co., Ltd	Zhangzhou	Zhangzhou	Trade	100.00	-	Shareholder injection
Zhangzhou High-tech Zone Longjiang Yuze Supply Chain Management Partnership (Limited Partnership)	Zhangzhou	Zhangzhou	Management consulting	-	99.00	Establishment
Zhangzhou Yuanshan Human Resources Co., Ltd	Zhangzhou	Zhangzhou	Business service industry	100.00	-	Establishment
Zhangzhou Yuanshan Labor Dispatch Service Co., Ltd	Zhangzhou	Zhangzhou	Business service industry	-	100.00	Establishment
Zhangzhou high-tech education group co., ltd	Zhangzhou	Zhangzhou	Education	100.00	-	Establishment
Zhangzhou High-tech Zone Yancuo Xinyuan Nursing Center	Zhangzhou	Zhangzhou	Education	-	100.00	Establishment
Zhangzhou High-tech Zone Yancuo Xinyuan Longjiang Tuoyu Center	Zhangzhou	Zhangzhou	Education	-	100.00	Establishment

2. Interests in joint ventures or joint ventures

Name of joint venture	Principal place of business	Place of registration	Nature of business	Shareholding ratio (%)		Accounting treatment methods for investment in joint ventures
				Direct	Indirect	
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	Zhangzhou	Zhangzhou	Investment management	20.00	-	Equity method
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd	Zhangzhou	Zhangzhou	Accommodation and catering	30.00	-	Equity method
Fujian Yuanshun Real Estate Development Co., Ltd	Zhangzhou	Zhangzhou	Real estate development	49.00	-	Equity method
Zhangzhou Yuanxinda Supply Chain Management Co., Ltd	Zhangzhou	Zhangzhou	Supply chain management	-	20.00	Equity method
Zhangzhou gute asphalt concrete co., ltd	Zhangzhou	Zhangzhou	Asphalt concrete manufacturing	-	30.00	Equity method
Fujian Jinzhan think tank consulting management co., ltd	Zhangzhou	Zhangzhou	Consultation management	-	40.00	Equity method
Zhangzhou high-tech zone special room property co., ltd	Zhangzhou	Zhangzhou	Real estate development	-	49.00	Equity method

IX. Related Parties and Related Transactions**1. The parent company of the Company**

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company to the company (%)	Proportion of voting rights of the parent company to the company (%)
Zhangzhou High-tech Industry Development Zone Finance	Zhangzhou City	--	--	100.00	100.00

Name of parent company	Place of registration	Nature of business	Registered capital	Shareholding ratio of the parent company to the company (%)	Proportion of voting rights of the parent company to the company (%)
Bureau					

Note: The ultimate controlling party of the Company is the Management Committee of Zhangzhou High-tech Industrial Development Zone.

2. Subsidiaries of the Company

For details, please refer to Notes 8 and 1, Interests in Subsidiaries.

3. Information on Joint Ventures and Joint Ventures of the Company

For details of joint ventures and joint ventures of the Company, please refer to Notes 8 and 2, Interests in Joint Ventures or Joint Ventures.

4. Other related parties

Names of other related parties	Relationship between other related parties and the Company
Zhangzhou Yuanshan New Town Construction Co., Ltd	Related parties under the same control
Zhangzhou Yuanshan Municipal Construction Co., Ltd	Related parties under the same control
Zhangzhou Jinzhan Real Estate Co., Ltd	Related parties under the same control
Zhangzhou Jingyuan development co., ltd	Related parties under the same control
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	Related parties under the same control
Zhangzhou Yuanxin Construction Group Co., Ltd	Related parties under the same control
Zhangzhou yuanxin trading co., ltd	Related parties under the same control
Shenzhen Qianhai Yuze Supply Chain Management Co., Ltd	Partner of Holding Sun Company

Note: The same controlling party is Zhangzhou High-tech Industrial Development Zone Management Committee.

5. Related party transactions

(1) Related party transactions of purchasing and selling goods, providing and receiving labor services

① Purchasing goods/receiving services

Related party	Contents of related party transactions	Current amount	Previous period amount
Zhangzhou Yuanshan Municipal Construction Co., Ltd	Project construction cost	71,324,529.21	89,277,067.10
Zhangzhou Yuanshan New Town Construction Co., Ltd	Project construction cost		14,620,052.07
Shenzhen Qianhai Yuze Supply Chain Management Co., Ltd	Management fee	3,840,681.17	3,867,598.09

② Sale of goods/provision of services

Related party	Contents of related party transactions	Current amount	Previous period amount
Zhangzhou Yuanshan Municipal Construction Co., Ltd	Payment for goods and project cooperation income, etc.	79,775,621.52	
Zhangzhou Yuanshan New Town Construction Co., Ltd	Project cooperation income, catering expenses, etc.	29,236,214.99	9,119,643.89
Zhangzhou Yuanxin Construction Group Co., Ltd	Food and beverage expenses	50,397.94	

Related party	Contents of related party transactions	Current amount	Previous period amount
Zhangzhou Jinzhan Real Estate Co., Ltd	Rent and payment for goods, etc.	15,788,035.21	
Zhangzhou Jingyuan development co., ltd	Project cooperation income, etc.	5,716,592.62	
Zhangzhou yuanxin trading co., ltd	Project cooperation income	2,090,897.26	
Zhangzhou Yuanxin Investment Co., Ltd	Project cooperation income	7,085,953.88	
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd	Food and beverage expenses	10,188.69	
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	Food and beverage expenses	48,617.96	93,891.51
Zhangzhou High-tech Industry Development Zone Finance Bureau	Property and catering expenses		102,271.35

(2) Related Guarantee

① The company acts as the guarantor

Guaranteed party	Guarantee amount	Guarantee start date	Expiration date of guarantee	Has the guarantee been fulfilled
Zhangzhou Yuanshan Municipal	30,000,000.00	January 28,	2024-1-15	No

Construction Co., Ltd		2021		
Zhangzhou Jingyuan development co., ltd	30,000,000.00	July 20, 2021	2022-1-15	No
Zhangzhou Jingyuan development co., ltd	33,188,200.00	June 30, 2020	2023-6-30	No
Zhangzhou Jingyuan development co., ltd	45,601,100.00	May 31, 2021	2024-5-31	No
Zhangzhou Jingyuan development co., ltd	300,000,000.00	July 1, 2021	2027-6-27	No
Zhangzhou Jingyuan development co., ltd	30,000,000.00	2020-1-15	2022-1-15	No
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	50,000,000.00	September 23, 2021	2022-9-23	No
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	50,000,000.00	June 15, 2021	2022-6-15	No

② The company is the guaranteed party

Guarantor	Guarantee amount	Guarantee start date	Expiration date of guarantee	Has the guarantee been fulfilled
Zhangzhou Yuanshan New Town Construction Co., Ltd	35,000,000.00	September 14, 2021	2022-9-14	No
Zhangzhou Yuanshan New Town Construction Co., Ltd	300,000,000.00	June 24, 2020	2022-6-24	No
Zhangzhou Yuanshan New Town Construction Co., Ltd	66,500,000.00	January 8, 2021	2024-1-7	No
Zhangzhou Jingyuan development co., ltd	449,000,000.00	March 24, 2021	2023-3-24	No
Zhangzhou Jinzhan Real Estate	30,000,000.00	September 23,	2022-9-22	No

Guarantor	Guarantee amount	Guarantee start date	Expiration date of guarantee	Has the guarantee been fulfilled
Co., Ltd		2021		
Zhangzhou Yuanshan New Town Construction Co., Ltd	68,679,991.00	2020-12-25	2023-12-25	No
Zhangzhou Yuanshan New City Construction Co., Ltd. and Zhangzhou Jingyuan Development Co., Ltd.	36,299,749.04	2020-12-4	2022-12-4	No
Zhangzhou Yuanshan New City Construction Co., Ltd. and Zhangzhou Jingyuan Development Co., Ltd.	240,000,000.00	2-9 2021	2026-2-9	No
Zhangzhou Yuanshan New Town Construction Co., Ltd	75,833,408.17	May 17, 2021	2023-5-17	No
Zhangzhou Jingyuan development co., ltd	20,000,000.00	November 16, 2021	2022-5-16	No
Zhangzhou Jinzhan Real Estate Co., Ltd./Zhangzhou Yuanshan New City Construction Co., Ltd.	37,387,251.82	2020-06-29	2023-06-29	No

6. Accounts receivable and payable from related parties

(1) Receivables

Project name	Closing balance		Balance at the end of last year	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable:				

Project name	Closing balance		Balance at the end of last year	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Zhangzhou Jinzhan Real Estate Co., Ltd	23,471,495.39		7,031,630.00	
Zhangzhou Yuanshan New Town Construction Co., Ltd	2,642,783.67		985,390.00	
Zhangzhou High-tech Industry Development Zone Finance Bureau			66,787.00	
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	21,107,005.86			
Zhangzhou Yuanshan Municipal Construction Co., Ltd	77,253,972.29			
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	2,035.00			
Zhangzhou Jingyuan development co., ltd	692.00			
Zhangzhou Yuanxin Construction Group Co., Ltd	25,326.83			
Total	124,503,311.04		8,083,807.00	
Prepayment:				
Zhangzhou Yuanshan New Town Construction Co., Ltd	5,996,102.71			
Total	5,996,102.71			
Other receivables:				
Zhangzhou Yuanshan New Town	428,029,445.30		128,790,190.78	

Project name	Closing balance		Balance at the end of last year	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Construction Co., Ltd				
Zhangzhou Yuanshan Municipal Construction Co., Ltd	180,540,530.22		84,987,519.11	
Zhangzhou Jinzhan Real Estate Co., Ltd			2,589,140.09	
Zhangzhou High-tech Industry Development Zone Finance Bureau			164,791.41	
Zhangzhou Yuanxinda Supply Chain Management Co., Ltd	5,000,000.00		5,000,000.00	
Zhangzhou Yuanxin Investment Co., Ltd	150,000,000.00			
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	150,000,000.00			
Zhangzhou High-tech Zone Jinjian Real Estate Co., Ltd	10,500,000.00			
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	35,103.64			
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd	7,588.92			
Zhangzhou Jingyuan development co., ltd	9,048,125.81			
Zhangzhou yuanxin trading co., ltd	14,500,000.00			
Total	947,660,793.89		221,531,641.39	

Project name	Closing balance		Balance at the end of last year	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Interest receivable:				
Zhangzhou Yuanshan New Town Construction Co., Ltd	8,796,288.33			
Zhangzhou Yuanshan Municipal Construction Co., Ltd	3,691,050.84			
Zhangzhou Jingyuan development co., ltd	5,230,539.10			
Zhangzhou Yuanxin Investment Co., Ltd	3,066,666.67			
Zhangzhou yuanxin trading co., ltd	135,333.33			
Total	20,919,878.27			

(2) Items payable

Project name	Closing balance	Balance at the end of last year
Accounts payable:		
Zhangzhou Yuanshan Municipal Construction Co., Ltd	111,376,898.83	98,927,369.62
Total	111,376,898.83	98,927,369.62
Other payables:		
Zhangzhou Jingyuan development co., ltd	55,000,000.00	
Zhangzhou Yuanshan New Town Construction Co., Ltd		
Zhangzhou Jinzhan Real Estate Co., Ltd	123,149.60	72,139.60

Project name	Closing balance	Balance at the end of last year
Shenzhen Qianhai Yuze Supply Chain Management Co., Ltd	3,840,681.17	3,866,127.34
Total	58,963,830.77	3,938,266.94

X. Commitments and Contingencies

1. Major commitments

As of December 31, 2021, the Company has no major commitments that need to be disclosed.

2. Contingencies

Except for providing debt guarantee for related parties (see Notes 9, 5 and (2) Related Guarantee ① The Company is the guarantor), as of December 31, 2021, the Company has no major contingencies that need to be disclosed.

XI. Events after the balance sheet date

As of 20 April 2022, the Company had no post-balance sheet event to be disclosed.

XII. Other important matters

Previous error correction

Contents of accounting error correction	Handler	Affected comparison periods	Cumulative influence number
		Report item name	
In 2020, the company has an inter-period phenomenon of income recognition in advance or behind, which leads to the company recognizing more income and carrying forward	In this period, the error was corrected by retrospective restatement	Accounts receivable at the beginning of the period	-18,312,986.91
		Opening prepayments	1,802,217.05
		Accounts payable at the beginning of the period	-12,447,193.85

Contents of accounting error correction	Handler	Affected comparison periods	Cumulative influence number
		Report item name	
more costs at the same time		Tax payable at the beginning of the period	-355,625.18
		Undistributed profit at the beginning of the year	-3,707,950.83

XIII. Notes to Major Items of the Company's Financial Statements

1. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within 1 year	2,514,660,020.94	1,593,455,673.29
1 to 2 years	7,100,429.52	
Subtotal	2,521,760,450.46	1,593,455,673.29
Less: provision for bad debts	355,021.48	
Total	2,521,405,428.98	1,593,455,673.29

(2) Classified and listed according to the bad debt accrual method

Category	Closing balance				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accounts receivable with single provision for bad debts					
Accounts receivable with provision	2,521,760,450.46	100.00	355,021.48	0.01	2,521,405,428.98

Category	Closing balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
for bad debts by portfolio					
Of which: Portfolio of receivables from government agencies	2,468,998,278.08	97.91			2,468,998,278.08
Portfolio of related party transactions receivable	45,641,502.86	1.81			45,641,502.86
Aging combination	7,120,669.52	0.28	355,021.48	4.99	6,765,648.04
Total	2,521,760,450.46	100.00	355,021.48	0.01	2,521,405,428.98

(Continued)

Category	Balance at the end of last year				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Accounts receivable with significant single amount and separate provision for bad debts					
Accounts receivable with provision for bad debts according to the combination of credit risk characteristics	1,593,455,673.29	100.00			1,593,455,673.29
Accounts receivable with insignificant single amount					

Category	Balance at the end of last year				Book value
	Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of accrual (%)	
but with separate provision for bad debts					
Total	1,593,455,673.29	100.00			1,593,455,673.29

(1) In the portfolio, accounts receivable with provision for bad debts made according to the portfolio of accounts receivable from government agencies

Company name	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou High-tech Industrial Development Zone Construction Bureau	2,468,998,278.08		
Subtotal	2,468,998,278.08		

2. Accounts receivable for which provision for bad debts is made according to the portfolio of related party transactions in the portfolio

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Yuanshan New Town Construction Co., Ltd	958,797.00		
Zhangzhou Jinzhan Real Estate Co., Ltd	23,215,700.00		
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	21,107,005.86		
Zhangzhou Yuanshan Municipal Construction Co., Ltd	360,000.00		

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Subtotal	45,641,502.86		

3. Accounts receivable for which provision for bad debts is made according to the aging combination in the portfolio

Aging	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Within 1 year	20,240.00		
1 to 2 years	7,100,429.52	355,021.48	5.00
Subtotal	7,120,669.52	355,021.48	4.99

(3) Provision for bad debts

Category	Balance at the beginning of the year	Amount of change in current period			Closing balance
		Accrual	Withdraw or revert back	Write-off or write-off	
Accounts receivable		355,021.48			355,021.48
Total		355,021.48			355,021.48

(4) The accounts receivable of the top five at the end of the period collected by the defaulting party

Company name	Closing balance	Proportion of the total balance of accounts receivable at the end of the period (%)	Ending balance of bad debt provision
Zhangzhou High-tech Industrial Development Zone Construction	2,468,998,278.08	97.91	

Bureau			
Zhangzhou Jinzhan Real Estate Co., Ltd	23,215,700.00	0.92	
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	21,107,005.86	0.84	
Zhangzhou Asian Investment New Material Co., Ltd	7,100,429.52	0.28	355,021.48
Zhangzhou Yuanshan New Town Construction Co., Ltd	958,797.00	0.04	
Total	2,521,380,210.46	99.99	355,021.48

2. Other receivables

Project	Closing balance	Balance at the end of last year
Interest receivable	16,340,777.78	
Other receivables	1,637,667,875.51	176,837,603.31
Total	1,654,008,653.29	176,837,603.31

(1) Interest receivable

Classification of interest receivable

Project	Closing balance	Balance at the end of last year
Project cooperation income	16,340,777.78	
Total	16,340,777.78	

(2) Other receivables

① Disclosure by age

Aging	Closing balance	Balance at the end of last year
Within 1 year	1,488,778,711.20	176,837,603.31
1 to 2 years	148,919,539.31	

Aging	Closing balance	Balance at the end of last year
Subtotal	1,637,698,250.51	176,837,603.31
Less: provision for bad debts	30,375.00	
Total	1,637,667,875.51	176,837,603.31

② Classification according to the nature of funds

Nature of payment	Ending book balance	Book balance at the end of last year
Current account	1,565,168,329.07	176,230,103.31
Deposit, security deposit	3,709,500.00	607,500.00
Equity purchase money	68,000,000.00	
Others	820,421.44	
Subtotal	1,637,698,250.51	176,837,603.31
Less: provision for bad debts	30,375.00	
Total	1,637,667,875.51	176,837,603.31

③ Provision for bad debts

A. Other receivables in the portfolio for which provision for bad debts is made according to the aging portfolio

	The first stage	The second stage	The third stage	Total
Provision for bad debts	Expected credit loss in the next 12 months	Expected credit loss for the whole duration (no credit impairment occurred)	Expected credit loss for the whole life (credit impairment has occurred)	Total
Balance at the beginning of the year				
Book balance of other receivables at the beginning of the year in				

	The first stage	The second stage	The third stage	
Provision for bad debts	Expected credit loss in the next 12 months	Expected credit loss for the whole duration (no credit impairment occurred)	Expected credit loss for the whole life (credit impairment has occurred)	Total
current period:				
-Transfer to the second stage				
-Transfer to the third stage				
-Go back to the second stage				
-Go back to the first stage				
Accrual in current period	30,375.00			30,375.00
Reversal of current period				
Write-off in current period				
Write-off in current period				
Other changes				
Closing balance	30,375.00			30,375.00

B. In the portfolio, other receivables for which provision for bad debts is made according to the portfolio of receivables from government agencies

Company name	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou High-tech Industrial Development Zone Management Committee	68,000,000.00		
Subtotal	68,000,000.00		

C. Other receivables in the portfolio for which provision for bad debts is made according to the portfolio of related party transactions receivable

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Longjiang Trading Co., Ltd	627,971,453.65		
Zhangzhou Yuanshan New Town Construction Co., Ltd	243,500,000.00		
Zhangzhou Yuanxin Investment Co., Ltd	150,000,000.00		
Zhangzhou Yuanshan Narcissus Development Co., Ltd	120,572,603.46		
Zhangzhou Yuanshan Yuanda Electronic Equipment Co., Ltd	73,310,000.00		
Zhangzhou High-tech Zone Yuanchuang Commercial Operation Management Co., Ltd	60,344,557.34		
Zhangzhou High-tech Zone Yuanjian Industry Technology Research Co., Ltd.	50,050,000.00		
Zhangzhou High-tech Zone Tianjian Investment Development Co., Ltd	50,000,000.00		
Zhangzhou High-tech Zone Municipal Public Utilities Service Co., Ltd	47,875,148.42		
Zhangzhou high-tech zone venture capital co., ltd	45,581,329.02		
Zhangzhou Yuanshan Kangjian Food Co., Ltd	30,050,000.00		
Zhangzhou Lihai Property Service Co., Ltd	26,569,194.65		

Name of related party unit	Closing balance		
	Book balance	Provision for bad debts	Proportion of accrual (%)
Zhangzhou Yuanshan Bingli Food Import and Export Co., Ltd	14,820,000.00		
Zhangzhou high-tech human resources co., ltd	11,243,180.09		
Zhangzhou High-tech Zone Jinjian Real Estate Co., Ltd	10,500,000.00		
Zhangzhou high-tech education group co., ltd	2,778,062.44		
Zhangzhou Yuanshan Hengyun Agriculture Development Co., Ltd	2,800.00		
Subtotal	1,565,168,329.07		

Category	Balance at the beginning of the year	Amount of change in current period			Closing balance
		Accrual	Withdraw or revert back	Write-off or write-off	
Aging combination		30,375.00			30,375.00
Total		30,375.00			30,375.00

⑤ Other receivables in the top five at the end of the period collected by the defaulting party

Company name	Nature of payment	Closing balance	Aging	Proportion of the total ending balance of other receivables (%)	Provision for bad debts Closing balance
Zhangzhou Longjiang Trading Co., Ltd	Current account	627,971,453.65	Within 1 year	38.28	
Zhangzhou Yuanshan New Town Construction Co., Ltd	Current account	243,500,000.00	Within 1 year, 1-2 years	14.84	

Company name	Nature of payment	Closing balance	Aging	Proportion of the total ending balance of other receivables (%)	Provision for bad debts Closing balance
Zhangzhou Yuanxin Investment Co., Ltd	Current account	150,000,000.00	Within 1 year	9.14	
Zhangzhou Yuanshan Narcissus Development Co., Ltd	Current account	120,572,603.46	Within 1 year	7.35	
Zhangzhou Yuanshan Yuanda Electronic Equipment Co., Ltd	Current account	73,310,000.00	Within 1 year	4.47	
Total	--	1,215,354,057.11	--	74.08	

3. Long-term equity investment

(1) Classification of long-term equity investment

Project	Closing balance			Balance at the end of last year		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	479,688,122.63		479,688,122.63	239,776,025.59		239,776,025.59
Investment in joint ventures and joint ventures	447,120,402.39		447,120,402.39	603,484,537.13		603,484,537.13
Total	926,808,525.02		926,808,525.02	843,260,562.72		843,260,562.72

(2) Investment in subsidiaries

Invested entity	Balance at the beginning of the year	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in current period	Ending balance of impairment provision
Zhangzhou High-tech Zone Municipal Public Utilities Service Co., Ltd	71,658,941.40			71,658,941.40		
Zhangzhou high-tech zone venture capital co., ltd	32,840,387.74	17,200,000.00		50,040,387.74		
Zhangzhou Longjiang Trading Co., Ltd	317,988,793.49			317,988,793.49		
Zhangzhou High-tech Zone Jinjian Real Estate Co., Ltd	140,996,414.50		140,996,414.50			
Zhangzhou Yuanshan Narcissus Development Co., Ltd	30,000,000.00			30,000,000.00		
Zhangzhou Yuanshan Human Resources Co., Ltd	10,000,000.00			10,000,000.00		
Zhangzhou Yuanshan Asset Management Co., Ltd						
Zhangzhou high-tech education group co., ltd						
Total	603,484,537.13	17,200,000.00	140,996,414.50	479,688,122.63		

(3) Investment in joint ventures and joint ventures

Invested entity	Balance at the beginning of the year	Increase or decrease in current period				
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity
Associated enterprises:						
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd	149,776,025.59			3,379,781.06		-3,108.12
Zhangzhou Nanhu Hot	90,000,000.00	30,000,000.00				17,703.86

Invested entity	Balance at the beginning of the year	Increase or decrease in current period				
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes in other equity
Spring Hotel Co., Ltd						
Fujian Yuanshun Real Estate Development Co., Ltd		173,950,000.00				
Total	239,776,025.59	203,950,000.00		3,379,781.06		14,595.74

(Continued)

Invested entity	Increase or decrease in current period			Closing balance	Ending balance of impairment provision
	Declare cash dividends or profits	Provision for impairment	Others		
Associated enterprises:					
Zhangzhou Jiulongjiang Yuanshan Investment Co., Ltd				153,152,698.53	
Zhangzhou Nanhu Hot Spring Hotel Co., Ltd				120,017,703.86	
Fujian Yuanshun Real Estate Development Co., Ltd				173,950,000.00	
Total				447,120,402.39	

4. Operating income and operating cost

Project	Current amount		Previous period amount	
	Income	Cost	Income	Cost
Main business	1,266,471,688.92	1,031,934,864.30	817,084,614.76	659,867,950.37
Other business	45,689.90			
Total	1,266,517,378.82	1,031,934,864.30	817,084,614.76	659,867,950.37

5. Investment income

Project	Current amount	Previous period amount
Long-term equity investment income calculated by equity method	3,379,781.06	4,762,106.33

Project	Current amount	Previous period amount
Total	3,379,781.06	4,762,106.33

Zhangzhou Yuanshan Development Co., Ltd

April 20, 2022

Legal Representative:

Person in charge of accounting:

Person in charge of accounting organization: