

7. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand.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

8. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

When the company's foreign currency transactions are initially confirmed, they are converted into the functional currency amount at the spot exchange rate on the transaction day (usually the mid-point of the foreign exchange rate announced by the People's Bank of China, the same below), but the company's foreign currency conversion Businesses or transactions involving foreign currency exchange shall be converted into the amount of the functional currency in accordance with the actual exchange rate adopted.

(2) Conversion method for foreign currency monetary items and foreign currency non-monetary items

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

(3) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding "retained earnings", are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash

equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognised in other comprehensive income in shareholders' equity of balance sheet.

The translation differences accumulated in shareholders' equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

9. Financial instruments

The following accounting policies for financial instruments apply to 2021 and beyond:

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

(1) Recognition, classification and measurement of financial assets of financial instruments

According to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, the Company divides financial assets into: financial assets measured at amortized cost; Financial assets measured at fair value with changes included in other comprehensive income; Financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with changes included in current profits and losses, relevant transaction costs are directly included in current profits and losses; For other types of financial assets, the 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 that do not include or take into account significant financing elements, the Company shall use the expected amount of consideration it is entitled to receive as the initial recognition amount.

① Financial assets measured at amortized cost

The company's business model for managing financial assets measured at amortized cost is to collect contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with basic lending arrangements, that is, the cash flows generated on a specific date are only payments of principal and interest based on the outstanding principal amount. The company adopts the effective interest rate method for subsequent measurement of such financial assets at amortized cost, and the gains or losses arising from their amortization or impairment are included in the current profit and loss.

② Financial assets measured at fair value with changes included in other comprehensive income

The company's business model for managing such financial assets is both to collect contractual cash flows and to sell them, and the contractual cash flow characteristics of such financial assets are

consistent with 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 using the effective interest rate method are included in current profits and losses.

In addition, the Company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive income. The Company includes the relevant dividend income of such financial assets in the current profit and loss, and the 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, not included in current profits and losses.

③ Financial assets measured at fair value through profit or loss

The company classifies financial assets other than those measured at amortized cost and those measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss for the current period. In addition, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses in order to eliminate or significantly reduce accounting mismatches during initial recognition. 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) Recognition, classification and measurement of financial liabilities of financial instruments

Financial liabilities are classified at initial recognition as financial liabilities measured at fair value through profit or loss and other financial liabilities. For financial liabilities measured at fair value through profit or loss, the relevant transaction costs are directly included in the current profit or loss, and the relevant transaction costs of other financial liabilities are included in their initial recognition amount.

① Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value with changes included in current profits and losses include held-for-trading financial liabilities (including derivative instruments belonging to financial liabilities) and financial liabilities designated at initial recognition to be measured at fair value with changes included in current profits and losses.

Held-for-trading financial liabilities (including derivative instruments belonging to financial liabilities) are subsequently measured at fair value. Except for those related to hedge accounting, changes in fair value are included in current profits and losses.

For financial liabilities designated to be measured at fair value through profit or loss for the current period, changes in fair value caused by changes in the company's own credit risk are included in other comprehensive income. When the liability is derecognized, the cumulative changes in fair value caused by changes in the company's own credit risk that are included in other comprehensive income are transferred to retained earnings. The remaining changes in fair value are included in the current profit and loss. If the treatment of the impact of changes in the credit risk of such financial liabilities in the above manner would cause or expand accounting mismatches in profit or loss, the Company will include all gains or losses (including the amount affected by changes in the credit risk of the enterprise) of such financial liabilities in the current profit or loss.

②Other financial liabilities

Except for 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, other financial liabilities are classified as financial liabilities measured at amortized cost and subsequently measured at amortized cost. Gains or losses arising from derecognition or amortization are included in current profits and losses.

(3) Recognition basis and measurement method for transfer of financial assets

Financial assets that meet one of the following conditions shall be derecognized: ①Termination of contractual rights to receive cash flows from the financial asset; ②The financial asset has been transferred and almost all risks and rewards related to the ownership of the financial asset have been transferred to the transferee; ③The financial asset has been transferred, and although the enterprise has neither transferred nor retained almost all the risks and rewards associated with the ownership of the financial asset, it has relinquished control over the financial asset.

If the enterprise has neither transferred nor retained almost all the risks and rewards associated with the ownership of the financial asset, and has not relinquished control over the financial asset, the relevant financial asset is recognized based on the extent of its continued involvement in the transferred financial asset, and the relevant liabilities are recognized accordingly. The degree of continued involvement in the transferred financial assets refers to the level of risk faced by the enterprise due to changes in the value of the financial assets.

If the overall transfer of a financial asset meets the conditions for derecognition, the difference between the book value of the transferred financial asset and the sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value originally included in other comprehensive income shall be included in the current profit and loss.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the book value of the transferred financial asset shall be apportioned at its relative fair value between the derecognized and non derecognized portions, and the difference between the sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value that should be apportioned to the derecognized portion originally included in other comprehensive income and the apportioned carrying amount shall be included in the current profits and losses.

The Company needs to determine whether almost all risks and rewards related to the ownership of financial assets sold with recourse or transferred by endorsement. If almost all the risks and rewards related to the ownership of the financial asset have been transferred to the transferee, the recognition of the financial asset shall be terminated; If almost all the risks and rewards associated with the ownership of a financial asset are retained, the recognition of the financial asset will not be terminated; If almost all the risks and rewards associated with the ownership of a financial asset have not been transferred or retained, it is necessary to continue to determine whether the enterprise retains control over the asset and conduct accounting treatment in accordance with the principles described in the preceding 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 (borrower) signs an agreement with the lender to replace the original financial liability by assuming a new financial liability, and the contractual terms of the new financial liability and the original financial liability are substantially different, the recognition of the original financial liability is terminated, and a new financial liability is recognized at the same time. If the company materially modifies the contractual terms of the original financial liability (or part thereof), the recognition of the original financial liability shall be terminated, and a new financial liability shall be recognized in accordance with 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 current profit and loss.

(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, and this legal right is currently enforceable, meanwhile, the company plans to settle or simultaneously realize the financial assets and settle the financial liabilities at a net amount, the financial assets and financial liabilities are listed on the balance sheet at the net amount after

mutual offset. In addition, financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

(6) Determination method of 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 to transfer a liability in an orderly transaction that occurs on the measurement date. If there is an active market for financial instruments, the company adopts the quoted prices in the active market to determine their fair value. Quotations in an active market refer to prices that are easily obtained on a regular basis from exchanges, brokers, industry associations, pricing service institutions, and represent the prices of market transactions that actually occur in fair trade. If there is no active market for financial instruments, the company adopts valuation techniques to determine their fair value. Valuation techniques include reference to prices used in recent market transactions between parties who are familiar with the situation and willing to trade, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models. During valuation, the company adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information, selects input values that are consistent with the characteristics of assets or liabilities considered by market participants in the transaction of related assets or liabilities, and prioritizes the use of relevant observable input values as much as possible. Use non input values when relevant observable input values cannot be obtained or are not feasible to obtain.

(7) Equity instruments

Equity instrument refers to a contract that can prove ownership of the remaining equity in the company's assets 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 fair value of equity instruments.

Dividends (including "interest" generated by instruments classified as equity instruments) distributed by the company's equity instruments during their existence shall be treated as profit distribution.

The following accounting policies for financial instruments apply to the year 2020 and before:

Financial instruments

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

(1) Recognition, classification and measurement of financial assets of financial instruments

The Company classifies its financial assets into financial assets measured at fair value through profit or loss, held-to-maturity investments, receivables, and available-for-sale financial assets based on investment purposes and economic substance.

Financial assets measured at fair value through profit or loss include trading securities and financial assets designated at initial recognition as measured at fair value through profit or loss. The company classifies financial assets that meet one of the following conditions as trading securities: the purpose of obtaining the financial assets is to sell them in a short term; Belongs to a part of the identifiable financial instrument portfolio under centralized management, and there is objective evidence that the company has recently adopted short-term profit making methods to manage the portfolio; It is a derivative instrument, except for derivatives designated as effective hedging instruments, derivatives that belong to financial guarantee contracts, and derivatives that are linked to equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured and must be settled by delivering the equity instrument. The company will designate only financial instruments that meet one of the following conditions as financial assets measured at fair value with changes included in current profits and losses at initial recognition: This designation can eliminate or significantly reduce the inconsistency in recognition or measurement of related gains or losses caused by different measurement bases of the financial instrument; The formal written document on the company's risk management or investment strategy has stated that the financial instrument portfolio is managed, evaluated, and reported to key management personnel based on fair value; A hybrid instrument that includes one or more embedded derivative instruments, unless the embedded derivative instrument does not significantly change the cash flow of the hybrid instrument, or the embedded derivative instrument should obviously not be split from the relevant hybrid instrument; A hybrid instrument that includes embedded derivative instruments that need to be split but cannot be separately measured at the time of acquisition or subsequent balance sheet dates. The financial assets designated by the company mainly include stock investment. For such financial assets, the fair value is used for subsequent measurement. Changes in fair value are recorded in profit or loss from changes in fair value; The interest or cash dividends obtained during the asset holding period are recognized as investment income; Upon disposal, the difference between its fair value and the initially recorded amount is recognized as investment profit or loss, and the profit or loss from changes in fair value is adjusted.

Held-to-maturity investment refers to non derivative financial assets with a fixed maturity date, a fixed or determinable recovery amount, and the company has a clear intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured using the effective interest rate

method at amortized cost. The gains or losses arising from their amortization or impairment and derecognition are included in current profits and losses.

Receivables refer to non derivative financial assets that have no quoted price in an active market and have a fixed or determinable recovery amount. The effective interest rate method is used for subsequent measurement at amortized cost. The gains or losses arising from amortization or impairment and derecognition are included in the current profit and loss.

Available-for-sale financial assets refer to non derivative financial assets designated as available for sale upon initial recognition, as well as financial assets that are not classified into other categories. Among these assets, equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, as well as derivative financial assets that are linked to the equity instrument and must be settled by delivering the equity instrument, are subsequently measured at cost; If there is an active market quotation or there is no active market quotation, but the fair value can be reliably measured, it shall be measured at fair value, with changes in fair value included in other comprehensive income. For such financial assets, fair value is used for subsequent measurement. In addition to impairment losses and exchange gains and losses arising from foreign currency monetary financial assets, changes in the fair value of available-for-sale financial assets are directly included in shareholders' equity. When the financial asset is derecognized, the cumulative amount of changes in fair value that were originally directly included in equity is transferred to current profits and losses. The interest calculated using the effective interest rate method during the holding period of an available-for-sale debt instrument investment, as well as the cash dividends related to the available-for-sale equity instrument investment announced and issued by the invested entity, are included in the current profit and loss as investment income. Equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured are measured at cost.

(2) Recognition basis and measurement method for transfer of financial assets

Financial assets that meet one of the following conditions shall be derecognized: ①Termination of contractual rights to receive cash flows from the financial asset; ②The financial asset has been transferred and almost all risks and rewards related to the ownership of the financial asset have been transferred to the transferee; ③The financial asset has been transferred, and although the enterprise has neither transferred nor retained almost all the risks and rewards associated with the ownership of the financial asset, it has relinquished control over the financial asset.

If the enterprise has neither transferred nor retained almost all the risks and rewards associated with the ownership of the financial asset, and has not relinquished control over the financial asset,

the relevant financial asset is recognized based on the extent of its continued involvement in the transferred financial asset, and the relevant liabilities are recognized accordingly.

If the overall transfer of a financial asset meets the conditions for derecognition, the difference between the book value of the transferred financial asset and the sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value originally included in other comprehensive income shall be included in the current profit and loss.

If a partial transfer of a financial asset satisfies the conditions for derecognition, the book value of the transferred financial asset shall be apportioned at its relative fair value between the derecognized and non derecognized portions, and the difference between the sum of the consideration received as a result of the transfer and the cumulative amount of changes in fair value that should be apportioned to the derecognized portion originally included in other comprehensive income and the apportioned carrying amount shall be included in the current profits and losses.

(3) Test methods and accounting treatment methods for impairment of financial assets

Except for financial assets measured at fair value through profit or loss, the Company checks the book value of other financial assets on the balance sheet date. If there is objective evidence that a certain financial asset has been impaired, an impairment provision needs to be made.

Financial liabilities

(1) Recognition, classification and measurement of financial liabilities of financial instruments

The financial liabilities of the company are classified as financial liabilities measured at fair value through profit or loss and other financial liabilities upon initial recognition.

Financial liabilities measured at fair value with changes included in current profits and losses include transactional financial liabilities and financial liabilities designated at initial recognition to be measured at fair value with changes included in current profits and losses (relevant classification basis shall be disclosed with reference to the classification basis of financial assets). Subsequent measurement is carried out based on fair value, and gains or losses arising from changes in fair value, as well as dividends and interest expenses related to the financial liability, are included in current profits and losses.

Other financial liabilities, (specific financial liabilities shall be disclosed based on the actual situation). The effective interest rate method is used for subsequent measurement at amortized cost. If there is an active market for financial instruments, the market quotations in the active market are used to determine their fair value. In an active market, the fair value of the financial assets or liabilities held or proposed to be assumed by the company shall be the current offer; The current asking price of the financial assets to be purchased or financial liabilities assumed by the company

shall be taken as the fair value of the corresponding assets or liabilities. If there is no current bid or asking price for a financial asset or financial liability, but there has been no significant change in the economic environment since the latest trading day, the market quotation for the latest transaction shall be used to determine the fair value of the financial asset or financial liability. When there is a significant change in the economic environment after the recent transaction date, the market quotation of the recent transaction shall be adjusted with reference to the current price or interest rate of similar financial assets or financial liabilities to determine the fair value of the financial assets or financial liabilities. If the company has sufficient evidence to indicate that the market price of the recent transaction is not fair value, appropriate adjustments shall be made to the market price of the recent transaction to determine the fair value of the financial asset or financial liability.

(2) Conditions for derecognition of financial liabilities

When all or part of the current obligations of a financial liability have been relieved, the recognition of the financial liability or the part of the obligation that has been relieved is terminated. If an agreement is signed between the company and creditors to replace existing financial liabilities by assuming new financial liabilities, and the contractual terms of the new financial liabilities and existing financial liabilities are substantially different, the recognition of the existing financial liabilities shall be terminated, and the new financial liabilities shall be recognized at the same time. If the company materially modifies all or part of the contractual terms of the existing financial liability, the recognition of the existing financial liability or part thereof shall be terminated, and the financial liability after the modification of the terms shall be recognized as a new financial liability. The difference between the book value of the derecognized portion and the consideration paid is included in the current profit and loss.

(3) Determination method of fair value of financial assets and financial liabilities

The company measures the fair value of financial assets and financial liabilities at prices in the main market. If there is no main market, the fair value of financial assets and financial liabilities is measured at the most advantageous market price, and valuation techniques that are applicable at the time and supported by sufficient available data and other information are used. The input values used for fair value measurement are divided into three levels, namely, the first level is the unadjusted quoted price of the same assets or liabilities that can be obtained on the measurement date in the active market; The second level input values are directly or indirectly observable input values for related assets or liabilities in addition to the first level input values; The third level input value is the unobservable input value of the relevant asset or liability.

10. Impairment of financial assets

The following accounting policies for financial assets impairment apply to 2021 and beyond:

The financial assets for which the company needs to recognize impairment losses are financial assets measured at amortized cost and debt instrument investments measured at fair value with changes included in other comprehensive income, mainly including notes receivable, accounts receivable, other receivables, debt investment, other debt investment, long-term receivables and so on. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also made in accordance with the accounting policies described in this section.

(1) Recognition method of provision for bad and doubtful debts

Based on expected credit losses, the company accrues impairment provisions and recognizes credit impairment losses for each of the above items in accordance with the applicable expected credit loss measurement method (general method or simplified method).

Credit loss refers to the difference between all contractual cash flows receivable under the contract and all expected cash flows received by the company discounted at the original effective interest rate, which is the present value of all cash shortages. Among them, the company discounts them at the effective interest rate adjusted by the credit of the financial asset that have undergone credit impairment that have been purchased or generated.

The general method for measuring expected credit losses refers to the assessment by the company on each balance sheet date whether the credit risk of financial assets has significantly increased since initial recognition. If the credit risk has significantly increased since initial recognition, the company measures the loss provision at an amount equivalent to the expected credit loss for the entire duration; If credit risk has not significantly increased since initial recognition, the company measures loss reserves at an amount equivalent to expected credit losses in the next 12 months. When assessing expected credit losses, the company considers all reasonable and substantiated 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 significantly increased since initial recognition, and chooses to measure loss reserves based on expected credit losses in the next 12 months.

(2) Criteria for determining whether credit risk has significantly increased since initial recognition

If the probability of default of a financial asset within the estimated duration determined on the balance sheet date is significantly higher than the probability of default within the estimated duration

determined on initial recognition, it indicates that the credit risk of the financial asset has significantly increased. Except for special circumstances, the company uses the changes in default risk that occur within the next 12 months as a reasonable estimate of the changes in default risk that occur during the entire duration to determine whether credit risk has significantly increased since initial recognition.

Generally, if the overdue period exceeds 30 days, the company believes that the credit risk of the financial instrument has significantly increased, unless there is conclusive evidence that the credit risk of the financial instrument has not significantly increased since initial recognition.

The Company will consider the following factors when assessing whether credit risk has significantly increased:

1) Whether there is any significant change in the actual or expected operating results of the debtor;

2) Whether the regulatory, economic or technological environment in which the debtor is located has undergone significant adverse changes;

3) Whether there are significant changes in the value of collateral as collateral for debt collateral or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the economic motivation of the debtor to repay within the contractual terms or affect the probability of default;

4) Whether the expected performance and repayment behavior of the debtor have significantly changed;

5) Whether the company's credit management methods for financial instruments have changed, etc.

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

(3) Criteria for determining financial assets with credit impairment

When one or more events that have adverse impact on the expected future cash flow of a financial asset occur, the financial asset becomes a financial asset that has experienced credit

impairment. Evidence of credit impairment of financial assets includes the following observable information:

- 1) Significant financial difficulties occur to the issuer or debtor;
- 2) The debtor violates the contract, such as default or overdue payment of interest or principal, etc;
- 3) Creditors give concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties;
- 4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 5) Financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial assets;
- 6) Purchase or generate a financial asset at a significant discount that reflects the fact that a credit loss has occurred.

The credit impairment of financial assets may be caused by the joint action of multiple events, not necessarily due to individually identifiable events.

(4) A portfolio approach to assessing expected credit risk based on portfolios

The company evaluates the credit risk of financial assets with significantly different credit risks, such as: accounts receivable from related parties; Receivables that have disputes with the other party or involve litigation or arbitration; There are obvious signs that the debtor is likely to be unable to fulfill its repayment obligations, such as receivables

In addition to financial assets that are individually assessed for credit risk, the Company classifies financial assets into different groups based on common risk characteristics. The common credit risk characteristics adopted by the company include: financial instrument type, credit risk rating, ageing portfolio, overdue ageing portfolio, contract settlement cycle, debtor industry and so on. Credit risk is assessed on a combined basis.

(5) Accounting treatment method for impairment of financial assets

At the end of the year, the company calculates the expected credit loss of various financial assets. If the expected credit loss is greater than the carrying amount of its current impairment provision, the difference is recognized as an impairment loss; If it is less than the carrying amount of the current impairment provision, the difference is recognized as impairment gains.

(6) Methods for determining credit losses on various financial assets

①Notes receivable

The company measures the loss provision for notes receivable based on the expected credit loss amount equivalent to the entire duration. Divide notes receivable into different portfolios based on their credit risk characteristics:

Item	Basis for determining the combination
Bank acceptance bills	The acceptor is a bank with low credit risk
Trade acceptance bills	According to the credit risk classification of acceptors, it should be the same as the combination classification of "accounts receivable"

②Accounts receivable and contract assets

For contract assets that do not contain significant financing components, the company measures the loss provision based on the expected credit loss amount equivalent to the entire duration.

For contract assets that contain significant financing components, the company chooses to always measure the loss provision at an amount equivalent to the expected credit loss during the duration.

Except for accounts receivable that are individually assessed for credit risk, they are divided into different combinations based on their credit risk characteristics:

Item	Basis for determining the combination
Related party group	This portfolio represents receivables of related parties
Government units group	This portfolio represents receivables generated by government departments and government agencies
Ageing group	The portfolio represents the aging of accounts receivable as a credit risk feature

③Other receivables

The company measures impairment losses based on whether the credit risk of other receivables has significantly increased since initial recognition, using an amount equivalent to the expected credit loss within the next 12 months or the entire duration. In addition to other receivables that are individually assessed for credit risk, they are divided into different portfolios based on their credit risk characteristics:

Item	Basis for determining the combination
Related party group	This portfolio represents receivables of related parties
Government units group	This portfolio represents receivables generated by government departments and government agencies
Ageing group	The portfolio represents the aging of accounts receivable as a credit risk feature

The following accounting policies for impairment of financial assets apply to the year 2020 and before:

The company uses the following circumstances as the recognition criteria for bad debt losses on receivables: cancellation, bankruptcy, insolvency, serious shortage of cash flow, serious natural disasters, etc. of the debtor, resulting in shutdown and inability to pay debts within the foreseeable time; Other conclusive evidence indicates that it is indeed impossible or unlikely to be recovered.

The possible bad debt losses are accounted for using the allowance method. At the end of the year, an impairment test is conducted separately or in combination, and the bad debt reserves are accrued and included in the current profit and loss. Receivables that have conclusive evidence indicating that they cannot be recovered are recognized as bad debt losses after being approved by the company in accordance with the prescribed procedures, and the withdrawn bad debt reserves are written off.

(1) Receivables that are individually significant and assessed individually for impairment:

Judgment basis or amount standard for significant single amount	Receivables with a single amount exceeding (and including) RMB 5 million are considered as significant receivables
Method of significant single amount and single provision for bad and doubtful debts	Provisioning bad debt reserves based on the difference between the present value of its future cash flow and its book value

(2) Receivables with provision for bad and doubtful debts based on group

Basis for determining the group	
Ageing group	Use the ageing of receivables as credit risk characteristics to divide the portfolio
Related party group	Use the relationship between receivables and transaction objects as credit risk characteristics to divide and combine
Government units group	Use the credit risk characteristics with the reputation of the trading object to divide and combine
Other group	Use the nature of funds (deposits, reserves) and large enterprises with long-term strategic cooperation to divide and combine
Provision method for provisioning bad debt reserves by portfolio	
Related party group	The company conducts a separate difference test on the amounts of related parties at the end of the period. Unless

	there is evidence that some or all of the amounts cannot be recovered, no provision for bad and doubtful debts is generally made
Government units group	No provision for bad and doubtful debts
Other group	Unless there is evidence that there is an uncollectible amount, bad debt and doubtful is generally not provision.

The provisioning for groups of receivables using the ageing analysis method is as follows:

Ageing	Provision as a percentage of accounts receivable (%)	Provision as a percentage of other receivables (%)
Within 1 year	0	0
1 to 2 years	10	10
2 to 3 years	20	20
3 to 4 years	30	30
4 to 5 years	50	50
Over 5 years	100	100

(3) Receivables that are individually insignificant but assessed individually for impairment:

Reasons for assessing individually for impairment of receivables that are individually insignificant	Receivables that are individually insignificant but assessed individually for impairment, according to the ageing group does not reflect its risk characteristics
Method of provisioning for bad and doubtful debts	An impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows.

③Other receivables

Refer to relevant accounting policies for accounts receivable.

11. Inventories

(1) Classification

Inventories mainly include raw materials, inventory goods, contract performance cost, and development costs in the development process.

(2) Measurement method of cost of inventories

Inventory is priced at actual cost when it is acquired. Inventory cost includes purchase cost, processing cost and other costs. The actual cost is determined according to the first-in first-out weighted average method when receiving and issuing.

(3) Basis for determining the net realisable value and method for provision for obsolete inventories

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

On the balance sheet date, inventories are measured at the lower of cost or net realizable value. For the portion of inventory that is expected to be unrecoverable due to damage, total or partial obsolescence, or sales price lower than cost, a provision for inventory depreciation shall be provisioning. The provision for inventory depreciation of goods on hand and bulk raw materials is drawn based on the difference between the cost of a single inventory item and its net realizable value; Provisioning inventory depreciation reserves for other raw and auxiliary materials with a large quantity and low unit price by category.

The net realizable value of the inventory of goods that are directly used for sale, such as inventory goods and goods sent out, is determined by the amount of the estimated selling price of the inventory minus estimated sales expenses and related taxes; material inventory held for production. The net realizable value is determined based on the estimated selling price of the finished product produced minus the estimated cost, estimated selling expenses and related taxes and fees at the time of completion.

After the inventory depreciation reserve is withdrawn, if the factors affecting the previous write-down of the inventory value have disappeared, causing the net realizable value of the inventory to be higher than its book value, it shall be reversed within the amount of the inventory depreciation reserve that has been withdrawn, and the reversed amount included in the current profit and loss.

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

12.Contractual assets (Applicable from January 1, 2021)

The customer has not yet paid the contract consideration, but the company has fulfilled its performance obligations under the contract and is not unconditional (only depending on the passage of time). The right of the company to collect money from customers is listed as contractual assets in the balance sheet. Contractual assets and contractual liabilities under the same contract are presented at a net amount, and contract assets and contractual liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit losses on contractual assets, please refer to Note IV.10 "Impairment of financial assets".

13.Non-current assets or disposal groups held for sale

If the company recovers its book value mainly through sales (including the exchange of non monetary assets with commercial substance, the same below) rather than continuous use of a non current asset or disposal group, it is classified as held for sale. A non-current asset or disposal group is classified as held for sale when all the following criteria are met: According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group is available for immediate sale in its present condition; The sale is highly probable to occur, that is, the Group has made a resolution on a sale plan and entered into a legally binding purchase agreement with other parties. The sale is expected to be completed within one year. The Group that is committed to a sale plan involving loss of control of a subsidiary classifies all the investment in that subsidiary as held for sale in its separate financial statements, and classifies all the assets and liabilities of that subsidiary as held for sale in its consolidated financial statements, when the classification criteria for held for sale are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. If the asset group or asset group combination to which the disposal group belongs distributes the goodwill acquired in the business combination in accordance with "Accounting Standards for Business Enterprises No. 8-Asset Impairment", the disposal group shall include the goodwill allocated to the disposal group.

When the company initially measures or remeasures non current assets and disposal groups classified as held for sale on the balance sheet date, if their book value is higher than the net amount of fair value minus selling expenses, the book value is written down to the net amount of fair value minus selling expenses. The amount written down is recognized as an asset impairment loss and included in the current profit and loss, and a provision for impairment of held for sale assets is made. For a disposal group, the recognized asset impairment loss first offsets the book value of goodwill in the disposal group, and then proportionally offsets the book value of various non current assets within the disposal group that are subject to the measurement provisions of the Accounting Standards for Business Enterprises No. 42 - Non current Assets Held for Sale, Disposal Groups, and Discontinued Operations (hereinafter referred to as the "Held for Sale Standards"). If the net amount of the fair value of the disposal group held for sale less selling expenses increases on the subsequent balance sheet date, the previously written down amount shall be restored and reversed within the amount of asset impairment losses recognized for non current assets that are measured using the held-for-sale criteria after being classified as held for sale, and the reversed amount shall be included in the current profit and loss, And increase the book value of each non-current asset in the disposal group in proportion to the proportion of the book value of the applicable held-for-sale criteria except for goodwill; The book value of goodwill that has been written off, as well as the asset impairment

losses recognized prior to the classification of non current assets that are subject to the measurement provisions of the held-for-sale criteria, shall not be reversed.

Non current assets held for sale or non current assets in disposal groups are not subject to depreciation or amortization, and interest and other expenses on liabilities in disposal groups held for sale are continuously recognized.

When a non current asset or disposal group no longer meets the classification criteria for the category held for sale, the company will no longer continue to classify it as a category held for sale or remove the non current asset from the disposal group held for sale, and measure it according to the lower between both sides: (1) The book value before being classified as held for sale is adjusted based on the depreciation, amortization, or impairment recognized assuming it is not classified as held for sale; (2) Recoverable amount.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influence. The company's long-term equity investment that does not have control, joint control or significant influence on the investee is accounted for as an available-for-sale financial asset or a financial asset that is measured at fair value and its changes are included in the current profit. For details of its accounting policies, refer to Note IV. 9 "Financial Instruments".

Joint control refers to the company's common control of an arrangement in accordance with the relevant agreement, and related activities of the arrangement must be agreed upon by the parties sharing control rights before they can make decisions. Significant influence means that the company has the right to participate in the decision-making of the financial and operating policies of the invested unit, but cannot control or jointly control the formulation of these policies with other parties.

(1) Determination of initial investment cost

For long-term equity investments obtained through business combinations under the same control, the share of the book value of the owner's equity of the merged party in the final controller's consolidated financial statements on the merger date is used as the initial investment cost of the long-term equity investment. The difference between the initial investment cost of a long-term equity investment and the book value of cash paid, non cash assets transferred, and debts assumed is adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If equity securities are issued as the merger consideration, on the merger date, the share of the book value of the owner's equity of the merged party in the final controller's consolidated financial statements is used as the initial investment cost of the long-term equity

investment, and the total par value of the issued shares is used as the capital stock. The capital reserve is adjusted based on the difference between the initial investment cost of the 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 obtained through multiple transactions step by step, and ultimately a business combination under the same control is formed, whether it belongs to a "package deal" shall be treated separately. If it belongs to a "package deal", each transaction shall be accounted for as a transaction to obtain control. If it is not a "package deal", 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 final controller's consolidated financial statements on the merger date. The capital reserve shall be adjusted based on the difference between the initial investment cost of the long-term equity investment and the sum of the book value of the long-term equity investment before the merger plus the book value of the newly paid consideration for the further acquired shares on the merger date; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Other comprehensive income from equity investments held before the merger date that are accounted for using the equity method or recognized as available-for-sale financial assets will not be subject to accounting treatment temporarily.

For long-term equity investments obtained through business combinations not under the same control, the initial investment cost of the long-term equity investment is recognized as the combination cost on the acquisition date. The combination cost includes the sum of the fair values of the assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer. "If the acquiree's equity is acquired through multiple transactions step by step, resulting in a business merger that is not under the same control, it should be treated separately as whether it belongs to a "package deal": if it belongs to a "package deal", each transaction should be accounted for as a transaction to obtain control.". If it is not a "package deal", the sum of the book value of the equity investment originally held by the acquiree plus the newly increased investment cost shall be used as the initial investment cost of the long-term equity investment accounted for using the cost method. If the originally held equity is accounted for using the equity method, relevant other comprehensive income will not be subject to accounting treatment temporarily. If the originally held equity investment is a financial asset available for sale, the difference between its fair value and book value, as well as the cumulative fair value changes originally included in other comprehensive income, are transferred to the current profit and loss.

Intermediary expenses such as audit, legal services, evaluation and consultation, and other related management expenses incurred by the combining party or the purchasing party for a business combination are included in the current profit and loss when incurred.

Other equity investments other than long-term equity investments formed through business combinations are initially measured at cost, which is determined by 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 surrendered in non monetary asset exchange transactions. The fair value of the long-term equity investment itself is determined by such methods as. Expenses, taxes, and other necessary expenses directly related to the acquisition of long-term equity investments are also included in the investment cost. If additional investment can significantly affect or jointly control the invested entity but does not constitute control, the cost of long-term equity investment is the sum of the fair value of the originally held equity investment determined in accordance with Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments plus the additional investment cost.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments that have joint control (excluding the formation of joint operators) or significant impact on the invested entity are accounted for using the equity method. In addition, the company's financial statements use the cost method to calculate long-term equity investments that can control the invested entity.

① Long-term equity investment accounted by cost method

When using the cost method for accounting, long-term equity investments are valued at the initial investment cost, and the cost of long-term equity investments is adjusted by adding or recovering investments. In addition to the actually paid price or cash dividends or profits declared but not yet paid included in the consideration when obtaining the investment, the current investment income is recognized based on the cash dividends or profits declared to be paid by the invested entity.

② Long-term equity investment accounted for by equity method

When using the equity method for accounting, if the initial investment cost of a long-term equity investment is greater than the fair value of the identifiable net assets of the invested entity that should be enjoyed at the time of investment, the initial investment cost of the 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 that should be enjoyed at the time of investment, the

difference is included in the current profit and loss, and the cost of long-term equity investment is adjusted.

When using the equity method for accounting, investment income and other comprehensive income are recognized separately based on the attributable or attributable share of the net profit or loss and other comprehensive income realized by the invested entity, and the book value of long-term equity investments is adjusted; Calculate the attributable portion based on the profits or cash dividends declared to be distributed by the invested entity, and reduce the book value of the long-term equity investment accordingly; For other changes in the owner's equity of the invested entity other than net profit and loss, other comprehensive income, and profit distribution, the book value of the long-term equity investment is adjusted and included in the capital reserve. When recognizing the attributable share of the net profit or loss of the invested entity, it is recognized based on the fair value of the identifiable assets of the invested entity at the time of obtaining the investment, after adjusting the net profit of the invested entity. 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 investment income and other comprehensive income shall be recognized accordingly. For transactions between the Company and associated and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction profits and losses shall be offset by the portion attributable to the Company calculated based on the proportion enjoyed, and the investment profits and losses shall be recognized on this basis. However, the unrealized internal transaction losses incurred by the Company and the invested entity that belong to the impairment losses of the transferred assets shall 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 as a result, the fair value of the invested business is used as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the book value of the invested business is fully included in the current profit and loss. 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 is recorded in full in the current profit and loss. If the assets purchased by the Company from associated enterprises and joint ventures constitute a business, accounting treatment shall be conducted in accordance with the Accounting Standards for Business Enterprises No. 20 - Business Combinations, and the gains or losses related to the transaction shall be fully recognized.

When recognizing the net loss incurred by the investee that should be shared, the book value of the long-term equity investment and other long-term equity that substantially constitutes the net investment in the investee are 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 based on the expected obligations and included in the current investment losses. If the invested entity realizes net profits in the future, the company will resume recognizing the income sharing amount after the income sharing amount covers the unrecognized loss sharing amount.

③ Acquisition of minority interests

When preparing consolidated financial statements, adjust the capital reserve for the difference between the newly increased long-term equity investment due to the purchase of minority equity and the net asset share of the subsidiary calculated continuously from the purchase date (or merger date) based on the newly increased shareholding ratio. If the capital reserve is insufficient to offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statements, the parent company partially disposes of its long-term equity investment in a subsidiary without losing control, and the difference between the disposal price and the net assets of the subsidiary corresponding to the disposal of the long-term equity investment is included in shareholders' equity; If the parent company partially disposes of its long-term equity investment in a subsidiary, resulting in the loss of control over the subsidiary, it shall be treated in accordance with the relevant accounting policies described in Note IV.5.(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 profit and loss.

For long-term equity investments accounted for using the equity method, if the remaining equity after disposal is still accounted for using the equity method, the portion of other comprehensive income originally included in the owner's equity shall be accounted for on the same basis as the invested entity's direct disposal of relevant assets or liabilities at the corresponding proportion. The owner's equity recognized due to changes in the owner's equity of the investee other than net profit and loss, other comprehensive income, and profit distribution shall be carried forward to the current profit and loss on a pro rata basis.

For long-term equity investments accounted for using the cost method, if the remaining equity is still accounted for using the cost method after disposal, other comprehensive income recognized

by using the equity method or financial instrument recognition and measurement standards before obtaining control of the invested entity shall be accounted for using the same basis as the invested entity's direct disposal of relevant assets or liabilities, and shall be carried forward to the current profit and loss on a pro rata basis; Changes in other owner's equity recognized in the net assets of the invested entity due to the adoption of the equity method, except for net profit and loss, other comprehensive income, and profit distribution, are carried forward pro rata to the current profit and loss.

If the company loses control over the invested entity due to the disposal of part of its equity investment, and when preparing individual financial statements, if the remaining equity after disposal can exercise joint control or exert significant influence on the invested entity, it shall be accounted for using the equity method instead, and the remaining equity shall be deemed to have been accounted for and adjusted using the equity method since the acquisition; If the remaining equity after disposal cannot exercise joint control or exert significant influence on the invested entity, accounting treatment shall be conducted in accordance with the relevant provisions of the recognition and measurement standards for financial instruments. The difference between the fair value and the book value on the date of loss of control shall be included in the current profit and loss. Before the Company obtains control over the invested entity, other comprehensive income recognized due to accounting using the equity method or financial instrument recognition and measurement standards shall be accounted for on the same basis as the invested entity's direct disposal of relevant assets or liabilities when losing control of the invested entity. Net profit and loss shall be excluded from the net assets of the invested entity recognized due to accounting using the equity method. Changes in owner's equity other than other comprehensive income and profit distribution are carried forward to the current profit and loss upon loss of control over the investee. Where the remaining equity after disposal is accounted for using the equity method, other comprehensive income and other owner's equity are carried forward in proportion; If the remaining equity after disposal is subject to accounting treatment in accordance with the recognition and measurement standards for financial instruments, all other comprehensive income and other owner's equity are carried forward.

If the company loses joint control or significant impact on the invested entity due to the disposal of some equity investments, the remaining equity after disposal is accounted for in accordance with the recognition and measurement standards for financial instruments, and the difference between the fair value and the book value on the date of loss of joint control or significant impact is included in the current profit and loss. The other comprehensive income recognized for the

original equity investment due to the adoption of the equity method for accounting purposes shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the investee when the equity method is terminated. The owner's equity recognized due to other changes in the owner's equity of the investee other than net profit and loss, other comprehensive income, and profit distribution shall be fully transferred to the current investment income when the equity method is terminated.

The company disposes its equity investment in a subsidiary through multiple transactions step by step until it loses control. If the above transactions are package transactions, each transaction is treated as a transaction to dispose of the equity investment in the subsidiary and lose control. The difference between each disposal price and the book value of the long-term equity investment corresponding to the equity disposed before losing control is recognized as other comprehensive income. At the time of loss of control, it is transferred to the current profit and loss of loss of control.

15. Investment properties

Investment properties refers to real estate held for the purpose of 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.

Investment properties is initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if the economic benefits related to the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures shall be included in the current profits and losses when they are incurred.

The company adopts the fair value model for subsequent measurement of investment real estate. The Company does not accrue depreciation or amortize investment real estate. On the balance sheet date, its book value is adjusted based on the fair value of the investment real estate. The difference between the fair value and the original book value is included in the current profit and loss.

When determining the fair value of investment real estate, reference should be made to the current market prices of similar or similar real estate in the active market; If the current market price of the same or similar real estate cannot be obtained, a reasonable estimate of the fair value of the investment real estate can be made by referring to the latest transaction price of the same or similar real estate in the active market, taking into account transaction conditions, transaction dates, location, and other factors; Or determine its fair value based on the expected future rental income and the present value of the relevant cash flows. When converting self used real estate or inventory into investment real estate or investment real estate into self used real estate, the book value before conversion shall be taken as the entry value after conversion.

When converting self used real estate or inventory into investment real estate, it shall be valued at its 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 profit and loss; If the fair value on the conversion date is greater than the original book value, the difference is recognized as other comprehensive income. When investment real estate is converted to self use real estate, the fair value on the date of conversion is taken as the book value of the self use real estate, and the difference between the fair value and the original book value is included in the current profit and loss.

When an investment property is disposed of or permanently withdrawn from use and it is expected that no economic benefits can be obtained from its disposal, the confirmation of the investment properties shall be terminated. The disposal income from the sale, transfer, scrapping or damage of investment properties shall be included in the current profit and loss after deducting its book value and relevant taxes.

16. Fixed assets

(1) Recognition of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing labor services, leasing or operating management, and whose useful life exceeds one fiscal year. Fixed assets are only recognized when the economic benefits related to them are likely to flow into the company and their costs can be reliably measured. Fixed assets are initially measured at cost and considering the impact of expected abandonment expenses.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is fixed assets that have been fully depreciated and still in use, and the separately priced land. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Category	Estimated useful life(years)	Residual value rate %	Depreciation rate %
Buildings	20-40	5	2.375-4.75
Machinery and equipment	8-15	5	9.50
Motor vehicles	8	5	11.875
Office and electronic equipment	5	5	19.00
Pipe network engineering	40	5	2.375
Other	5	5	19.00

The estimated net salvage value refers to the amount that the company currently obtains from the disposal of the asset after deducting the estimated disposal expenses, assuming that the estimated useful life of the fixed asset has expired and is at the end of its useful life.

(3) Fixed assets impairment test method and impairment preparation accrual method

For the impairment of the fixed assets, please refer to Note.IV.23"Impairment of long-term assets".

(4) Recognition and measurement of fixed assets acquired under finance leases

A financial lease is a lease that substantially transfers all risks and rewards related to the ownership of assets. The ownership may or may not be transferred eventually. Depreciation is accounted for in accordance with the accounting policies of fixed assets. If there is reasonable certainty that the Company will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

(5) Other

Subsequent expenditures related to fixed assets, if the economic benefits related to the Fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of Fixed assets and the confirmation of the book value of the replaced part is terminated. Other follow-up expenses other than this are included in the current profit and loss when incurred.

When the Fixed assets are in the state of disposal or no economic benefits are expected to be generated through use or disposal, the confirmation of the fixed assets is terminated. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting its book value and related taxes is included in the current profit and loss.

The company will review the service life, estimated net residual value and depreciation method of the fixed assets at least at the end of the year. If there is a change, it will be treated as a change in accounting estimates.

17.Construction in progress

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

For the impairment of the Construction in progress, please refer to Note.IV.23"Impairment of long-term assets".

18.Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings. The borrowing costs directly attributable to the acquisition, construction, or production of assets eligible for capitalization shall be capitalized when the asset expenditures have occurred, the borrowing costs have occurred, and the acquisition, construction, or production activities necessary to bring the assets to their intended usable or marketable status have begun; Capitalization of assets eligible for capitalization that are constructed or produced shall be stopped when they reach their intended usable or marketable status. The remaining borrowing costs are recognized as expenses in the current period.

The amount of the actual interest expenses incurred in the current period of special borrowings minus the interest income from unused borrowing funds deposited in banks or investment income from temporary investments shall be capitalized; The capitalization amount of general borrowings is determined by multiplying the weighted average of the accumulated asset expenditures over the special borrowings by the capitalization rate of the general borrowings used. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

During the capitalization period, all exchange differences on special foreign currency borrowings shall be capitalized; The exchange difference of foreign currency general borrowings is included in the current profit and loss.

Assets eligible for capitalization refer to fixed assets, investment real estate, inventory and other assets that require a considerable period of time (usually more than one year) for acquisition and construction or production activities to reach the expected serviceable or marketable status.

If the acquisition, construction, or production of assets eligible for capitalization is abnormally interrupted for a continuous period of more than 3 months, the capitalization of borrowing costs shall be suspended until the acquisition, construction, or production of the assets resumes.

19.Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are included in the cost of intangible assets if the relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line ageing average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ①.It is feasible technically to finish intangible assets for use or sale;
- ②.It is intended to finish and use or sell the intangible assets;
- ③.The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- ④.It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and
- ⑤.The development expenditures of the intangible assets can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Intangible asset impairment test method and impairment provision method

As for intangible asset impairment test method and impairment provision method, please refer to Note IV 21 "Impairment of long-term assets".

20. Long-term deferred expenses

Long-term deferred expenses are those expenses that have occurred but should be borne by the reporting period and subsequent periods with amortization period of more than one year. The company's long-term deferred expenses mainly include rent, consulting fee, decoration fee, and testing fee. Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period.

21. Goodwill

Goodwill is the difference between the cost of equity investment or the cost of a business combination not under the same control over the fair value share of the investee or the identifiable net assets acquired in the business combination on the date of acquisition or purchase.

Goodwill related to subsidiaries is separately listed in the consolidated financial statements, and goodwill related to associates and joint ventures is included in the book value of long-term equity investments.

22. Contract liability (Applicable from January 1, 2021)

Contract liability refer to the obligation of the company to transfer goods to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the company has obtained the unconditional right to receive payment before the company transfers the goods to the customer, the company will list the received or receivable accounts as contractual liabilities at the earlier of the customer's actual payment or due payment. Contractual assets and contract liability under the same contract are presented at a net amount, and contractual assets and contract liability under different contracts are not offset.

23. Impairment of long-term assets

For fixed assets, construction in progress, intangible assets with limited useful lives, and long-term equity investments in subsidiaries, joint ventures, and associates, the Company determines whether there is any sign of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount is estimated and an impairment test is conducted. Goodwill, intangible assets with uncertain service lives, and intangible assets that have not yet reached their usable status are subject to an impairment test every year, regardless of whether there is any indication of impairment.

If the impairment test result indicates that the recoverable amount of an asset is lower than its book value, an impairment provision shall be accrued based on the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset minus disposal expenses and the present value of the expected future cash flow of the asset. The fair value of assets is determined based on the sales agreement price in an arm's length transaction; If there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's bid for the asset; If there is no sales agreement or active market for the asset, the fair value of the asset is estimated based on the best available information. Disposal expenses include legal expenses related to the disposal of assets, relevant taxes, handling fees, and direct expenses incurred to bring the assets to a saleable state. The present value of the expected future cash flow of an asset is determined based on the expected future cash flow generated during the continuous use and final disposal of the asset, and the amount discounted at an appropriate discount rate. The provision for asset impairment is calculated and recognized on a single asset basis. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest asset portfolio that can independently generate cash inflows.

For goodwill separately listed in the financial statements, when conducting an impairment test, the book value of goodwill is apportioned to the asset group or combination of asset groups that are expected to benefit from the synergistic effects of business combinations. If the test result indicates that the recoverable amount of the asset group or combination of asset groups containing the apportioned goodwill is lower than its book value, the corresponding impairment loss is recognized. The amount of impairment loss is first offset against the book value of goodwill allocated to the asset group or asset group combination, and then offset against the book value of other assets in proportion to the proportion of the book value of assets other than goodwill in the asset group or asset group combination.

Once the above asset impairment losses are recognized, the portion of the value that is not recoverable in the future will not be reversed.

24. Employee benefits

The Company's employee compensation mainly includes short-term employee compensation, post employment benefits, dismissal benefits, and other long-term employee benefits. The benefits provided by the company to employees' spouses, children, dependants, deceased employees' survivors, and other beneficiaries are also included in employee compensation. Including:

Short-term compensation refers to the employee compensation that the company needs to pay in full within 12 months after the end of the annual reporting period during which the employee provides relevant services, except for compensation for terminating the labor relationship with the employee. It mainly includes wages, bonuses, allowances and subsidies, employee welfare, medical insurance, maternity insurance, industrial injury insurance, housing provident fund, labor union funds, employee education funds, and non monetary benefits. The company recognizes the short-term employee compensation actually incurred as a liability during the accounting period when employees provide services to the company, and includes it in the current profits and losses or related asset costs. Non monetary benefits are measured at fair value.

Post employment benefits mainly include basic pension insurance, unemployment insurance, and annuity. Post employment benefit plans include defined contribution plans and defined benefit plans. If a defined contribution plan is adopted, the corresponding amount payable shall be included in the relevant asset costs or current profits and losses when incurred. The company's defined benefit plans, including the obligations expected to be paid within 12 months after the end of the annual report period for employees to provide services, are discounted according to the market yield of treasury bond or high-quality corporate bonds in the active market that match the obligation period and currency of the defined benefit plans on the balance sheet date. If the company is unable to unilaterally withdraw the termination benefits provided due to the termination of the labor relationship plan or the layoff proposal, or if the company recognizes the costs related to the restructuring involving the payment of termination benefits, whichever is earlier, the employee compensation liabilities arising from the termination benefits shall be recognized and included in the current profits and losses. However, if the termination benefits are not expected to be fully paid within 12 months after the end of the annual reporting period, they shall be treated as other long-term employee compensation.

The internal retirement plan of employees shall be treated in the same principle as the above dismissal benefits. The Company will include the salaries and social insurance premiums to be paid for early retirees during the period from the date the employee stops providing services to the normal retirement date in the current profit and loss (termination benefits) when the conditions for recognizing estimated liabilities are met.

Other long-term employee benefits provided by the company to employees that meet the defined contribution plan shall be accounted for in accordance with the defined contribution plan, in addition to the defined benefit plan.

25.Share-based payment

(1) Accounting treatment method of share-based payment

Share-based payment is a transaction that grants equity instruments or assumes liabilities determined on the basis of equity instruments in order to obtain services provided by employees or other parties. Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment.

① Equity-settled share-based payment

Equity-settled share-based payments in exchange for services provided by employees are measured at the fair value of the equity instruments granted to employees on the grant date. The fair value amount is calculated on the basis of the best estimate of the number of vesting equity instruments during the waiting period and included in the relevant cost according to the straight-line method when the service in the waiting period is completed or the specified performance conditions are met. Or expenses/when the right is exercised immediately after the grant, the relevant costs or expenses will be included on the grant date, and the capital reserve will be increased accordingly.

On each balance sheet date during the waiting period, the company makes the best estimate based on the latest obtained follow-up information such as changes in the number of vested employees, and revises the number of equity instruments that are expected to be vested. The impact of the above estimates is included in the relevant costs or expenses of the current period, and the capital reserve is adjusted accordingly.

For equity-settled share-based payments in exchange for the services of other parties, if the fair value of the services of the other parties can be reliably measured, it shall be measured at the fair value of the services of the other parties on the acquisition date. If the fair value of the services of the other parties cannot be reliably measured, but the equity instruments If the fair value of the equity instrument can be reliably measured, it shall be measured at the fair value of the equity instrument on the date of service acquisition, included in the relevant costs or expenses, and the shareholders' equity shall be increased accordingly.

② Cash-settled share-based payment

Cash-settled share-based payments are measured at the fair value of liabilities determined on the basis of shares or other equity instruments undertaken by the company. If the right can be exercised immediately after the grant, the relevant costs or expenses will be included on the date of the grant, and the liability will be increased accordingly; if the service within the waiting period must be completed or the specified performance conditions must be met before the right can be exercised, on each balance sheet date of the waiting period, On the basis of the best estimate of the exercisable situation, according to the fair value of the liabilities assumed by the company, the

services obtained in the current period are included in costs or expenses, and the liabilities are increased accordingly.

On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of the liabilities is remeasured, and the changes are included in the current profit and loss.

(2) Relevant accounting treatments for modification and termination of share-based payment plans

When the company revises the share-based payment plan, if the revision increases the fair value of the equity instruments granted, the increase in the fair value of the equity instruments is correspondingly confirmed to obtain an increase in services. The increase in the fair value of equity instruments refers to the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of the share-based payment or adopts other methods that are not conducive to the employees, the accounting treatment of the services obtained will continue, as if the change has never occurred, unless the company cancels part or all of the granted rights and interests tool.

During the waiting period, if the granted equity instruments are cancelled, the company treats the cancellation of the granted equity instruments as an accelerated exercise, and the amount that should be confirmed during the remaining waiting period is immediately included in the current profit and loss, and the capital reserve is confirmed at the same time. If employees or other parties can choose to meet the non-exercising conditions but have not met within the waiting period, the company will treat them as the cancellation of the granted equity instruments.

26. Debentures payable

The debentures payable by the company are measured at fair value at the time of initial confirmation, and related transaction costs are included in the initial confirmation amount. Subsequent measurement is based on amortized cost.

The difference between the bond payment price and the total face value of the bond is treated as a bond premium or discount, which is amortized when interest is accrued using the actual interest rate method during the bond's duration, and is treated in accordance with the principle of handling borrowing costs.

27. Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied: (1) The Company has a present obligation; (2) It is probable that an outflow of

economic benefits will be required to settle the obligation; and (3)The amount of the obligation can be estimated reliably.

On the balance sheet date, considering factors such as risks, uncertainties, and the time value of money related to contingencies, the estimated liabilities are measured based on the best estimate of the expenditures required to perform the relevant current obligations.

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 separately recognized as an asset when it is basically certain that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liabilities.

(1) Onerous contract

Onerous contract is a contract in which the unavoidable costs of performing contractual obligations exceed the expected economic benefits. If the contract to be executed becomes a onerous contract and the obligations arising from the onerous contract meet the recognition conditions for the estimated liabilities mentioned above, the portion of the expected contract losses that exceed the recognized impairment losses (if any) of the underlying asset of the contract is recognized as the provisions.

(2) Restructuring obligations

For a detailed, formal, and publicly announced restructuring plan, the estimated liability amount is determined based on the direct expenses related to the restructuring, provided that the aforementioned recognition conditions for estimated liabilities are met. For the restructuring obligation to sell part of the business, the obligations related to the restructuring are only recognized when the company promises to sell part of the business (i.e., when a binding sale agreement is signed).

28.Preference shares, perpetual bonds and other financial instruments

(1) The distinction between perpetual bonds and preferred stocks

Financial instruments such as perpetual bonds and preferred stocks issued by the company that meet the following conditions at the same time are regarded as equity instruments:

① The financial instrument does not include contractual obligations to deliver cash or other financial assets to other parties, or exchange financial assets or financial liabilities with other parties under potentially unfavorable conditions;

②If the financial instrument needs to be settled with or available to the enterprise's own equity instruments in the future, if the financial instrument is a non-derivative instrument, it does not include the contractual obligation to deliver a variable amount of its own equity instrument for

settlement; The company can only settle the financial instrument by exchanging a fixed amount of its own equity instruments for a fixed amount of cash or other financial assets.

Except for the financial instruments that can be classified as equity instruments under the above conditions, other financial instruments issued by the company should be classified as financial liabilities.

If the financial instrument issued by the company is a compound financial instrument, it is recognized as a liability based on the fair value of the liability component, and the amount actually received after deducting the fair value of the liability component is recognized as "other equity instruments". Transaction costs incurred in the issuance of composite financial instruments are amortized between the liability component and the equity component according to their respective proportions to the total issuance price.

(2) Accounting treatment methods for perpetual bonds and preferred stocks

Perpetual bonds, preferred stocks and other financial instruments classified as financial liabilities, their related interest, dividends (or dividends), gains or losses, and gains or losses from redemption or refinancing, except for loans that meet the conditions for capitalization Except for the expenses (see Note IV. 18 "Borrowing costs"), they are all included in the current profit and loss.

When perpetual bonds and preferred stocks are classified as equity instruments, when they are issued (including refinancing), repurchased, sold or cancelled, the company treats them as changes in equity, and related transaction costs are also deducted from equity. The company's distribution to equity instrument holders is treated as a profit distribution.

The company does not recognize changes in the fair value of equity instruments.

29.Revenue

The following revenue accounting policies apply to 2021 and beyond:

When a contract between the company and a customer simultaneously meets the following conditions, revenue is recognized when the customer obtains control of the relevant goods: the parties to the contract have approved the contract and committed to fulfilling their respective obligations; The contract specifies the rights and obligations of each party in relation to the transferred goods or the provision of labor services; The contract has clear payment terms related to the transferred goods; The contract has a commercial nature, that is, the risk, time distribution, or amount that the performance of the contract will change the company's future cash flow; The consideration that the company is entitled to obtain due to the transfer of 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 apportions the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods promised by each individual performance obligation. Factors such as variable consideration, significant financing components in the contract, non cash consideration, and consideration payable to customers have been considered in determining the transaction price.

For each individual performance obligation in a contract, if one of the following conditions is met, the company will recognize the transaction price allocated to the individual performance obligation as revenue in accordance with the performance progress during the relevant performance period: the customer obtains and consumes the economic benefits brought about by the company's performance while the company performs; The customer can control the goods under construction during the performance of the company's contract; The goods produced during the performance of the contract by the company have irreplaceable uses, and the company has the right to receive payments for the part of the performance that has been completed so far accumulated throughout the contract period. The performance progress is determined using the input method or the output method based on the nature of the transferred goods. When the performance progress cannot be reasonably determined, and if the costs incurred by the company are expected to be compensated, revenue is recognized based on 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 revenue from the transaction price allocated to the individual performance obligation at the time when the customer obtains control of the relevant commodity. When determining whether a customer has obtained control of a product, the company considers the following indications: the enterprise has the right to receive current payments for the product, and has the obligation to make current payments on behalf of the customer for the product; The enterprise has transferred the legal ownership of the goods to the customer, representing that the customer has owned the legal ownership of the goods; The enterprise has transferred the physical goods to the customer, representing that the customer has possessed the goods in kind; The enterprise has transferred the main risks and rewards of ownership of the goods to the customer, representing that the customer has obtained the main risks and rewards of ownership of the goods; The customer has accepted the product; Other indications that the customer has obtained control of the goods.

The following revenue accounting policies apply to the year 2020 and before:

The company's operating income mainly includes income from the sale of goods, income from the provision of labor services, income from the transfer of asset use rights, and income from agent construction.

The revenue recognition principles are as follows:

(1) The company has transferred the main risks and rewards of the ownership of the goods to the purchaser. The company neither retains the right to continue management usually associated with the ownership, nor does it effectively control and earn income from the sold goods. The realization of income from the sale of goods can be confirmed when the amount of the goods can be reliably measured, the relevant economic benefits are likely to flow into the enterprise, and the related costs incurred or to be incurred can be reliably measured.

(2) The company recognizes the realization of labor service income when the total labor income and total cost can be reliably measured, the economic benefits related to labor services are likely to flow into the company, and the completion progress of labor services can be reliably determined.

(3) When the economic benefits related to the transaction are likely to flow into the company and the amount of income can be reliably measured, the realization of the income from the transfer of asset use rights is recognized.

(4) The agent construction project is completed and reaches the usable state, and the revenue is recognized after the completed project is handed over to the relevant unit.

(5) Construction contract revenue

When the company's total contract revenue can be reliably measured, the economic benefits related to the contract are likely to flow into the company, the actual contract costs can be clearly distinguished and reliably measured, and the contract completion schedule and the remaining costs to complete the contract can be reliably determined. , And confirm contract revenue and contract expenses based on the percentage of completion method on the balance sheet date. When using the percentage-of-completion method, the contract completion schedule is determined based on the ratio of the actual contract cost to the estimated total cost of the contract/the proportion of the completed contract work to the estimated total contract work/the actual measured completion schedule.

When the result of a construction contract cannot be reliably estimated, if the contract cost can be recovered, the contract revenue is recognized based on the actual contract cost that can be recovered, and the contract cost is recognized as an expense in the period in which it occurs; if the contract cost cannot be recovered, it should be When incurred, it is immediately recognized as an expense, and no revenue is recognized.

The company inspects the construction contract at the end of the period. If the estimated total cost of the construction contract exceeds the estimated total revenue of the contract, a loss provision is made and the estimated loss is recognized as the current expense.

30.Contractual costs (Applicable from January 1, 2021)

The incremental costs incurred by the Group in obtaining contracts that are expected to be recoverable are recognized as contract acquisition costs as an asset. However, if the amortization period of the asset does not exceed one year, it will be included in the current profit and loss when it occurs.

The cost incurred in performing a contract that does not fall within the scope of other accounting standards for business enterprises other than the Accounting Standards for Business Enterprises No. 14 - Revenue (Revised in 2017) and meets the following conditions simultaneously, is recognized as a contract performance cost as an asset: ①This cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred solely due to the contract; ②This cost increases the Group's resources for fulfilling its performance obligations in the future; ③The cost is expected to be recoverable.

Assets related to contract costs are amortized on the same basis as the recognition of commodity income related to the asset and included in the current profit and loss.

31.Government grants

Government grants refer to the monetary assets and non-monetary assets obtained by the company from the government free of charge, excluding the capital invested by the government as an investor and enjoying the corresponding owner's equity. Government grants are divided into Government grants related to assets and Government grants related to income. The company defines the Government grants obtained for purchase and construction or other forms of long-term assets as Government grants related to assets; the remaining Government grants are defined as Government grants related to income. If the government document does not clearly specify the subsidy object, the subsidy will be divided into income-related government grant and asset-related government grant in the following way: (1) The project's budget divides the relative proportions of the amount of expenditures that form assets and the amount of expenditures that are included in expenses. The proportion of divisions needs to be reviewed on each balance sheet date and changed if necessary; (2) The purpose of government documents is only for general expression, and if no specific item is specified, it is regarded as a government grant related to income. If a government grant is a monetary asset, it shall be measured at the amount received or receivable. If a government grant is a non-

monetary asset, it shall be measured at its fair value; if its fair value cannot be obtained reliably, it shall be measured at its nominal amount. Government grants measured at their nominal amounts are directly included in the current profits and losses.

The company usually confirms and measures Government grants based on the actually received amount when they are actually received. However, at the end of the period, there is conclusive evidence showing that it can meet the relevant conditions stipulated in the financial support policy. It is expected that the financial support funds will be received, and the amount will be measured according to the amount receivable. The Government grants measured in accordance with the amount receivable shall meet the following conditions at the same time: (1) The amount of the subsidy receivable has been confirmed by a document issued by the competent government department, or it can be reasonably calculated according to the relevant provisions of the officially released fiscal 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 and their financial fund management methods officially issued by the local financial department and proactively disclosed in accordance with the "Regulations on Disclosure of Government Information", and the management methods It should be inclusive (any enterprise that meets the prescribed conditions can apply), rather than specifically formulated for a specific enterprise; (3) The relevant grant approval document has clearly promised the payment period, and the payment of the funds is available. The corresponding financial budget is used as a guarantee, so it can be reasonably guaranteed that it can be received within the prescribed time limit; (4) Other relevant conditions (if any) that should be met based on the company and the specific circumstances of the subsidy.

Government grants related to assets are recognized as deferred income and included in the current profits and losses in stages within the useful life of the relevant assets in a reasonable and systematic way. Government grants related to income that are used to compensate related costs or losses in subsequent periods are recognized as deferred income and included in the current profit and loss during the period when the related costs or losses are recognized; used to compensate related costs and expenses that have already occurred or losses, directly included in the current profit and loss.

At the same time, the Government grants related to assets and income-related parts are included, and different parts are accounted for separately; if it is difficult to distinguish, the whole is classified as income-related Government grants.

Government grants related to the company's daily activities are included in other income according to the nature of economic business; Government grants not related to daily activities are included in non-operating income and expenditure.

When the confirmed government grant needs to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be offset, and the excess part shall be included in the current profit and loss; in other cases, it shall be directly included in the current profit and loss.

32. Deferred tax assets and deferred tax liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured at the amount of income tax that is expected to be paid (or returned) calculated in accordance with the provisions of the tax law. The taxable income on which the current income tax expenses are calculated is calculated after corresponding adjustments to the current year's pre-tax accounting profits in accordance with the provisions of the relevant tariff laws.

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

The difference between the book value of certain assets and liabilities and the tax base, and the difference between the book value and the tax base of items that are not recognized as assets and liabilities but whose tax base can be determined in accordance with the tax law. For temporary differences, the balance sheet debt method is used to confirm deferred income tax assets and deferred income tax liabilities.

Related to the initial recognition of goodwill, and the taxable provisional related to the initial recognition of assets or liabilities arising from transactions that are neither a business combination, nor do they affect accounting profits and taxable income (or deductible losses). For sexual differences, the related deferred income tax liabilities will not be recognized. In addition, for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, if the company can control the time for the reversal of the temporary differences, and the temporary differences may not be reversed in the foreseeable future, The related 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.

Deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither a business combination nor that do not affect accounting profits and taxable income (or deductible losses) are not recognized. Deferred tax assets. In addition, for deductible temporary differences related to investments in subsidiaries, associates and joint ventures,

if the temporary differences are not likely to be reversed in the foreseeable future, or are not likely to be deductible in the future. The taxable income of temporary differences shall not be recognized as related deferred income tax assets. Except for the above exceptions, the company is likely to obtain the taxable income that can be used to deduct the deductible temporary differences as the limit, and recognize other deferred income tax assets that can be deducted from the deductible temporary differences.

For the deductible losses and tax deductions that can be carried forward for subsequent years, the deferred income tax assets are confirmed to the limit of the future taxable income that is likely to be used to deduct the deductible losses and tax deductions.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be recovered in accordance with the provisions of the tax law.

On the balance sheet date, review the book value of deferred income tax assets. If it is likely that sufficient taxable income cannot be obtained in the future to deduct the benefits of deferred income tax assets, the book value of deferred income tax assets shall be written down. When it is possible to obtain sufficient taxable income, the reduced amount shall be reversed.

(3) Income tax expense

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

Except that the current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly included in shareholders' equity are included in other comprehensive income or shareholders' equity, and the book value of goodwill adjusted by deferred income tax arising from business combinations, the rest Current income tax and deferred income tax expenses or income are included in the current profit and loss.

(4) Offset of income tax

When it has the statutory right to net settlement, and intends to net settlement or obtain assets and pay off liabilities at the same time, the company's current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

When it has the statutory right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or are related to different taxpayers, However, in the period during which important deferred income tax assets and liabilities are reversed in the future, when the taxpayer involved intends to settle the

current income tax assets and liabilities on a net basis or obtain assets and settle liabilities at the same time, the company's deferred income tax Assets and deferred income tax liabilities are presented at the net amount after offsetting.

33. Lease

The following lease accounting policies apply to 2021 and beyond:

Lease refers to a contract whereby the company transfers or acquires the right to control the use of one or more identified assets for a certain period of time in exchange for or payment of consideration. On the commencement date of a contract, the company evaluates whether the contract is a lease or includes a lease.

(1) As a lessee

① Initial measurement

On the beginning date of the lease term, the company recognizes the right to use the leased asset during the lease term as a right to use asset, and recognizes the present value of the unpaid lease payments as a lease liability, except for short-term leases and low-value asset leases. When calculating the present value of lease payments, the company uses the implicit interest rate of the lease as the discount rate; If the implicit interest rate of the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate.

② Subsequent measurement

The Company accrues depreciation for assets with the right to use in accordance with the relevant depreciation provisions of the Accounting Standards for Business Enterprises No. 4 - Fixed Assets (please refer to Note IV.16 "Fixed assets" for details). If it can be reasonably determined that the ownership of the leased asset will be obtained upon the expiration of the lease term, the Company accrues depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained upon the expiration of the lease term, the company shall accrue depreciation during the shorter of the lease term or the remaining useful life of the leased asset.

For lease liabilities, the Company calculates the interest expense for each period of the lease term at a fixed periodic interest rate and includes it in the current profit and loss. Variable lease payments not included in the measurement of lease liabilities are included in the current profit and loss when actually incurred.

After the beginning date of the lease term, when there is a change in the actual fixed payment amount, a change in the expected payable amount of the guarantee residual value, a change in the index or ratio used to determine the lease payment amount, or a change in the evaluation result or

actual exercise of the purchase option, renewal option, or termination option, the company remeasures the lease liability based on the present value of the changed lease payment amount, and adjust the book value of the right to use assets accordingly. If the book value of the right to use asset has been reduced to zero, but the lease liability still needs to be further reduced, the company will include the remaining amount in the current profit and loss.

③ Short term leases and low value asset leases

For short-term leases (leases with a lease term of no more than 12 months on the lease start date) and low-value asset leases, the company adopts a simplified approach, not recognizing the right to use assets and lease liabilities, but recording the lease payments into the current profit and loss using the straight-line method or other systematic and reasonable methods during each period of the lease term.

(2) As a lessor

On the lease start date, the company divides leases into financing leases and operating leases based on the substance of the transaction. Finance lease refers to a lease that substantially transfers almost all the risks and rewards related to the ownership of the leased asset. Operating leases refer to leases other than finance leases.

① Operating leases

The company adopts the straight-line method to recognize the amount of lease receipts from operating leases as rental income for each period within the lease term. Variable lease payments related to operating leases that are not included in lease receipts are included in the current profit and loss when actually incurred.

② Finance leases

On the beginning date of the lease term, the company recognizes the financing lease payments receivable and derecognizes the financing lease assets. Finance lease receivables are initially measured at the net amount of the lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts that have not yet been received on the beginning date of the lease term discounted at the implicit interest rate of the lease), and interest income within the lease term is calculated and recognized at a fixed periodic interest rate. The variable lease payments obtained by the company that are not included in the measurement of net lease investment are included in the current profit and loss when actually incurred.

The following lease accounting policies apply to the year 2020 and before

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

(1) Record operating lease business as a lessee

The rental expenses of operating leases are included in the relevant asset costs or current profits and losses on a straight-line basis during each period of the lease term. The initial direct expenses are included in the current profit and loss. Contingent rents are included in the current profit and loss when actually incurred.

(2) Record operating lease business as lessor

The rental income from operating leases is recognized as current profit and loss using the straight-line method during each period of the lease term. The initial direct expenses with large amounts are capitalized when incurred and included in the current profit and loss by stages over the entire lease period on the same basis as the recognition of rental income; Other initial direct expenses with small amounts are included in the current profit and loss when incurred. Contingent rents are included in the current profit and loss when actually incurred.

(3) Record financial leasing business as a lessee

On the lease beginning date, the lower of the fair value of the leased asset and the present value of the minimum lease payment on the lease beginning date is recognized as the entry value of the leased asset, the minimum lease payment is recognized as the entry value of long-term payables, and the difference is recognized as unrecognized financing expenses. In addition, the initial direct costs incurred during the lease negotiation and signing of the lease contract that can be attributed to the lease item are also included in the value of the leased asset. The balance of the minimum lease payment after deducting unrecognized financing expenses is listed as long-term liabilities and long-term liabilities due within one year

The unrecognized financing expenses are calculated and recognized using the effective interest rate method during the lease term. Contingent rents are included in the current profit and loss when actually incurred.

(4) Record financial leasing business as lessor

On the beginning date of the lease term, the sum of the minimum lease receipts and initial direct expenses on the beginning date of the lease shall be taken as the entry value of the financing lease receivables, while the unguaranteed residual value shall be recorded; The difference between the sum of the minimum lease receipts, initial direct costs, and unguaranteed residual value and their present value is recognized as unrealized financing income. The balance of financing lease receivables after deducting unrealized financing income is listed as long-term debt and long-term debt due within one year.

Unrealized financing income is calculated and recognized using the effective interest rate method during the lease term as the current financing income. Contingent rents are included in the current profit and loss when actually incurred.

34. Other significant accounting policies, accounting estimates

(1) Discontinue business

Termination of operation refers to a component that has been disposed of or classified as held for sale by the company that meets one of the following conditions and can be distinguished separately when operating and preparing financial statements: ① This component represents an independent main Business or a main business area; ②The component is a part of the plan to dispose of an independent main business or a main business area; ③The component is a subsidiary acquired only for resale.

35. Significant accounting estimates and judgments

Estimates as well as underlying assumptions involved are reviewed on an ongoing basis, based on historical experience and other factors, including reasonableness of estimation about future events. In the process of applying accounting policies, due to internal uncertainties of operating activities, the company needs to make judgments, estimates and assumptions on the book value of report items that cannot be accurately measured. These judgments, estimates and assumptions are made based on past experience of the company executives, and considering other relevant factors. These judgments, estimates and assumptions affect the reporting amount of incomes, expenses, assets and liabilities, as well as disclosure of contingent liabilities on the balance sheet date. Nevertheless, the actual results caused by uncertainties of these estimates may be different from current estimates of the company executives, and further cause significant adjustment on the book value of affected assets or liabilities in the future.

The followings are significant accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

On the balance sheet date, important areas for the company's judgments, estimates and assumptions on financial statement item amount are as follows:

(1) Classification of lease

The company categories lease as operating lease and financing lease as stipulated in the Accounting Standards for Business Enterprises No.21 - Lease; when categorizing, the management level needs to make analysis and judgment regarding whether all risks and rewards associated with rent asset ownership has been substantively transferred to the lessee, or whether the company has

substantively borne all risks and rewards associated with leased asset ownership.

(2)Accrued provision for bad debts

The company uses the allowance method for bad debt accounting, according to accounting policy of account receivable. The impairment of account receivable is based on assessing the recoverability of account receivable. To identify impairment of account receivable requires judgments and estimates of executives. The difference between actual result and original estimate will affect the book value of account receivable, as well as the reversal and accrued provision for bad debts of account receivable during the period of estimates changed.

(3)Inventory falling price reserves

The company measures as per the lower of cost and net realizable value, and makes provision for inventory devaluation to the obsolete and unsalable inventory of which the cost exceeds the net realizable value, according to inventory accounting policy. The inventory devaluation to net realizable value is based on assessing the saleability of inventory and its net realizable value. To identify inventory devaluation requires judgments and estimates of executives based on obtaining conclusive evidence, and considering the purpose of holding inventory, influence of events after balance sheet date and other factors. The difference between actual result and original estimate will affect the book value of inventory, as well as the reversal or accrued provision for inventory devaluation during the period of estimates changed.

(4) Impairment of available-for-sale financial assets

The company's determination of whether available-for-sale financial assets is impaired depends to a large extent on the judgment and assumptions of the management to determine whether it is necessary to recognize the impairment loss in the income statement. In the process of making judgments and making assumptions, the company needs to assess the extent and duration of the investment's fair value lower than the cost, as well as the financial status and short-term business prospects of the investee, including industry conditions, technological changes, and credit ratings . Default rate and counterparty risk.

(5) Provision for impairment of long-term assets

On the balance sheet date, the company judges whether there are signs of possible impairment for non-current assets other than financial assets. For intangible assets with uncertain service life, in addition to the annual impairment test, when there are signs of impairment, an impairment test is also performed. For other non-current assets other than financial assets, when there are signs that their book amounts are not recoverable, they are tested for impairment.

When the book value of an asset or asset group is higher than the recoverable amount, that is,

the higher of the net value of the fair value minus the disposal expenses and the present value of the expected future cash flow, it indicates that an impairment has occurred.

The net amount of fair value minus disposal expenses is determined with reference to the sale agreement price of similar assets in a fair transaction or the observable market price, minus the incremental cost directly attributable to the disposal of the asset.

When predicting the present value of future cash flows, it is necessary to make significant judgments on the output, selling price, related operating costs of the asset (or asset group), and the discount rate used in calculating the present value. The company will use all available relevant information when estimating the recoverable amount, including forecasts on output, selling price and related operating costs based on reasonable and supportable assumptions.

The company tests whether goodwill is impaired at least annually. This requires an estimation of the present value of the future cash flow of the asset group or combination of asset groups to which goodwill has been allocated. When estimating the present value of future cash flows, the company needs to estimate the cash flow generated by the future asset group or combination of asset groups, and at the same time select an appropriate discount rate to determine the present value of future cash flows.

(6) Depreciation and amortization

After considering the residual value of investment real estate, fixed assets and intangible assets, the company uses the straight-line method to withdraw depreciation and amortization during their useful lives. The company regularly reviews the service life to determine the amount of depreciation and amortization expenses that will be included in each reporting period. The service life is determined by the company based on the past experience of similar assets and combined with the expected technological updates. If the previous estimate changes significantly, the depreciation and amortization expenses will be adjusted in the future period.

(7) Deferred income tax assets

To the extent that there is likely to be sufficient taxable profits to offset losses, the company recognizes deferred income tax assets for all unused tax losses. This requires the management of the company to use a lot of judgment to estimate the time and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred income tax assets that should be recognized.

(8) Income tax

In the company's normal business activities, there are certain uncertainties in the final tax treatment and calculation of some transactions. Whether some items can be paid before tax requires

the approval of the taxation authority. If the final determination result of these tax matters is different from the initial estimated amount, the difference will have an impact on the current income tax and deferred income tax during the final determination period.

36.Changes in significant accounting policies, accounting estimates and correction of errors in prior periods

(1) Changes in significant accounting policies

On March 31, 2017, the Ministry of Finance issued Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (2017 Revision) (Cai Kuai [2017] No. 7), Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets (2017 Revision) (Cai Kuai [2017] No. 8), and Accounting Standards for Business Enterprises No. 24 - Hedge Accounting (2017 Revision) (Cai Kuai [2017] No. 9), respectively. On May 2, 2017, the "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (Revised in 2017)" (Cai Kuai [2017] No. 14) (hereinafter collectively referred to as the "New Financial Instrument Standards") was issued, and the company implemented the new financial instrument standards from January 1, 2021.

Under the new financial instrument standards, all recognized financial assets are subsequently measured at amortized cost or fair value. On the implementation date of the new financial instrument standards, the business model for managing financial assets is evaluated based on the existing facts and circumstances of the company on that date, and the contractual cash flow characteristics on the financial assets are evaluated based on the facts and circumstances at the time of initial recognition of the financial assets. Financial assets are classified 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. For equity instrument investments measured at fair value with changes 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, not included in current profits and losses.

Under the new financial instrument standards, the Company accrues depreciation reserves and recognizes credit impairment losses for financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, lease receivables, contract assets, and financial guarantee contracts based on expected credit losses

The Company retroactively applies the new financial instrument standards, but for classification and measurement (including impairment) involving prior period comparative financial statement

data that are inconsistent with the new financial instrument standards, the Company chooses not to restate them.

In 2017, the Ministry of Finance revised and issued the Accounting Standards for Business Enterprises No. 14 - Revenue (CK [2017] No. 22) (hereinafter referred to as the "New Revenue Standards"), which established a new revenue recognition model to regulate the revenue generated by contracts with customers. In order to implement the new revenue standards, the company reassessed the recognition, measurement, accounting, and presentation of main contract revenue. According to the provisions of the new revenue standard, the cumulative impact of contracts that have not yet been completed on January 1, 2021 is only adjusted. The cumulative impact amount of the first execution is adjusted to the amount of retained earnings and other related items in the financial statements at the beginning of the first execution period (i.e., January 1, 2021), and no adjustment is made to comparable period information.

On December 7, 2018, the Ministry of Finance issued the Accounting Standards for Business Enterprises No. 21 - Leasing (Revised in 2018) (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Leasing Standards"), and the company implemented the new leasing standards from January 1, 2021.

The new leasing standards have improved the definition of leasing. Under the new leasing standards, the company evaluates whether the contract is a lease or includes a lease based on the definition of leasing. For contracts that already exist before the first execution date, the company chooses not to re-evaluate whether they are leases or include leases on the first execution date.

The company chooses to adjust the beginning retained earnings and other related items in the financial statements based on the cumulative impact of the initial implementation of the new lease standard, without adjusting comparable period information.

For operating leases prior to the first execution date, the company measures the lease liability at the present value of the remaining lease payments discounted at the group incremental borrowing rate on the first execution date, and makes necessary adjustments to the measurement of the right to use assets based on the prepaid rent at an amount equal to the lease liability.

The main changes and impacts of implementing the above new financial instrument standards, new income standards, and new leasing standards are as following:

A. Impact on the financial statements as of January 1, 2021

Item	As at 31/12/2020 (before change)		As at 1/1/2021 (after change)	
	Consolidated statement	Financial statement	Consolidated statement	Financial statement

For the year ended 31 December 2021

Item	As at 31/12/2020 (before change)		As at 1/1/2021 (after change)	
Available-for-sale financial assets	47,411,070.00	94,081,070.00		
Other equity instrument investments			26,411,070.00	73,081,070.00
Other non-current financial assets			21,000,000.00	21,000,000.00
Advances from customers	4,701,902.87			
Contract liability			4,564,954.24	
Other current liabilities			136,948.63	

(2) Changes in significant accounting estimates

The company has not experienced any significant changes in accounting estimates during the reporting period.

V. Taxation**1. Main types of taxes and corresponding tax rates**

Categories of taxes	Specific tax rate situation
VAT	The output tax shall be calculated on taxable income at 13% or other tax rates, and VAT shall be calculated and paid on the difference after deducting the allowable deduction of input tax for the current period; VAT shall be levied on construction projects started before the replacement of business tax with VAT at the rate of 3%.
City maintenance and construction tax	Calculated and paid at 7%,5% of the actually paid turnover tax.
Corporate income tax	Calculated and paid at 25% of taxable income.
Educational surtax	Calculated and paid at 5% of the turnover tax actually paid.

2. Tax preference

Non

3. Other

Non

VI. Notes to the consolidated financial statements

If the following explanatory items (including the main items of the company's financial statements) involve changes in accounting policies, the data for the previous period will be

For the year ended 31 December 2021

presented in the amount of 1/1/2021, the data for the current period will be presented in the amount of 31/12/2021. Items without accounting policy changes, the data for the previous period will be presented in the amount of 31/12/2020, the data for the current period will be presented in the amount of 31/12/2021. Unless otherwise specified, the monetary unit is RMB.

1. Cash at bank and in hand

Item	As at 31/12/2021	As at 31/12/2020
Cash in hand	270,671.86	422,306.88
Deposits with banks	444,661,491.67	779,479,335.68
Other monetary funds	208,996,300.00	100,000,000.00
Total	653,928,463.53	879,901,642.56

Note: At the end of year 2021, no restricted monetary funds in the company's monetary capital.

2. Accounts receivable**(1) Disclosure by ageing**

Ageing	As at 31/12/2021
Within 1 year	40,784,064.04
1 to 2 years	917,425.57
2 to 3 years	821,932.24
More than 3 years	155,043.80
Subtotal	42,678,465.65
Less: provision for bad and doubtful debts	236,153.12
Total	42,442,312.53

(2) Accounts receivable by category

Category	As at 31/12/2021				Carrying amount
	Book balance		Provision for bad and doubtful debts		
	Amount	Proportion (%)	Amount	Percentage of provision (%)	
Accounts receivable for which bad and doubtful debts are individually provisioned					
Provision for bad and doubtful debts by group	42,678,465.65	100.00	236,153.12	0.55	42,442,312.53
Including: Ageing group	12,291,373.38	28.80	236,153.12	1.92	12,055,220.26
Government unit group	1,845,738.43	4.32			1,845,738.43
Other group	28,541,353.84	66.88			28,541,353.84

For the year ended 31 December 2021

Category	As at 31/12/2021				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Total	42,678,465.65	100.00	236,153.12	0.55	42,442,312.53

(Continued)

Category	As at 31/12/2020				
	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Percentage of provision(%)	
Accounts receivable for which bad and doubtful debts are individually provisioned					
Provision for bad and doubtful debts by group	114,189,390.14	100.00	127,994.09	0.11	114,061,396.05
Including: Ageing group	13,267,574.15	11.62	127,994.09	0.96	13,139,580.06
Government unit group	40,101.43	0.04			40,101.43
Other group	100,881,714.56	88.34			100,881,714.56
Total	114,189,390.14	100.00	127,994.09		114,061,396.05

①Accounts receivable which are collectively assessed for impairment using the ageing analysis method at the end of the year:

Ageing	As at 31/12/2021		
	Book balance	Provision for bad and doubtful debts	Proportion (%)
Within 1 year	10,794,179.40		
1 to 2 years	614,705.57	30,735.29	5.00
2 to 3 years	786,087.91	157,217.58	20.00
More than 3 years	96,400.50	48,200.25	50.00
Total	12,291,373.38	236,153.12	

(3) Amount of bad and doubtful debts increase/decrease changes in the current period

Item	As at 31/12/2020	Current change amount			As at 31/12/2021
		Provision	Withdrawal/Reversal	Offset/Write off	
Bad and doubtful debts	127,994.09	108,159.03			236,153.12

For the year ended 31 December 2021

Item	As at 31/12/2020	Current change amount			As at 31/12/2021
		Provision	Withdrawal/ Reversal	Offset/Write off	
Total	127,994.09	108,159.03			236,153.12

(4) As at 31 December 2021, the five largest accounts receivable aggregated by debtors were analysed as follows:

Debtor	As at 31/12/2021	The proportion of the total accounts receivable (%)	Provision for bad and doubtful debts
Suzhou Wuzhong City Construction Investment Development Co., Ltd. Canglang Street, Gusu District, Suzhou City	26,793,620.91	62.78	
Hili (Shanghai) Cultural Communication Co., Ltd.	1,765,059.00	4.14	
Suzhou Rural Revitalization School	1,300,000.00	3.05	
Tianjin Hailin Tengfei Culture and Art Development Co., Ltd.	1,036,052.88	2.43	
	300,000.00	0.70	15,000.00
Total	31,194,732.79	73.10	15,000.00

3. Prepayments

(1) The ageing analysis of prepayments is as follows:

Ageing	As at 31/12/2021		As at 31/12/2020	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	7,249,466.86	16.80	12,582,116.49	20.84
1 to 2 years	6,368,190.37	14.76	4,594,473.68	7.61
2 to 3 years	775,473.98	1.80	13,488,131.45	22.34
More than 3 years	28,752,953.61	66.64	29,699,653.67	49.21
Total	43,146,084.82	100.00	60,364,375.29	100.00

(2) As at 31 December 2021, the five largest prepayments aggregated by debtors were analysed as follows:

Debtor	As at 31/12/2021	Ageing	The proportion of the total accounts receivable (%)
Suzhou Wuzhong District Linhu Town Finance Office	13,682,310.50	More than 3 years	31.71
State Grid Suzhou Power Supply Company	12,041,315.61	Within 1 year, More than 1 to 3 years	27.91
Suzhou Weilishi Building and Decoration Engineering Co., Ltd.	8,634,412.35	Within 1 year, 1 to 2 years	20.01
Suzhou Suhua Agricultural Power Development Co., Ltd.	3,334,733.26	More than 3 years	7.73
Suzhou Suneng Group Co., Ltd. Xinwucheng Engineering Branch	1,025,965.45	1 to 2 years	2.38
Total	38,718,737.17		89.74

4. Other receivables

Item	As at 31/12/2021	As at 31/12/2020
Other receivables	1,720,313,364.86	1,570,962,893.78
Interest receivable		13,712,933.26
Dividends receivable		
Total	1,720,313,364.86	1,584,675,827.04

(1) Other receivables

① Disclosure by ageing

Ageing	As at 31/12/2021
Within 1 year	635,692,514.94
1 to 2 years	185,166,931.99
2 to 3 years	508,641,511.93
More than 3 years	391,958,949.06
Subtotal	1,721,459,907.92
Less: provision for bad and doubtful debts	1,146,543.06
Total	1,720,313,364.86

② Classification by nature of other receivables

Nature of other receivables	As at 31/12/2021	As at 31/12/2020
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For the year ended 31 December 2021

Nature of other receivables	As at 31/12/2021	As at 31/12/2020
Deposit	2,357,424.21	890,430.00
Petty cash	161,583.65	495,877.59
Current payment	1,701,800,291.12	1,567,003,726.17
Advance payment	13,217,529.72	1,691,958.78
Other	3,923,079.22	1,825,770.97
Subtotal	1,721,459,907.92	1,571,907,763.51
Less: provision for bad and doubtful debts	1,146,543.06	944,869.73
Total	1,720,313,364.86	1,570,962,893.78

③Details about the provision for bad and doubtful debts

Provision for bad and doubtful debts	First stage	Second stage	Third stage	Total
	Expected credit losses in the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
As at 31/12/2020	129,430.53		815,439.20	944,869.73
Book value of other receivables in the current period:				
— shift to second stage				
— shift to third stage				
— turn back to second stage				
— turn back to first stage				
Provision in the current period	201,673.33			201,673.33
Reversal in the current period				
Offset in the current period				
Write off in the current				

For the year ended 31 December 2021

	First stage	Second stage	Third stage	Total
Provision for bad and doubtful debts	Expected credit losses in the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
period				
Other changes				
As at 31/12/2021	331,103.86		815,439.20	1,146,543.06

④ Amount of bad and doubtful debts increase/decrease changes in the current period

Item	As at 31/12/2020	Current change amount			As at 31/12/2021
		Provision	Withdrawal/ Reversal	Offset/Write off	
Bad and doubtful debts	944,869.73	201,673.33			1,146,543.06
Total	944,869.73	201,673.33			1,146,543.06

⑤ Details of other receivables in the third stage at the end of the year

Contents of other receivables	Book balance	Provision for bad and doubtful debts	Percentage of provision %	Rationale of provision
Suzhou Fuhui Hotel	815,439.20	815,439.20	100.00	The Business License of customer has been revoked

⑥ As at 31 December 2021, the five largest other receivables aggregated by debtors were analysed as follows:

Debtors	Nature or content	As at 31/12/2021	Ageing	The proportion of other total receivables (%)	Provision for bad and doubtful debts
Suzhou Taihu Dongting Gucun Tourism Development Co., Ltd.	Current payment	780,900,313.97	Within 1 year, 1 to 3 years	45.36	
Suzhou Wuzhong City Construction Investment	Current payment	498,488,109.20	2 to 3 years, More than 3 years	28.96	

For the year ended 31 December 2021

Debtors	Nature or content	As at 31/12/2021	Ageing	The proportion of other total receivables (%)	Provision for bad and doubtful debts
Development Co., Ltd.					
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	Current payment	332,882,201.42	2 to 3 years More than 3 years	19.34	
Wuzhong District State-owned Assets Management Bureau	Current payment	25,000,000.00	2 to 3 years	1.45	
Suzhou Xiangshan Culture Development Co., Ltd.	Current payment	15,000,000.00	More than 3 years	0.87	
Total	—	1,652,270,624.59	—	95.98	

(2) Interest receivable

① Classification of interest receivable

Item	As at 31/12/2021	As at 31/12/2020
Interest on fixed deposits		13,712,933.26
Total		13,712,933.26

5. Inventories

(1) Inventories by category

Category	As at 31/12/2021		
	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	266,046.37		266,046.37
Finished goods	1,565,557.29		1,565,557.29
Contract performance cost	6,712,451,964.05		6,712,451,964.05
Total	6,714,283,567.71		6,714,283,567.71

(Continue)

Category	As at 31/12/2020
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	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	325,808.93		325,808.93
Finished goods	1,537,691.72		1,537,691.72
Development Costs	5,544,120,439.83		5,544,120,439.83
Development products	619,491,163.80		619,491,163.80
Total	6,165,475,104.28		6,165,475,104.28

6. Other current assets

Item	As at 31/12/2021	As at 31/12/2020
Deductible input VAT	59,356,390.61	60,618,389.76
Prepayment of other taxes and charges	3,061,574.49	979,657.45
Total	62,417,965.10	61,598,047.21

7. Other equity instrument investments**(1) Details about other equity instrument investments**

Item	As at 31/12/2021	As at 1/1/2020
Suzhou Wuzhong Industrial Optimization Fund Development Co., Ltd.	5,000,000.00	5,000,000.00
Suzhou Wuzhong Jinkong Commercial Factoring Co., Ltd.	21,411,070.00	21,411,070.00
Total	26,411,070.00	26,411,070.00

Note: Other equity instrument investments of the company are investments that the company plans to hold for a long time rather than for trading purposes. Therefore, the company designates them as financial assets measured at fair value with changes included in other comprehensive income.

(2) Details about non-trading equity instruments

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount transferred from other comprehensive income to retained earnings	Reason for designation as measured at fair value with changes included in other comprehensive income	Reasons for transferring other comprehensive income to retained earnings
Suzhou Wuzhong Industrial Optimization Fund Development Co., Ltd.					Strategic investment	
Suzhou Wuzhong Jinkong Commercial Factoring Co., Ltd.					Strategic investment	

8. Other non-current assets		
Item	As at 31/12/2021	As at 1/1/2021
Financial assets classified as measured at fair value through profit or loss		
Including: Debt instrument investment		
Equity instrument investment	30,000,000.00	21,000,000.00
Hybrid instrument investment		
Other		
Financial assets designated as measured at fair value through profit or loss		
Including: Debt instrument investment		
Equity instrument investment		
Other		
Total	30,000,000.00	21,000,000.00

(1) Details about other non-current assets

Item	As at 31/12/2021	As at 1/1/2021
Jiangsu Grand Canal Cultural Tourism Development Fund (limited partnership)	30,000,000.00	21,000,000.00

9. Investment properties

(1) Fair value model for investment properties

Item	Buildings	Total
As at 31/12/2020	1,027,783,638.73	1,027,783,638.73
Current change		
Add: outsourcing		
Inventories \ Intangible assets \ Construction in progress transferred in		
Additions due to business combination		
Less: dispose		
Other transfer out		
Changes in fair value	21,961,790.80	21,961,790.80
As at 31/12/2021	1,049,745,429.53	1,049,745,429.53

(2) Amount and reason of investment properties without property right certificate

Item	Book value	Reasons for without property right certificate
Holiday Plaza	455,423,429.53	Processing

Note: The fair value of investment properties has been evaluated by an asset evaluation institution with relevant business qualifications, and an asset evaluation report of ZRPBZ [2022] 000098 has been issued. Please refer to Note VI. 44 for details of the company's ending balance of external mortgage and guarantee investment properties.

10. Fixed assets

Item	As at 31/12/2021	As at 31/12/2020
Fixed assets	607,052,929.00	285,683,384.22
Disposal of fixed assets		
Total	607,052,929.00	285,683,384.22

(1) Fixed assets

A. Details about fixed assets

For the year ended 31 December 2021

Item	Buildings	Mechanical equipment	Motor vehicles	General equipment (Electronic and office)	Other	Total
I. Cost						
1. Balance as at 31/12/2020	280,005,428.21	58,484,558.54	7,434,717.70	36,253,228.34	1,505,584.77	383,683,517.56
2. Additions during the year	336,730,719.70	196,969.17	35,440.71	6,224,089.07	357,983.53	343,545,202.18
(1) Purchases		196,969.17	35,440.71	6,224,089.07	357,983.53	6,814,482.48
(2) Transfer in of construction in progress	336,730,719.70					336,730,719.70
3. Decrease during the year				18,400.00		18,400.00
(1) Disposals or written-offs				18,400.00		18,400.00
4. Balance as at 31/12/2021	616,736,147.91	58,681,527.71	7,470,158.41	42,458,917.41	1,863,568.30	727,210,319.74

For the year ended 31 December 2021

Item	Buildings	Mechanical equipment	Motor vehicles	General equipment (Electronic and office)	Other	Total
II. Accumulated depreciation:						
1. Balance as at 31/12/2020	37,806,356.10	30,911,940.97	5,518,530.87	22,891,670.25	871,635.15	98,000,133.34
2. Additions during the year	15,381,332.27	1,386,228.37	706,555.58	4,550,612.42	150,192.76	22,174,921.40
(1) Provision	15,381,332.27	1,386,228.37	706,555.58	4,550,612.42	150,192.76	22,174,921.40
3. Decrease during the year				17,664.00		17,664.00
(1) Disposals or written-offs				17,664.00		17,664.00
4. Balance as at 31/12/2021	53,187,688.37	32,298,169.34	6,225,086.45	27,424,618.67	1,021,827.91	120,157,390.74
III. Provision for impairment						

For the year ended 31 December 2021

Item	Buildings	Mechanical equipment	Motor vehicles	General equipment (Electronic and office)	Other	Total
1. Balance as at 31/12/2020						
2. Additions during the year						
(1) Provision						
3. Decrease during the year						
(1) Disposals or written-offs						
4. Balance as at 31/12/2021						
IV. Carrying amount						
1. Balance as at 31/12/2021	563,548,459.54	26,383,358.37	1,245,071.96	15,034,298.74	841,740.39	607,052,929.00
2. Balance as at	242,199,072.11	27,572,617.57	1,916,186.83	13,361,558.09	633,949.62	285,683,384.22

		For the year ended 31 December 2021				
Item	Buildings	Mechanical equipment	Motor vehicles	General equipment (Electronic and office)	Other	Total
31/12/2020						

(2) Amount and reason of fixed assets without property right certificate

Item	Book value	Reasons for without property right certificate
Holiday Plaza	75,150,851.94	Processing

Note: Please refer to Note VI. 44 for details of the company's ending balance of external mortgage and guarantee fixed asset.

11. Construction in progress

(1) Details about construction in progress

Item	As at 31/12/2021			As at 31/12/2020		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Guest House Renovation	10,582,704.31		10,582,704.31	323,961,805.79		323,961,805.79
Holiday Plaza (Phase II)	317,310,872.40		317,310,872.40	227,331,441.15		227,331,441.15
Sanshan Island	19,648,673.64		19,648,673.64	19,648,673.64		19,648,673.64
Man Taihu Lake Four						
Seasons Inn Grandma Bridge Store	3,978,350.07		3,978,350.07	3,978,350.07		3,978,350.07

For the year ended 31 December 2021

Item	As at 31/12/2021			As at 31/12/2020		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Yuyangshan Intercontinental Hotel	82,451,831.52		82,451,831.52	73,009,579.97		73,009,579.97
Total	433,972,431.94		433,972,431.94	647,929,850.62		647,929,850.62
(2) Changes in significant construction-in-progress projects during the period						
Item	As at 31/12/2020	Additions during the year	Transfers to fixed assets	Other decreases	As at 31/12/2021	
Guest House Renovation	323,961,805.79	23,351,618.22	336,730,719.70		10,582,704.31	
Holiday Plaza (Phase II)	227,331,441.15	89,979,431.25			317,310,872.40	
Sanshan Island	19,648,673.64				19,648,673.64	
Man Taihu Lake Four Seasons Inn Grandma Bridge Store	3,978,350.07				3,978,350.07	
Yuyangshan Intercontinental Hotel	73,009,579.97	9,442,251.55			82,451,831.52	
Total	647,929,850.62	122,773,301.02	336,730,719.70		433,972,431.94	

Note: Please refer to Note VI. 44 for details of the company's ending balance of external mortgage and guarantee construction in progress.

12. Intangible assets**(1) Details about intangible assets**

Item	Land use right	Software	Total
I. Cost			
1. Balance as at 31/12/2020	423,675,967.75	2,308,511.20	425,984,478.95
2. Additions during the year			
(1) Purchase			
(2) Internal development			
3. Decrease during the year			
(1) Disposal			
(2) Transfer for investment property	423,675,967.75	2,308,511.20	425,984,478.95
4. Balance as at 31/12/2021			
II. Accumulative amortisation			
1. Balance as at 31/12/2020	62,868,220.22	1,184,462.02	64,052,682.24
2. Additions during the year			
(1) Provision	11,509,804.00	572,374.77	12,082,178.77
3. Decrease during the year			
(1) Disposal	11,509,804.00	572,374.77	12,082,178.77
(2) Transfer for investment property	423,675,967.75	2,308,511.20	425,984,478.95
3. Decrease during the year			
(1) Disposal			
(2) Transfer for investment property			

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Item	Land use right	Software	Total
4. Balance as at 31/12/2021	74,378,024.22	1,756,836.79	76,134,861.01
III.Provision for impairment			
I. Balance as at 31/12/2020			
2. Additions during the year			
(1) Provision			
3. Decrease during the year			
(1) Disposal			
4. Balance as at 31/12/2021			
IV.Carrying amount			
1. Balance as at 31/12/2021	349,297,943.53	551,674.41	349,849,617.94
1. Balance as at 31/12/2020	360,807,747.53	1,124,049.18	361,931,796.71

Note: Please refer to Note VI. 44 for details of the company's ending balance of external mortgage and guarantee intangible asset.

13.Long-term deferred expenses

Item	As at 31/12/2020	Additions during the year	Amortisation for the year	Others decreases	As at 31/12/2021
Rent	483,333.03		200,000.04		283,332.99
Renovation costs		6,433,899.08	107,231.65		6,326,667.43
Total	483,333.03	6,433,899.08	307,231.69		6,610,000.42

14. Deferred tax assets and deferred tax liabilities

(1) Details of deferred tax assets not offset

Item	As at 31/12/2021	As at 31/12/2020
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For the year ended 31 December 2021

	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provisions for impairment of assets	1,382,696.18	345,674.05	1,072,863.82	268,215.96
Total	1,382,696.18	345,674.05	1,072,863.82	268,215.96

(2) Details of deferred tax liabilities not offset

Item	As at 31/12/2021		As at 31/12/2020	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of investment properties	332,531,985.84	83,132,996.46	310,570,194.96	77,642,548.76
Total	332,531,985.84	83,132,996.46	310,570,194.96	77,642,548.76

15. Short-term loans

(1) Short-term loans by category

Category	As at 31/12/2021	As at 31/12/2020
Guaranteed loans	1,121,000,000.00	824,000,000.00
Credit loans	200,000,000.00	
Interest payable on short-term loans	1,129,305.54	
Total	1,322,129,305.54	824,000,000.00

16. Bills payable

Category	As at 31/12/2021	As at 31/12/2020
Letter of credit	380,000,000.00	
Commercial acceptance bills	446,000,000.00	90,000,000.00
Total	826,000,000.00	90,000,000.00

17. Accounts payable

① The ageing analysis of accounts payable is as follows:

Ageing	As at 31/12/2021	As at 31/12/2020
Within 1 year	47,707,949.36	45,673,304.98
1 to 2 years	2,944,298.22	57,106,314.61
2 to 3 years	42,362,052.06	9,473,642.70
More than 3 years	16,671,979.25	10,987,153.74
Total	109,686,278.89	123,240,416.03

② As at 31 December 2021, accounts payable with ageing over 1 year :

For the year ended 31 December 2021

Item	As at 31/12/2021	Reasons for outstanding or carry-over
Kunshan Huayi Municipal Engineering Co., Ltd.	1,028,735.65	Unsettled project
Jiangsu Zhenjiang Installation Group Co., Ltd.	12,191,666.67	Unsettled project
Suzhou Jianxin Construction Group Co., Ltd	2,098,093.74	Unsettled project
Suzhou Suning Decoration Share Co., Ltd.	15,748,006.59	Unsettled project
Total	31,066,502.65	

18. Contract liability**(1) Details about contract liability**

Item	As at 31/12/2021
Advance sales payment	6,374,827.06
Less: included in other current liabilities	266,391.03
Total	6,108,436.03

19. Employee benefits payable**(1) Overall situation**

Item	As at 31/12/2020	Accrued during the year	Decreased during the year	As at 31/12/2021
Short-term employee benefits	5,248,226.76	69,762,883.34	70,847,807.51	4,163,302.59
Post-employment benefits - defined contribution plans	702.19	6,335,116.69	6,334,500.63	1,318.25
Termination benefits				
Other benefits due within one year				
Total	5,248,928.95	76,098,000.03	77,182,308.14	4,164,620.84

(2) Short-term employee benefits

Item	As at 31/12/2020	Accrued during the year	Decreased during the year	As at 31/12/2021
Salaries, bonus, allowances	4,860,214.58	61,077,267.50	61,920,664.48	4,016,817.60
Staff welfare	378,530.14	742,066.69	977,151.83	143,445.00
Social insurances	344.70	3,391,811.74	3,391,548.44	608.00
Including: Medical insurance	309.24	2,994,830.16	2,994,607.40	532.00

For the year ended 31 December 2021

Item	As at 31/12/2020	Accrued during the year	Decreased during the year	As at 31/12/2021
Work-related injury insurance	0.01	98,854.86	98,839.67	15.20
Maternity insurance	35.45	298,126.72	298,101.37	60.80
Housing Fund	400.00	4,369,548.99	4,367,517.00	2,431.99
Labor union fees, staff and workers' education fee	8,737.34	182,188.42	190,925.76	
Short-term paid absences				
Total	5,248,226.76	69,762,883.34	70,847,807.51	4,163,302.59

(3) Defined contribution plans

Item	As at 31/12/2020	Accrued during the year	Decreased during the year	As at 31/12/2021
Post-employment benefits	504.00	6,142,824.00	6,142,112.00	1,216.00
Unemployment insurance	198.19	192,292.69	192,388.63	102.25
Enterprise annuity payment				
Total	702.19	6,335,116.69	6,334,500.63	1,318.25

20. Taxes payable

Item	As at 31/12/2021	As at 31/12/2020
VAT	3,558,973.09	2,757,239.40
Corporate income tax	11,228,586.32	7,248,889.22
Urban maintenance and construction tax	62,065.94	63,176.01
Personal income tax	102,910.66	46,922.29
Property tax	19,049.94	231,892.02
Stamp tax	71,612.10	69,000.50
Educational surtax	62,065.93	63,176.01
Land usage tax	870,043.63	486,925.44
Other	30,896.83	114,685.86
Total	16,006,204.44	11,081,906.75

21. Other payables

Item	As at 31/12/2021	As at 31/12/2020
Other payables	27,652,340.12	16,035,727.10

For the year ended 31 December 2021

Item	As at 31/12/2021	As at 31/12/2020
Interest payable		13,752,878.88
Dividends payable		
Total	27,652,340.12	29,788,605.98

(1) Other payables

① The nature of other payable is as follows:

Item	As at 31/12/2021	As at 31/12/2020
Deposit	13,950,314.60	5,924,364.12
Current accounts	7,902,655.04	2,180,412.43
Withholding and payment	25,801.00	
Other	5,773,569.48	7,930,950.55
Total	27,652,340.12	16,035,727.10

(2) Interest payable

Item	As at 31/12/2021	As at 31/12/2020
Interest payable on long-term loans with installment and interest charges		6,627,305.23
Interest payable on debentures		6,041,095.89
Interest payable on short-term loans		1,084,477.76
Total		13,752,878.88

22. Non-current liabilities due within one year

Item	As at 31/12/2021	As at 31/12/2020
Long-term loans due within one year	1,130,543,522.02	909,735,713.00
Long-term payables due within one year		910,000,000.00
Debentures due within one year	20,035,750.00	
Total	1,150,579,272.02	1,819,735,713.00

23. Long-term loans

Item	As at 31/12/2021	As at 31/12/2020
Guaranteed loans	2,545,239,528.33	3,315,575,241.33
Loans secured by mortgages	1,106,130,000.00	735,630,000.00
Pledged loans		98,500,000.00
Interest payable on long-term loans	5,434,952.02	
Less: long-term loans due within one year	1,130,543,522.02	909,735,713.00

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Item	As at 31/12/2021	As at 31/12/2020
Total	2,526,260,958.33	3,239,969,528.33

24. Debentures payable**(1) Debentures payable**

Item	As at 31/12/2021	As at 31/12/2020
20 Taihu Lake Tourism 01	497,375,000.00	495,875,000.00
GC Taihu Lake Tourism 01	198,550,000.00	
21 Taihu Lake Tourism PPN1	199,000,000.00	
21 Taihu Lake Tourism PPN2	298,950,000.00	
Total	1,193,875,000.00	495,875,000.00

(2) Increases and decreases of debentures payable (Excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities):

Bond name	Face value	Issuance date	Term	Balance as at 31/12/2020
20 Taihu Lake Tourism 01	500,000,000.00	September 18, 2020	3 years	495,875,000.00
GC Taihu Lake Tourism 01	200,000,000.00	May 18, 2021	3 years	
21 Taihu Lake Tourism PPN1	200,000,000.00	June 15, 2021	3 years	
21 Taihu Lake Tourism PPN2	300,000,000.00	September 17, 2021	2 years	
Interest payable on debentures payable				
Subtotal	1,200,000,000.00			
Less: Debentures payable due within one year				
Total	1,200,000,000.00			495,875,000.00

(Continued)

Bond name	Issuance during the year	Amortization of premiums or discounts	Repayment during the year	Balance as at 31/12/2021
20 Taihu Lake Tourism 01		-1,500,000.00		497,375,000.00

For the year ended 31 December 2021

Bond name	Issuance during the year	Amortization of premiums or discounts	Repayment during the year	Balance as at 31/12/2021
GC Taihu Lake Tourism 01	198,200,000.00	-350,000.00		198,550,000.00
21 Taihu Lake Tourism PPN1	198,800,000.00	-200,000.00		199,000,000.00
21 Taihu Lake Tourism PPN2	298,800,000.00	-150,000.00		298,950,000.00
Interest payable on debentures payable				20,035,750.00
Subtotal	695,800,000.00	-2,200,000.00		1,213,910,750.00
Less: Debentures payable due within one year				20,035,750.00
Total				1,193,875,000.00

25. Long-term payables

Item	As at 31/12/2021	As at 31/12/2020
Long-term payables		980,000,000.00
Less: Long-term loans due within one year		910,000,000.00
Total		70,000,000.00

26. Deferred income

Item	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021	Reasons of formation
government subsidies	3,240,333.75	313,190.00	965,338.86	2,588,184.89	The tourism bureau subsidizes electronic equipment
Government grant	42,720,000.00		25,000,000.00	17,720,000.00	Financial allocation
Total	45,960,333.75	313,190.00	25,965,338.86	20,308,184.89	—

Among them, projects involving government subsidies and government grant is as follows:

Item	kind	As at 31/12/2020	Additions during the year	Reductions during the year				As at 31/12/2021
				Recorded	Recorded in other income	Offset	Other	

For the year ended 31 December 2021

				in non- opera- ting inco- me	costs	loss es	
Electronic equipment	governm ent subsidies	3,240,333.75	313,190.00		965,338.86		2,588,184.89
Special funds for creating national 5A level scenic spots	Govern ment grant	40,270,000.00			25,000,000.00		15,270,000.00
Provincial urban infrastructure construction guidance funds	Govern ment grant	2,450,000.00					2,450,000.00
Total		45,960,333.75	313,190.00		25,965,338.86		20,308,184.89

27. Paid-in capital

Investor	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	2,335,589,200.00			2,335,589,200.00
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	525,000,000.00			525,000,000.00
Total	2,860,589,200.00			2,860,589,200.00

28. Capital reserve

Item	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021
Capital premiums				
Other capital reserves	1,329,570,789.04			1,329,570,789.04
Total	1,329,570,789.04			1,329,570,789.04

29. Other comprehensive income

Item	As at 31/12/2020	Amount incurred in the current period					As at 31/12/2021
		Amount incurred before income tax in the current period	Less: Recorded in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
Other comprehensive income that cannot be reclassified into profit or loss							
Other comprehensive income to be reclassified into profit or loss	175,378,179.14						175,378,179.14
Value added on the first conversion day of construction in progress to investment property	175,378,179.14						175,378,179.14
Total	175,378,179.14						175,378,179.14

30. Surplus reserve

Item	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021
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Item	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021
Statutory surplus reserve	15,545,849.52	1,519,202.98		17,065,052.50
Discretionary surplus reserve				
Total	15,545,849.52	1,519,202.98		17,065,052.50

31. Retained earnings

Item	As at 31/12/2021	As at 31/12/2020
Retained earnings as at the end of last year (before adjustment)	16,633,345.63	-41,123,992.07
Total adjustments for opening retained earnings (“+” for increase; “-” for decrease)		
Retained earnings as at the beginning of the year (after adjustment)	16,633,345.63	-41,123,992.07
Add: Net profits for the year attributable to shareholders of the Company	54,632,279.63	59,599,813.81
Less: Appropriation for statutory surplus reserve	1,519,202.98	1,842,476.11
Appropriation for discretionary surplus reserve		
Appropriation for general reserve fund		
Cash dividends		
Dividends converted to share capital		
Retained earnings as at the end of the year	69,746,422.28	16,633,345.63

32. Operating income and operating cost

Item	Year ended 31/12/2021		Year ended 31/12/2020	
	Operating income	Operating cost	Operating income	Operating cost
Principal activities	306,015,787.77	219,983,522.40	294,354,401.37	217,882,541.79
Other operating activities				
Total	306,015,787.77	219,983,522.40	294,354,401.37	217,882,541.79

(1) Principal activities:

Item	Year ended 31/12/2021		Year ended 31/12/2020	
	Operating income	Operating cost	Operating income	Operating cost
Tourism	137,770,233.37	98,896,031.92	81,973,267.97	59,205,867.38

For the year ended 31 December 2021

Item	Year ended 31/12/2021		Year ended 31/12/2020	
	Operating income	Operating cost	Operating income	Operating cost
Service				
Lessing business	17,502,814.09		17,665,455.52	
Income from agency construction	91,544,600.68	76,287,167.23	148,046,218.60	123,371,848.83
Property sale	32,918,106.24	25,366,099.00	22,190,749.96	17,518,717.80
Conference service and other	26,280,033.39	19,434,224.25	24,478,709.32	17,786,107.78
Total	306,015,787.77	219,983,522.40	294,354,401.37	217,882,541.79

33. Taxes and surcharges

Item	Year ended 31/12/2021	Year ended 31/12/2020
Urban maintenance and construction tax	139,679.59	120,084.64
Educational surtax	109,663.30	120,084.65
Property tax	1,813,371.28	1,114,694.07
Stamp tax	630,024.20	73,246.06
Land usage tax	1,816,024.31	1,729,763.26
Other tax	1,226,552.31	117,892.86
Total	5,735,314.99	3,275,765.54

34. Financial expenses

Item	Year ended 31/12/2021	Year ended 31/12/2020
Interest expenses	1,538,381.75	4,487,837.38
Less: Interest income	19,466,056.82	20,503,820.28
Bank charges and other	553,428.91	314,767.77
Total	-17,374,246.16	-15,701,215.13

35. Other income

Item	Year ended 31/12/2021	Year ended 31/12/2020
Tax refund and reduction	955,537.94	
Subsidy for state-owned assets of	50,000.00	

For the year ended 31 December 2021

Shatan Mountain Party Mass Posthouse		
Fuel subsidies		721,200.00
Municipal reward for issuing new types of bonds in Suzhou	1,000,000.00	
Post allowance	161,491.66	897,456.69
Special guiding fund for tourism projects		3,176,000.00
5A Scenic Area Upgrading Project	25,000,000.00	38,000,000.00
The second batch of special funds for financial industry development in 2019		504,177.70
Tourism subsidy	12,252,635.86	2,928,592.28
Other	205,631.70	140,287.01
Wireless WIFI network coverage equipment for Tourism Bureau	965,338.86	864,089.00
Total	40,590,636.02	47,231,802.68

36. Investment income

Item	Year ended 31/12/2021	Year ended 31/12/2020
Investment income from disposal of long-term equity investment	6,193.38	
Dividend income obtained during the holding period of other equity instrument investments	1,324,420.42	
Total	1,330,613.80	

37. Gains from changes in fair value

Item	Year ended 31/12/2021	Year ended 31/12/2020
Changes in fair value of investment properties	21,961,790.80	29,574,823.11
Total	21,961,790.80	29,574,823.11

38. Asset impairment loss

Item	Year ended 31/12/2021	Year ended 31/12/2020
Receivables impairment		-462,660.85
Total		-462,660.85

39. Credit impairment loss

For the year ended 31 December 2021

Item	Year ended 31/12/2021
Receivables impairment	-309,832.36
Total	-309,832.36

40. Non-operating income

Item	Year ended 31/12/2021	Year ended 31/12/2020
Government subsidies unrelated to the daily activities of the enterprise	18,189.04	
Donation received	204,359.07	
Indemnity income	4,996,723.38	595,778.12
Other	261,242.59	1,110,452.50
Total	5,480,514.08	1,706,230.62

41. Non-operating expenses

Item	Year ended 31/12/2021	Year ended 31/12/2020
Public welfare donation expenditure	22,950.50	2,500.00
Penalty expenses	341,087.23	244,733.55
Tax late fees	759,512.32	126,167.60
Other	289,497.63	50,682.85
Total	1,413,047.68	424,084.00

42. Income tax expenses

Item	Year ended 31/12/2021	Year ended 31/12/2020
Current income tax expense	4,116,914.71	4,948,160.67
Deferred Income Tax Expense	5,412,989.61	7,278,040.56
Total	9,529,904.32	12,226,201.23

43. Supplementary information on cash flow statement

(1) Supplement to cash flow statement:

Item	Year ended 31/12/2021	Year ended 31/12/2020
1.Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit	54,626,125.56	59,355,247.76
Add: Provisions for asset impairment		462,660.85
Provisions for credit impairment	309,832.36	
Depreciation of fixed assets, depreciation of investment properties, depletion of oil and gas assets, and depreciation of productive biological assets (delete if there is no such item)	22,174,921.40	25,191,431.10

For the year ended 31 December 2021

Item	Year ended 31/12/2021	Year ended 31/12/2020
Amortization of intangible assets	12,082,178.79	11,585,232.13
Amortization of long-term deferred expenses	307,231.69	200,000.04
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)		
Loss from scrapping of fixed assets ("-" for gains)		
Losses from changes in fair value ("-" for gains)	-21,961,790.80	-29,574,823.11
Financial expenses ("-" for income)	1,538,381.75	4,487,837.38
Losses arising from investment ("-" for gains)	-1,330,613.80	
Decrease in deferred tax assets ("-" for increase)	-77,458.09	-115,665.22
Increase in deferred tax liabilities ("-" for decrease)	5,490,447.70	7,393,705.78
Decrease in gross inventories ("-" for increase)	-255,078,584.41	-177,002,327.39
Decrease in operating receivables ("-" for increase)	-60,822,929.45	-102,110,728.61
Increase in operating payables ("-" for decrease)	261,837,418.95	-320,477,815.91
Others		
Net cash flows from operating activities	19,095,161.65	-520,605,245.20
2. Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital		
Convertible bonds due within one year		
Acquisition of fixed assets under finance leases		
3. Change in cash and cash equivalents		
Cash as at 31/12/2021	653,928,463.53	879,777,756.06
Less: cash as at 31/12/2020	879,777,756.06	898,919,686.81
Add: cash equivalents as at 31/12/2021		
Less: cash equivalents as at 31/12/2020		
Net increase/decrease in cash and cash equivalents	-225,849,292.53	-19,141,930.75

(2) Details of cash and cash equivalents

Item	As at 31/12/2021	As at 31/12/2020
I. Cash	653,928,463.53	879,777,756.06
Including: Cash on hand	270,671.86	422,306.88
Bank deposits available on demand	444,661,491.67	779,355,449.18
Other monetary funds available on demand	208,996,300.00	100,000,000.00

For the year ended 31 December 2021

Item	As at 31/12/2021	As at 31/12/2020
II.Cash equivalents		
Including: Bond investments with a maturity of 3 months or less		
III.Cash and cash equivalents as at the end of the year	653,928,463.53	879,777,756.06
Among them: the restricted use of cash and cash equivalents by the parent company or its subsidiaries		

44. Assets with restrictive ownership title or right of use

Item	As at 31/12/2021	Reason for restriction
Inventories	1,042,412,452.93	Mortgage loan, external guarantee
Investment properties	594,322,000.00	Mortgage loan, external guarantee
Fixed assets	116,246,007.94	Mortgage loan, external guarantee
Intangible assets	158,301,896.10	Mortgage loan, external guarantee
Total	1,911,282,356.97	

VII.Change of consolidation scope**1. Changes in the scope of consolidation due to other reasons**

In 2021, the company has recovered its investment in Suzhou Ruiling Xiangyang No.3 Strategic Emerging Industry Investment Management Partnership (limited partnership) and is no longer included in the consolidation scope.

VIII.Interest in other entities**1. Interests in subsidiaries****(1) Composition of enterprise groups:**

Subsidiaries	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Suzhou Taihu Lake Scenic Spot Management Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry	100		Direct investment
Suzhou Taihu Lake Cruise Ship Management Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Water transportation industry	100		Direct investment
Suzhou Sanhe Industrial Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry	100		Direct investment
Suzhou Taihu Lake	Wuzhong,	Wuzhong,	Business service	100		Direct

For the year ended 31 December 2021

Subsidiaries	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Fashion Hotel Investment Management Co., Ltd.	Suzhou	Suzhou	industry			investment
Suzhou Taihu Lake Yuanbo Industrial Development Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Leasing and business service industry	100		Allocation
Suzhou Xihe Industrial Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Manufacturing industry	100		Direct investment
Suzhou Taihu Lake Tourism Service Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Leasing and business service industry	100		Direct investment
Suzhou Heyu Conference Service Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Wholesale and retail industry		100	Direct investment
Suzhou Taihe Lake Travel Agency Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Direct investment
Suzhou Yuanbo Garden Scenic Area Management Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Allocation
Suzhou Yuanbo Venture Capital Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Allocation
Dejiang Taide Trade Service Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Allocation
Suzhou Taihu Lake Impression Tourism Culture Development Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Retail business industry		100	Direct investment
Suzhou Taihu Lake Water Culture Center Construction Management Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Public facilities management industry		100	Direct investment
Suzhou Shangya Hotel Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Direct investment
Suzhou Shangrong Hotel Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Direct investment

For the year ended 31 December 2021

Subsidiaries	Principal place of business	Registration place	Business nature	Shareholding%		Acquisition method
				Direct	Indirect	
Suzhou Taihu Lake Shanghe Hotel Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Direct investment
Suzhou Shangjia Hotel Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Accommodation and catering industry		100	Direct investment
Suzhou Taihu Lake Shangyi Hotel Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Business service industry		100	Direct investment
Suzhou Changhongqiao Culture and Art Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Real estate industry		100	Allocation
Suzhou Xichun Industrial Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Wood processing and wood, bamboo, rattan, palm, grass products industry		100	Direct investment
Suzhou Linghuwan Sports Management Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Leasing industry		100	Direct investment
Suzhou Taihe Health Care Service Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Social work industry		100	Direct investment
Xiangxiang Tiantian (Suzhou) Agricultural Ecotourism Development Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Public facilities management industry		51	Direct investment
Suzhou Hemu Culture Development Co., Ltd.	Wuzhong, Suzhou	Wuzhong, Suzhou	Retail business industry		100	Direct investment

(2) Important non-wholly-owned subsidiaries

Non

2. Transactions in which the share of ownership interest in a subsidiary change and the subsidiary remains in control

Non

3. Interests in joint venture or associates

Non

IX. Related parties and related party transactions**1. Information about the controlling shareholders and ultimate controlling party**

Controlling shareholder	Registration place	Business nature	Shareholding of company (%)	Proportion of voting rights in the company (%)
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	Wuzhong, Suzhou	Leasing and business services industry	81.65	81.65

2. Information about the subsidiaries of the Company

Refer to Note VIII.1. Interests in subsidiaries

3. Interests in joint venture or associates

Refer to Note VIII.3. Interests in joint venture or associates

4. Information on other related parties

Name of other related parties	Relationship with the company
Suzhou Wuzhong City Investment Vanke Real Estate Co., Ltd.	Subsidiaries of controlling shareholders
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	Investors with significant impact on the company
Suzhou Wuzhong District Traffic Investment Construction Co., Ltd.	Subsidiaries of investors with significant impact on the company
Suzhou Wuzhong Tourism Development Co., Ltd.	Subsidiaries of investors with significant impact on the company
Suzhou Taihu Lake Modern Agriculture Development Co., Ltd.	Investors with significant impact on subsidiaries
Suzhou Qionglong Mountain Scenic Spot Development Co., Ltd.	Subsidiaries of investors with significant impact on the company

5. Transactions with related parties**(1) Purchases/sales, Sales of goods/rendering of services**

Related parties	Nature of transaction	Year ended 31/12/2021	Year ended 31/12/2020
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	Infrastructure	91,544,600.68	148,046,218.60

(2) Guarantee

①As the guarantee holder

Suzhou Wuzhong Cultural Tourism Development Group Co., Ltd.

Notes to the Financial Statements

For the year ended 31 December 2021

Guarantor	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	122,996,669.33	2015/6/11	2023/12/11	N
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	109,842,859.00	2015/12/2	2023/12/30	N
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	195,000,000.00	2015/5/18	2023/5/17	N
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	60,000,000.00	2015/4/28	2022/12/31	N
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	90,000,000.00	2016/1/5	2023/6/21	N
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	60,000,000.00	2016/1/4	2023/6/21	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd. (Suzhou Wu Zhong GuoYu Assets Management Co., Ltd. additional guarantee)	300,000,000.00	2015/12/30	2025/12/29	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	132,000,000.00	2015/9/18	2023/9/15	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	88,000,000.00	2015/9/24	2023/9/15	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	270,000,000.00	2019/10/29	2022/10/28	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	150,000,000.00	2016/1/4	2025/5/21	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	106,130,000.00	2016/1/4	2025/5/21	N
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	300,000,000.00	2015/12/21	2025/5/21	N

6. Receivables and payables of related parties**(1) Receivables**

Item	As at 31/12/2021	As at 31/12/2020
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For the year ended 31 December 2021

	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable:				
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	26,793,620.91		75,486,148.56	
Total	26,793,620.91		75,486,148.56	
Other receivables:				
Suzhou Wuzhong City Construction Investment Development Co., Ltd.	498,488,109.20		898,488,109.20	
Suzhou Wuzhong Tourism Development Co., Ltd.	10,000,000.00		10,000,000.00	
Suzhou Wu Zhong GuoYu Assets Management Co., Ltd.	332,882,201.42		332,882,201.42	
Total	841,370,310.62		1,241,370,310.6	

(2) Payables

Item	As at 31/12/2021	As at 31/12/2020
Other payables:		
Suzhou Wuzhong City Investment Vanke Real Estate Co., Ltd.		450,000.00
Total		450,000.00

7. Related party commitment

As at 31 December 2021, there is no related party commitment to be disclosed.

X. Commitments and contingencies**1. Significant commitments**

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

2. Contingencies

(1) As of 31 December 2021, the company does not need to disclose the contingent

liabilities formed by pending litigation and arbitration and their financial impact.

(2) As of 31 December 2021, the company provide guarantee amount for companies outside the Group is RMB 84,000,000.00.

Guarantee	Guarantee amount (ten thousand yuan)	Type of guarantee	Guaranteed unit
Suzhou Taihu Yuanbo Industrial Development Co., Ltd.	4,200.00	Guarantee	Suzhou Linhu Hot Spring Water Supply Co., Ltd.
Suzhou Taihu Yuanbo Industrial Development Co., Ltd.	4,200.00	Guarantee	Suzhou Linhu Hot Spring Water Supply Co., Ltd.

XI. Post balance sheet date events

On January 10, 2022, the subsidiary of company: Suzhou Yuanbo Venture Capital Co., Ltd. was cancelled.

As of the approval and issuance date of the financial statements, there is no any significant events after the balance sheet date to be disclosed.

XII. Other significant items

As of 31 December 2021, there is no other significant items to be disclosed.

XIII. Notes to the Company's financial statements

1. Other receivables

Item	As at 31/12/2021	As at 31/12/2020
Other receivables	3,272,039,767.05	2,252,140,654.39
Interest receivable		
Dividends receivable		
Total	3,272,039,767.05	2,252,140,654.39

(1) Other receivables

① Disclosure by ageing

Ageing	As at 31/12/2021
Within 1 year	1,787,227,818.28
1 to 2 years	162,513,377.91
2 to 3 years	56,615,107.21

For the year ended 31 December 2021

Ageing	As at 31/12/2021
More than 3 years	1,266,507,188.85
Subtotal	3,272,863,492.25
Less: provision for bad and doubtful debts	823,725.20
Total	3,272,039,767.05

② Classification by the nature of other receivables

Nature of other receivables	As at 31/12/2021	As at 31/12/2020
Current payment	3,268,669,702.82	2,251,428,129.6400
Advance payment	1,003,589.43	1,519,527.9500
Other	3,190,200.00	16,692.0000
Subtotal	3,272,863,492.25	2,252,964,349.59
Less: provision for bad and doubtful debts	823,725.20	823,695.20
Total	3,272,039,767.05	2,252,140,654.39

③ Details about provision for bad and doubtful debts

	First stage	Second stage	Third stage	Total
Provision for bad and doubtful debts	Expected credit losses in the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
As at 31/12/2020	823,695.20			823,695.20
Book value of other receivables in the current period:				
— shift to second stage				
— shift to third stage				
— turn back to first stage				
Provision in the current period	30.00			30.00
Reversal in the current period				
Offset in the current				

For the year ended 31 December 2021

Provision for bad and doubtful debts	First stage	Second stage	Third stage	Total
	Expected credit losses in the next 12 months	Expected credit loss over the entire duration (no credit impairment occurred)	Expected credit loss over the entire duration (credit impairment has occurred)	
period				
Write off in the current period				
Other changes				
As at 31/12/2021	823,725.20			823,725.20

④ Amount of bad and doubtful debts increase/decrease changes in the current period

Item	As at 31/12/2020	Current change amount			As at 31/12/2021
		Provision	Withdrawal/Reversal	Offset/Write off	
Bad and doubtful debts	823,695.20	30.00			823,725.20
Total	823,695.20	30.00			823,725.20

⑤ As at 31 December 2021, the five largest other receivables aggregated by debtors were analysed as follows:

Debtors	Nature or content	As at 31/12/2021	Ageing	The proportion of other total receivables (%)	Provision for bad and doubtful debts
Suzhou Taihu Lake Yuanbo Industrial Development Co., Ltd.	Current payment	1,175,491,895.44	Within 1 year, More than 1 to 3 years	35.92	
Suzhou Taihu Lake Dongting Ancient Village Tourism Development Co., Ltd.	Current payment	469,900,313.97	Within 1 year	14.36	
Suzhou Taihu Lake Cruise Management Co., Ltd.	Current payment	421,000,000.00	Within 1 year, 1 to 3 years	12.86	

For the year ended 31 December 2021

Debtors	Nature or content	As at 31/12/2021	Ageing	The proportion of other total receivables (%)	Provision for bad and doubtful debts
Suzhou Taihu Lake Fashion Hotel Investment Management Co., Ltd.	Current payment	375,000,000.00	Within 1 year, 1 to 3 years	11.46	
Suzhou Taihu Lake Scenic Spot Management Development Co., Ltd.	Current payment	185,181,120.82	Within 1 year, 1 to 3 years	5.66	
Total	—	2,626,573,330.23	—	80.26	

2. Long-term equity investments**(1) Long-term equity investments classification:**

Item	As at 31/12/2021			As at 31/12/2020		
	Book balance	Provision for bad and doubtful debts	Carrying amount	Book balance	Provision for bad and doubtful debts	Carrying amount
Subsidiaries	5,157,150,235.54		5,157,150,235.54	3,930,580,235.54		3,930,580,235.54
Total	5,157,150,235.54		5,157,150,235.54	3,930,580,235.54		3,930,580,235.54

(2) Subsidiaries

Investee	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021	Provision for impairment	Balance of provision for impairment as at 31/12/2021
Suzhou Xihe Industrial Co., Ltd.	541,216,800.00			541,216,800.00		

Suzhou Wuzhong Cultural Tourism Development Group Co., Ltd.

Notes to the Financial Statements

For the year ended 31 December 2021

Investee	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021	Provision for impairment	Balance of provision for impairment as at 31/12/2021
Suzhou the Taihu Lake Scenic Spot Management Development Co., Ltd.	440,000,000.00	1,260,000,000.00		1,700,000,000.00		
Suzhou Sanhe Industrial Co., Ltd.	420,000,000.00			420,000,000.00		
Suzhou Taihu Lake Cruise Management Co., Ltd.	350,000,000.00			350,000,000.00		
Suzhou Taihu Lake Fashion Hotel Investment Management Co., Ltd.	401,154,305.54			401,154,305.54		
Suzhou Taihu Lake Tourism Service Co., Ltd.	68,587,200.00			68,587,200.00		
Suzhou Taihu Lake Yuanbo Industrial Development Co., Ltd.	1,509,521,930.00			1,509,521,930.00		
Suzhou Ruiling Xiangyang No.3 Strategic Emerging Industry Investment Management Partnership (Limited Partnership)	200,100,000.00		200,100,000.00			

For the year ended 31 December 2021

Investee	As at 31/12/2020	Additions during the year	Reductions during the year	As at 31/12/2021	Provision for impairment	Balance of provision for impairment as at 31/12/2021
Suzhou Linghuzhu Scenic Area Development Co., Ltd.		166,670,000.00		166,670,000.00		
Total	3,930,580,235.54	1,426,670,000.00	200,100,000.00	5,157,150,235.54		

3. Operating income and Operating cost

Item	Year ended 31/12/2021		Year ended 31/12/2020	
	Operating income	Operating cost	Operating income	Operating cost
Principal activities	12,011,300.90	2,103,335.86	9,994,313.090	
Other operating activities				
Total	12,011,300.90	2,103,335.86	9,994,313.090	

4. Investment income

Item	Year ended 31/12/2021	Year ended 31/12/2020
Dividend income obtained during the holding period of other equity instrument investments	1,324,420.42	
Total	1,324,420.42	

Suzhou Wuzhong Cultural Tourism Development Group Co., Ltd.



April 2, 2022



营业执照

统一社会信用代码

91110102082881146K



(副本) (5-4)

名称 中兴华会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

执行事务合伙人 李尊农, 乔久华

经营范围

许可项目：注册会计师业务；代理记账；审计业务；资产评估；税务服务；企业管理咨询；法律、法规、国务院决定规定须经批准的项目，经相关部门批准后方可开展经营活动，具体经营项目以相关部门批准文件或许可证件为准。一般项目：工程管理服务；资产管理；除依法须经批准的项目外，凭营业执照依法自主开展经营活动。不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出资额 6871万元

成立日期 2013年11月04日

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



登记机关

国家企业信用信息公示系统网址：

<http://www.gsxt.gov.cn>

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国家市场监督管理总局监制



会计师事务所 报告附件

执业证书

名称：中兴华会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，

应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出

租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。



发证机关：北京市财政局

二〇一三年八月十七日

中华人民共和国财政部制

中兴华会计师事务所（特殊普通合伙）备案文件



中国证券监督管理委员会
CHINA SECURITIES REGULATORY COMMISSION

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注册人：王自华

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索引号: Lm55000001/2023-00002830
发布日期: 2023年02月27日
名称: 从事证券服务业务会计师事务所名录 (截至2022.12.31)
文号: 无

从事证券服务业务会计师事务所名录 (截至2022.12.31)



从事证券服务业务会计师事务所名录 (截至2022.12.31)

序号	会计师事务所名称	注册地址	联系电话
79	希格玛会计师事务所(特殊普通合伙)	陕西省西安市未央区经二路1号外事大厦六层	029-83620909
80	新联讯会计师事务所(特殊普通合伙)	山西省太原市晋源区晋源街11号山西经济职业学院B座11层	0331-86995542
81	信本中和会计师事务所(特殊普通合伙)	北京市东城区东直门北大街8号富华大厦A座8层	020-62922166
82	亚太(集团)会计师事务所(特殊普通合伙)	北京市丰台区西三环南路16号院3号楼29层2001	0371-65336658
83	永拓会计师事务所(特殊普通合伙)	北京市西城区三里河大街1号(国安大厦13层)	010-65950411
84	尤尼泰加得会计师事务所(特殊普通合伙)	山东省青岛市市北区上海路20号	0532-65921267
85	浙江利信会计师事务所(特殊普通合伙)	浙江省宁波市鄞州区江东北路317号利信广场和盈楼10楼	0574-87269291
86	浙江天平会计师事务所(特殊普通合伙)	杭州市拱墅区湖州街567号北城天竺商务中心9幢十一层	0571-56522576
87	浙江至诚会计师事务所(特殊普通合伙)	杭州市上城区西湖大道2号3层305室	0579-85003063-6636
88	致同会计师事务所(特殊普通合伙)	北京市朝阳区建国门外大街22号赛特广场5层	010-85665218
89	中汇会计师事务所(特殊普通合伙)	杭州市上城区新业路5号华联时代大厦A幢602室	0371-88879663
90	中汇国际(武汉)会计师事务所(普通合伙)	湖北省武汉市武昌区公正路216号平安金融科技大厦11楼	027-87318832
91	中聚万信会计师事务所(特殊普通合伙)	北京市西城区西直门内大街112号10层	010-66360123
92	中鼎诚会计师事务所(特殊普通合伙)	北京市西城区阜成门内大街31号5层512A	010-62267028
93	中审华会计师事务所(特殊普通合伙)	天津市和平区解放北路185号信达广场3C层	022-88235266-8239
94	中审亚太会计师事务所(特殊普通合伙)	北京市海淀区复兴路47号天行建商务大厦20层2206	010-81716747
95	中审众环会计师事务所(特殊普通合伙)	武汉市武昌区东湖路169号2-9层	027-06781250
96	中天瑞会计师事务所(特殊普通合伙)	北京市西城区车公庄大街9号院五栋大楼B1座1七、八层	010-88090676
97	中普会计师事务所(特殊普通合伙)	北京市东城区崇文门内大街11号新成文化大厦A座11层	010-67055759
98	山西致立华会计师事务所(特殊普通合伙)	山西省太原市晋源区晋源街11号山西经济职业学院B座11层	0331-86995542
99	中兴华会计师事务所(特殊普通合伙)	北京市西城区阜成门内大街1号东塔楼15层	010-51423818
100	中汇大地会计师事务所(特殊普通合伙)	北京市海淀区西直门内大街43号1号楼13层1310-1318	010-62212299



姓名: 孙坤
 Full name: Sun Kun
 性别: 男
 SEX: Male
 出生日期: 1972-02-13
 Date of birth: 1972-02-13
 工作单位: 江苏天华大彭会计师事务所有限公司
 Working unit: Jiangsu Tianhua Dapeng Accounting Firm Co., Ltd.
 身份证号: 342129197202130314
 Identity card No.: 342129197202130314

证书编号: 320000270089
 No. of Certificate: 320000270089

批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs: Jiangsu Institute of CPAs

注册日期: 二〇〇八 年 四 月 二十八日
 Issuance: April 28, 2008



年度检验登记
 Annual Renewal Registration

本证书检验合格
 This certificate is valid for another year after this renewal.

2012-1 年检专用章



注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred to

2015 年 4 月 21 日
 Stamp of Jiangsu Institute of CPAs
 转所专用章

同意调入
 Agree the holder to be transferred to

2015 年 4 月 21 日
 Stamp of Jiangsu Institute of CPAs
 转所专用章

2011 年 1 月 1 日
 Stamp of Jiangsu Institute of CPAs



姓名 繆仇慰
Full name
性别 男
Sex
出生日期 1986-07-01
Date of birth
工作单位 中兴华会计师事务所(特殊普通合伙)江苏分所
Working unit
身份证号码 320623198607016251
Identity card No.



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



证书编号: 110001670248
No. of Certificate
批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs
发证日期: 2015 年 12 月 26 日
Date of Issuance

年 月 日
y m d

无锡城开 3.2 万 2+8 万
人民币

审计业务约定书



甲方编号:

乙方编号: 中兴华(2022)第 020910 号

年 月 日

审计及服务业务约定书

甲方：天风国际证券与期货有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

因无锡市城开实业发展集团有限公司（下称“发行人”）拟在香港分三期发行预计不超过3亿美元的高级无抵押定息境外债券，甲方作为发行人的承销商，特此委托乙方对涉及的发行人的2019、2020、2021年度财务报表进行审计，经双方协商，达成以下约定：

一、审计（阅）及服务目标和范围务的

1. 乙方接受甲方委托，对发行人按照企业会计准则编制的2019年12月31日、2020年12月31日及2021年12月31日的资产负债表，2019年度、2020年度及2021年度的利润表、现金流量表和所有者权益（或股东权益）变动表以及财务报表附注（以下统称财务报表）进行审计。

2. 乙方通过执行审计工作，对发行人财务报表的下列方面发表审计意见：（1）财务报表是否在所有重大方面按照企业会计准则的规定编制；（2）财务报表是否在所有重大方面公允反映了甲方2019年12月31日、2020年12月31日及2021年12月31日的财务状况以及2019年度、2020年度及2021年度的经营成果和现金流量。

3、对财务报表适用的会计准则不同形成的变动进行转换、告慰等相关工作。

4、参与会计（审计）师尽职调查会议，并向甲方就发行人的财务数据出具安慰函、英文版审计报告。

5、对发行人的债务募集说明书中的财务数据进行圈阅。

6、其他涉及需由会计（审计）师配合、提交的工作。

二、甲方的责任

1.甲方督促和协调发行人及时为乙方的审计（阅）工作提供与审计（阅）有关的所有记录、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。

2. 为乙方提供必要的工作条件及合理的时间。

3. 按照本约定书的约定及时足额支付审计（阅）费用。

三、乙方的责任：

1. 乙方的责任是在执行审计（阅）工作的基础上对发行人财务报表发表审计（阅）意见。

乙方根据中国注册会计师审计准则（以下简称审计准则）的规定执行审计（阅）工作。审计准则要求注册会计师遵守中国注册会计师职业道德守则，计划和执行审计（阅）工作以及对财务报表是否不存在重大错报获取合理保证。

2. 审计（阅）工作涉及实施审计（阅）程序，以获取有关财务报表金额和披露的审计（阅）证据。选择的审计（阅）程序取决于乙方的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，乙方考虑与财务报表编制和公允列报相关的内部控制，以设计恰当的审计（阅）程序，但目的并非对内部控制的有效性发表意见。审计（阅）工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

3. 由于审计（阅）和内部控制的固有限制，即使按照审计准则的规定适当地计划和执行审计（阅）工作，仍不可避免地存在财务报表的某些重大错报可能未被乙方发现的风险。

4. 在审计（阅）过程中，乙方若发现发行人存在乙方认为值得关注的内部控制缺陷，应以书面形式向发行人治理层或管理层以及甲方通报。但乙方通报的各种事项，并不代表已全面说明所有可能存在的缺陷或已提出所有可行的改进建议。发行人在实施乙方提出的改进建议前应全面评估其影响。未经乙方书面许可，发行人不得向任何第三方提供乙方出具的沟通文件。

5. 按照约定时间完成审计（阅）工作，出具审计（阅）报告。

6. 除下列情况外，乙方应当对执行业务过程中知悉的发行人及/或甲方信息予以保密：（1）法律法规允许披露，并取得发行人及/或甲方的授权；（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。

四、审计（阅）收费

1. 本次审计（阅）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。乙方预计本次审计（阅）服务的费用总额为叁万贰仟美元（\$32,000.00）。甲方可以支付当日人民币兑美元汇率中间价计算等值人民币支付结算。翻译 2018-2020 年度、2021 年度的两份审计报告的费用总额为人民币肆万元整（¥40,000.00）。

2. 付费方式为在发行人取得本次发债项目所筹集的资金并在确认乙方向其发出的相应账单所列的金额无误后三十日内，由甲方或其指定第三方向乙方支付本次服务约定的收费。

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审计（阅）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 段所述的审计（阅）费用。

五、审计（阅）报告和审计（阅）报告的使用

1. 乙方按照中国注册会计师审计准则规定的格式和类型出具审计（阅）报告。

2. 乙方向甲方致送审计（阅）报告一式 8 份。

3. 甲方在提交或对外公布乙方出具的审计（阅）报告及其后附的已审计（阅）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（阅）报告的影响，必要时，将重新出具审计（阅）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 6 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，影响审计（阅）工作如期完成，或需要提前出具审计（阅）报告，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审计（阅）服务，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审计（阅）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（阅）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

本约定书一式肆份，甲乙双方各两份，具有同等法律效力。

甲方：天风国际证券与期货有限公司

(盖章)



授权代表：(签名并盖章)

年 月 日

乙方：中兴会计师事务所(普通合伙)



授权代表：(签名并盖章)



年 月 日



审计业务约定书



甲方编号：

乙方编号：中兴华(2020)第 021326 号

2020 年 10 月 20 日

审计业务约定书

甲方：扬州市城建国有资产控股（集团）有限责任公司

乙方：中兴华会计师事务所（特殊普通合伙）

乙方接受甲方委托，对甲方 2020-2022 年三年的年度财务报表提供审计服务及境外债审计服务，经双方协商，达成以下约定：

一、业务范围与审计目标

1、乙方接受甲方委托，对甲方及其子公司按照“企业会计准则”编制的 2020 年 12 月 31 日、2021 年 12 月 31 日和 2022 年 12 月 31 日的母公司及合并资产负债表，2020 年度、2021 年度和 2022 年度的母公司及合并利润表、所有者权益变动表和现金流量表以及财务报表附注（以下统称财务报表）进行审计并出具中文版和英文版审计报告。

2、乙方配合甲方出具在各类债券等直融产品申报、审核过程中所需的相应文件。

3、乙方通过执行审计工作，对财务报表的下列方面发表审计意见：（1）财务报表是否按照“企业会计准则”的规定编制；（2）财务报表是否在所有重大方面公允反映了被审计单位的财务状况、经营成果和现金流量。

4、乙方接受甲方委托，根据甲方发行海外债的相关要求，对甲方中期或季度财务报表提供审阅服务并出具中文版和英文版审阅报告，以及英文版安慰函。

5、乙方按照《中国注册会计师审阅准则第 2101 号——财务报表审阅》的规定执行审阅业务。该准则要求乙方计划和实施审阅工作，以对财务报表是否不存在重大错报获取有限保证。审阅程序主要限于询问公司有关人员和财务数据实施分析程序，提供的保证程度低于审计。乙方没有实施审计，因而不发表审计意见。

二、甲方的责任和义务

（一）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。

中兴华会计师事务所（特殊普通合伙）

2、按照“企业会计准则”的规定编制财务报表是甲方管理层的责任，这些责任包括：(1)设计、实施和维护与财务报表编制相关的内部控制，以使财务报表不存在由于舞弊和错误而导致的重大错报；(2)选择和运用恰当的会计政策；(3)作出合理的会计估计。

3、负责协调相关子公司配合做好乙方审计工作。

(二) 甲方的义务

1、及时为乙方的审计工作提供其所要求的全部会计资料及其他有关资料，并保证所提供资料的真实性和完整性。

2、确保乙方不受限制的接触与审计有关的记录、文件和所需的其他信息。

3、甲方管理层对其作出的与审计有关的说明予以书面确认。

4、为乙方派出的工作人员提供必要的食宿、工作条件和协助，主要事项将由乙方于外勤工作开始前提供清单。

5、按本约定书约定及时足额支付审计费用。

三、乙方的责任和义务

(一) 乙方的责任

1、乙方提供审计服务的责任是在实施审计工作的基础上对甲方财务报表发表审计意见。乙方按照中国注册会计师审计准则（以下简称审计准则）的规定进行审计。审计准则要求注册会计师遵守职业道德规范，计划和实施审计工作，以及对财务报表是否不存在重大错报获取合理保证。

2、乙方提供审阅服务的责任是通过执行审阅程序对财务报表是否不存在重大错报提供有限保证。

3、乙方并不对非由乙方审计或审阅的组成部分的财务信息单独出具审计报告或审阅报告，有关的责任由对该组成部分执行审计的其他注册会计师及其所在地的会计师事务所负责。

4、审计工作涉及实施审计程序，以获取财务报表金额和披露的审计证据。选择的审计取决于乙方的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，乙方考虑与财务报表编制相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。审计工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价会计报表的总体列报。

5、乙方需要合理计划和实施审计工作，以使乙方能够获取充分、适当的审计证据，为甲方财务报表是否不存在重大错报获取合理保证。

6、乙方有责任在审计报告中指明所发现的甲方及其子公司在重大方面没有遵循《企业会计制度》编制财务报表且未按乙方的建议进

行调整的事项。

7、在审计过程中，乙方若发现甲方的内部控制存在乙方认为的重要缺陷，应向甲方提交管理建议书。但乙方在管理建议书中提出的各种事项，并不代表已全面说明所有可能存在的缺陷或已提出所有可行的改善建议。甲方在实施乙方提出的改善建议前应全面评估其影响。未经乙方书面许可，甲方不得向任何第三方提供乙方出具的管理建议书。

8、乙方对甲方编制的财务报表的审计及审阅服务并不能减轻甲方及甲方管理层的责任。

(二) 乙方的义务

1、乙方按照甲方所要求的时间范围内完成审计及审阅业务，出具审计报告以及审阅报告。其中每年的年度审计报告应在每年的4月28日之前提交审计报告。

2、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) 取得甲方的授权；(2) 根据法律法规规定，为法律诉讼准备文件或提供证据，以及向监管机构报告发现的违反法规行为；

(3) 接受行业协会和监管机构依法进行的质量检查；(4) 监管机构对乙方进行行政处罚（包括监管机构处罚前的调查、听证）以及乙方对此提起行政复议。

四、审计收费及付款方式

1、本次审计服务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。甲乙双方经过协商，2020-2022年三年的年报审计服务费用总额为人民币2,850,000.00元（大写：贰佰捌拾伍万元整），即：每年年报审计服务费用为人民币950,000.00元（大写：玖拾伍万元整）。

2、每个年度的年报审计服务，甲方应于乙方提交审计报告且开具增值税发票后十日内支付审计服务费人民币800,000.00（大写：捌拾万元整）；当年年底之前支付当年剩余审计服务费用人民币150,000.00（大写：壹拾伍万元整）。

3、2021-2023年期间如公司申报发行境外债券，提供年报审计服务的会计师事务所需按照申报及发行安排出具相应的审计及审阅报告（中英文版，包括但不限于各类情况说明、反馈意见、安慰函等），费用为每次750,000.00元（大写：柒拾伍万元整），如遇非乙方因素造成的海外债发行延期而需要加期重新出具审阅报告的情况，甲乙双方应通过协商确定审阅服务费用金额。甲方应于乙方提供全部文件且开具增值税发票后十日内支付全部审计服务费用。

4、2021-2023年期间如公司申报发行境外债券，提供年报审计服务的会计师事务所需按照申报及发行要求出具各类情况说明、反馈

意见、安慰函等，费用每次 15 万元（大写：壹拾伍万元整）。甲方应于乙方提供全部文件且开具增值税发票后十日内支付全部审计服务费用。

5、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审计及审阅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，相应调整本约定书第四条第 1 项下所述的审计及审阅服务费用。

6、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，本约定书所涉及的审计及审阅服务不再进行，甲方不得要求退还预付的审计及审阅费用。

7、本协议约定所约定的审计及审阅服务有关的审计人员食宿费用由甲方承担。

五、审计报告和审计报告的使用

1、乙方按照《中国注册会计师审计准则第 1501 号-审计报告》和《中国注册会计师审计准则第 1502 号-非标准审计报告》规定的格式和类型出具报告。

2、乙方向甲方致送 2020 年度、2021 年度和 2022 年度中英文审计报告各肆份。

3、甲方在提交或对外公布审计报告时，不得修改乙方出具的审计报告及其后附的已审计财务报表；当甲方认为有必要修改会计数据、报表数据和所作的说明时，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、审阅报告和审阅报告的适用

1、乙方按照《中国注册会计师审计准则第 2101 号——财务报表审阅》规定的格式和类型出具报告。

2、乙方向甲方致送甲方发行海外债所需的中英文审阅报告各肆分，并出具相应的英文版安慰函。

3、甲方在提交或对外公布审阅报告时，不得修改乙方出具的审阅报告及其后附的已审阅财务报表；当甲方认为有必要修改会计数据、报表数据和所作的说明时，应当事先通知乙方，乙方将考虑有关的修改对审阅报告的影响，必要时将重新出具审阅报告。

七、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。但其中的第三（二）2、四、五、六、九、十、十一项并不因本约定书终止而失效。

八、约定事项的变更

如果出现不可预见的情况，影响审计工作如期完成，或需提前出具审计报告，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。

九、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审计服务时，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、在终止业务约定的情况下，乙方有权就其于本约定书终止之日前对约定的审计服务项目所做的工作收取合理的审计费用。

九、违约责任

双方按照《中华人民共和国合同法》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中华人民共和国的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，因本约定书所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），双方选择以下第1种解决方式：

- 1、向有管辖权的人民法院提起诉讼；
- 2、提交乙方所在地仲裁委员会仲裁。

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：扬州市城建国有资产控股
(集团) 有限责任公司

授权代表：

签约日期：2020年10月20日

乙方：中兴华会计师事务所

(特殊普通合伙)
合同专用章

授权代表：

签约日期：2020年10月20日

审计业务约定书



甲方编号：

乙方编号：中兴华（2022）第 020456 号

年 月 日

审计业务约定书

甲方：南京扬子国资投资集团有限责任公司

乙方：中兴华会计师事务所（特殊普通合伙）

经双方协商，达成以下约定：

一、审计的目标和业务范围

1. 乙方接受甲方委托，对甲方按照企业会计准则编制的 2021 年 12 月 31 日的合并及母公司资产负债表，2021 年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司所有者权益变动表以及相关财务报表附注（以下统称财务报表）进行审计。

2. 乙方审计工作的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

3. 乙方通过执行审计工作，对财务报表的下列方面发表审计意见：（1）财务报表是否在所有重大方面按照企业会计准则的规定编制；（2）财务报表是否在所有重大方面公允反映了甲方 2021 年 12 月 31 日的合并及母公司财务状况以及 2021 年度的合并及母公司经营成果和现金流量。

4. 乙方接受甲方委托，代为编制、分析甲方 2022 年 1、2、3 季度的对外披露及直管单位的合并报表和报表附注。

5. 2021 年度新区财政专项考核审计。

6. 乙方接受甲方委托，为甲方 2022 年发行海外债券提供财务审计、咨询、翻译等服务，并出具相关配套文件。

7. 乙方接受甲方委托，为甲方 2022 年发行企业债券-基金债提供财务审计、咨询等服务，并出具相关配套文件。

8. 乙方接受甲方委托，为甲方 2022 年发行永续中票提供财务审计、咨询等服务，并出具相关配套文件。

9. 乙方接受甲方委托，为甲方 2022 年发行私募公司债提供财务审计、咨询等服务，并出具相关配套文件。

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）将已知的甲方所有内部控制缺陷告知乙方。

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. 及时为乙方的审计工作提供与审计有关的所有记录、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. 为满足乙方对甲方合并财务报表发表审计意见的需要，甲方须确保：

乙方和对组成部分财务信息执行相关工作的组成部分注册会计师之间的沟通不受任何限制。（组成部分是指甲方的子公司、分部、分公司、合营企业、联营企业、受托管理的公司等关联企业等企业。）

乙方及时获悉组成部分注册会计师与组成部分治理层和管理层之间的重要沟通（包括就值得关注的内部控制缺陷进行的沟通）。

乙方及时获悉组成部分治理层和管理层与监管机构就与财务信息有关的事项进行的重要沟通。

在乙方认为必要时，允许乙方接触组成部分的信息、组成部分管理层或组成部分注册会计师（包括组成部分注册会计师的工作底稿），并允许乙方对组成部分的财务信息执行相关工作。

7. 甲方管理层对其作出的与审计有关的声明予以书面确认。

8. 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。

9. 按照本约定书的约定及时足额支付审计费用以及乙方人员在审计期间交通、食宿和其他相关费用。

10. 乙方的审计不能减轻甲方及甲方管理层的责任。如果由于甲方、以及甲方董事、员工或代理人的舞弊行为、不实陈述或故意违约而导致的任何损失、损害、费用或支出，与乙方无关，乙方将不承担由此引发的民事赔偿责任。如果甲方或其子公司（如有）提供虚假、不真实或不完整的会计资料或其他资料，或不当使用乙方出具的审计报告，甲方须依照中国相关法律法规的规定赔偿乙方就此蒙受的损失（包括但不限于乙方由此受到的任何第三方索赔、监管机构或司法部门的处罚或承担的其他法律责任）。

三、乙方的责任：

1. 乙方按照中国注册会计师审计准则（以下简称审计准则）的规定执行审计工作。审计准则要求注册会计师遵守中国注册会计师职业道德守则。在执行审计的过程中，乙方需要运用职业判断，保持职业怀疑。

2. 乙方识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

3. 乙方了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

4. 乙方评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

5. 乙方对甲方管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对甲方持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果乙方得出结论认为存在重大不确定性，应当在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，乙方应当发表非无保留意见。乙方的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致甲方不能持续经营。

6. 乙方评价财务报表的总体列报、结构和内容，并评价财务报表是否公允反映相关交易和事项。

7. 对不由乙方执行相关工作的组成部分财务信息，乙方不单独出具报告；有关的责任由对该组成部分执行相关工作的组成部分注册会计师及其所在的会计师事务所承担。

8. 在审计过程中，乙方若发现甲方存在乙方认为值得关注的内部控制缺陷，应以书面形式向甲方治理层或管理层通报。但乙方通报的各种事项，并不代表已全面说明所有可能存在

的缺陷或已提出所有可行的改进建议。甲方在实施乙方提出的改进建议前应全面评估其影响。未经乙方书面许可，甲方不得向任何第三方提供乙方出具的沟通文件，除非法律法规另有要求。

9. 由于审计和内部控制的固有限制，即使按照审计准则的规定适当地计划和执行审计工作，仍无法避免财务报表的某些重大错报可能未被乙方发现的风险。

10. 按照约定时间完成审计工作，出具审计报告。2021 年度审计报告在 2022 年 4 月 30 日前出具。2022 年 1、2、3 季度的对外披露及直管直管单位的合并报表和报表附注，分别在 2022 年 4 月 30 日前、2022 年 8 月 31 日前、2022 年 10 月 31 日前报出。

11. 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）向注册会计师协会或监管机构进行报备；（6）法律法规、执业准则和职业道德规范规定的其他情形。

12. 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、审计收费

1. 本次审计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。乙方预计本次审计服务的费用总额为人民币 壹佰肆拾肆万伍仟元整 (¥1,445,000.00 元) (含税)。收费标准见下表：

项目	审计收费（元）
2021 年度财务报表审计	350,000.00
2022 年度 1、2、3 季报编制及分析	450,000.00
新区财政专项考核审计	95,000.00
2022 年海外债发行审计、咨询等服务	200,000.00
2022 年企业债券-基金债发行审计、咨询等服务	150,000.00
2022 年永续中票发行审计、咨询等服务	50,000.00
2022 年私募公司债发行审计、咨询等服务	150,000.00
合计	1,445,000.00

2. 甲方应于本约定书签署之日起 10 日内支付 50% 的审计费用，其余款项于相关审计

报告或服务完成日结清。

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审计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段所述的审计费用。

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,本约定书所涉及的审计服务中止,甲方不得要求退还预付的审计费用;如上述情况发生于乙方人员完成现场审计工作,并离开甲方的工作现场之后,甲方应另行向乙方支付人民币_____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_____日内支付。

5. 与本次审计有关的食宿费由甲方承担。

五、审计报告和审计报告的使用

1. 乙方按照中国注册会计师审计准则规定的格式和类型出具审计报告。审计报告的形式和内容可能需根据审计中的发现进行适当调整。甲方不应依赖乙方在审计过程中可能提供的初步意见、报告草稿或汇报。

2. 乙方向甲方致送审计报告一式____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

本约定书自双方盖章之日起生效,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、第五、六、九、十、十一项并不因本约定书终止而失效。如乙方开始提供审计服务的时间早于甲乙双方授权代表签字并加盖公章之日,以开始提供审计服务的时间作为本约定书生效日期。

七、约定事项的变更

如果出现不可预见的情况,影响审计工作如期完成,或需提前出具审计报告,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审计服务时,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审计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. 提交南京市仲裁委员会仲裁。

十一、双方对其他有关事项的约定

本约定书一式四份，甲、乙双方各执两份，具有同等法律效力。

(以下无正文)

甲方：南京扬子国资投资集团
有限责任公司 (盖章)

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)
合同专用章

授权代表：(签名并盖章)

年 月 日



审计业务约定书

甲方编号：

乙方编号：中兴华(2022)第 021002 号

年 月 日

审计及服务业务约定书

甲方：乌鲁木齐经济技术开发区建发国有资本投资运营（集团）有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

因甲方拟在香港发行美金高级无抵押定息债券，委托乙方对涉及的 2020、2021 年度财务报表进行审计，经双方协商，达成以下约定：

一、审计（阅）及服务目标和范围的

1. 乙方接受甲方委托，对乌鲁木齐经济技术开发区建发国有资本投资运营（集团）有限公司按照企业会计准则编制的 2020 年 12 月 31 日、2021 年 12 月 31 日的资产负债表，2020 年度、2021 年度的利润表、现金流量表和所有者权益（或股东权益）变动表以及财务报表附注（以下统称财务报表）进行审计。

2. 乙方通过执行审计工作，对乌鲁木齐经济技术开发区建发国有资本投资运营（集团）有限公司财务报表的下列方面发表审计意见：（1）财务报表是否在所有重大方面按照企业会计准则的规定编制；（2）财务报表是否在所有重大方面公允反映了甲方 2020 年 12 月 31 日、2021 年 12 月 31 日的财务状况以及 2020 年度、2021 年度的经营成果和现金流量。

3、对财务报表适用的会计准则不同形成的变动进行转换、告慰等相关工作。

4、向承销商就公司的财务数据出具安慰函。

5、其他涉及需由会计（审计）师配合、提交的工作。

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）将已知的甲方所有内部控制缺陷告知乙方。

3. 及时为乙方的审计工作提供与审计（阅）有关的所有记录、文件和所需的其他信息（在规定日期之前提供审计所需的全部资料，如果在审计过程中需要补充资料，亦应及时提供），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. 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。

7. 按照本约定书的约定及时足额支付审计（阅）费用以及乙方人员在审计（阅）期间交通、食宿和其他相关费用。

8. 乙方的审计（阅）不能减轻甲方及甲方管理层的责任。如果由于甲方、以及甲方董事、员工或代理人的舞弊行为、不实陈述或故意违约而导致的任何损失、损害、费用或支出，与乙方无关，乙方将不承担由此引发的民事赔偿责任。如果甲方或其子公司（如有）提供虚假、不真实或不完整的会计资料或其他资料，或不当使用乙方出具的审计（阅）报告，甲方须依照中国相关法律法规的规定赔偿乙方就此蒙受的损失（包括但不限于乙方由此受到的任何第三方索赔、监管机构或司法部门的处罚或承担的其他法律责任）。

三、乙方的责任：

1. 乙方的责任是在执行审计（阅）工作的基础上对发行人财务报表发表审计（阅）意见。乙方根据中国注册会计师审计准则（以下简称审计准则）的规定执行审计（阅）工作。审计准则要求注册会计师遵守中国注册会计师职业道德守则，计划和执行审计（阅）工作以及对财务报表是否不存在重大错报获取合理保证。

2. 审计（阅）工作涉及实施审计（阅）程序，以获取有关财务报表金额和披露的审计（阅）证据。选择的审计（阅）程序取决于乙方的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，乙方考虑与财务报表编制和公允列报相关的内部控制，以设计恰当的审计（阅）程序，但目的并非对内部控制的有效性发表意见。审计（阅）工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

3. 由于审计（阅）和内部控制的固有限制，即使按照审计准则的规定适当地计划和执行审计（阅）工作，仍不可避免地存在财务报表的某些重大错报可能未被乙方发现的风险。

4. 在审计（阅）过程中，乙方若发现发行人存在乙方认为值得关注的内部控制缺陷，应以书面形式向发行人治理层或管理层以及甲方通报。但乙方通报的各种事项，并不代表已全面说明所有可能存在的缺陷或已提出所有可行的改进建议。发行人在实施乙方提出的改进建议前应全面评估其影响。未经乙方书面许可，发行人不得向任何第三方提供乙方出具的沟通文件。

5. 按照约定时间完成审计（阅）工作，出具审计（阅）报告。

6. 除下列情况外，乙方应当对执行业务过程中知悉的发行人及/或甲方信息予以保密：

(1) 法律法规允许披露，并取得发行人及/或甲方的授权；(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。

四、审计（阅）收费

1. 本次审计（阅）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。乙方预计本次审计（阅）服务的费用总额为人民币叁拾万元整（300,000.00）。

2. 甲方应于提供安慰函之日起三日内结清。

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审计（阅）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段所述的审计（阅）费用。

4. 与本次审计（阅）有关的其他费用（包括交通费、食宿费等）由甲方承担。

五、审计（阅）报告和审计（阅）报告的使用

1. 乙方按照中国注册会计师审计准则规定的格式和类型出具审计（阅）报告。

2. 乙方向甲方致送审计（阅）报告一式___份。

3. 甲方在提交或对外公布乙方出具的审计（阅）报告及其后附的已审计（阅）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（阅）报告的影响，必要时，将重新出具审计（阅）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6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，影响审计（阅）工作如期完成，或需要提前出具审计（阅）报告，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审计（阅）服务，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审计（阅）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（阅）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

本约定书一式肆份，甲乙双方各两份，具有同等法律效力。

甲方：乌鲁木齐经济技术开发区建发国有资本
投资运营（集团）有限公司（盖章）

乙方：中兴华会计师事务所
（特殊普通合伙）（盖章）

授权代表：（签名并盖章）

授权代表：（签名并盖章）

年 月 日

年 月 日

Binzhou High-tech Caijin Investment Group
Co., Ltd.



The audit report

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP



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

Zhongxinghua Audit (2022) No. 022196

All shareholders of Binzhou High-tech Caijin Investment Group Co., Ltd.:

I. Audit opinions

We have audited the financial statement of Binzhou High-tech Caijin Investment Group Co., Ltd. (hereinafter referred to as "Financial Group"), including the Consolidated & Parent Company Balance Sheet as of 31 December 2021, 31 December 2020, 31 December 2019, Consolidated & Parent Company Income Statement, Consolidated & Parent Company Cash Flow Statement, Consolidated & Parent Company Owner's Equity Change Statement and Financial Statement Notes of 2021, 2020 and 2019.

In our opinions, the attached financial statement is formulated pursuant to provisions in the Accounting Standards for Business Enterprises from all major perspectives, and offers a fair view on Caijin Group's financial conditions of consolidated and parent company as of 31 December 2021, 31 December 2020, 31 December 2019, as well as operation achievement and cash flow of consolidated and parent company in 2021, 2020 and 2019.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. The part of "CPA's responsibilities for financial statement audit" in the audit report further elaborates on our responsibilities under the Standards. In compliance with the code of ethics for Chinese Certified Public Accountant, we are independent from Financial Group, and fulfill other responsibilities of professional ethics. We believe the audit evidence we obtained is sufficient and appropriate, and provides the foundation for our audit opinions.

III. Liabilities of the management and those charged with governance for financial statement

The management level of Caijin Construction Investment Group (hereinafter referred to as "management level") is responsible for preparing financial statement in accordance with the Accounting Standards for Business Enterprises, to ensure its fair presentation, designing, implementing and maintaining necessary internal control, and prevent the financial statement from material misstatement due to fraud or error.





When preparing financial statement, the management level is responsible for assessing Financial Group's capabilities of sustainable operation, disclosing matters related to sustainable operation (if applicable), and adopting the assumption of sustainable operation, unless the management level plans to liquidate Financial Group, terminate operation, or there is no other practical option.

Governance level is responsible for supervising the financial report process of Financial Group.

IV. CPA's responsibilities for auditing financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee the audit performed in accordance with auditing standards can surely find a certain existing material misstatement. Misstatement may be caused by fraud or error; if a reasonably expected misstatement alone or aggregated may affect financial statement user's economic decision made based on financial statement, it is generally considered to be material misstatement.

In the course of performing audit work according to the audit standards, we exercise professional judgment and maintained professional skepticism. Meanwhile, we also perform the following tasks:

(I) Identify and assess material misstatement risks of financial statements due to fraud or error. design and implement audit process to address these risks, and obtain sufficient and appropriate audit evidences as the basis for giving audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statement or overriding internal controls, the risk of failing to detect material misstatement due to fraud is higher than that due to error.

(II) Understand audit-related internal controls, to design appropriate audit process, but the purpose is not to give opinions on the effectiveness of internal controls.

(III) Evaluate the appropriateness of accounting policies adopted and the rationality of accounting estimates and related disclosures made by the management.

(IV) Draw conclusions on the appropriateness of sustainable operation assumption by the management. Meanwhile, based on the audit evidences acquired, it may lead to conclusions on whether there are significant uncertainties in the matters or circumstances causing major doubts about the capabilities of Caljin Group's sustainable operation. If we conclude that there are significant uncertainties, the auditing standards require us to notify





the users about relevant disclosures of the financial statement in the audit report; if the disclosures are insufficient, we should express opinions without reservations. Our conclusions are based on the information available as of the audit report date. Nevertheless, future matters or circumstances may lead to the inability of Financial Group for sustainable operation.

(V) Evaluate the overall presentation, structure and content of financial statement, and evaluate whether the financial statement has fairly reflected relevant transactions and events.

(VI) Acquire sufficient and appropriate audit evidence on the financial information of Financial Group's entity or business activities, to express opinions on the financial statement. We are responsible for guiding, supervising and executing group audit. We hold full responsibilities for the audit opinions.

We communicate with those charged with governance about planned audit scope, schedule, major audit findings and other matters, including the noteworthy internal control flaws that we have identified during the audit.

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

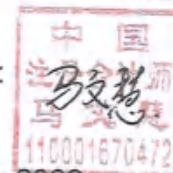


Beijing, China

Chinese CPA:



Chinese CPA:



10 September 2022



CONSOLIDATED BALANCE SHEET

Prepared by: Binzhou High-tech Gaijin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note	31 December 2021	31 December 2020	31 December 2019
Current assets:				
Monetary fund	VI (I)	43,408,200.34	53,185,049.86	20,040,565.21
Deposit reservation for balance				
Funds lent				
Financial assets held for trading				
Derivative financial assets				
Notes receivable				
Accounts receivable	VI (II)	1,115,859,644.81	889,963,110.96	569,714,175.26
Receivables financing				
Advances to suppliers	VI (III)	72,217,894.74	94,661,951.57	59,799,877.92
Premium receivable				
Reinsurance accounts receivable				
Reinsurance contract reserves receivable				
Other receivables	VI (IV)	588,473,587.98	513,145,728.95	414,977,255.27
Buying back the sale of financial assets				
Inventory	VI (V)	7,066,273,027.31	6,767,075,778.60	4,699,706,577.24
Contract assets				
Assets held for sale				
Non-current assets due within one year				
Other current assets	VI (VI)	402,677,617.53	40,823,586.80	34,746,400.07
Total current assets		9,288,909,972.51	8,358,855,206.74	5,798,984,850.97
Non-current assets				
Issue entrusted loans and advances				
Creditor's rights investment				
Available for sale financial assets	VI (VII)	Inapplicable	79,500,000.00	89,500,000.00
Other debt investments				
Long-term receivables				
Long-term equity investments				
Other equity instrument investments	VI (VIII)	19,500,000.00	Inapplicable	Inapplicable
Other non-current financial assets				
Investment properties	VI (IX)	549,486,390.93	566,451,837.14	583,417,283.35
Fixed assets	VI (X)	771,902,900.25	802,629,675.66	829,644,926.67
Construction in progress	VI (XI)	43,698,783.09	42,899,000.00	1,793,659.00
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets	VI (XII)	302,420,699.82	315,586,625.99	328,752,552.16
Development expenditure				
Goodwill				
Long-term prepaid expense	VI (XIII)			250,000.00
Deferred tax assets	VI (XIV)	74,302.85	187,639.95	164,441.06
Other non-current assets				
Total non-current assets		1,687,083,076.94	1,807,254,778.74	1,833,522,862.24
Total assets		10,975,993,049.45	10,166,109,985.48	7,632,507,713.21

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:



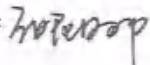
Consolidated Balance Sheet (Continued)

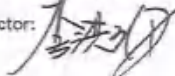
Prepared by: Binzhou High-tech Gaijin Investment Group Co., Ltd.

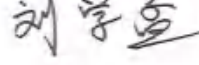
Amount Unit: RMB yuan

Items	Note	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings	VI (XV)	85,767,155.00	79,700,000.00	39,990,000.00
Transactional financial liabilities				
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	Inapplicable
Derivative financial liabilities				
Notes payable				
Trade payables	VI (XVI)	361,198,501.77	251,394,591.87	356,766,645.68
Advances from customers	VI (XVII)	7,848,972.43	248,567,705.04	174,291,286.13
Contract liabilities	VI (XVIII)	236,407,956.62	Inapplicable	Inapplicable
Employee benefits payable	VI (XIX)	151,429.27	75,411.12	55,304.36
Taxes payable	VI (XX)	81,995,499.61	59,876,352.37	32,315,197.02
Other payables	VI (XXI)	1,058,881,778.14	1,916,306,562.41	1,404,017,597.85
Liabilities held for sale				
Non-current liabilities due within one year	VI (XXII)	103,430,000.00	38,800,000.00	10,437,500.00
Other current liabilities	VI (XXIII)	8,814,125.16		
Total current liabilities		1,944,495,418.00	2,589,722,652.58	2,017,872,533.04
Non-current liabilities:				
Long-term borrowing	VI (XXIV)	232,686,950.00	305,400,000.00	334,200,000.00
Bonds payable				
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				
Long-term payables	VI (XXV)	854,081,608.12	1,939,800.04	
Long-term employee remuneration payable				
Provisions				
Deferred incomes				
Deferred tax liabilities				
Other non-current liabilities	VI (XXVI)		2,120,000.00	2,120,000.00
Total non-current liabilities		1,086,768,558.12	309,459,800.04	336,320,000.00
Total liabilities		3,031,263,976.12	2,899,182,452.62	2,354,192,533.04
Owner's equity:				
Paid-in capital	VI (XXVII)	200,000,000.00	200,000,000.00	200,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve	VI (XXVIII)	7,466,526,039.04	6,857,183,958.73	4,964,699,393.58
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve				
Undistributed profits	VI (XXIX)	183,832,632.54	122,550,357.54	29,748,900.12
Total owners' equity attributable to the parent company		7,850,358,671.58	7,179,744,316.27	5,194,448,293.70
Minority shareholder's equity		94,370,401.75	87,183,216.59	83,866,888.47
Total owners' equity		7,944,729,073.33	7,266,927,532.86	5,278,315,180.17
Total liabilities and owners' equity		10,975,993,049.45	10,166,109,985.48	7,632,507,713.21

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: 

Accounting director: 

Accounting firm director: 



CONSOLIDATED INCOME STATEMENT

Prepared by: Binzhou High-tech Cailin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note	the year 2021	the year 2020	the year 2019
I. Total operating incomes		669,799,467.40	665,823,091.34	666,395,886.87
Of which: Operating revenues	VI (XXX)	669,799,467.40	665,823,091.34	666,395,886.87
II. Total operating costs		601,792,344.18	581,266,985.83	588,933,502.98
Of which: Operating costs	VI (XXX)	550,626,695.39	536,727,443.33	536,638,075.34
Taxes and surcharges	VI (XXXI)	6,264,999.59	5,986,291.93	8,161,513.81
Selling expenses	VI (XXXII)			38,221.74
Administrative expenses	VI (XXXIII)	37,816,738.89	33,657,716.09	35,363,893.79
R&D expenses				
Financial expenses	VI (XXXIV)	5,083,910.31	4,897,534.48	8,731,608.30
Of which: Interest expenses		8,597,873.83	8,022,423.35	10,411,238.85
Interest incomes		3,576,251.08	3,206,257.25	1,710,766.53
Add: other incomes	VI (XXXV)	16,860,000.00	34,939,700.00	14,750,000.00
Investment Income (losses marked with "-")	VI (XXXVI)	2,039,251.23		
Of which: investment income from associates and joint ventures				
Derecognized incomes of financial assets measured at amortized cost				
Net exposure hedging gains (losses marked with "-")				
Fair value change incomes (losses marked with "-")				
Credit impairment losses (losses marked with "-")	VI (XXXVII)	569,503.29		
Asset impairment losses (losses marked with "-")	VI (XXXVIII)		-396,830.77	-51,573.08
Gains on disposal of assets (losses marked with "-")				
III. Operating profits (losses marked with "-")		87,475,877.74	119,093,974.74	92,160,810.80
Add: non-operating income	VI (XXXIX)	2,011,796.42	3,204,795.34	1,617,000.55
Less: Non-operating expenses	VI (XL)	454,935.76	160,795.88	1,878,078.80
IV. Total profits (total losses marked with "-")		89,032,738.40	122,137,974.20	92,099,732.55
Less: Income tax expenses	VI (XLI)	23,989,255.23	25,537,949.62	25,316,220.86
V. Net profits (net losses marked with "-")		65,043,473.17	96,600,024.58	66,783,511.89
(I) Classified by business continuity:				
1. Net profits from sustainable operation (net losses marked with "-")		65,043,473.17	96,600,024.58	66,783,511.89
2. Net profits from discontinued operation (net losses marked with "-")				
(II) Classified by ownership:				
1. Net profits attributable to parent company shareholders (net losses marked with "-")		61,950,763.06	93,283,694.46	64,054,268.90
2. Minority shareholders' profits and losses (net losses marked with "-")		3,092,710.11	3,316,330.12	2,729,242.99
VI. After-tax net amount of other comprehensive incomes				
(I) Net other comprehensive incomes after tax attributable to owners of parent company				
1. Other comprehensive incomes not to be reclassified into profits and losses				
2. Other comprehensive incomes to be reclassified into profits and losses				
(II) Net other comprehensive incomes after tax attributable to minority shareholders				
VII. Total comprehensive incomes		65,043,473.17	96,600,024.58	66,783,511.89
(I) Total comprehensive incomes attributable to owners of parent company		61,950,763.06	93,283,694.46	64,054,268.90
(II) Total comprehensive incomes attributable to minority shareholders		3,092,710.11	3,316,330.12	2,729,242.99

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:

大华会计师事务所(特殊普通合伙)
报告编号: 大华审字(2022)第001111号



Consolidated Cash Flow Statement

Prepared by: Binzhou High-tech Cailin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note	the year 2021	the year 2020	the year 2019
I. Cash flow from operating activities:				
Cash received from selling goods and providing services		391,299,180.95	427,977,862.65	239,986,135.03
Tax refunds received				
Other cash received related to operating activities		304,090,331.00	612,321,339.84	284,762,676.67
Subtotal cash inflow from operating activities		695,389,511.95	1,040,299,222.39	524,748,811.70
Cash paid to buy goods and receive labor service		675,940,114.69	2,336,902,508.94	471,849,333.62
Cash paid to and for employees		7,900,783.16	5,575,162.50	7,799,299.80
Taxes paid		2,366,676.83	2,929,609.45	4,261,879.08
Other cash paid to operating-related activities		234,603,648.42	149,738,515.81	158,474,260.04
Subtotal cash outflow from operating activities		920,811,223.10	2,495,145,796.70	642,384,772.54
Net cash flow from operating activities		-225,421,711.15	-1,454,846,574.31	-117,635,960.84
II. Cash flow from investing activities:				
Cash received from investment withdrawal		2,039,251.23	10,000,000.00	
Cash received from investment income				
Net cash received from disposal of fixed assets, intangible assets and other long-term investments				
Net cash received from disposal of subsidiaries and other business units		49,867.07		
Other cash received from investing activities			990,600.00	154,000.00
Subtotal cash inflow from investing activities		2,089,138.30	10,490,600.00	154,000.00
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		1,337,186.81	2,557,971.64	344,814.20
Cash paid for investment				
Net cash paid by subsidiaries and other business units				
Other cash paid to investing-related activities			4,900,000.00	
Subtotal cash outflow from investing activities		1,337,186.81	7,457,971.64	344,814.20
Net cash flow from investment activities		751,951.49	3,032,628.36	-190,814.20
III. Cash flow from financing activities:				
Cash received from absorbing investments		369,285,999.10	1,500,160,000.00	42,530,000.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary				
Cash received from borrowings		122,700,000.00	60,000,000.00	167,000,000.00
Other cash received from financing-related activities			6,349,800.04	
Subtotal of cash inflow from financing activities		491,985,999.10	1,566,509,800.04	209,530,000.00
Cash paid for repayment of debt		139,500,000.00	20,727,500.00	29,460,000.00
Cash paid for distributing dividends, profits or settling interests		87,088,903.98	72,323,269.44	73,947,057.30
Of which: dividends and profits paid to minority shareholders by the subsidiary				
Other cash paid to financing-related activities		51,108,191.92		
Subtotal cash outflow from financing activities		277,697,095.90	93,050,769.44	103,407,057.30
Net cash flow from financing activities		214,288,903.20	1,473,459,030.60	106,122,942.70
IV. Influence of exchange rate changes to cash and cash equivalents				
V. Net increase in cash and cash equivalents		-10,380,856.46	21,644,484.65	-11,703,832.34
Add: opening balance of cash and cash equivalents		41,685,049.86	20,040,565.21	31,744,397.55
VI. Closing balance of cash and cash equivalents		31,304,193.40	41,685,049.86	20,040,565.21

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:



Consolidated Owner's Equity Change Statement

Prepared by: Eijinhou High-tech Capital Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	the year 2021										Total owners' equity	
	Owner's equity attributable to the parent company											
	Paid-up capital	Preference shares	Perpetual debits	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Subtotal		Minority shareholder's equity
I. Balance at the end of last year	200,000,000.00				6,057,193,958.73				122,550,357.54	7,178,744,316.27	87,183,216.59	7,265,927,532.86
Add: accounting policy changes												
Correction of previous period accounting errors												
Other												
II. Balance at the beginning of this year	200,000,000.00				6,057,193,958.73				122,550,357.54	7,178,744,316.27	87,183,216.59	7,265,927,532.86
III. Increased or decreased amount in the current period (decrease)					609,332,080.31				61,282,275.00	670,614,355.31	7,187,195.16	677,801,540.47
(I) Total comprehensive income					609,332,080.31				61,960,763.08	671,292,843.39	3,692,710.11	674,985,553.50
(II) Capital increase or decrease from the owner					609,332,080.31					609,332,080.31	4,694,475.05	614,026,555.36
1. Invested capital by the owner												
2. Other equity instruments owner invested capital												
3. Amount of stock payment included in owner's equity												
4. Others					609,332,080.31				609,332,080.31	609,332,080.31	4,094,475.05	613,426,555.36
(III) Profit distribution									-609,408.06	-609,408.06		-609,408.06
1. Withdrawal of the surplus reserves												
2. Withdrawal of the general risk reserves												
3. Distribution to owners												
4. Others									-609,408.06	-609,408.06		-609,408.06
(IV) Internal transfer of shareholders' equity												
1. Capital reserve to increase capital												
2. Surplus reserve to increase capital												
3. Cover losses with surplus reserve												
4. Set the benefit plan variation to be carried out into retained earnings												
5. Retained earnings carried forward by other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Withdrawal in this period												
2. Used in this period												
(VI) Others												
IV. Balance at the end of current year	200,000,000.00				7,466,526,039.04				183,832,632.54	7,650,358,671.58	94,370,401.75	7,944,729,073.33

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting leader:

Accounting firm director:

兴华会计师事务所(特殊普通合伙)
报告编号: 华审字(2022)0111号



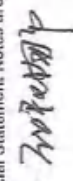
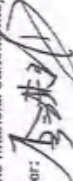
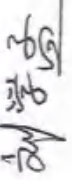
Consolidated Owner's Equity Change Statement (Continued)

Prepared by: Bingshui High-tech Cailin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Owner's equity attributable to the parent company										Minority shareholder's equity	Total owners' equity
	the year 2020											
	Paid-up capital	Preference shares	Perpetual debts	Other	Capital reserve	Loss: treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Subtotal		
I. Balance at the end of last year	200,000,000.00				4,964,699,393.58				29,748,900.12	5,194,448,293.70	83,896,886.47	5,278,315,180.17
Audit: accounting policy changes												
Correction of previous-period accounting errors												
Other												
II. Balance at the beginning of this year	200,000,000.00				4,964,699,393.58				29,748,900.12	5,194,448,293.70	83,896,886.47	5,278,315,180.17
III. Increased or decreased amount in the current period (decrease marked with "-")					1,892,494,565.15				92,801,457.42	1,985,296,022.57	3,316,330.12	1,988,612,352.69
(I) Total comprehensive incomes					1,892,494,565.15				92,801,457.42	1,985,296,022.57	3,316,330.12	1,988,612,352.69
(II) Capital increase or decrease from the owner					1,892,494,565.15				92,801,457.42	1,985,296,022.57	3,316,330.12	1,988,612,352.69
1. Invested capital by the owner												
2. Other equity instruments owner invested capital												
3. Amount of stock payment included in owner's equity												
4. Others												
(III) Profit distribution												
1. Withdrawal of the surplus reserves												
2. Withdrawal of the general risk reserves												
3. Distribution to owners												
4. Others												
(IV) Internal transfer of shareholders' equity												
1. Capital reserve to increase capital												
2. Surplus reserve to increase capital												
3. Cover losses with surplus reserve												
4. Set the benefit plan variation to be carried out into retained earnings												
5. Retained earnings carried forward by other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Withdrawal in this period												
2. Used in this period												
(VI) Others												
IV. Balance at the end of current year	200,000,000.00				6,857,193,958.73				122,550,357.54	7,179,744,316.27	87,183,216.59	7,266,927,532.86

立信会计师事务所(特殊普通合伙)
报告期末值(1)

Legal representative:  Accounting leader:  Accounting firm director: 

(The attached Financial Statement Notes are an integral part of the financial statements)



Consolidated Owner's Equity Change Statement

Amount Unit: RMB yuan

	the year 2019											
	Owner's equity attributable to the parent company											
	Paid-in capital	Preference shares	Perpetual debts	Capital reserve	Less: treasury stock	Other comprehensive income	General risk reserve	Surplus reserve	Undistributed profits	Subtotal	Minority shareholder's equity	Total owners' equity
I. Balance at the end of last year	200,000,000.00			4,922,169,393.58					-32,958,368.78	5,089,211,024.80	81,137,643.48	5,170,348,668.28
A. accounting policy changes												
B. Correction of previous-period accounting errors												
C. Business combination under the same control												
D. Other												
II. Balance at the beginning of this year	200,000,000.00			4,922,169,393.58					-32,958,368.78	5,089,211,024.80	81,137,643.48	5,170,348,668.28
III. Increased or decreased amount in the current period (decrease marked with "-")				42,530,000.00					62,707,268.90	105,237,268.90	2,729,242.89	107,966,511.89
(I) Total comprehensive income				42,530,000.00					64,064,268.90	64,064,268.90	2,729,242.99	66,783,511.89
(II) Capital increase or decrease from the owner										42,530,000.00		42,530,000.00
1. Invested capital by the owner												
2. Other equity instruments owner invested capital												
3. Amount of stock payment included in owner's equity												
4. Others				42,530,000.00								
(III) Profit distribution									-1,347,000.00	-1,347,000.00		-1,347,000.00
1. Withdrawal of the surplus reserves												
2. Withdrawal of the general risk reserves												
3. Distribution to owners												
4. Others												
(IV) Internal transfer of shareholders' equity												
1. Capital reserve to increase capital												
2. Surplus reserve to increase capital												
3. Cover losses with surplus reserve												
4. Set the benefit plan variation to be carried out into retained earnings												
5. Others												
(V) Special reserve												
1. Withdrawal in this period												
2. Used in this period												
(VI) Others												
IV. Balance at the end of current year	200,000,000.00			4,964,699,393.58					29,748,900.12	5,194,448,293.70	83,866,886.37	5,278,315,180.17

大华会计师事务所(特殊普通合伙)
报告编号: 大审字[2020]第1111号

Accounting firm director:

Accounting leader:

(The attached Financial Statement Notes are an integral part of the financial statements.)



Balance Sheet

Prepared by: Binzhou High-tech Caijin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note	31 December 2021	31 December 2020	31 December 2019
Current assets:				
Monetary fund		5,850,205.78	2,428,747.40	888,049.61
Financial assets held for trading				
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	Inapplicable
Derivative financial assets				
Notes receivable				
Accounts receivable				
Receivables financing				
Advances to suppliers		10,705,894.88	75,000.00	108,333.33
Other receivables	XII (I)	765,832,264.88	624,774,021.16	189,649,882.01
Inventory				
Contract assets				
Assets held for sale				
Non-current assets due within one year				
Other current assets		321,390,021.51		
Total current assets		1,103,578,387.01	627,277,768.56	170,626,264.95
Non-current assets				
Creditor's rights investment				
Available for sale financial assets		Inapplicable	60,000,000.00	60,000,000.00
Other debt investments				
Long-term receivables				
Long-term equity investments	XII (II)	4,648,220,108.58	4,630,800,108.58	4,618,600,108.58
Other equity instrument investments				
Other non-current financial assets				
Investment properties				
Fixed assets		52,085.06	86,949.30	121,803.54
Construction in progress				
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets				
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets				
Other non-current assets				
Total non-current assets		4,648,272,203.64	4,690,887,057.88	4,678,721,912.12
Total assets		5,751,850,590.65	5,318,164,826.44	4,849,348,177.07

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:

中兴华会计师事务所(特殊普通合伙)
报告审查章(1)



Balance Sheet (Continued)

Prepared by: Binzhou High-tech Caijin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Note	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings				
Transactional financial liabilities				
Derivative financial liabilities				
Notes payable				
Trade payables				
Advances from customers		584,781,550.54	306,131,550.54	45,528,350.54
Contract liabilities				
Employee benefits payable				
Taxes payable				
Other payables		367,569,232.04	239,242,663.50	71,548,465.75
Liabilities held for sale				
Non-current liabilities due within one year				
Other current liabilities				
Total current liabilities		972,350,782.58	545,374,214.04	117,076,816.29
Non-current liabilities:				
Long-term borrowing				
Bonds payable				
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				
Long-term payables				
Long-term employee remuneration payable				
Provisions				
Deferred incomes				
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities				
Total liabilities		972,350,782.58	545,374,214.04	117,076,816.29
Owner's equity:				
Paid-in capital		200,000,000.00	200,000,000.00	200,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve		4,583,720,108.58	4,576,300,108.58	4,534,100,108.58
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve				
Undistributed profits		-4,220,300.51	-3,509,496.18	-1,828,747.80
Total owners' equity		4,779,499,808.07	4,772,790,612.40	4,732,271,360.78
Total liabilities and owners' equity		5,751,850,590.65	5,318,164,826.44	4,849,348,177.07

中兴华会计师事务所(特殊普通合伙)
 报告审论章(1)

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:



Income Statement

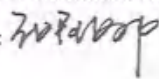
Prepared by: Binzhou High-tech Caijin Investment Group Co., Ltd.

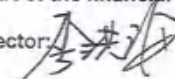
Amount Unit: RMB
yuan

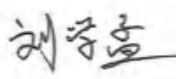
Items	Note	the year 2021	the year 2020	the year 2019
I. Operating income				
Less: operating costs				
Taxes and surcharges				
Selling expenses				
Administrative expenses		1,760,368.89	923,131.47	2,234,831.55
R&D expenses				
Financial expenses		191,893.25	1,653,115.94	5,372,538.98
Of which: Interest expenses				
Interest incomes				
Add: other incomes				7,750,000.00
Investment income (losses marked with "-")		1,241,477.81	895,583.08	
Of which: Investment income from associates and joint ventures				
Derecognized incomes of financial assets measured at amortized cost				
Net exposure hedging gains (losses marked with "-")				
Fair value change incomes (losses marked with "-")				
Credit impairment losses (losses marked with "-")				
Asset impairment losses (losses marked with "-")				
Gains on disposal of assets (losses marked with "-")				
II. Operating profits (losses marked with "-")		-710,804.33	-1,680,664.33	142,629.47
Add: non-operating income				
Less: Non-operating expenses				
III. Total profits (total losses marked with "-")		-710,804.33	-1,680,664.33	142,629.47
Less: Income tax expenses			84.05	
IV. Net profits (net losses marked with "-")		-710,804.33	-1,680,748.38	142,629.47
(I) Net profits from sustainable operation (net losses marked with "-")				
(II) Net profits from discontinued operation (net losses marked with "-")				
V. After-tax net amount of other comprehensive incomes				
(I) Other comprehensive incomes not to be reclassified into profits and losses				
(II) Other comprehensive incomes to be reclassified into profits and losses				
VI. Total comprehensive incomes		-710,804.33	-1,680,748.38	142,629.47

中兴华会计师事务所(特殊普通合伙)
报告审论章(1)

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: 

Accounting director: 

Accounting firm director: 



Cash Flow Statement

Prepared by: Binzhou High-tech Caijin Investment Group Co., Ltd.

Amount Unit: RMB
yuan

Items	Note	the year 2021	the year 2020	the year 2019
I. Cash flow from operating activities:				
Cash received from selling goods and providing services		278,650,000.00	280,603,200.00	34,178,350.54
Tax refunds received				
Other cash received related to operating activities		150,595,863.10	166,985,897.39	45,013,799.21
Subtotal cash inflow from operating activities		429,245,863.10	427,589,097.39	79,192,149.75
Cash paid to buy goods and receive labor service		321,390,021.51		108,333.33
Cash paid to and for employees			660,418.20	1,787,363.59
Taxes paid			84.05	
Other cash paid to operating-related activities		153,416,383.23	455,319,849.35	71,125,980.71
Subtotal cash outflow from operating activities		474,806,404.74	455,980,351.60	73,021,677.63
Net cash flow from operating activities		-45,560,541.64	-28,391,254.21	6,170,472.12
II. Cash flow from investing activities:				
Cash received from investment withdrawal				
Cash received from investment income				
Net cash received from disposal of fixed assets, intangible assets and other long-term investments				
Other cash received from investing activities				
Subtotal cash inflow from investing activities				
Cash paid for purchasing fixed assets, intangible assets and other long-term assets				
Cash paid for investment				
Other cash paid to investing-related activities				
Subtotal cash outflow from investing activities				
Net cash flow from investment activities				
III. Cash flow from financing activities:				
Cash received from absorbing investments		50,000,000.00	30,000,000.00	
Cash received from borrowings				
Other cash received from financing-related activities				
Subtotal of cash inflow from financing activities		50,000,000.00	30,000,000.00	
Cash paid for repayment of debt				
Cash paid for distributing dividends, profits or settling interests		1,218,000.00	48,048.00	5,370,175.78
Other cash paid to financing-related activities				
Subtotal cash outflow from financing activities		1,218,000.00	48,048.00	5,370,175.78
Net cash flow from financing activities		48,782,000.00	29,951,952.00	-5,370,175.78
IV. Influence of exchange rate changes to cash and cash equivalents				
V. Net increase in cash and cash equivalents				
Add: opening balance of cash and cash equivalents		2,428,747.40	868,049.61	67,753.27
VI. Closing balance of cash and cash equivalents		5,650,205.76	2,428,747.40	868,049.61

中兴华会计师事务所(特殊普通合伙)
报告编号: 中兴华审字(2022)第011号

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:



Owner's Equity Change Statement

Prepared by: Binzhou High-tech Gájin Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Paid-in capital			Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
	Preference shares	Perpetual debits	Other										
I. Balance at the end of last year Add: Accounting policy changes	200,000,000.00						4,578,300,108.58					-3,509,496.16	4,772,790,612.40
Composition of previous-period Accounting errors Others													
II. Balance at the beginning of this year	200,000,000.00						4,576,300,108.50					-3,509,496.16	4,772,790,612.40
III. Increased or decreased amount in the current period (decrease marked with "-")							7,420,000.00					-710,804.33	6,709,195.67
(I) Total comprehensive Income													
(II) Capital increase or decrease from the owner													
1. Invested capital by the owner													
2. Other equity instruments owner Invested capital													
3. Amount of stock payment included in owner's equity													
4. Others													
(III) Profit distribution													
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity													
1. Capital reserve to increase capital													
2. Surplus reserve to increase capital													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in the period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	200,000,000.00						4,585,720,108.58					-4,220,300.51	4,779,499,808.07

兴华会计师事务所(普通合伙)
 报告编号: 兴会审字(2021)第011号

Legal representative: Accounting leader:

Accounting firm director:



Owner's Equity Change Statement (Continued)

Prepared by: Binzhou High-tech Capital Investment Group Co., Ltd.

Amount Unit: RMB yuan

Items	Paid-in capital	Other equity instruments			Capital reserve	Loss: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
		Preference shares	Perpetual debits	Other							
I. Balance at the end of last year	200,000,000.00				4,534,100,108.58					-1,828,747.80	4,732,271,360.78
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	200,000,000.00				4,534,100,108.58					-1,828,747.80	4,732,271,360.78
III. Increased or decreased amount in the current period (decrease)					42,200,000.00					-1,680,748.38	40,519,251.62
(I) Total comprehensive incomes											
(II) Capital increase or decrease from the owner					42,200,000.00					-1,680,748.38	-1,680,748.38
1. Invested capital by the owner											
2. Other equity instruments owner invested capital					42,200,000.00						42,200,000.00
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution											
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others											
(IV) Internal transfer of shareholders' equity											
1. Capital (or stock) increase from capital reserves											
2. Capital (or stock) increase from surplus reserves											
3. Cover losses with surplus reserve											
4. Set the benefit plan variation to be carried out into retained earnings											
5. Retained earnings carried forward by other comprehensive incomes											
6. Others											
(V) Special reserve											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the end of current year	200,000,000.00				4,576,300,108.58					-3,609,496.18	4,772,790,612.40

六字台T... (Special Notice)
报告审议章 (1)

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: [Signature]

Accounting leader: [Signature]

Accounting firm director: [Signature]

[Signature]



Owner's Equity Change Statement (Continued)

Amount Unit: RMB yuan

	the year 2019										
	Paid-in capital	Other equity instruments			Capital reserve	Loss: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
		Preference shares	Perpetual debits	Other							
I. Balance at the end of last year	200,000,000.00				4,491,570,108.58					-1,971,377.27	4,689,598,731.31
Add: accounting policy changes, correction of previous-period accounting errors	21,100,000.00										
Other											
II. Balance at the beginning of this year	200,000,000.00				4,491,570,108.58					-1,971,377.27	4,689,598,731.31
III. Increased or decreased amount in the current period (decrease)					42,530,000.00					142,629.47	42,672,629.47
(I) Total comprehensive incomes from the owner					42,530,000.00					142,629.47	42,672,629.47
1. Invested capital by the owner					42,530,000.00						42,530,000.00
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(II) Profit distribution											
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others											
(IV) Internal transfer of shareholders' equity											
1. Capital (or stock) increase from capital reserves											
2. Capital (or stock) increase from surplus reserves											
3. Cover losses with surplus reserve											
4. Set the benefit plan variation to be carried out into retained earnings											
5. Retained earnings carried forward by other comprehensive incomes											
6. Others											
(V) Special reserve											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the end of current year	200,000,000.00				4,534,100,108.58					-1,828,747.80	4,732,271,360.78

天津合立股权投资合伙企业
 普通合伙人
 刘学孟

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: Accounting leader:

Accounting firm director:



Binzhou High-tech Caijin Investment Group Co., Ltd.

2019-2021 Financial Statement Notes

(Unless otherwise specified, the amount unit is RMB)

I. Company profile

(I) Registered location, organization form and headquarter address of the company

Binzhou High-tech Caijin Investment Group Co., Ltd. (hereinafter referred to as the company or corporate, collectively referred to as the Group when including subsidiaries) is a limited liability company invested and founded by the Binzhou Finance Bureau High-tech Industrial Development Zone Branch. It obtained business license with social unified credit code 91371600MA3F3GH98R issued by the Binzhou High-tech Industrial Development Zone Market Supervision Administration, with registered capital: RMB 200 million, legal representative: Wang Nina, type: Other limited liability company, registered address: 1-101, Binzhou High-tech Entrepreneurship Service Center, north of Longteng Sixth Road, west of Binbo Avenue, Binzhou High-tech Zone.

In December 2020, according to the Binzhou High-tech Industrial Development Zone Management Committee Bin High-tech Management Committee Release Document [2020] No.40, 51% shares of Financial Group held by the Finance Bureau were transferred to Binzhou State-owned Capital Operation Group Co., Ltd. As of 31 December 2021, Binzhou State-owned Capital Operation Group Co., Ltd. had held 51% shares, and Binzhou Finance Bureau High-tech Industrial Development Zone Branch had held 49% shares.

(II) Business nature and main operating activities of the company

Corporate business scope: Permitted items: Construction works. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments. The specific business projects shall be subject to the approval documents or licenses of relevant departments) General projects: investment activities with its own funds; Venture Capital (limited to unlisted enterprises); Asset management services for investment of its own funds; Park management services; Project management services; Land consolidation services; Water conservancy related consulting services; Urban greening management; Urban park management; Highway management and maintenance; Municipal facilities management; Forest park management; Water resources management; Water pollution treatment; Lease of land use right; Housing rental; Non-residential real estate leasing; Construction of landscape engineering. (Except items that are required to be approved by law, the company may independently conduct operations by business license in accordance with law).

Approval of financial report

This financial statement was reported upon approval by the company's Board of Directors on 10 September 2022.

(III) Scope of consolidated statement

For subsidiaries of the Group included in the consolidation scope in 2021, please refer to Note VIII "Equity in other entities". For consolidation scope changes of the Group in 2021, please refer to Note VII "Consolidation scope changes".

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statement pursuant to the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, the Application Guidelines, the Interpretations and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), based on sustainable operation, actual transaction and event.

According to relevant provisions of the accounting standards for enterprises, accounting in the company is conducted based on the accrual system. Apart from certain financial instruments, the financial statements should be measured on the basis of historic cost. For non-current assets for sale, the lower amount between its amount after deduction of estimated cost according to fair value and original book value when on-sale conditions are satisfied should be used for measurement. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2. Sustainable operations



The financial statement is presented based on sustainable operation, and the company has capabilities of sustainable operation for at least 12 months from the reporting date of 31 December 2021.

III. Statement on compliance with Accounting Standards for Business Enterprises

The company prepares financial statement in compliance with the Accounting Standards for Business Enterprises, to truly and completely reflect corporate consolidated & parent company financial status, as well as consolidated & parent company operation achievement, consolidated & parent company cash flow and other relevant information.

IV. Significant accounting policies and accounting estimate

According to actual production business characteristics and relevant provisions in the Accounting Standards for Business Enterprises, the company and subsidiaries formulated multiple items of specific accounting policies and accounting estimates on income recognition, construction contract percentage-of-completion determination, R&D expenditure and other transactions and events; please refer to descriptions in Note IV 24 "Income". For details of the major accounting judgments and estimates made by management, please refer to Note IV. 30 "Major accounting judgments and estimates".

1. Accounting period

The company's accounting period is divided into annual and medium-term periods. The latter is shorter than the reporting period of a complete accounting year. Fiscal year of the company follows the Gregorian calendar year, namely from January 1 to December 31 every year.

The reporting period is 2021, 2020 and 2019.

2. Operating cycle

The normal operating cycle refers to the period from purchasing assets for processing to realizing retrieval of cash or cash equivalents. With 12 months as an operating cycle, the company also uses this as a dividing standard for the liquidity of assets and liabilities.

3. Functional currency

RMB serves as the functional currency of the company.

4. Accounting treatment method for business combination under the same and different control

Business combination refers to the transactions or events of combining two or more than two separate businesses into one reporting entity. Business combination includes business combination under the same control and business combination under different control.

(1) Business combination under the same control

The enterprises involved in combination are ultimately controlled by the same party or parties before and after the combination. The control is not temporary, and the combination is under the same control. For business combination under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. Combination date refers to the date on which the combining party actually obtains control to the combined party.

The assets and liabilities obtained by the combining party are measured at the carrying amounts as recorded by the combined party at the combination date. The difference between the carrying amount of the net assets obtained by the combining party and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, retained earnings shall be adjusted.

The direct expenses generated by the acquirer for the purpose of business combinations shall be recorded into the profits and losses for the current period.

(2) Business combination under different control

If the enterprises participating in the merger are not ultimately controlled by the same party or parties before and after the combination, the business combination is facilitated under different controls. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date refers to the date when acquirer actually obtains control over acquiree.



For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 14 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the book value of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; If the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5. Consolidated financial statement preparation method

(1) The principle of determining the scope of consolidated financial statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the company and all its subsidiaries. Subsidiaries are those that are controlled by the



company.

The company will conduct a reassessment once the relevant facts and changes in circumstances have caused changes in the relevant elements involved in the above control definition.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not adjusted. For subsidiaries increased through business merger under the same control and combined party consolidated by merger, their operating results and cash flow from beginning date of consolidation period to combining date have been appropriately included in the consolidated profit statement and consolidated cash flow statement, and comparison number of consolidated financial statements are adjusted at the same time.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The parts in subsidiary owner's equity and current net profits and losses that do not belong to the company are separately presented under the owner's equity and net profit item in the consolidated financial statement, as the minority owner's equity and the minority shareholder's profits and losses. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceed the minority shareholders interest in of the equity of the subsidiary at the beginning of the period, they are still offset against the minority shareholders interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 14 "Long-term equity investment" or Note IV. 9 "Financial Instruments".

If the company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are concluded simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not package deals, for each transaction, accounting treatment is conducted respectively depending on circumstances according to applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control



right" [see Note IV 14 (2) ④]] and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see the preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the company only has rights to the net assets of the arrangement.

The company's investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 14 (2) ② "Long-term equity investment accounting by the equity method".

The company operates jointly as a joint venture, confirming the assets held by the company alone, the liabilities the company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the company; confirming the income generated from the sale of the company's joint operating output share; the income generated from the sales of joint operations according to the company's share; confirming the expenses incurred by the company alone, and confirming the cost of joint operations according to the company's share.

When the company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the "Accounting Standards for Enterprises No. 8 - Asset Impairment", etc., for the case of the assets invested or sold by the company to the joint operations, the company fully confirms the losses; Where the company purchases assets from a joint operation, the company confirms the loss according to its share of commitments.

7. Determination standards of cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign exchange business

(1) Conversion of foreign currency transactions

When initially confirming the foreign currency transaction occurred by the company, it shall be converted into the functional currency according to the spot exchange rate on the transaction date. However, the foreign currency conversion business or the transaction involving foreign currency conversion that occurred in the company shall be converted into functional currency amount according to the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; ② for the available-for-sale foreign currency monetary items, the exchange difference arising from book balance change other than the amortized cost is included in other comprehensive income.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.



9. Financial instruments

The following financial instrument accounting policy is applicable to 2021 and beyond:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the company regards the amount of consideration expected to charge as the initial recognition amount.

① Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

② Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

③ Financial liabilities measured at fair value with changes included in current profit and loss

The company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses contain



transactional financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the company's own credit risk changes, with fair value changes included in other comprehensive incomes, and when the liabilities are derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

② Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Recognition basis and measurement method of financial assets transfer

Financial ① assets meeting one of the right to receive cash flow of such financial assets is terminated; following conditions are de-recognized: the contractual ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(4) De-recognition of financial liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the company derecognizes such financial liabilities (or a part thereof). If the company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the company makes substantial modification to the contractual cl



original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the company determines their fair value by using quotation on active market. Quoted market prices in an active market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc., and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the company determines their fair value by using valuation techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

(7) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The company does not recognize the fair value changes of equity instruments.

If dividends for corporate equity instruments are distributed during the existence period (including "interests" generated by instruments classified as equity instruments), they shall be treated as profit distribution.

The following financial instrument accounting policy was applicable to 2020:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability. Financial assets and financial liabilities are measured at fair value on initial confirmation. For the financial assets and financial liabilities measured at fair value and the changes therein are recognized into current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss, and for other categories of financial assets and financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

(1) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. The Company measures fair values of financial assets and financial liabilities at the price in the major market. If no major market, the price best favorable to the market should be used to measure the fair values of financial assets and financial liabilities and current applicable valuation technique with sufficient applicable data and other information support is used. Input value for measurement of fair value can be divided into three levels, i.e. the first-level input value is unadjusted quotation on same assets or liabilities obtained in the active market at the date of measurement; the second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; the third-level input value is non-observable input value of related assets or liabilities. The company prefers to use the first-level input value, and use the third-level input value finally. Level of the measurement result of fair value is decided according to the lowest level of input value with great significance for



whole measurement of fair value.

(2) Classification, confirmation and measurement of financial assets

The financial instruments traded in a conventional manner shall be conducted accounting recognition and de-recognition at the date of transaction. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments; loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss

Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong to a part of recognizable financial instruments of centralized management, with objective evidence to show the company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

② Held to maturity investments

Refers to non-derivative financial assets with a fixed due date, a fixed or recyclable amount, and the company's clear intention and ability to hold until maturity.

Subsequent to initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

The effective interest rate method refers to the method of calculating the amortized cost and the interest income or expenses of each period according to the effective interest rate of the financial assets or financial liabilities (including a group of financial assets or financial liabilities). Effective interest rate is the interest rate at which the future cash flows of the financial asset or liability in the expected duration or during shorter applicable time period are discounted into its present nominal value.

When calculating actual interest rate, the company will estimate future cash flow (without considering future credit losses) based on considering all contractual clauses of financial assets or financial liabilities, while also considering various charges, transaction expenses, discounts or premiums and the like which form part of actual interest rate, paid or charged between contractual parties of financial assets or financial liabilities.

③ Loans and receivables

It refers to the non-derivative financial assets that have no quoted price in an active market, with a fixed or determinable recovery amount. The financial assets classified by the company as loans and receivables include notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Subsequent to initial recognition, loans and receivables are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

④ Available for sale financial assets

It includes the non-derivative financial assets that are designated as available for sale at initial recognition



financial assets charged to profit or loss for the current period other than financial assets at fair value, loans and receivables, and financial assets out of held-to-maturity investments.

Cost of the available-for-sale debt instrument at the end of the period should be recognized with amortized cost method, which is initially recognized amount minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment. Cost of the available-for-sale equity instrument at the end of the period is the originally obtained cost.

Available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value, other than exchange differences related with impairment losses and foreign currency monetary financial assets and amortized costs in profit or loss for the current period, are recognized in other comprehensive income. When the financial asset is derecognized, it is transferred out and included in the current profit and loss. However, the equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, and the derivative financial assets that are linked to the equity instrument and must be settled through delivery of the equity instrument are subsequently measured at cost.

Interest on available-for-sale financial assets and cash dividend income that the invested entity declares are recognized in investment income.

(1) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the company checks the book value of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the company should make the provision for impairment.

The company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an objective evidence that the value of the financial asset has been recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The book value of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.



(1) Recognition basis and measurement method of financial assets transfer

Financial ① assets meeting one of the right to receive cash flow of such financial assets is terminated; following conditions are de-recognized: the contractual ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(2) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract

Financial guarantee contracts that are not classified as financial liabilities measured at fair value to the current



profit or loss are initially recognized at fair value, and then, it should be subsequently measured the larger balance, one of them is determined in accordance with Accounting Standards for Enterprises No. 13 - Contingencies and the other is initial confirmation amount after deducting the accumulated amount of amortization determined in accordance with the principle of "Accounting Standards for Enterprises No. 14 - Revenue".

(1) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(2) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Changes to fair value of derivatives are included in the current profits and losses.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(3) Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(4) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are deducted from equity.

The company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The company does not recognize the changes in fair value of equity instruments.

10. Impairment of financial assets

The following financial asset impairment accounting policy is applicable to 2021 and beyond.

The financial assets that the company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

(1) Method for recognizing impairment provision

Based on expected credit losses, the company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.



Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and well-grounded information, including forward-looking information.

For financial instruments with lower credit risks on the balance sheet date, the company measures loss provision based on expected credit losses within the next 12 months.

(2) Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have increased significantly.

The company will consider the following factors when assessing whether credit risk is increased significantly:

- 1) Whether the actual or expected operating results of the debtor have changed significantly;
- 2) Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes;
- 3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;
- 4) Whether expected performance and repayment behavior of the debtor has changed significantly;
- 5) Whether corporate credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the company judges financial instrument only has relatively low credit risk, the company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

(3) Criteria for judging financial assets with credit impaired

When one or more events with an adverse impact on the expected future cash flow of financial asset occur, such financial asset becomes a credit-impaired financial asset. Evidence for credit impairment of financial assets includes the following observable information:

- 1) The issuer or debtor has major financial difficulties;
- 2) The debtor breaches the contract, such as defaulting or overdue payment of interest or principal;
- 3) Considering relevant economic or contract of debtor's financial difficulties, the creditor gives the debtor concession that would never be made under any other circumstances;
- 4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 5) The issuer or debtor is in financial difficulties, causing active market for such financial assets disappeared;
- 6) A financial asset is purchased or derived at a huge discount which indicates the fact of credit loss occurrence.

Credit impairment of financial assets may be caused by joint action of multiple events, and not necessarily separately identifiable event.

(4) Portfolio method for evaluating expected credit risks based on portfolio



The company evaluates credit risks individually for financial assets with significantly different credit risks, e.g.: receivables from associated parties; receivables in dispute with the other party or involved in litigation and arbitration; receivables with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

In addition to financial assets with individual assessment of credit risks, the company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the company include: portfolio divided with the balance of receivables as credit risk characteristics, receivables of government and its affiliates, subsidiaries controlled by the Group and between subsidiaries, related party, employee reserve, withholding payment and margin, etc., and it assesses credit risks on a portfolio basis.

(5) Accounting treatment method of financial asset impairment

At the end of period, the company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

(6) Method for recognizing credit losses of various financial assets

① Notes receivable

The company measures loss provision for bills receivable based on the amount equivalent to expected credit losses throughout the existence period. Based on credit risk characteristics of bills receivable, they are divided into different portfolios:

Items	Basis of determining the portfolio
Bank acceptance bill	Acceptors are banks with low credit risks
Commercial acceptance bill	Portfolio classified by balance as credit risk characteristics

② Accounts receivable and contract assets

With regard to accounts receivable and contract assets excluding major financing components, the company measures loss reserve at the amount equivalent to the expected credit loss throughout the duration.

With regard to accounts receivable and contract assets including major financing components, the company chooses to always measure loss reserve at the amount equivalent to the expected credit loss throughout the duration.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Portfolio 1	Government and its affiliates; receivables of subsidiaries controlled by the Group and between subsidiaries, related parties, etc.
Portfolio 2	Other customer closing balance

③ Other receivables

The company measures impairment losses based on whether the credit risks of other receivables have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period. In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
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Items	Basis of determining the portfolio
Portfolio 1	Government and its affiliates; receivables of subsidiaries controlled by the Group and between subsidiaries, related parties, etc.
Portfolio 2	Other customer closing balance

④ Creditor's rights investment

Main accounting of debt investments is bond investment, etc measured at amortized cost. The company measures impairment losses based on whether its credit risks have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period. Except for debt investment with individual assessment of credit risk, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Portfolio 1	Credit risk rating

⑤ Other debt investments

Other debt investments are mainly accounted by bond investments measured at fair value with change recorded in other comprehensive income. The company measures impairment losses based on whether its credit risks have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period. Except for other debt investment with individual assessment of credit risk, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Portfolio 1	Credit risk rating

⑥ Long-term receivables

The company measures impairment losses of long-term receivables based on whether their credit risks have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period. In addition to long-term receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Portfolio 1	Credit risk rating

11. Receivables financing

Notes receivable and accounts receivable that are classified as measured at fair value and whose changes are included in other comprehensive income and whose maturity is within one year (inclusive) from the date of acquisition are listed as receivables financing; where the maturity is more than one year since acquisition, they shall be listed as other creditor's rights investments. Refer to Notes IV, 9 "Financial Instruments" and Notes IV, 10 "Impairment of Financial Assets" for the relevant accounting policies.

12. Inventory

(1) Classification of inventory

Inventories mainly include development products, development costs, raw materials, low-value consumables



inventory commodities, etc.

(2) Pricing method to obtain and issue inventory

Inventories are valued at the actual cost when acquired, and inventory costs include purchase costs, processing costs, and other costs. They are valued according to the first-in first-out method at the time of acquisition and delivery, as well as specific identification method.

(3) Confirmation of the net realizable value of inventories and withdrawal method for falling prices

Net realizable value refers to the estimated sold price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. When determining the net realizable value of inventories, based on obtaining conclusive evidence, consider the purpose to hold the inventory and the influence of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower between the cost and net realizable value. When the net realizable value is lower than the cost, inventory depreciation reserve is withdrawn. The inventory depreciation reserve is drawn as per the difference between the cost of a single inventory item higher than its net realizable value.

After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount transferred back is included in the current profit or loss.

(4) Method for development cost accounting

Costs of the company's development projects include:

① Compensation fees for land acquisition and demolition: gathered expenses incurred for purchasing or participating in land auction of real estate development, including land prices, resettlement fees, compensations for demolition of existing buildings, deed taxes, auction service fees, etc.

② Preliminary engineering costs: gathered expenses of planning, design, feasibility study, hydrogeological investigation, surveying and mapping, site leveling, etc before development.

③ Infrastructure costs: gathered infrastructure costs of water supply, power supply, gas supply, sewage discharge, flood drainage, communications, lighting, greening, sanitation facilities, light projects and roads, etc incurred during the development process.

④ Architectural installation engineering costs: gathered all architectural installation engineering costs and equipment costs incurred during the construction and development process according to the architectural installation engineering construction drawings.

⑤ Ancillary facility costs: gathered costs of public ancillary facilities incurred in the development projects, such as boiler rooms, water towers (tanks), bicycle sheds, public security fire control rooms, power distribution rooms, public toilets, kindergartens, schools, recreational and sports facilities, clubs, neighborhood committees and garbage rooms, etc.

Indirect development expense: the expense that is incurred by organization, management and development engineering at the development project site, cannot be directly determined to bear by a certain project and shall be distributed among development projects in accordance with certain standards at the end of month. Including: borrowing cost incurred before the completion of development project, engineering management department office expense, telephone expense, transportation and business trip expense, repair expense, labor protection expense, depreciation expense, low-value consumable amortization, turnover house amortization, management agency personnel remuneration and other expenditures.

When the development project is completed, and meets the housing handover conditions upon inspection and acceptance of relevant government department, calculate or estimate the total saleable area of development products such as residential buildings, shops, offices and parking spaces for sale, apportion the gathered development costs among all development products as per the ratio of salable area of each development product to total salable area, and calculate the actual costs of all development products. If final accounts have not been conducted, include in the development products at the estimated cost, and adjust the development products according to the difference between actual cost and estimated cost, after the final accounts.



(5) Accounting method for development land

Development land refers to the land use right purchased by the company and planned for real estate development is accounted in the "inventory-intended development land" item, and its book value is transferred into the "inventory-development cost" item for accounting when such land is developed.

For pure land development project, its expenses separately constitute land development costs.

Along with the real estate development projects as a whole, calculate the share of development cost charged into the project as per the floor area of development project; if the land plot ratio of various development projects is so large that it is unreasonable to calculate the share as per the floor area, the share is calculated as per the construction area of development projects.

(6) Ancillary public facility expense accounting method

Ancillary public facilities that cannot be transferred in a paid manner: accounted as per the actual amount incurred. The ancillary public facilities that can be identified in subordinate development project are directly included in development cost of subordinate development project; the ancillary public facilities that cannot be directly identified are first classified separately in development cost, and such separately classified development cost is amortized at the saleable area of development product and included in each beneficiary development project at the time of completion and final account of ancillary public facilities; if the ancillary public facilities are completed later than relevant development project, ancillary public facility expense is first accrued by relevant development project, and after completion and final account of ancillary public facilities, relevant development product cost is adjusted as per the difference between actual amount incurred and accrued amount.

Ancillary public facilities that can be transferred in a paid manner or have income right: the cost incurred is classified with each ancillary facility project as independent cost accounting object.

(7) The inventory system is a perpetual inventory system.

(8) Amortization method for low-value consumables and packaging materials

Low-value consumables should be amortized at one-off amortization method when they are received; and the packages should be amortized at one-off amortization method when they are received.

13. Contract assets

Accounting policy of contract assets is applicable to 2021 and beyond.

For the rights that customers have not yet paid contract consideration, but the company has fulfilled performance obligations in accordance with the contract, not attributable to unconditional (i.e. only depending on time lapse) payment collection from customers, the company presents them as contract assets in balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to Note IV. 10 Financial asset impairment.

14. Long-term equity investments

The long-term equity investment 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 long-term equity investment of which the company does not have control, joint control or significant impact on the investee company is measured at fair value or as available-for-sale financial assets with the changes charged to current losses and profits, and the accounting policy is shown in "Note IV. 9 Financial instruments".

Joint control means that the company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements



at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted. Where the equity of the merged party under the same control is obtained through multiple transactions by steps, to ultimately form business combination under the same control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise in the merger's consolidated financial statement as the initial cost of the long-term-equity investment. The difference between the initial cost of the long-term equity investment and the sum of the book value of long-term equity investment before the acquisition and book value of consideration paid for obtaining shares at the purchase date shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. For the equity investment prior to the acquisition date that is recognized as other comprehensive incomes because it uses equity method or because it is an available-for-sale financial asset, it is not accounted temporarily.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the book value of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily. Where the original equity investment is an available-for-sale financial asset, the difference between the fair value and the book value, and the accumulated fair value changes previous recognized in other comprehensive income are transferred to the current profit or loss.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends



declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the book value of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the book value of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the company and the investment income and other comprehensive income should be also confirmed. For transactions between the company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. If the assets invested by the company to joint venture or associate constitutes a business, if the investor obtains a long-term equity investment without the right of control, the fair value of the investment is used as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the book value of the investment business is fully accounted in the current profit or loss. If the assets invested by the company to joint venture or associate constitutes a business, the difference between the consideration obtained and the book value of the business is fully recorded in the current profit or loss. Where the company constitutes business by the assets purchased from associated enterprises and joint ventures, accounting treatment shall be conducted pursuant to the provisions of the Accounting Standards for Business Enterprises No.20 – Enterprise consolidation, and the gains or losses related to transactions are fully recognized.

When the net losses incurred by the invested entity are confirmed, the book value of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

For the company's long-term equity investments in associates and joint ventures that have been held prior to the first implementation of the new accounting standards, if there is a debit difference of the equity investment related to the investment, the amount should be amortized on a straight-line basis of the original remaining period, which is included in the current profit or loss.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary,



subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the book value and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has been accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should be accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss.

If the company disposes of part of the equity investment and loses control of the invested entity, when the individual financial statements are prepared, if the remaining equity after disposal can exert joint control or significant influence on the investee, it should be calculated according to the equity method, and the residual equity is regarded as being adjusted as equity method when it is obtained; if the remaining equity after disposal cannot exert joint control or significant influence on the invested entity, it should be accounted in accordance with the relevant provisions of the criteria for recognition and measurement of financial instruments. The difference between the fair value on the date of loss of control and the book value is included in the current profit or loss. Before the company obtains control over the investee, for the other comprehensive income recognized as equity method or financial instrument recognition and measurement standard, it is recorded with the basis that the investee disposes of directly the related assets and liabilities when it loses control over the investee. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss when it loses control over the investee. Among them, if the remaining equity after disposal is accounted as the equity method, other comprehensive income and other owners' equity are transferred in proportion; if the residual equity after disposal is accounted as according to the criteria for recognition and measurement of financial instruments, other comprehensive income and all other rights & interests are fully transferred.

If the company disposes of part of the equity investment and loses the joint control or significant influence on the investee, the remaining equity after disposal should be calculated according to the criteria for confirmation and measurement of financial instruments, and the difference between the book value and the fair value on the date of loss of joint control or significant influence is included in the current profit or loss. For the other comprehensive income recognized in the original equity investment as the equity method, it is accounted with the same basis that the investee disposes of directly the related assets or liabilities when the equity method is terminated. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss fully when the equity method is terminated.

The company disposes of the equity investment in the subsidiary company through multiple transactions step by step until it loses control. If the above transaction belongs to a "package deal", the each transaction should be accounted to dispose of the equity investment in the subsidiary and lose control. Before the loss of control, for the difference between the book value of the disposal equity corresponding to the long-term equity investment and each disposal price, it is at first recognized as other comprehensive income, and then transferred to the current profit or loss at the time of loss of control.

15. Investment properties

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. Including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, buildings that have been leased, etc. In addition, for the vacant buildings the bank holds to prepare operating lease, if the board of directors (or equivalent) made a resolution in writing, made clear that it will be used for business and lease, as well as the intention of holding in the short term will not change, it is also presented as investment real estate.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate



should be included in the cost of investment real estate if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures are included in the current profits and losses when occurring.

The company adopts a cost model for subsequent measurement of investment real estate, and depreciates or amortizes in accordance with policies that are consistent with the use right of buildings or land.

When real estate for personal use or inventory is converted to investment real estate or investment real estate is converted to real estate for personal use, the book value before conversion is regarded as the recorded value after conversion.

When the use of investment real estate is changed to personal use, the investment of real estate will be converted to fixed assets or intangible assets from the date of change. When the use of real estate for personal use is changed to earning rent or capital appreciation, the fixed assets or intangible assets is converted to investment real estate from the date of change. When conversion occurs, for those are converted to the investment real estate measured by the cost model, the book value before conversion is regarded as the recorded value after conversion; for those are converted to the investment real estate measured by fair value model, fair value on the conversion date is regarded as the value recorded after the conversion.

When the investment real estate is disposed of or permanently withdrawn from use and it is expected that no economic benefit can be obtained from its disposal, the recognition of the investment real estate should be terminated. The income from disposal of investment real estate sold, transferred, scrapped or damaged is deducted for its book value and related tax expenses and charged to the current profit or loss.

16. Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the company and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost and taken into account the impact of the estimated cost of disposal.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Category	Depreciation method	Depreciation year limit (years)	Residual value rate (%)	Yearly depreciation rate (%)
Houses and buildings	Straight-line method	20-30	5	3.17-4.75
Pipe gallery assets	Straight-line method	30	5	3.17
Furniture and appliance	Straight-line method	10	5	9.50
Transportation	Straight-line method	10	5	9.50
Office and electronic devices	Straight-line method	5	5	19.00
Special equipment	Straight-line method	5	5	19.00

The expected net residual value is the amount that the company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.



(3) Impairment test method and withdrawal method of impairment provision of fixed assets

For the details of impairment test method and withdrawal method of impairment provision of fixed assets, please refer to Note IV. 21 "Long-term Asset Impairment".

(4) Identification basis and pricing method of financing lease fixed assets

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. Fixed assets leased by financial leases are depreciated by the same policy as that of self-owned fixed assets. If it is reasonably certain that the ownership of the leased asset should be obtained when the lease expires, depreciation should be made within the useful life of the leased asset; if it cannot reasonably be determined that the leased asset can be acquired after the expiration of the lease term, the shorter period of the lease term and the useful life of the leased asset is used for the depreciation.

(5) Other instructions

For the subsequent expenditures related to fixed assets, if the economic benefits associated with the fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of fixed assets and the recognition of the book value of the replaced part is terminated. The other subsequent expenses are included in the current profit or loss when incurred.

The fixed assets are derecognized when the fixed assets are disposed or if no economic benefits are expected to generate from the use or disposal. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting their book value and related tax fees is included in the current profit or loss.

The company reviews the use life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year, and if any change, it is recorded as a change in accounting estimates.

17. Construction in progress

Costs of construction in progress are determined on the basis of actual project expenditures, including project expenditures incurred during construction, capitalized borrowing costs and other related expenses before the project reaches its expected usable condition. Construction in progress is carried over to the fixed assets after it reaches its intended usable condition.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 20 "Long-term Asset Impairment".

18. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.



19. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

Items	Estimated service life
Land use right	According to the land time limit
Software	5
Unpatented technology	Stipulated contract or agreement period

On 31 December 2021, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss.

① It is feasible technically to finish intangible assets for use or sale;

② It is intended to finish and use or sell the intangible assets;

③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;

④ Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;

⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets



kind to customers, which means customers have occupied such commodity in kind; the company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The following income accounting policy is applicable to 2020 and before:

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant economic benefits are likely to flow into the company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor transaction completion is determined.

① The result of labor service provision transaction can be reliably measured means to simultaneously satisfy: income amount can be measured reliably; ② relevant economic benefits are likely to flow into the company; ③ transaction completion degree can be reliably determined; and ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the labor service costs already incurred are not expected to be compensated, the incomes are not recognized, and the labor service costs incurred are included in current profits and losses.

When the contract or agreement signed between the company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance sheet date. The progress of contract completion is determined.

The result of construction contract can be reliably measured means to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; and ④ contract completion progress and the cost to be incurred for completing the contract can be reliably determined.

If the result of construction contract cannot be reliably estimated, but the contract cost can be recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of



construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance receipts.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

(5) Interest incomes

It is determined based on the time for other's use of the company monetary assets and actual interest rate.

25. Contract costs

The accounting policies about contract cost apply in 2021 and beyond.

The incremental costs incurred by the company for acquisition of the contract that is expected to be recovered is recognized an asset as the contract acquisition costs. Where the cost incurred for contract performance falls beyond the scope of accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) and simultaneously meets the following conditions, an asset is recognized as contract performance cost: ① such cost is directly associated with a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers and other costs incurred simply due to such contract; ② such cost increases future resources of the Group for performance obligation; ③ such cost is expected to be recovered.

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

26. Government Grants

Government grants refer to monetary assets and non-monetary assets obtained by the company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. The company defines the government grants obtained for construction or forming long-term assets by other means as asset-related government grants; the other government grants are defined as revenue-related government grants. If government document does not expressly specify the recipient of subsidy, the subsidy fund is divided into income-related government subsidy and asset-related government subsidy in the following manners: (1) if the government document clarifies the specific project for subsidy, it is divided as per the relative proportion of asset expenditure amount and expenditure amount charged to expense in the budget of this specific project, and this division proportion needs to be reviewed on each balance sheet date and changed when necessary; (2) if government document only makes general statement on the purpose of usage, rather than indicate the specific project, it is the income-related government subsidy. If government grants are monetary assets, measure according to received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

The company usually recognizes and measures government grants as per the paid-in amount when actually received. Nevertheless, in case of conclusive evidence on 31 December 2021 to show compliance with relevant criteria of fiscal support policy provisions and expected receipt of fiscal support funds, measure in accordance with the amount receivable. Government grants measured in accordance with the amount receivable shall simultaneously satisfy the following criteria: (1) the amount of receivable grants has been confirmed by document of government authority, or may be reasonably measured pursuant to relevant provisions of officially promulgated fiscal fund administration measures, and the amount is expected to have no significant uncertainty; (2) it is subject to the administrative measures for fiscal support project and fiscal fund officially promulgated by local fiscal authority and actively disclosed pursuant to the Government Information Disclosure Regulations, and such administrative measures should be generalized preferential (any enterprise that meets the specified criteria can apply), rather than formulated for a specific enterprise; (3) the time limit of payment has been clearly promised in relevant subsidy approval document, and the payment of such amount is guaranteed by corresponding fiscal budget, so as to reasonably ensure receipt within the prescribed time limit; (4) other relevant criteria to meet according to specific circumstances of the company and such subsidy matter (if any).

Asset-related government grants are recognized as deferred income and included in current profits and losses within the service life of relevant asset in a reasonable and systematic manner. If the income-related government grant is used to compensate for relevant costs or losses after the compensation period, it is recognized as deferred



income and included in current profits and losses in the period of recognizing relevant costs or losses; if it is used for compensating the incurred relevant costs or losses, it is directly included in current profits and losses.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

In case the recognized government grants need to be returned, the related deferred income balance shall write down the relevant deferred income book balance and the exceeding part is included in the current profits and losses; and shall be directly charged to the current profits and losses.

27. 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 current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. The amount of taxable income based on which the current income tax expense is calculated is drawn after corresponding adjustment of this year's pre-tax accounting profit made pursuant to relevant tax law.

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

For the gap between book value of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between book value of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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



Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust book value of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

28. Leasing

The following lease accounting policy is applicable to 2021 and beyond:

Lease means that the company has transferred or obtained the control of one or more identified asset use rights within a certain period to exchange for or pay the consideration contract. On the start date of a contract, the company assesses whether the contract is for lease or contains lease.

(1) The company acts as a lessee

① Initial Measurement

On the lease start date, the company recognizes its right to use the lease assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as lease liabilities (except short-term lease and lease of low-value assets). When calculating the present value of lease payment amount, the company adopts interest rate implicit in lease as discount rate; if the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing interest rate is regarded as discount rate.

② Subsequent measurement

The company accrues depreciation for the right-of-use assets from the current month of starting lease term. If leased asset ownership can be properly determined upon expiration of lease term, the company accrues depreciation within the remaining service life of leased assets. If the ownership of lease assets cannot be reasonably determined at the expiration of lease term, the company makes depreciation provision during the period of lease term or remaining service life of lease assets, whichever is shorter.

As to lease liabilities, the company calculates their interest expense during each period of lease term according to fixed periodic rate, and records them in current profits and losses or relevant asset costs. Variable lease payment amount excluded from the measurement of lease liabilities is recorded in current profits and losses or relevant asset costs when it actually occurs.

After the lease start date, when actual fixed payment amount changes, the expected amount payable of guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation result of purchase option right, lease renewal option right or termination option right or actual exercise situation changes, the company re-measures lease liabilities according to the present value of lease payment amount after change, and adjusts book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the company records remaining amount in current profits and losses.

③ Short-term lease and low-value asset lease

For short-term lease (lease of which lease term does not exceed 12 months on the lease start date) and low-value asset lease, the company leverages a simplified treatment method, rather than recognize the right-of-use assets and lease liabilities, but to record lease payment amount in relevant asset cost or current profits and losses by the straight-line method or other systematic reasonable methods during each period of lease term.



④ Lease change

If the lease is changed and the following conditions are met simultaneously, the company conducts accounting treatment of this lease change as a separate lease:

- Lease scope is expanded for this lease change by adding one or more lease asset use right;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted on lease change as a separate lease (except that the contract change directly caused by COVID-19 epidemic is subject to simplified method,) on the effective date of lease change, the company re-allocates the consideration of contract after change, re-determines the lease term, and re-measures lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate.

If lease change causes reduced lease scope or shortened lease term, the company decreases the book value of right-of-use assets accordingly, and includes relevant gains or losses on partially or entirely terminated lease into current profits and losses. If other lease changes cause re-measurement of lease liabilities, the company adjusts the book value of right-of-use assets accordingly.

(2) The company acts as a lessor

Based on transaction nature, the company divides lease into financial lease and operating lease on the lease start date. Financial lease refers to the lease of which almost all risks and rewards pertaining to the ownership of lease assets have been substantially transferred. The term "operating lease" shall refer to a lease other than a financing lease.

① Operating leasing

The company adopts the straight-line method to recognize lease receipts from operating lease as the rental income for each period of the lease term. Variable lease payment amount related to operating lease and excluded from the lease receipt amount is recorded in current profits and losses when it actually occurs.

② Financial leasing

On the lease start date, the company recognizes financial lease receivables, and de-recognizes financial lease assets. Financial lease receivables are initially measured by net lease investment (the sum of unguaranteed residual value and present value of lease payment amount not yet received on the lease start date discounted at the interest rate implicit in lease), and interest income during the lease term is calculated and recognized as per fixed periodic rate. Variable lease payment amount obtained by the company and excluded from the measurement of net lease investment is recorded in current profits and losses when it actually occurs.

③ Lease change

If operating lease is changed, the company regards it as a new lease for accounting treatment from the effective date of change, and deems as the new lease receipt amount of advance receipts or lease receivables related to the lease before change.

Where financial lease changes and meets the following conditions, the company conducts accounting treatment for this change as a separate lease:

- This change expands lease scope by increasing the right of use for one or more leased assets;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted for financial lease change as a separate lease, the company treats the changed lease under the following circumstances:

- Where the change takes effect on the lease start date, and this lease is classified as operating lease, the company conducts accounting treatment on it as a new lease from the effective date of lease change, and regards net lease investment amount before the effective date of lease change as the book value of leased assets;

- Where the change takes effect on the lease start date, and this lease is classified as financial lease, the company conducts accounting treatment in accordance with the provisions concerning contract amendment or re-negotiation in the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement



Financial Instruments.

The following lease accounting policy is applicable to 2020 and before:

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. The other lease in addition to financing lease is operating lease.

(1) The company records the operating lease business as a lessee

Rental expenses of operating leasing shall be recorded into related asset cost or current profit and loss using straight line method in each period during lease. Initial direct expenses are charged to current profits and losses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(2) The company records the operating lease business as a lessor

Rental income of operating leasing shall be recognized as current profit and loss using straight line method in each period during lease. The initial direct costs with large amounts shall be capitalized upon occurrence and shall be recorded into current profit and loss by stages in same base as the recognized rental income in the whole lease period; other initial direct costs with small amounts shall be recorded into current profit and loss upon occurrence. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(3) The company records the financing lease business as a lessee

On the lease start date, the lower between fair value of leased asset on the lease start date and current value of minimum lease payment is deemed as recorded value of leased asset, the minimum lease payment is deemed as recorded value of long-term payables, and the difference is deemed as unrecognized financing expense. In addition, the initial direct expenses incurred during lease negotiation and signing of lease contract, and attributable to the lease project are also included in the value of leased asset. The balances of minimum lease payment after deducting unrecognized financing expense are listed as long-term liabilities and long-term liabilities due within one year respectively.

Unrecognized financing expenses are calculated by the actual interest rate method during the lease period to recognize current financing expenses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(4) The company records the financing lease business as a lessor

On the lease start date, the sum of minimum lease receipt amount on the lease start date and initial direct expense is deemed as recorded value of financing lease receivables, and the unguaranteed residual value is recorded simultaneously; the difference between the minimum lease receipt amount, initial direct expense and unguaranteed residual value sum and the present value sum is recognized as unrealized financing revenues. The balances of financial lease receivables after deducting unrealized financing revenues are listed as long-term claims and long-term claims due within one year respectively.

Unrealized financing revenues are calculated by the actual interest rate method during the lease period to recognize current financing incomes. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

29. Other important accounting policies and accounting estimates

(1) Discontinued operation

① Discontinued operation refers to the integral part that meets one of the following conditions, has been disposed of or classified as held-for-sale by the company and can be distinguished separately when operating and preparing financial statement: this integral part represents an independent main business or a separate main operating area; ② this integral part is a part of disposal plan intended for an independent main business or a main operating area; ③ this integral part is subsidiary acquired solely for resale.

30. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policy changes due to implementation of new financial instrument standards.



Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22—Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), Accounting Standards for Business Enterprises No.23—Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), Accounting Standards for Business Enterprises No.24—Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated Accounting Standards for Business Enterprises No.37—Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards are collectively referred to as “new financial instrument standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new financial instrument standards from 1 January 2021.

The impact under the first implementation of new financial instrument standards to financial statement on 1 January 2021 is as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Available for sale financial assets	79,500,000.00		60,000,000.00	
Other equity instrument investments		79,500,000.00		60,000,000.00
Other payables	1,916,308,562.41	1,916,125,279.19		
Short-term borrowings	79,700,000.00	79,767,155.00		
Long-term borrowing	305,400,000.00	305,516,128.22		

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

On 5 July 2017, Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) (Accounting [2017] No.22) (hereinafter referred to as “new income standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new income standards from 1 January 2021.

For the retained earnings at the beginning of current period of initial execution from adjustment of cumulative impact amount of first execution (i.e. 1 January 2021), as well as other relevant item amounts of financial statements, the comparable period information is not adjusted.

The new income standards established a new income recognition model for the income generated by the contracts with customers. In order to implement the new income standards, the company reassessed the main contract income recognition, measurement, accounting and presentation, etc. According to the provisions of new income standards, the Group chose to adjust only the cumulative impact number of contracts uncompleted on 1 January 2021, and conducted simplified treatment of the contract change occurred before the beginning of earliest comparable period or before 1 January 2021, namely to identify the fulfilled and unfulfilled performance obligation according to final arrangement of the contract, determine transaction price and share transaction price between the fulfilled and unfulfilled performance obligations.

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021



For the following note items (including main item notes of corporate financial statement), the amount is denominated in RMB unless otherwise specified.

(I) Monetary fund

Items	31 December 2021	31 December 2020	31 December 2019
Cash on hand	12,437.86	23,897.97	132,597.54
Bank savings	31,291,755.54	41,661,151.89	19,907,967.67
Other monetary funds	11,500,000.00	11,500,000.00	
Interest receivable on bank deposit	604,006.94		
Total	43,408,200.34	53,185,049.86	20,040,565.21

Note: As of 31 December 2021, 11.5 million certificates of deposit of other monetary funds in monetary funds had been pledged.

(II) Accounts receivable

1. Disclosure of receivable classification

Category	31 December 2021				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with single significant amount and single provision for bad debt reserve					
Receivables with bad debt provision as per credit risk characteristic combinations	1,115,961,436.24	100.00	101,791.63	0.01	1,115,859,644.61
Of which: Portfolio 1	1,113,925,603.74	99.82			1,113,925,603.74
Portfolio 2	2,035,832.50	0.18	101,791.63	5.00	1,934,040.87
Receivables with individual insignificant amounts and single provision for bad debts					
Total	1,115,961,436.24	100.00	101,791.63	0.01	1,115,859,644.61

(Continued)



Category	31 December 2020				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with single significant amount and single provision for bad debt reserve					
Receivables with bad debt provision as per credit risk characteristic combinations	890,202,601.36	100.00	239,490.40	0.03	889,963,110.96
Of which: Portfolio 1	885,412,793.46	99.46			885,412,793.46
Portfolio 2	4,789,807.90	0.54	239,490.40	5.00	4,550,317.50
Receivables with individual insignificant amounts and single provision for bad debts					
Total	890,202,601.36	100.00	239,490.40	0.03	889,963,110.96

(Continued)

Category	31 December 2019				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with single significant amount and single provision for bad debt reserve					
Receivables with bad debt provision as per credit risk characteristic combinations	569,922,833.35	100.00	208,658.09	0.04	569,714,175.26
Of which: Portfolio 1	565,749,671.65	99.27			565,749,671.65
Portfolio 2	4,173,161.70	0.73	208,658.09	5.00	3,964,503.61
Receivables with individual insignificant amounts and single provision for bad debts					



Category	31 December 2019				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Total	569,922,833.35	100.00	208,658.09	0.04	569,714,175.26

2. Top 2 accounts receivable before 31 December 2021 classified by overdue parties

Name of debtors	Closing balance	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Binzhou Finance Bureau High-tech Industrial Development Zone Branch	622,686,281.78	55.80	
Binzhou High-tech Zone Development and Investment Co., Ltd.	477,828,703.45	42.82	
Total	1,100,514,985.23	98.62	

(III) Advances to suppliers

Aging	31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	31,915,270.00	44.20	48,368,036.72	51.10	20,719,425.02	34.65
1-2 years	17,805,114.44	24.65	19,586,961.95	20.69	38,280,452.90	64.01
2-3 years	4,014,361.31	5.56	25,906,952.90	27.37	800,000.00	1.34
3-4 years	18,483,148.99	25.59	800,000.00	0.84		
Total	72,217,894.74	100.00	94,661,951.57	100.00	59,799,877.92	100.00

(IV) Other receivables

Items	31 December 2021	31 December 2020	31 December 2019
Other receivables	588,473,587.98	513,145,728.95	414,977,255.27
Total	588,473,587.98	513,145,728.95	414,977,255.27



(1) Disclosure by age

Aging	31 December 2021	31 December 2020	31 December 2019
Within 1 year	120,822,749.70	243,937,814.26	162,768,916.81
1-2 years	226,696,781.40	140,457,539.00	157,384,077.74
2-3 years	121,782,239.01	54,072,255.87	96,564,881.88
3-4 years	54,061,893.53	76,787,739.44	
4-5 years	66,787,739.44		
Subtotal	590,151,403.08	515,255,348.57	416,717,876.43
Less: bad debt provision	1,677,815.10	2,109,619.62	1,740,621.16
Total	588,473,587.98	513,145,728.95	414,977,255.27

(2) Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
1 January 2021	2,109,619.62			2,109,619.62
Reversal in the current period	431,804.52			431,804.52
31 December 2021	1,677,815.10			1,677,815.10

(Continued)

Items	31 December 2020		
	Other receivables	Bad debt provision	Accrual ratio (%)
Balance percentage method	42,192,392.40	2,109,619.62	5.00
Total	42,192,392.40	2,109,619.62	5.00

(Continued)



Items	31 December 2019		
	Other receivables	Bad debt provision	Accrual ratio (%)
Balance percentage method	34,812,423.20	1,740,621.16	5.00
Total	34,812,423.20	1,740,621.16	5.00

(3) Top 5 balance of other receivables as of 31 December 2021 classified by the overdue party

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Binzhou High-tech Zone Development and Investment Co., Ltd.	Transaction accounts	238,636,597.46	0-4 years	40.43	
Binzhou Shunteng Logistics Co., Ltd.	Transaction accounts	161,729,361.16	0-4 years	27.40	
Binzhou Longteng Water Co., Ltd.	Transaction accounts	88,334,288.99	0-5 years	14.97	
High-tech Zone Urban Infrastructure Construction Office	Transaction accounts	29,427,767.44	2-3 years	4.99	
Binzhou Yellow River Delta Organic Vegetable Co., Ltd.	Transaction accounts	9,000,000.00	3-4 years	1.53	
Total		527,128,015.05		89.32	

(V) Inventory

Items	31 December 2021	31 December 2020	31 December 2019
Development cost	4,559,503,224.22	4,397,979,847.21	2,478,086,539.43
Developed products	2,498,325,202.80	2,368,576,447.43	2,221,088,951.95
Low-value consumables	45,326.59	45,326.59	45,326.59
Commodity stocks	7,987,583.02	159,874.00	159,874.00
Raw materials	411,690.68	314,283.37	325,885.27
Total	7,066,273,027.31	6,767,075,778.60	4,699,706,577.24



(VI) Other current assets

Items	31 December 2021	31 December 2020	31 December 2019
VAT input tax to be deducted	59,007,617.53	40,823,586.80	34,746,400.07
Advance on land	343,670,000.00		
Total	402,677,617.53	40,823,586.80	34,746,400.07

(VII) Available for sale financial assets

Items	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale equity tool	79,500,000.00		79,500,000.00	89,500,000.00		89,500,000.00
Total	79,500,000.00		79,500,000.00	89,500,000.00		89,500,000.00

(VIII) Other equity instrument investments

Items	31 December 2021
Binzhou Binxin Cultural Industrial Park Development Co., Ltd.	5,000,000.00
Binzhou Maotong Electronic Technology Co., Ltd.	3,000,000.00
Shandong Jiuweihu Tourism Culture Development Co., Ltd.	1,500,000.00
Shandong Lanshi New Energy Vehicle Co., Ltd.	10,000,000.00
Total	19,500,000.00

(IX) Investment properties

Items	Houses, buildings	Total
I. Original book value		
1. 31 December 2020	631,022,476.09	631,022,476.09
2. Increased amount in current period		



Items	Houses, buildings	Total
(1) Outsourcing		
(2) Inventory/fixed assets/construction in progress transfer-in		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2021	631,022,476.09	631,022,476.09
II. Cumulative depreciation and amortization		
1. 31 December 2020	64,570,638.95	64,570,638.95
2. Increased amount in current period	16,965,446.21	16,965,446.21
(1) Provision or amortization	16,965,446.21	16,965,446.21
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2021	81,536,085.16	81,536,085.16
III. Provision for impairment		
1. 31 December 2020		
2. Increased amount in current period		
(1) Provision		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2021		



Items	Houses, buildings	Total
IV. Book value		
1. 31 December 2021	549,486,390.93	549,486,390.93
2. 31 December 2020	566,451,837.14	566,451,837.14

(Continued)

Items	Houses, buildings	Total
I. Original book value		
1. 31 December 2019	631,022,476.09	631,022,476.09
2. Increased amount in current period		
(1) Outsourcing		
(2) Inventory\fixed assets\construction in progress transfer-in		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2020	631,022,476.09	631,022,476.09
II. Cumulative depreciation and amortization		
1. 31 December 2019	47,605,192.74	47,605,192.74
2. Increased amount in current period	16,965,446.21	16,965,446.21
(1) Provision or amortization	16,965,446.21	16,965,446.21
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2020	64,570,638.95	64,570,638.95



Items	Houses, buildings	Total
III. Provision for impairment		
1. Opening balance		
2. Increased amount in current period		
(1) Provision		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2020		
IV. Book value		
1. 31 December 2020	566,451,837.14	566,451,837.14
2. 31 December 2019	583,417,283.35	583,417,283.35

(Continued)

Items	Houses, buildings	Total
I. Original book value		
1. 1 January 2019	631,022,476.09	631,022,476.09
2. Increased amount in current period		
(1) Outsourcing		
(2) Inventory\fixed assets\construction in progress transfer-in		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2019	631,022,476.09	631,022,476.09



Items	Houses, buildings	Total
II. Cumulative depreciation and amortization		
1. 1 January 2019	31,459,561.09	31,459,561.09
2. Increased amount in current period	16,145,631.65	16,145,631.65
(1) Provision or amortization	16,145,631.65	16,145,631.65
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2019	47,605,192.74	47,605,192.74
III. Provision for impairment		
1. 1 January 2019		
2. Increased amount in current period		
(1) Provision		
3. Decreased amount in current period		
(1) Disposal		
(2) Other transfer-out		
4. 31 December 2019		
IV. Book value		
1. 31 December 2019	583,417,283.35	583,417,283.35
2. 1 January 2019	599,562,915.00	599,562,915.00

(X) Fixed assets

Items	31 December 2021	31 December 2020	31 December 2019
Fixed assets	771,902,900.25	802,629,675.66	829,644,926.67



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2021	31 December 2020	31 December 2019
Total	771,902,900.25	802,629,675.66	829,644,926.67

Fixed assets are as follows

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
I. Original book value							
1. 31 December 2020	5,162,685.63	2,230,525.10	927,025.73	273,149,722.36	862,892,614.35	17,994,356.52	1,162,356,929.69
2. Increased amount in current period	164,523.00	92,974.00	3,750.00	857,742.90		1,714,498.80	2,833,488.70
(1) Purchase	164,523.00	92,974.00	3,750.00	857,742.90		1,714,498.80	2,833,488.70
(2) Transfer of engineering under construction							
(3) Increase in business combination							
(4) Other							
3. Decreased amount in current period	230,608.10	13,000.00	81,055.94	69,913.79		1,211,507.15	1,606,084.98
(1) Disposal or scrapping	230,608.10	13,000.00	81,055.94	69,913.79		1,211,507.15	1,606,084.98
(2) Investment property transfer-in							
(3) Other transfer-out							
4. 31 December 2021	5,096,600.53	2,310,499.10	849,719.79	273,937,551.47	862,892,614.35	18,497,348.17	1,163,584,333.41
II. Cumulative depreciation							
1. 31 December 2020	3,937,954.19	888,996.62	626,217.39	23,502,323.47	321,241,538.22	9,530,224.14	359,727,254.03
2. Increased amount in	793,623.85	250,563.03	183,017.11	9,605,959.70	19,459,831.93	2,956,019.48	33,249,015.10



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
current period							
(1) Provision	793,623.85	250,563.03	183,017.11	9,605,959.70	19,459,831.93	2,956,019.48	33,249,015.10
(2) Increase in business combination							
3. Decreased amount in current period	164,823.25	3,600.81	77,003.14	50,822.43		998,586.34	1,294,835.97
(1) Disposal or scraping	164,823.25	3,600.81	77,003.14	50,822.43		998,586.34	1,294,835.97
(2) Investment property transfer-in							
4. 31 December 2021	4,566,754.79	1,135,958.84	732,231.36	33,057,460.74	340,701,370.15	11,487,657.28	391,681,433.16
III. Provision for impairment							
1. 31 December 2020							
2. Increased amount in current period							
(1) Provision							
3. Decreased amount in current period							
(1) Disposal or scraping							
4. Closing balance							
IV. Book value							
1. 31 December 2021	529,845.74	1,174,540.26	117,488.43	240,880,090.73	522,191,244.20	7,009,690.89	771,902,900.25
2. 31 December 2020	1,224,731.44	1,341,528.48	300,808.34	249,647,398.89	541,651,076.13	8,464,132.38	802,629,675.66

(Continued)



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
I. Original book value							
1. 31 December 2019	13,922,212.43	2,744,531.54	868,525.73	272,125,275.49	862,892,614.35	3,859,286.95	1,156,412,446.49
2. Increased amount in current period	63,250.00	434,532.00	58,500.00	1,844,446.87		3,543,754.33	5,944,483.20
(1) Purchase	63,250.00	434,532.00	58,500.00	1,844,446.87		3,543,754.33	5,944,483.20
(2) Transfer of engineering under construction							
(3) Increase in business combination							
(4) Other							
3. Decreased amount in current period							
(1) Disposal or scraping							
(2) Investment property transfer-in							
(3) Other transfer-out							
4. 31 December 2020	13,985,462.43	3,179,063.54	927,025.73	273,969,722.36	862,892,614.35	7,403,041.28	1,162,356,929.69
II. Cumulative depreciation							
1. 31 December 2019	7,606,561.84	1,057,997.59	432,907.12	14,600,041.17	301,781,706.28	1,288,305.82	326,767,519.82
2. Increased amount in current period	2,283,522.42	358,324.46	193,310.37	9,478,881.80	19,459,831.93	1,185,863.23	32,959,734.21
(1) Provision	2,283,522.42	358,324.46	193,310.37	9,478,881.80	19,459,831.93	1,185,863.23	32,959,734.21
(2) Increase in business combination							



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
3. Decreased amount in current period							
(1) Disposal or scraping							
(2) Investment property transfer-in							
4. 31 December 2020	9,890,084.26	1,416,322.05	626,217.49	24,078,922.97	321,241,538.21	2,474,169.05	359,727,254.03
III. Provision for impairment							
1. 31 December 2019							
2. Increased amount in current period							
(1) Provision							
3. Decreased amount in current period							
(1) Disposal or scraping							
4. 31 December 2020							
IV. Book value							
1. 31 December 2020	4,095,378.17	1,762,741.49	300,808.24	249,890,799.39	541,651,076.14	4,928,872.23	802,629,675.66
2. 31 December 2019	6,315,650.59	1,686,533.95	435,618.61	257,525,234.32	561,110,908.07	2,570,981.13	829,644,926.67

(Continued)

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
I. Original book value							
1. 1 January 2019	14,056,181.43	2,708,599.54	1,172,962.72	270,172,218.80	862,892,614.35	3,120,360.95	1,154,122,937.79



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
2. Increased amount in current period	138,303.00	35,932.00	290,298.05	1,953,056.69		738,926.00	3,156,515.74
(1) Purchase	138,303.00	35,932.00	290,298.05	1,953,056.69		738,926.00	3,156,515.74
(2) Transfer of engineering under construction							
(3) Increase in business combination							
(4) Other							
3. Decreased amount in current period	272,272.00		594,735.04				867,007.04
(1) Disposal or scraping	272,272.00						272,272.00
(2) Investment property transfer-in							
(3) Other transfer-out			594,735.04				594,735.04
4. 31 December 2019	13,922,212.43	2,744,531.54	868,525.73	272,125,275.49	862,892,614.35	3,859,286.95	1,156,412,446.49
II. Cumulative depreciation							
1. 1 January 2019	5,073,831.99	717,163.04	372,688.08	5,259,289.36	282,321,874.35	628,470.43	294,373,317.25
2. Increased amount in current period	2,535,329.85	340,834.55	188,089.04	9,338,151.81	19,459,831.93	659,835.39	32,522,072.57
(1) Provision	2,535,329.85	340,834.55	188,089.04	9,338,151.81	19,459,831.93	659,835.39	32,522,072.57
(2) Increase in business combination							
3. Decreased amount in current period			127,870.00				127,870.00
(1) Disposal or scraping							



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Office and electronic devices	Furniture and appliance	Transportation	Houses and buildings	Pipe gallery assets	Special equipment	Total
(2) Investment property transfer-in							
(3) Other transfer-out			127,870.00				127,870.00
4. 31 December 2019	7,609,161.84	1,057,997.59	432,907.12	14,597,441.17	301,781,706.28	1,288,305.82	326,767,519.82
III. Provision for impairment							
1. 1 January 2019							
2. Increased amount in current period							
(1) Provision							
3. Decreased amount in current period							
(1) Disposal or scraping							
4. 31 December 2019							
IV. Book value							
1. 31 December 2019	6,313,050.59	1,686,533.95	435,618.61	257,527,834.32	561,110,908.07	2,570,981.13	829,644,926.67
2. 1 January 2019	8,982,349.44	1,991,436.50	800,274.64	264,912,929.44	580,570,740.00	2,491,890.52	859,749,620.54

(XI) Construction in progress

Items	31 December 2021	31 December 2020	31 December 2019
High-tech Sewage Treatment Plant wetland water quality purification engineering	42,399,000.00	42,399,000.00	1,012,453.00
Other Engineering	1,299,783.09	500,000.00	781,206.00
Total	43,698,783.09	42,899,000.00	1,793,659.00

(XII) Intangible assets


2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Software	Franchising right	Forest right	Total
I. Original book value				
1. 31 December 2020	10,500.00	429,000.00	392,759,285.00	393,198,785.00
2. Increased amount in current period				
(1) Purchase				
(2) Internal R&D				
(3) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. 31 December 2021	10,500.00	429,000.00	392,759,285.00	393,198,785.00
II. Accumulated amortization				
1. 31 December 2020	3,325.00	147,975.00	77,460,859.01	77,612,159.01
2. Increased amount in current period	1,050.00	72,900.00	13,091,976.17	13,165,926.17
(1) Provision	1,050.00	72,900.00	13,091,976.17	13,165,926.17
(2) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. 31 December 2019	4,375.00	220,875.00	90,552,835.18	90,778,085.18
III. Provision for impairment				



Items	Software	Franchising right	Forest right	Total
1. 31 December 2020				
2. Increased amount in current period				
(1) Provision				
3. Decreased amount in current period				
(1) Disposal				
4. 31 December 2021				
IV. Book value				
1. 31 December 2021	6,125.00	208,125.00	302,206,449.82	302,420,699.82
2. 31 December 2020	7,175.00	281,025.00	315,298,425.99	315,586,625.99

(Continued)

Items	Software	Franchising right	Forest right	Total
I. Original book value				
1. 31 December 2019	10,500.00	429,000.00	392,759,285.00	393,198,785.00
2. Increased amount in current period				
(1) Purchase				
(2) Internal R&D				
(3) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Software	Franchising right	Forest right	Total
4. 31 December 2020	10,500.00	429,000.00	392,759,285.00	393,198,785.00
II. Accumulated amortization				
1. 31 December 2019	2,275.00	75,075.00	64,368,882.84	64,446,232.84
2. Increased amount in current period	1,050.00	72,900.00	13,091,976.17	13,165,926.17
(1) Provision	1,050.00	72,900.00	13,091,976.17	13,165,926.17
(2) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. 31 December 2020	3,325.00	147,975.00	77,460,859.01	77,612,159.01
III. Provision for impairment				
1. 31 December 2019				
2. Increased amount in current period				
(1) Provision				
3. Decreased amount in current period				
(1) Disposal				
4. 31 December 2020				
IV. Book value				
1. 31 December 2020	7,175.00	281,025.00	315,298,425.99	315,586,625.99
2. 31 December 2019	8,225.00	353,925.00	328,390,402.16	328,752,552.16



(Continued)

Items	Software	Franchising right	Forest right	Total
I. Original book value				
1. 1 January 2019	10,500.00	279,000.00	392,759,285.00	393,048,785.00
2. Increased amount in current period	-	150,000.00	-	150,000.00
(1) Purchase	-	150,000.00	-	150,000.00
(2) Internal R&D				
(3) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. 31 December 2019	10,500.00	429,000.00	392,759,285.00	393,198,785.00
II. Accumulated amortization				
1. 1 January 2019	1,225.00	20,925.00	51,276,906.67	51,299,056.67
2. Increased amount in current period	1,050.00	54,150.00	13,091,976.17	13,147,176.17
(1) Provision	1,050.00	54,150.00	13,091,976.17	13,147,176.17
(2) Increase in business combination				
3. Decreased amount in current period				
(1) Disposal				
(2) Other				
4. 31 December 2019	2,275.00	75,075.00	64,368,882.84	64,446,232.84



Items	Software	Franchising right	Forest right	Total
III. Provision for impairment				
1. 1 January 2019				
2. Increased amount in current period				
(1) Provision				
3. Decreased amount in current period				
(1) Disposal				
4. 31 December 2019				
IV. Book value				
1. 31 December 2019	8,225.00	353,925.00	328,390,402.16	328,752,552.16
2. 1 January 2019	9,275.00	258,075.00	341,482,378.33	341,749,728.33

(XIII) Long-term prepaid expense

Items	31 December 2019	Increase in current period	Amortization amount in the current period	31 December 2020
Attorney consulting fee	250,000.00		250,000.00	
Total	250,000.00		250,000.00	

(Continued)

Items	1 January 2019	Increase in current period	Amortization amount in the current period	31 December 2019
Attorney consulting fee		300,000.00	50,000.00	250,000.00
Total		300,000.00	50,000.00	250,000.00

(XIV) Deferred tax assets

Items	31 December 2021	31 December 2020	31 December 2019



	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Bad debt losses	297,211.40	74,302.85	750,559.80	187,639.95	657,764.24	164,441.06
Total	297,211.40	74,302.85	750,559.80	187,639.95	657,764.24	164,441.06

(XV) Short-term borrowings

Items	31 December 2021	31 December 2020	31 December 2019
Mortgage borrowings	10,000,000.00		
Security borrowings	49,700,000.00	39,700,000.00	39,990,000.00
Mortgage + guarantee	6,000,000.00	20,000,000.00	
Mortgage + pledge	20,000,000.00	20,000,000.00	
Payable interests of short-term loan	67,155.00		
Total	85,767,155.00	79,700,000.00	39,990,000.00

(XVI) Trade payables

Items	31 December 2021	31 December 2020	31 December 2019
Construction cost payable	361,198,501.77	251,394,591.67	356,765,645.68
Total	361,198,501.77	251,394,591.67	356,765,645.68

(XVII) Deposit received in advance

Items	31 December 2021	31 December 2020	31 December 2019
Advance receipt of cargo funds		3,033.95	2,690.25
Advance receipt of service fee	7,848,972.43	13,040,494.86	8,015,622.02
Advance receipts of project funds		61,642,850.00	12,400,000.00
Advance payment of housing expenses		168,881,326.20	153,872,975.86
Total	7,848,972.43	243,567,705.01	174,291,288.13

(XVIII) Contract liabilities

Items	31 December 2021
Advance receipt of housing funds	162,929,831.96
Advance receipts of project funds	73,478,124.66
Total	236,407,956.62

(XIX) Employee benefits payable

1. Presentation of employee remuneration payable

Items	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
I. Short-term remuneration	54,284.64	7,532,437.28	7,455,247.99	131,473.93
II. Post-employment welfare - defined contribution plan	21,126.48	444,364.03	445,535.17	19,955.34
Total	75,411.12	7,976,801.31	7,900,783.16	151,429.27

(Continued)

Items	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
I. Short-term remuneration	46,884.36	7,849,254.31	7,841,854.03	54,284.64
II. Post-employment welfare - defined contribution plan	8,420.00	195,483.14	182,776.66	21,126.48
Total	55,304.36	8,044,737.45	8,024,630.69	75,411.12

(Continued)

Items	1 January 2019	Increase in current period	Decrease in current period	31 December 2019
I. Short-term remuneration		6,834,150.41	6,787,266.05	46,884.36
II. Post-employment welfare - defined contribution plan		1,051,404.05	1,042,984.05	8,420.00
Total		7,885,554.46	7,830,250.10	55,304.36

2. Presentation of short-term remuneration



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
1. Wages, bonuses, allowances and subsidies		7,055,864.21	7,016,496.78	39,367.43
2. Employee services and benefits				
3. Social insurance premiums	11,066.25	323,019.39	323,632.85	10,452.79
Of which: medical insurance premium	8,048.18	305,634.74	306,080.89	7,602.03
Work-related injury insurance premium	2,012.05	8,664.44	8,775.98	1,900.51
Birth insurance premium	1,006.02	8,720.21	8,775.98	950.25
4. Housing fund		114,299.36	114,299.36	
5. Trade union funds and staff education funds	43,218.39	39,254.32	819.00	81,653.71
Total	54,284.64	7,532,437.28	7,455,247.99	131,473.93

(Continued)

Items	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
1. Wages, bonuses, allowances and subsidies		7,056,557.52	7,056,557.52	
2. Employee services and benefits		413,459.12	413,459.12	
3. Social insurance premiums	4,410.47	153,167.32	146,511.54	11,066.25
Of which: medical insurance premium	3,207.62	129,523.11	124,682.55	8,048.18
Work-related injury insurance premium	801.90	14,412.95	13,202.80	2,012.05
Birth insurance premium	400.95	9,231.26	8,626.19	1,006.02
4. Housing fund	36,464.88	185,395.52	221,860.40	



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
5. Trade union funds and staff education funds	6,009.01	40,674.83	3,465.45	43,218.39
Total	46,884.36	7,849,254.31	7,841,854.03	54,284.64

(Continued)

Items	1 January 2019	Increase in current period	Decrease in current period	31 December 2019
1. Wages, bonuses, allowances and subsidies		5,612,803.19	5,612,803.19	
2. Employee services and benefits		334,106.99	334,106.99	
3. Social insurance premiums		420,796.95	416,386.48	4,410.47
Of which: medical insurance premium		353,179.64	349,972.02	3,207.62
Work-related injury insurance premium		38,819.42	38,017.52	801.90
Birth insurance premium		28,797.89	28,396.94	400.95
4. Housing fund		385,125.61	348,660.73	36,464.88
5. Trade union funds and staff education funds		81,317.67	75,308.66	6,009.01
Total		6,834,150.41	6,787,266.05	46,884.36

3. Presentation of post-employment welfare-defined contribution plan

Items	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
1. Basic endowment insurance	20,120.46	349,923.87	351,039.25	19,005.08
2. Unemployment insurance premium	1,006.02	35,048.16	35,103.92	950.26
3. Dismissal subsidy		59,392.00	59,392.00	



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
Total	21,126.48	444,364.03	445,535.17	19,955.34

(Continued)

Items	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
1. Basic insurance endowment	8,019.05	163,457.27	151,355.86	20,120.46
2. Unemployment insurance premium	400.95	10,816.79	10,211.72	1,006.02
3. Dismissal subsidy		21,209.08	21,209.08	
Total	8,420.00	195,483.14	182,776.66	21,126.48

(Continued)

Items	1 January 2019	Increase in current period	Decrease in current period	31 December 2019
1. Basic insurance endowment		629,720.40	621,701.35	8,019.05
2. Unemployment insurance premium		32,696.83	32,295.88	400.95
3. Dismissal subsidy		388,986.82	388,986.82	
Total		1,051,404.05	1,042,984.05	8,420.00

(XX) Taxes payable

Items	31 December 2021	31 December 2020	31 December 2019
VAT	3,216,747.45	6,033,285.99	3,094,780.53
Corporate income tax	76,858,884.68	53,341,713.64	28,585,438.38
Urban maintenance and construction tax	6,826.22	2,668.68	1,939.88
Education surcharge	4,395.64	1,650.92	1,385.63



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2021	31 December 2020	31 December 2019
Other	4,588.19	98.05	
Urban land use tax			172,800.84
Water resource tax	1,904,057.43	496,965.09	458,851.76
Total	81,995,499.61	59,876,382.37	32,315,197.02

(XXI) Other payables

Items	31 December 2021	31 December 2020	31 December 2019
Other payables	1,058,881,778.14	1,916,125,279.19	1,403,880,931.05
Interest payable		183,283.22	136,666.80
Total	1,058,881,778.14	1,916,308,562.41	1,404,017,597.85

(1) Presentation of other payables

Items	31 December 2021	31 December 2020	31 December 2019
Transaction accounts	989,277,323.61	1,885,732,602.77	1,371,175,362.43
Expense collected and paid on behalf	5,045,417.65	1,148,925.76	3,047,749.57
Deposit and margin	61,324,269.01	27,509,494.02	28,157,804.91
Other	3,234,767.87	1,734,256.64	1,500,014.14
Total	1,058,881,778.14	1,916,125,279.19	1,403,880,931.05

(2) Other payables of the Top 5 balance on 31 December 2021

Items	Nature of funds	Closing balance	Aging	Percentage of total other payables (%)
Binzhou High-tech Urban Construction Co., Ltd.	Transaction accounts	431,696,425.36	0~3 years	40.77
Binzhou Chenglong Engineering Co., Ltd.	Transaction accounts	226,000,000.00	1~2 years	21.34



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	Nature of funds	Closing balance	Aging	Percentage of total other payables (%)
Binzhou Xinglong Building Material Sales Co., Ltd.	Transaction accounts	46,680,000.00	2~3 years	4.41
Land Acquisition and Reserve Center of Binzhou High-tech Industrial Development Zone	Transaction accounts	43,117,090.00	2~3 years	4.07
Binzhou Financial Investment Co., Ltd.	Transaction accounts	40,000,000.00	2~3 years	3.78
Total		787,493,515.36		74.37

(3) Interest payable

Items	31 December 2021	31 December 2020	31 December 2019
Interests on long-term loan with installment interests and principal repayment at maturity		116,128.22	52,957.21
Payable interests of short-term loan		67,155.00	83,709.59
Total		183,283.22	136,666.80

(XXII) Non-current liabilities due within one year

Items	31 December 2021	31 December 2020	31 December 2019
Long-term borrowings due within one year	38,800,000.00	38,800,000.00	10,437,500.00
Long-term payables due within one year	64,630,000.00		
Total	103,430,000.00	38,800,000.00	10,437,500.00

(XXIII) Other current liabilities

Items	31 December 2021	31 December 2020	31 December 2019
Tax to be output	8,814,125.16		
Total	8,814,125.16		

(XXIV) Long-term borrowing

Items	31 December 2021	31 December 2020	31 December 2019
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2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2021	31 December 2020	31 December 2019
Pledge borrowings			6,437,500.00
Security borrowings	10,600,000.00	9,400,000.00	7,762,500.00
Credit borrowings	50,000,000.00	100,000,000.00	100,000,000.00
Pledge + guarantee	172,000,000.00	196,000,000.00	220,000,000.00
Interests payable on long-term borrowings	86,950.00		
Total	232,686,950.00	305,400,000.00	334,200,000.00

(XXV) Long-term payables

Items	31 December 2021	31 December 2020	31 December 2019
Borrowings of non-related parties	854,081,608.12	1,939,800.04	
Total	854,081,608.12	1,939,800.04	

(XXVI) Other non-current liabilities

Items	31 December 2021	31 December 2020	31 December 2019
Financing product		2,120,000.00	2,120,000.00
Total		2,120,000.00	2,120,000.00

(XXVII) Paid-in capital

Name of investors	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
Binzhou Finance Bureau High-tech Industrial Development Zone Branch	98,000,000.00			98,000,000.00
Binzhou State-owned Capital Investment Operation Group Co., Ltd.	102,000,000.00			102,000,000.00
Total	200,000,000.00			200,000,000.00

(Continued)

Name of investors	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
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2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Name of investors	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
Binzhou Finance Bureau High-tech Industrial Development Zone Branch	200,000,000.00		102,000,000.00	98,000,000.00
Binzhou State-owned Capital Investment Operation Group Co., Ltd.		102,000,000.00		102,000,000.00
Total	200,000,000.00	102,000,000.00	102,000,000.00	200,000,000.00

(Continued)

Name of investors	1 January 2019	Increase in current period	Decrease in current period	31 December 2019
Binzhou Finance Bureau High-tech Industrial Development Zone Branch	200,000,000.00			200,000,000.00
Total	200,000,000.00			200,000,000.00

(XXVIII) Capital reserve

Items	31 December 2020	Increase in current period	Decrease in current period	31 December 2021
Other capital reserves	6,857,193,958.73	732,492,738.07	123,160,657.76	7,466,526,039.04
Total	6,857,193,958.73	732,492,738.07	123,160,657.76	7,466,526,039.04

(Continued)

Items	31 December 2019	Increase in current period	Decrease in current period	31 December 2020
Other capital reserves	4,964,699,393.58	1,892,494,565.15		6,857,193,958.73
Total	4,964,699,393.58	1,892,494,565.15		6,857,193,958.73

(Continued)

Items	1 January 2019	Increase in current period	Decrease in current period	31 December 2019
Other capital reserves	4,922,169,393.58	42,530,000.00		4,964,699,393.58
Total	4,922,169,393.58	42,530,000.00		4,964,699,393.58

(XXIX) Undistributed profits



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	31 December 2021	31 December 2020	31 December 2019
Undistributed profits of last year before adjustment	122,550,357.54	29,748,900.12	-32,958,368.78
Total adjusted undistributed profits at the beginning of year (increase +, decrease -)			
Undistributed profits after adjustment at the beginning of period	122,550,357.54	29,748,900.12	-32,958,368.78
Add: Net profit attributable to shareholders of parent company in current period	61,950,763.06	93,283,694.47	64,054,268.90
Less: withdrawal of statutory surplus reserve			
Add: other profit distribution			-1,347,000.00
Add: surplus reserve to offset losses			
Distribution to the owner (or shareholder)	-668,488.06	-482,237.05	
Undistributed profits at the end of period	183,832,632.54	122,550,357.54	29,748,900.12

(XXX) Operating incomes and operating costs

Items	the year 2021		the year 2020		the year 2019	
	Incomes	Cost	Incomes	Cost	Incomes	Cost
Engineering income	571,352,812.86	443,117,321.52	576,268,972.32	446,284,824.99	562,002,877.02	435,483,583.43
Urban service income	43,151,589.04	55,410,657.11	41,600,818.67	44,772,413.05	972,169.20	1,180,146.24
Pipe gallery occupation fee	14,676,256.31	20,423,908.20	13,589,126.21	20,423,908.20	12,582,524.27	20,423,908.20
Forest right rental income	15,841,584.16	13,091,976.17	15,841,584.16	13,091,976.17	15,533,980.58	13,091,976.17
Income from water supply	16,507,524.41	10,682,114.44	13,504,773.34	8,185,386.30	13,719,031.31	7,566,772.41
House sales income	3,107,994.36	3,025,276.61	4,654,781.57	3,899,848.70	59,581,758.44	57,986,753.27
Other incomes	5,161,706.26	4,875,441.34	363,035.07	69,085.92	2,003,546.05	904,935.62



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	the year 2021		the year 2020		the year 2019	
	Incomes	Cost	Incomes	Cost	Incomes	Cost
Total	669,799,467.40	550,626,695.39	665,823,091.34	536,727,443.33	666,395,886.87	536,638,075.34

(XXXI) Taxes and surcharges

Items	the year 2021	the year 2020	the year 2019
Urban maintenance and construction tax	143,918.69	27,436.45	217,762.51
Education surcharge	862.05	12,227.11	96,934.57
Local education surcharge	574.71	7,718.89	62,207.42
Housing tax	3,267,257.13	1,286,797.38	2,330,615.04
Vehicle and vessel tax	3,061.08		420.00
Land use tax	2,748,326.40	2,784,998.41	2,341,649.25
Local water conservancy project construction fund	89.57	1,929.71	15,551.85
Stamp duty	7,788.70	6,482.67	32,987.50
Water resource tax	2,093,121.26	1,858,701.31	1,864,425.54
Increment tax on land value			1,198,960.13
Total	8,264,999.59	5,986,291.93	8,161,513.81

(XXXII) Selling expenses

Items	the year 2021	the year 2020	the year 2019
Remuneration expense			37,549.74
Office expenses			672.00
Total			38,221.74

(XXXIII) Administrative expenses


2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Items	the year 2021	the year 2020	the year 2019
Remuneration expense	6,202,275.45	4,950,423.20	6,545,184.70
Business entertainment expenses	281,826.00	63,533.30	172,321.00
Vehicle costs	116,125.31	81,291.77	196,231.48
Transportation and travel expense	82,274.00	14,168.85	82,907.30
Office expenses	1,138,329.23	753,316.74	952,320.29
Depreciation and amortization	25,998,281.47	26,159,632.44	25,473,664.67
Intermediary expense	2,902,032.40	1,171,684.34	437,351.50
Taxes	56,667.86	602.70	3,720.00
Leasing property management expense	897,053.36	61,949.00	674,904.73
Water and electricity fee	57,805.94	27,713.69	132,206.15
Decoration fees	84,067.87	109,280.89	172,925.84
Information service expense		10,893.29	
Maintenance & repair costs		234,708.14	520,146.13
Other		18,517.74	
Total	37,816,738.89	33,657,716.09	35,363,883.79

(XXXIV) Financial expenses

Items	the year 2021	the year 2020	the year 2019
Interest expenses	8,597,873.83	8,022,423.35	10,411,238.85
Less: interest income	3,576,251.08	3,208,257.25	1,710,756.53
Handling fee expenses	16,901.67	7,869.30	31,325.98
Other	45,385.89	75,499.08	
Total	5,083,910.31	4,897,534.48	8,731,808.30



(XXXV) Other revenues

Items	the year 2021	the year 2020	the year 2019
Government grants related to daily business activities	16,860,000.00	34,939,700.00	14,750,000.00
Total	16,860,000.00	34,939,700.00	14,750,000.00

(XXXVI) Investment income

Items	the year 2021	the year 2020	the year 2019
Investment incomes generated by the disposal of long-term equity investments	2,039,251.23		
Total	2,039,251.23		

(XXXVII) Credit impairment losses

Items	the year 2021	the year 2020	the year 2019
Bad debt losses	569,503.29		
Total	569,503.29		

(XXXVIII) Asset impairment losses

Items	the year 2021	the year 2020	the year 2019
Bad debt losses		-399,830.77	-51,573.09
Total		-399,830.77	-51,573.09

(XXXIX) Non-operating income

Items	the year 2021	the year 2020	the year 2019
Profits from disposal of non-current assets	1,484,791.70	2,862,639.04	436,893.18
Acceptance of donation		174,538.60	598,500.00
Tax refund		8,222.34	-
Government Grants		41,784.71	428,510.60
Liquidated damage income	293,098.10	2,801.00	47,327.00



Items	the year 2021	the year 2020	the year 2019
Other	233,906.62	114,809.65	105,769.77
Total	2,011,796.42	3,204,795.34	1,617,000.55

(XL) Non-operating expenses

Items	the year 2021	the year 2020	the year 2019
Non-current asset disposal losses	302,249.79	6,576.29	
External donation		86,510.00	385,720.52
Tax delay charge	134,661.36	55,358.42	14,295.00
Other	18,024.61	12,351.17	1,278,063.28
Total	454,935.76	160,795.88	1,678,078.80

(XLI) Income tax expenses

Items	the year 2021	the year 2020	the year 2019
Current income tax expense	23,875,928.13	25,561,148.51	25,480,661.72
Deferred income tax expenses	113,337.10	-23,198.89	-164,441.06
Total	23,989,265.23	25,537,949.62	25,316,220.66

(XLII) Supplementary information of Cash Flow Statement**(1) Supplementary information of Cash Flow Statement**

Supplementary information	the year 2021	the year 2020	the year 2019
1. Net profits adjusted to cash flow from operating activities:			
Net profits	65,043,473.17	96,600,024.58	66,783,511.88
Add: provision for impairment of assets		399,830.77	51,573.09
Credit impairment reserve	-569,503.29	—	—
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive	50,214,461.31	41,919,944.64	48,667,704.22



Supplementary information	the year 2021	the year 2020	the year 2019
Fixed assets acquired under finance lease			
3. Net change of cash and cash equivalents:			
Closing balance of cash	31,304,193.40	41,685,049.86	20,040,565.21
Less: opening cash balance	41,685,049.86	20,040,565.21	31,744,397.55
Add: Ending balance of cash equivalents			
Less: opening balance of cash equivalents			
Net increase of cash and cash equivalents	-10,380,856.46	21,644,484.65	-11,703,832.34

(2) Composition of cash and cash equivalents

Items	the year 2021	the year 2020	the year 2019
I. Cash	31,304,193.40	41,685,049.86	20,040,565.21
Of which: cash on hand	12,437.86	23,897.97	132,597.54
Bank deposits for payment at any time	31,291,755.54	41,661,151.89	19,907,967.67
Other monetary assets for payment at any time			
II. Cash equivalents			
Of which: bond investments due within three months			
III. Closing balance of cash and cash equivalents	31,304,193.40	41,685,049.86	20,040,565.21
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries			

(XLIII) Assets with limited ownership or right of use

Items	the year 2021	Limited reasons
Inventory-land use right	224,526,050.00	External security mortgage



Items	the year 2021	Limited reasons
Inventory-land use right	39,221,300.00	Short-term borrowing mortgage
Investment properties	81,006,853.12	External security mortgage
Accounts receivable	283,300,000.00	Long-term borrowing pledge
Other monetary funds	11,500,000.00	External security pledge
Total	639,554,203.12	

VII. Consolidation scope changes

1. Business combination under different control

No

2. Business combination under the same control

No

3. Changes in consolidation scope for other reasons

No

VIII. Equity in other entities

The subsidiaries included in the Group's consolidated financial statement are specifically as follows:

Name of subsidiaries	Main business place	Registered place	Shareholding ratio (%)	Acquisition mode
Binzhou Xinyuan Water Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	100.00	Appropriation
Binzhou High-tech Longjiang Agricultural Development Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	100.00	Appropriation
Binzhou High-tech Zone State-owned Capital Investment Operation Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	100.00	Appropriation
Binzhou High-tech Property Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	87.8788	Appropriation
Binzhou High-tech Zone Qiancheng Urban Development Investment Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	100.00	Establishment
Binzhou High-tech Zone Longyin Water Co., Ltd.	Binzhou Zone	High-tech Binzhou Zone	65.00	Appropriation



Name of subsidiaries	Main business place		Registered place		Shareholding ratio (%)	Acquisition mode
Binzhou High-tech Zone Qiancheng Energy Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Establishment
Binzhou Shengjie Property Management Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Appropriation
Binzhou High-tech Food Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Appropriation
Binzhou High-tech Industry Incubator Development Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	93.87	Appropriation
Binzhou High-tech Zone Qiancheng Human Resources Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Establishment
Binzhou Huili Venture Capital Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Appropriation
Binzhou Xinsheng Meat Food Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	80.00	Establishment
Binzhou Fuyu Project Management Consulting Co., Ltd.	Binzhou Zone	High-tech	Binzhou Zone	High-tech	100.00	Appropriation

IX. Associated parties and associated transactions

1. Parent company of the company

The controlling parent company of the company is Binzhou State-owned Capital Investment Operation Group Co., Ltd., holding 51% shares of the company, with 51% voting rights of the company. The ultimate controller of the company is the Binzhou Municipal People's Government State-owned Assets Supervision and Administration Commission.

2. Corporate subsidiaries and associated enterprises

Please refer to Note VIII Equity in other entities

X. Commitments and contingencies

1. The Group's external guarantee as of 31 December 2021:

Guarantor units	Secured units	Amount guaranteed (RMB ten thousand)
Binzhou High-tech Property Co., Ltd.	YUYUE Home Textile Co., Ltd.	8,000.00
Binzhou High-tech Property Co., Ltd.	Binzhou Financial Investment Co., Ltd.	16,791.60



Guarantor units	Secured units	Amount guaranteed (RMB ten thousand)
Binzhou High-tech Property Co., Ltd.	Binzhou High-tech Urban Construction Company	12,639.20
Binzhou High-tech Property Co., Ltd.	Binzhou Jinyi Equipment Co., Ltd.	500.00
Binzhou High-tech Property Co., Ltd.	YUYUE Home Textile Co., Ltd.	3,000.00
Binzhou Xinyuan Water Co., Ltd.	Binzhou High-tech Construction Engineering Co., Ltd.	1,960.00
Binzhou Xinyuan Water Co., Ltd.	Binzhou Longteng Water Co., Ltd.	791.16
Binzhou High-tech Zone Financial Group Co., Ltd.	Binzhou High-tech Zone Development and Investment Co., Ltd.	8,100.00
Binzhou High-tech Zone Financial Group Co., Ltd.	Binzhou High-tech Zone Development and Investment Co., Ltd.	700.00
Binzhou High-tech Zone Financial Group Co., Ltd.	Binzhou Longteng Water Co., Ltd.	791.16
Binzhou High-tech Zone Financial Group Co., Ltd.	Binzhou High-tech Urban Construction Co., Ltd.	16,500.00
Binzhou High-tech Zone Qiancheng Urban Development Investment Co., Ltd.	Binzhou Municipal Engineering Co., Ltd.	990.00
Binzhou High-tech Zone State-owned Capital Investment Operation Group Co., Ltd.	Binzhou Dongli Thermal Power Co., Ltd.	1,858.27
Total		72,621.39

2. Pending matters

As of 31 December 2021, the Group had no significant pending litigation matters for disclosure.

XI. Events after the balance sheet date

As of the approval date of financial statement, the Group had no significant events after the balance sheet date for disclosure.

XII. Notes on major items of parent company's financial statement

(I) Other receivables

Items	31 December 2021	31 December 2020	31 December 2019
Other receivables	765,832,264.88	624,774,021.16	169,649,882.01
Total	765,832,264.88	624,774,021.16	169,649,882.01

Disclosure by age



Aging	31 December 2021	31 December 2020	31 December 2019
Within 1 year	145,005,354.72	607,913,801.16	104,689,822.01
1-2 years	603,966,690.16	11,900,160.00	14,960,060.00
2-3 years	11,900,160.00	4,960,060.00	50,000,000.00
3-4 years	4,960,060.00		
Subtotal	765,832,264.88	624,774,021.16	169,649,882.01
Less: bad debt provision			
Total	765,832,264.88	624,774,021.16	169,649,882.01

(II) Long-term equity investments

1. Classification of long-term equity investment

Items	31 December 2021			31 December 2020		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,648,220,108.58		4,648,220,108.58	4,630,800,108.58		4,630,800,108.58
Total	4,648,220,108.58		4,648,220,108.58	4,630,800,108.58		4,630,800,108.58

(Continued)

Items	31 December 2019		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,618,600,108.58		4,618,600,108.58
Total	4,618,600,108.58		4,618,600,108.58

2. Investment in subsidiaries

Investee	31 December 2020	Increase in current period	Decrease in current period	31 December 2021	Provision for impairment in the current period	Impairment reserve balance
Binzhou Xinyuan Water	30,000,000.00			30,000,000.00		



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Investee	31 December 2020	Increase in current period	Decrease in current period	31 December 2021	Provision for impairment in the current period	Impairment reserve balance
Co., Ltd.						
Binzhou High-tech Longjiang Agricultural Development Co., Ltd.	30,000,000.00			30,000,000.00		
Binzhou High-tech Zone State-owned Investment Co., Ltd. Capital Operation	50,000,000.00			50,000,000.00		
Binzhou High-tech Property Co., Ltd.	4,216,318,349.82			4,216,318,349.82		
Binzhou High-tech Zone Qiancheng Urban Development Investment Co., Ltd.	54,730,000.00	17,420,000.00		72,150,000.00		
Binzhou Huili Venture Capital Co., Ltd.	100,000,000.00			100,000,000.00		
Binzhou High-tech Zone Longyin Water Co., Ltd.	149,751,758.76			149,751,758.76		
Total	4,630,800,108.58	17,420,000.00		4,648,220,108.58		

(Continued)

Investee	31 December 2019	Increase in current period	Decrease in current period	31 December 2020	Provision for impairment in the current period	Impairment reserve balance
Binzhou Xinyuan Water Co., Ltd.	30,000,000.00			30,000,000.00		
Binzhou High-tech Longjiang Agricultural Development Co., Ltd.	30,000,000.00			30,000,000.00		
Binzhou High-tech Zone State-owned Investment Co., Ltd. Capital Operation	50,000,000.00			50,000,000.00		
Binzhou High-tech Property Co., Ltd.	4,216,318,349.82			4,216,318,349.82		



2019-2021 Financial Statement Notes of Binzhou High-tech Caijin Investment Group Co., Ltd.

Investee	31 December 2019	Increase in current period	Decrease in current period	31 December 2020	Provision for impairment in the current period	Impairment reserve balance
Binzhou High-tech Zone Qiancheng Urban Development Investment Co., Ltd.	42,530,000.00	12,200,000.00		54,730,000.00		
Binzhou Huili Venture Capital Co., Ltd.	100,000,000.00			100,000,000.00		
Binzhou High-tech Zone Longyin Water Co., Ltd.	149,751,758.76			149,751,758.76		
Total	4,618,600,108.58	12,200,000.00		4,630,800,108.58		

(Continued)

Investee	1 January 2019	Increase in current period	Decrease in current period	31 December 2019	Provision for impairment in the current period	Impairment reserve balance
Binzhou Xinyuan Water Co., Ltd.	30,000,000.00			30,000,000.00		
Binzhou High-tech Longjiang Agricultural Development Co., Ltd.	30,000,000.00			30,000,000.00		
Binzhou High-tech Zone State-owned Capital Investment Operation Co., Ltd.	50,000,000.00			50,000,000.00		
Binzhou High-tech Property Co., Ltd.	4,216,318,349.82			4,216,318,349.82		
Binzhou High-tech Zone Qiancheng Urban Development Investment Co., Ltd.		42,530,000.00		42,530,000.00		
Binzhou Huili Venture Capital Co., Ltd.	100,000,000.00			100,000,000.00		
Binzhou High-tech Zone Longyin Water Co., Ltd.	149,751,758.76			149,751,758.76		
Total	4,576,070,108.58	42,530,000.00		4,618,600,108.58		



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Binzhou High-tech Caijin Investment Group Co., Ltd.

Legal representative  accounting director: 

Accounting firm director: 





营业执照

(副本) (5-1)

统一社会信用代码

91110102082881146K



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管信息

名称 中兴华会计师事务所（特殊普通合伙）

类型 特殊普通合伙企业

执行事务合伙人 李尊农, 乔久华

经营范围 许可项目：注册会计师业务；代理记账。
一般项目：经相关部门批准后方可开展经营
项目以相关部门批准文件或许可证件为
准；资产评估。（除依法须经批准的项目外，凭
营业执照依法自主开展经营活动）（不得从事
产业政策禁止和限制类项目的经营活动。）

成立日期 2013年11月04日

合伙期限 2013年11月04日至长期

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



中兴华会计师事务所(特殊普通合伙)
审计报告章(1)



登记机关

2022年11月07日



仅作报告附件使用

执业证书

中兴华会计师事务所(特殊普通合伙)

报告附件(1)

名称：中兴华会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出售、出租、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。



发证机关：



二〇二一年八月十七日

中华人民共和国财政部制



中国证券监督管理委员会

CHINA SECURITIES REGULATORY COMMISSION

繁體 | English

移动端

微博

微信

无障碍

请输入关键字



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索引号	bm56000001/2022-0000491	分类	审计与评估机构监管对象
发布机构		发文日期	2022年01月11日
名称	从事证券服务业务会计师事务所名录 (截至2021.12.31)	关键词	
文号			

从事证券服务业务会计师事务所名录 (截至2021.12.31)

从事证券服务业务会计师事务所名录 (截至2021.12.31)



从事证券服务业务会计师事务所名录¹

序号	会计师事务所名称	通讯地址	联系电话
72 ¹	中审亚太会计师事务所(特殊普通合伙) ¹	北京市海淀区复兴路47号天行建商务大厦20层2206 ¹	010-51716767 ¹
73 ¹	中审众环会计师事务所(特殊普通合伙) ¹	武汉市武昌区东湖路169号2-9层 ¹	027-86781250 ¹
74 ¹	中天运会计师事务所(特殊普通合伙) ¹	北京市西城区车公庄大街9号院五栋大楼B1座1七、八层 ¹	010-88395676 ¹
75 ¹	中喜会计师事务所(特殊普通合伙) ¹	北京市东城区崇文门东大街11号新成文化大厦A座11层 ¹	010-67088759 ¹
76 ¹	中兴财光华会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门外大街2号22层A24 ¹	0311-85927137 ¹
77 ¹	中兴华会计师事务所(特殊普通合伙) ¹	北京市西城区阜外大街1号东塔楼15层 ¹	010-51423818 ¹
78 ¹	中证天通会计师事务所(特殊普通合伙) ¹	北京市海淀区西直门北大街甲43号1号楼13层1316-1326 ¹	010-62212990 ¹
79 ¹	中准会计师事务所(特殊普通合伙) ¹	北京市海淀区西便门大街22号国兴大厦4层 ¹	010-88356126 ¹
80 ¹	众华会计师事务所(特殊普通合伙) ¹	嘉定工业区沪宜路叶城路1630号5幢1088室 ¹	021-63525500 ¹



姓名 马文慧
 Full name _____
 性别 女
 Sex _____
 出生日期 1992-05-03
 Date of birth _____
 工作单位 中兴华会计师事务所（特殊普通合伙）江苏分所
 Working unit _____
 身份证号码 320106199205033228
 Identity card No. _____



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: 110001670472
 No. of Certificate
 批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs
 发证日期: 2021 年 08 月 27 日
 Date of Issuance

年 月 日
 y m d



姓名: 陈亮
 Full name: 陈亮
 性别: 男
 Sex: 男
 出生日期: 1989-01-12
 Date of birth: 1989-01-12
 工作单位: 江苏华会会计师事务所
 Working unit: 江苏华会会计师事务所
 身份证号码: 32011319890112001X
 Identity card No. 32011319890112001X

证书编号: 110001670154
 No. of Certificate 110001670154

批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs 江苏省注册会计师协会

注册日期: 2012年 3月 30日
 Date of Issuance 2012年 3月 30日

二〇一二年 三月 三十日



年度检验登
 Annual Renewal Register

本证书经检验合格
 This certificate is valid for
 this renewal.



陈亮(110001670154)
 您已通过2021年年检
 江苏省注册会计师协会



陈亮(110001670154)
 您已通过2019年年检
 江苏省注册会计师协会



陈亮(110001670154)
 您已通过2020年年检
 江苏省注册会计师协会

注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred from

事务所
 CPAs

转出协会盖章
 Stamp of the transfer-out Institute of CPAs
 年 月 日
 / /

同意调入
 Agree the holder to be transferred to 变更处
 变更处

江苏华会会计师事务所(普通合伙) 事务所
 CPAs



转出协会盖章
 Stamp of the transfer-out Institute of CPAs
 2014年 6月 2日
 / /

2022-030

审计业务约定书



甲方编号:

乙方编号: 中兴华(2022)第 020943 号

年 月 日



审计业务约定书

甲方：宿迁市运河港区开发集团有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

兹由甲方拟于 2022 年度发行自贸区人民币债券业务，委托乙方对其 2019-2021 年度财务报表进行审计，并出具与本次发行自贸区人民币债券业务相关文件及提供相应服务，经双方协商，达成以下约定：

一、审计的目标和范围

1. 乙方接受甲方委托，对甲方按企业会计准则编制的 2021 年 12 月 31 日、2020 年 12 月 31 日、2019 年 12 月 31 日的合并及母公司资产负债表，2021 年度、2020 年度、2019 年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司所有者权益（或股东权益）变动表以及相关财务报表附注（以下统称财务报表）进行审计，并出具与本次发行自贸区人民币债券业务相关文件及提供相应服务。

2. 乙方审计工作的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

3. 乙方通过执行审计工作，对财务报表的下列方面发表审计意见：（1）财务报表是否在所有重大方面按照企业会计准则的规定编制；（2）财务报表是否在所有重大方面公允反映了甲方 2021 年 12 月 31 日、2020 年 12 月 31 日、2019 年 12 月 31 日的合并及母公司财务状况以及 2021 年度、2020 年度、2019 年度的合并及母公司经营成果和现金流量。

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. 及时为乙方的审计工作提供与审计有关的所有记录、文件和所需的其他信息（在 2022 年 2 月 20 日之前提供审计所需的全部资料，如果在审计过程中需要补充资料，亦应及时提供），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. 为满足乙方对甲方合并财务报表发表审计意见的需要，甲方须确保：

乙方和对组成部分财务信息执行相关工作的组成部分注册会计师之间的沟通不受任何限制。（组成部分是指甲方的子公司、分部、分公司、合营企业、联营企业、受托管理的公司等关联企业等企业。）

乙方及时获悉组成部分注册会计师与组成部分治理层和管理层之间的重要沟通（包括就值得关注的内部控制缺陷进行的沟通）。

乙方及时获悉组成部分治理层和管理层与监管机构就与财务信息有关的事项进行的重要沟通。

在乙方认为必要时，允许乙方接触组成部分的信息、组成部分管理层或组成部分注册会计师（包括组成部分注册会计师的工作底稿），并允许乙方对组成部分的财务信息执行相关工作。

7. 甲方管理层对其作出的与审计有关的声明予以书面确认。

8. 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。

9. 按照本约定书的约定及时足额支付审计费用。

10. 乙方的审计不能减轻甲方及甲方管理层的责任。

三、乙方的责任

1. 乙方按照中国注册会计师审计准则（以下简称审计准则）的规定执行审计工作。审计准则要求注册会计师遵守中国注册会计师职业道德守则。在执行审计的过程中，乙方需要运用职业判断，保持职业怀疑。

2. 乙方识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序

以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

3. 乙方了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见

4. 乙方评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

5. 乙方对甲方管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对甲方持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果乙方得出结论认为存在重大不确定性，应当在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，乙方应当发表非无保留意见。乙方的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致甲方不能持续经营。

6. 乙方评价财务报表的总体列报、结构和内容（包括披露），并评价财务报表是否公允反映相关交易和事项。

7. 对不由乙方执行相关工作的组成部分财务信息，乙方不单独出具报告；有关的责任由对该组成部分执行相关工作的组成部分注册会计师及其所在的会计师事务所承担。

8. 在审计过程中，乙方若发现甲方存在乙方认为值得关注的内部控制缺陷，应以书面形式向甲方治理层或管理层通报。但乙方通报的各种事项，并不代表已全面说明所有可能存在的缺陷或已提出所有可行的改进建议。甲方在实施乙方提出的改进建议前应全面评估其影响。未经乙方书面许可，甲方不得向任何第三方提供乙方出具的沟通文件，除非法律法规另有要求。

9. 由于审计和内部控制的固有限制，即使按照审计准则的规定适当地计划和执行审计工作，仍无法避免财务报表的某些重大错报可能未被乙方发现的风险。

10. 按照约定时间完成审计工作，出具审计报告。乙方应于____年____月____日前出具审计报告。

11. 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。

12. 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、审计收费

1. 本次审计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。乙方预计本次审计服务的费用总额为人民币贰拾捌万元整（¥280,000.00元）。

2. 甲方应于本合同签订之日起五日内预付审计业务费人民币捌万元整（¥80,000.00元）；待提交审计报告及安慰函成果后五日内支付至本合同价款的50%，即支付人民币陆万元整（¥60,000.00元）；待取得本次海外债申报批文后五日内支付至本合同价款的100%，即支付人民币壹拾肆万元整（¥140,000.00元）。

3. 与本次审计有关的其他费用（包括交通费、食宿费等）由乙方承担。

五、审计报告和审计报告的使用

1. 乙方按照中国注册会计师审计准则规定的格式和类型出具审计报告。

2. 乙方向甲方致送审计报告一式伍份。

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，影响审计工作如期完成，或需提前出具审计报告，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审计服务时，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审计服务项目所做的工作收取合理的费用。

（普通合伙）
有限公司
91900

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

本约定书一式伍份，甲方执贰份、乙方执叁份，具有同等法律效力。

甲方：宿迁市运河港区开发集团有限公司



(盖章)

授权代表：(签名并盖章)



年 月 日

乙方：中兴年会计师事务所



(盖章)

授权代表：(签名并盖章)



年 月 日

Suqian Yunhe Port Area Development Group Co., Ltd.



AUDITOR'S REPORT

00002021030070649131

Report no.: Zhongxinghua Audit [2021] no. 020430

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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III. Auditor's Report Attachments

1. Copy of the business license of Zhongxinghua certified public accountants LLP
2. Copy of the practice certificate of Zhongxinghua certified public accountants LLP
3. Copy of the securities and futures business license of Zhongxinghua certified public accountants LLP
4. Copy of certified public accountants practice certificate



ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Auditor's Report

Zhongxinghua Audit (2021) No.020430

All shareholders of Suqian Yunhe Port Area Development Group Co., Ltd.:

Opinion

We have audited the financial statements of Suqian Yunhe Port Area Development Group Co., Ltd. ("Yunhe Port Area Company"), which comprise the consolidated and parent company balance sheets as at 31 December 2020, 31 December 2019, 31 December 2018, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and company statements of changes in owner's equity for the years then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Yunhe Port Area Company as at 31 December 2020, 31 December 2019, 31 December 2018 and the consolidated and parent company financial performance and cash flows of Yunhe Port Area Company for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Yunhe Port Area Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Yunhe Port Area Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yunhe Port Area Company or to cease operations,



or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Yunhe Port Area Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yunhe Port Area Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ABC Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yunhe Port Area Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yunhe Port Area Company to express an opinion on the financial statements. We are responsible for the direction, supervision and



performance of the group audit. We remain solely responsible for our audit opinion.

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

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Certified Public Accountants
Registered in the People's Republic
of China

Name of CPA:



Beijing · China

Name of CPA:



25 March 2021

Consolidated balance sheet

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020-12-31	2019-12-31	2018-12-31
Current assets:				
Cash at bank and on hand	VI.1	387,434,257.35	176,143,088.07	491,146,784.21
Financial assets at fair value through profit and loss				
Derivative financial assets				
Bills receivable	VI.2	1,238,835.21	1,032,879.64	
Accounts receivable	VI.3	1,192,409,999.09	1,151,792,300.66	624,800,000.00
Prepayments	VI.4	14,156,506.70	2,538,950.74	640,000.00
Other receivables	VI.5	1,747,124,155.73	740,076,693.33	757,996,281.41
Inventories	VI.6	2,565,422,330.02	1,311,581,038.37	3,585,038,738.43
Assets held for sale				
Non-current assets due within one year				
Other current assets	VI.7	30,882,274.64	6,858,729.88	7,987,348.22
Total current assets		5,938,668,358.74	3,390,023,680.69	5,467,609,152.27
Non-current assets				
Available-for-sale financial assets	VI.8	20,000,000.00	18,000,000.00	5,000,000.00
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	VI.9		44,000,000.00	51,651,756.37
Investment properties	VI.10	2,088,956,600.00	2,159,393,800.00	
Fixed assets	VI.11	1,540,493,560.48	13,818,822.86	82,407.39
Construction in progress	VI.12	1,004,196.55	988,389,452.20	888,314,126.96
Productive biological assets				
Oil and gas assets				
Intangible assets	VI.13	1,044,200,327.19	1,067,244,726.78	1,090,435,182.27
Development costs				
Goodwill				
Long-term deferred expenses	VI.14		4,388.30	30,718.10
Deferred tax assets	VI.15	7,217.89	3,101.10	
Other non-current assets				
Total non-current assets		4,694,661,902.11	4,290,854,291.24	2,035,514,191.09
Total assets		10,633,330,260.85	7,680,877,971.93	7,503,123,343.36

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated balance sheet (continued)

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020-12-31	2019-12-31	2018-12-31
Current liabilities:				
Short-term loans	VI.17	711,700,000.00	512,800,000.00	736,126,777.00
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Bills payable				124,120,415.82
Accounts payable	VI.18	366,845,528.22	20,445,792.75	13,587,997.12
Advance payments received	VI.19	191,744,137.70	2,528,117.39	
Employee benefits payable	VI.20	121,715.10		
Taxes payable	VI.21	98,164,230.60	78,891,080.69	38,813,329.65
Other payables	VI.22	1,014,849,322.71	1,012,576,879.87	708,563,727.91
Liabilities held for sale				
Non-current liabilities due within one year	VI.23	800,060,603.31	374,928,630.30	366,999,018.55
Other current liabilities	VI.24		262,960,000.00	80,000,000.00
Total current liabilities		3,183,485,537.64	2,265,130,501.00	2,068,211,266.05
Non-current liabilities:				
Long-term loans	VI.25	1,090,000,000.00	1,350,000,000.00	1,600,000,000.00
Debentures payable				
Including: Preferred shares				
Perpetual debts				
Long-term payables	VI.26	1,434,896,513.93	250,546,107.23	359,079,305.39
Long-term employee remuneration payable				
Provisions				
Deferred income				
Deferred tax liabilities	VI.15	64,887,174.85	49,312,322.60	
Other non-current liabilities				
Total non-current liabilities		2,589,783,688.78	1,649,858,429.83	1,959,079,305.39
Total liabilities		5,773,269,226.42	3,914,988,930.83	4,027,290,571.44
Owner's equity:				
Paid-in capital	VI.27	300,000,000.00	300,000,000.00	300,000,000.00
Other equity instruments				
Including: Preferred shares				
Perpetual debts				
Capital reserve	VI.28	3,584,624,056.32	2,763,707,449.14	2,814,425,005.91
Less: Treasury shares				
Other comprehensive income	VI.29	139,995,074.55	147,936,967.80	
Special reserve	VI.30	15,639.88		
Surplus reserve	VI.31	73,223,051.16	52,384,117.09	34,838,334.71
Retained earnings	VI.32	674,390,461.21	485,618,786.62	326,569,431.30
Total equity attributable to owners of the Company		4,772,248,283.12	3,749,647,320.65	3,475,832,771.92
Non-controlling interests		87,812,751.31	16,241,720.45	
Total owner's equity		4,860,061,034.43	3,765,889,041.10	3,475,832,771.92
Total liabilities and owner's equity		10,633,330,260.85	7,680,877,971.93	7,503,123,343.36

Legal Representative: The person in-charge of the accounting affairs: The head of the accounting department:

Consolidated income statement

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020	2019	2018
I. Total operating income	VI.33	768,754,075.19	629,504,007.98	582,524,271.84
Including: Operating income	VI.33	768,754,075.19	629,504,007.98	582,524,271.84
II. Total operating costs		692,311,836.16	543,497,994.45	512,557,839.88
Including: Operating costs	VI.33	624,856,989.17	532,750,020.42	500,000,000.00
Taxes and surcharges	VI.34	11,514,889.11	3,661,856.27	4,944,756.38
Selling and distribution expenses		296,573.94		
General and administrative expenses		50,207,672.17	8,549,254.38	6,228,793.73
Research and development expenses				
Financial expenses	VI.35	5,435,731.77	-1,463,136.62	1,384,289.77
Including: Interest expenses		8,068,993.69	3,764,985.99	9,225,090.93
Interest income		3,447,255.91	5,674,168.15	9,854,070.79
Add: Other income	VI.36	108,728,837.93	113,995,153.99	131,000,000.00
Investment income ("-" for losses)	VI.37			681,880.38
Including: Income from investment in associates and joint ventures				681,880.38
Credit losses("-" for losses)				
Gains from changes in fair value("-" for losses)	VI.38	72,888,600.00		
Impairment losses("-" for losses)	VI.39	-16,467.15	-12,404.37	
Gains from asset disposals("-" for losses)				
III. Operating profit("-" for loss)		258,043,209.81	199,988,763.15	201,648,312.34
Add: Non-operating income	VI.40	661,732.69	205,607.78	2,482,809.26
Less: Non-operating expenses	VI.41	1,241,842.09	210,798.97	
IV. Profit before taxation ("-" for loss)		257,463,100.41	199,983,571.96	204,131,121.60
Less: Income tax expenses	VI.42	39,841,036.57	20,593,844.47	18,407,253.72
V. Net profit for the year ("-" for net loss)		217,622,063.84	179,389,727.49	185,723,867.88
Including: Attributable to owners of the Company ("-" for net loss)		209,761,794.09	176,595,137.70	185,723,867.88
Attributable to non-controlling interests ("-" for net loss)		8,060,269.75	2,794,589.79	
Including: Net profit from continuing operations ("-" for net loss)		217,622,063.84	179,389,727.49	185,723,867.88
Net profit from discontinued operations ("-" for net loss)				
VI. Other comprehensive income, net of tax		-7,941,893.25	147,936,967.80	
Other comprehensive income (net of tax) attributable to shareholders of the Company		-7,941,893.25	147,936,967.80	
1. Items that will not be reclassified to profit or loss				
(1) Remeasurement of defined benefit plan				
(2) Other comprehensive income recognised under equity method				
2. Items that may be reclassified to profit or loss		-7,941,893.25	147,936,967.80	
(1) Other comprehensive income recognised under equity method				
(2) Gains or losses arising from changes in fair value of available-for-sale financial assets				
(3) Gains and losses from held-to-maturity investments reclassified into available-for-sale financial assets				
(4) Cash flow hedge reserve (effective portion of gains or losses arising from cash flow hedging instruments)				
(5) Translation differences arising from translation of foreign currency financial statements				
(6) Others		-7,941,893.25	147,936,967.80	
Other comprehensive income (net of tax) attributable to non-controlling interests				
VII. Total comprehensive income for the year		209,680,170.59	327,326,695.29	185,723,867.88
Attributable to: (I) Owners of the Company		201,819,900.84	324,532,105.50	185,723,867.88
(II) Non-controlling interests		8,060,269.75	2,794,589.79	

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated cash flow statement

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020	2019	2018
I. Cash flows from operating activities:				
Proceeds from sale of goods and rendering of services		728,703,520.06	124,144,085.58	277,500,000.00
Refund of taxes				
Proceeds from other operating activities		833,464,519.77	383,907,477.81	365,982,402.33
Sub-total of cash inflows		1,562,168,039.83	508,051,564.39	643,482,402.33
Payment for goods and services		854,313,372.92	143,229,290.65	49,428,913.98
Payment to and for employees		10,996,061.67	4,562,425.82	1,811,745.65
Payment of various taxes		14,808,772.50	2,056,950.43	25,837,456.85
Payment for other operating activities		524,308,682.66	620,591,822.72	1,091,378,176.51
Sub-total of cash outflows		1,404,426,889.75	770,440,489.62	1,168,456,292.99
Net cash inflow from operating activities		157,741,150.08	-262,388,925.23	-524,973,890.66
II. Cash flows from investing activities				
Proceeds from disposal of investments				
Investment returns received				
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets				
Net proceeds from disposal of subsidiaries and other business units				
Proceeds from other investing activities		4,599,756.12	7,999,731.46	
Sub-total of cash inflows		4,599,756.12	7,999,731.46	
Payment for acquisition of fixed assets, intangible assets and other long-term assets		237,295,658.78	2,063,010.07	43,524,171.43
Payment for acquisition of investments		54,800,000.00	18,000,000.00	
Net payment for acquisition of subsidiaries and other business units				
Payment for other investing activities			328,661.92	
Sub-total of cash outflows		292,095,658.78	20,391,671.99	43,524,171.43
Net cash outflow from investing activities		-287,495,902.66	-12,391,940.53	-43,524,171.43
III. Cash flows from financing activities:				
Proceeds from investors		1,230,000,000.00		480,000,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries				
Proceeds from borrowings		2,184,550,000.00	533,800,000.00	1,024,626,777.00
Proceeds from other financing activities		876,359,178.46	1,296,713,000.00	207,172,300.00
Sub-total of cash inflows		4,290,909,178.46	1,830,513,000.00	1,711,799,077.00
Repayments of borrowings		926,515,869.52	945,126,777.00	925,000,000.00
Payment for profit distributions or interest		267,963,566.76	171,105,827.46	158,844,727.11
Including: dividends and profits paid by subsidiaries to minority shareholders				
Payment for other financing activities		2,775,383,820.32	454,503,225.92	782,161,146.69
Sub-total of cash outflows		3,969,863,256.60	1,570,735,830.38	1,866,005,873.80
Net cash outflow/inflow from financing activities		321,045,921.86	259,777,169.62	-154,206,796.80
IV. Effect of foreign exchange rate changes on cash and cash equivalents				
V. Net increase in cash and cash equivalents ("-" for decrease)				
Add: Cash and cash equivalents at the beginning of the year		191,291,169.28	-15,003,696.14	-722,704,858.89
		176,143,088.07	191,146,784.21	913,851,643.10
VI. Cash and cash equivalents at the end of the year		367,434,257.35	176,143,088.07	191,146,784.21

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated statement of changes in owner's equity

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

2020

Items	Attributable to owner of the Company										Total	
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total		Non-controlling interests
		Preferred shares	Perpetual debits									
I. Balance at 31 December 2019	300,000,000.00			2,763,707,449.14		147,936,967.80		52,384,117.09	485,618,786.62	3,749,647,320.65	16,241,720.45	3,765,889,041.10
Add: Changes in accounting policies												
Corrections of prior period errors												
Business combinations involving enterprises under common control												
Others												
II. Balance at 1 January 2020	300,000,000.00			2,763,707,449.14		147,936,967.80		52,384,117.09	485,618,786.62	3,749,647,320.65	16,241,720.45	3,765,889,041.10
III. Changes in equity during the year ("-" for decreases)				820,916,607.18		-7,941,893.25	15,639.88	20,838,934.07	188,771,674.59	1,022,600,962.47	71,571,030.86	1,094,171,993.33
(I) Total comprehensive income						-7,941,893.25			208,761,794.09	201,819,900.84	8,060,269.75	209,880,170.59
(II) Owners' contributions and decrease of capital				820,916,607.18						820,916,607.18	63,656,017.69	884,572,624.87
1. Contribution by owners												
2. Capital invested by holders of other equity instruments				1,230,000,000.00						1,230,000,000.00		1,230,000,000.00
3. Equity-settled share-based payment												
4. Others				-409,083,392.82						-409,083,392.82	63,656,017.69	-345,427,375.13
(III) Appropriation of profits								20,838,934.07	-20,990,119.50	-151,185.43	-145,256.58	-296,442.01
1. Appropriation for surplus reserve								20,838,934.07	-20,990,119.50			
2. Appropriation for general risk provision								20,838,934.07	-20,990,119.50			
3. Distribution to owners												
4. Others												
(IV) Transfers within equity												
1. Paid-in capital increased by capital reserve transfer												
2. Paid-in capital increased by surplus reserve transfer												
3. Loss covered by surplus reserve												
4. Changes arising from defined benefit plan transferred to retained earnings												
5. Others												
(V) Special reserve							15,639.88			15,639.88		15,639.88
1. Accrued							15,639.88			15,639.88		15,639.88
2. Utilised												
(VI) Others												
IV. Balance at 31 December 2020	300,000,000.00			3,584,624,056.32		139,995,074.55	15,639.88	73,223,051.16	674,390,461.21	4,772,248,283.12	87,812,751.31	4,860,061,034.43

Legal Representative: _____ The person in-charge of the accounting affairs: _____

The head of the accounting department: _____

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

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	2019											
	Attributable to owner of the Company											
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
	Preferred shares	Perpetual debits	Others									
I. Balance at 31 December 2018	300,000,000.00				2,814,425,005.91							
Add: Changes in accounting policies												
Corrections of prior period errors												
Business combinations involving enterprises under common control												
Others												
II. Balance at 1 January 2019	300,000,000.00				2,814,425,005.91							
III. Changes in equity during the year ("-" for decreases)					-50,717,566.77							
(I) Total comprehensive income												
(II) Owners' contributions and decrease of capital												
1. Contribution by owners						147,936,967.80						
2. Capital invested by holders of other equity instruments												
3. Equity-settled share-based payment												
4. Others												
(III) Appropriation of profits												
1. Appropriation for surplus reserve								17,545,782.38	-17,545,782.38			
2. Appropriation for general risk provision								17,545,782.38	-17,545,782.38			
3. Distribution to owners												
4. Others												
(IV) Transfers within equity												
1. Paid-in capital increased by capital reserve transfer												
2. Paid-in capital increased by surplus reserve transfer												
3. Loss covered by surplus reserve												
4. Changes arising from defined benefit plan transferred to retained earnings												
5. Others												
(V) Special reserve												
1. Accrued												
2. Utilised												
(VI) Others												
IV. Balance at 31 December 2019	300,000,000.00				2,763,707,449.14	147,936,967.80		52,384,117.09	485,618,786.62	3,749,647,320.65	16,241,720.45	3,765,889,041.10

The person in-charge of the accounting affairs:

The head of the accounting department:

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

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	2018										Total	
	Attributable to owner of the Company											
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		Sub-total
Preferred shares		Perpetual debits	Others									
I. Balance at 31 December 2017	300,000,000.00				2,334,425,005.91				16,147,970.56	159,535,927.57	2,810,108,904.04	2,810,108,904.04
Add: Changes in accounting policies												
Corrections of prior period errors												
Business combinations involving enterprises under common control												
Others												
II. Balance at 1 January 2018	300,000,000.00				2,334,425,005.91				16,147,970.56	169,535,927.57	2,810,108,904.04	2,810,108,904.04
III. Changes in equity during the year ("-" for decreases)					480,000,000.00				18,690,364.15	167,033,503.73	665,723,867.88	665,723,867.88
(I) Total comprehensive income												
(III) Owners' contributions and decrease of capital					480,000,000.00						480,000,000.00	480,000,000.00
1. Contribution by owners												
2. Capital invested by holders of other equity instruments												
3. Equity-settled share-based payment												
4. Others					480,000,000.00						480,000,000.00	480,000,000.00
(III) Appropriation of profits									18,690,364.15	-18,690,364.15		
1. Appropriation for surplus reserve									18,690,364.15	-18,690,364.15		
2. Appropriation for general risk provision												
3. Distribution to owners												
4. Others												
(IV) Transfers within equity												
1. Paid-in capital increased by capital reserve transfer												
2. Paid-in capital increased by surplus reserve transfer												
3. Loss covered by surplus reserve												
4. Changes arising from defined benefit plan transferred to retained earnings												
5. Others												
(V) Special reserve												
1. Accrued												
2. Utilised												
(VI) Others												
IV. Balance at 31 December 2018	300,000,000.00				2,814,425,005.91				34,838,334.71	326,569,431.30	3,475,832,771.92	3,475,832,771.92

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company balance sheet

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020-12-31	2019-12-31	2018-12-31
Current assets:				
Cash at bank and on hand		241,292,287.30	160,543,075.38	290,506,570.01
Financial assets at fair value through profit and loss				
Derivative financial assets				
Bills receivable				
Accounts receivable	XIII.1	1,186,755,861.53	1,146,979,382.25	624,800,000.00
Prepayments		10,923,986.62	1,054,984.00	670,000.00
Other receivables	XIII.2	2,335,855,233.21	407,420,290.08	389,253,483.93
Inventories		2,438,738,664.50	1,311,581,038.37	3,585,038,738.43
Assets held for sale				
Non-current assets due within one year				
Other current assets		10,000,000.00	6,858,729.88	7,987,348.22
Total current assets		6,223,566,033.16	3,034,437,499.96	4,898,256,140.59
Non-current assets				
Available-for-sale financial assets		8,000,000.00	8,000,000.00	5,000,000.00
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	XIII.3	257,550,192.11	101,950,192.11	151,651,756.37
Investment properties		2,088,956,600.00	2,159,393,800.00	
Fixed assets		1,525,524,115.96	356,301.83	82,407.39
Construction in progress		896,856.93	988,119,519.91	888,314,126.96
Productive biological assets				
Oil and gas assets				
Intangible assets		1,044,053,703.39	1,067,244,442.83	1,090,435,182.27
Development costs				
Goodwill				
Long-term deferred expenses			4,388.30	30,718.10
Deferred tax assets				
Other non-current assets				
Total non-current assets		4,924,981,468.39	4,325,068,644.98	2,135,514,191.09
Total assets		11,148,547,501.55	7,359,506,144.94	7,033,770,331.68

Legal Representative: The person in-charge of the accounting affairs: The head of the accounting department:

Parent company balance sheet (continued)

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020-12-31	2019-12-31	2018-12-31
Current liabilities:				
Short-term loans		554,000,000.00	330,000,000.00	430,000,000.00
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Bills payable				99,120,415.82
Accounts payable		1,246,803,401.82	20,445,792.75	13,587,997.12
Advance payments received		14,401,616.00		
Employee benefits payable				
Taxes payable		95,140,342.89	78,398,408.03	38,813,329.65
Other payables		1,455,868,060.27	1,161,342,513.15	564,705,905.48
Liabilities held for sale				
Non-current liabilities due within one year		645,096,375.92	374,928,630.30	366,999,018.55
Other current liabilities			84,000,000.00	80,000,000.00
Total current liabilities		4,011,309,796.90	2,049,115,344.23	1,593,226,666.62
Non-current liabilities:				
Long-term loans		1,090,000,000.00	1,350,000,000.00	1,600,000,000.00
Debentures payable				
Including: Preferred shares				
Perpetual debts				
Long-term payables		1,212,780,540.02	156,219,326.82	359,079,305.39
Long-term employee remuneration payable				
Provisions				
Deferred income				
Deferred tax liabilities		64,887,174.85	49,312,322.60	
Other non-current liabilities				
Total non-current liabilities		2,367,667,714.87	1,555,531,649.42	1,959,079,305.39
Total liabilities		6,378,977,511.77	3,604,646,993.65	3,552,305,972.01
Owner's equity:				
Paid-in capital		300,000,000.00	300,000,000.00	300,000,000.00
Other equity instruments				
Including: Preferred shares				
Perpetual debts				
Capital reserve		3,583,140,211.00	2,768,876,820.00	2,818,876,820.00
Less: Treasury shares				
Other comprehensive income		139,995,074.55	147,936,967.80	
Special reserve				
Surplus reserve		73,223,051.16	52,384,117.09	34,838,334.71
Retained earnings		673,211,653.07	485,661,246.40	327,749,204.96
Total owner's equity		4,769,569,989.78	3,754,859,151.29	3,481,464,359.67
Total liabilities and owner's equity		11,148,547,501.55	7,359,506,144.94	7,033,770,331.68

Legal Representative: The person in-charge of the accounting affairs: The head of the accounting department:

Parent company cash flow statement

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2020	2019	2018
I. Cash flows from operating activities:				
Proceeds from sale of goods and rendering of services		659,669,533.97	100,000,000.00	277,500,000.00
Refund of taxes				
Proceeds from other operating activities		1,047,703,847.58	406,177,798.48	454,844,090.98
Sub-total of cash inflows		1,707,373,381.55	506,177,798.48	732,344,090.98
Payment for goods and services		758,887,450.69	128,213,642.49	49,428,913.98
Payment to and for employees		2,206,919.11	1,728,301.03	1,811,745.65
Payment of various taxes		8,719,367.46	1,788,692.14	25,837,456.85
Payment for other operating activities		890,943,149.60	366,048,696.23	928,816,360.36
Sub-total of cash outflows		1,660,756,886.86	497,779,331.89	1,005,894,476.84
Net cash inflow from operating activities		46,616,494.69	8,398,466.59	-273,550,385.86
II. Cash flows from investing activities				
Proceeds from disposal of investments				
Investment returns received				
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets				
Net proceeds from disposal of subsidiaries and other business units				
Proceeds from other investing activities				
Sub-total of cash inflows				
Payment for acquisition of fixed assets, intangible assets and other long-term assets		234,432,666.51	1,117,048.25	43,524,171.43
Payment for acquisition of investments		146,318,848.03	8,000,000.00	
Net payment for acquisition of subsidiaries and other business units				
Payment for other investing activities				
Sub-total of cash outflows		380,751,514.54	9,117,048.25	43,524,171.43
Net cash outflow from investing activities		-380,751,514.54	-9,117,048.25	-43,524,171.43
III. Cash flows from financing activities:				
Proceeds from investors		1,230,000,000.00		480,000,000.00
Proceeds from borrowings		1,976,850,000.00	300,000,000.00	430,000,000.00
Proceeds from other financing activities		590,219,600.00	917,753,000.00	182,172,300.00
Sub-total of cash inflows		3,797,069,600.00	1,217,753,000.00	1,092,172,300.00
Repayments of borrowings		598,682,363.53	650,000,000.00	619,000,000.00
Payment for profit distributions or interest interests		258,037,841.47	167,494,687.05	149,619,636.18
Payment for other financing activities		2,525,465,163.23	429,503,225.92	582,161,146.69
Sub-total of cash outflows		3,382,185,368.23	1,246,997,912.97	1,350,780,782.87
Net cash inflow/outflow from financing activities		414,884,231.77	-29,244,912.97	-258,608,482.87
IV. Effect of foreign exchange rate changes on cash and cash equivalents				
V. Net increase in cash and cash equivalents ("-" for decrease)				
		80,749,211.92	-29,963,494.63	-575,683,040.16
Add: Cash and cash equivalents at the beginning of the year		160,543,075.38	190,506,570.01	766,189,610.17
VI. Cash and cash equivalents at the end of the year		241,292,287.30	160,543,075.38	190,506,570.01

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company statement of changes in owner's equity

Prepared by: Suqian Yunthe Port Area Development Group Co., Ltd.

2020

Expressed in Renminbi Yuan

Items	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
		Preferred shares	Perpetual debts							
I. Balance at 31 December 2019	300,000,000.00			2,768,876,820.00		147,936,967.80		52,384,117.09	485,661,246.40	3,754,859,151.29
Add: Changes in accounting policies										
Corrections of prior period errors										
Others										
II. Balance at 1 January 2020	300,000,000.00			2,768,876,820.00		147,936,967.80		52,384,117.09	485,661,246.40	3,754,859,151.29
III. Changes in equity during the year ("-" for decreases)				814,263,391.00		-7,941,893.25		20,838,934.07	187,550,406.67	1,014,710,838.49
(I) Total comprehensive income						-7,941,893.25			208,389,340.74	200,447,447.49
(II) Owners' contributions and decrease of capital				814,263,391.00						814,263,391.00
1. Contribution by owners				1,230,000,000.00						1,230,000,000.00
2. Capital invested by holders of other equity instruments										
3. Equity-settled share-based payment										
4. Others				-415,736,609.00						-415,736,609.00
(III) Appropriation of profits								20,838,934.07	-20,838,934.07	
1. Appropriation for surplus reserve								20,838,934.07	-20,838,934.07	
2. Appropriation for general risk provision										
3. Distribution to owners										
4. Others										
(IV) Transfers within equity										
1. Paid-in capital increased by capital reserve transfer										
2. Paid-in capital increased by surplus reserve transfer										
3. Loss covered by surplus reserve										
4. Changes arising from defined benefit plan transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Accrued										
2. Utilised										
(VI) Others										
IV. Balance at 31 December 2020	300,000,000.00			3,583,140,211.00		139,995,074.55		73,223,051.16	673,211,653.07	4,769,569,989.78

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company statement of changes in owner's equity (continued)

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

2019

Items	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
		Preferred shares	Perpetual debts							
I. Balance at 31 December 2018	300,000,000.00			2,818,876,820.00				34,838,334.71	327,749,204.96	3,481,464,359.67
Acc: Changes in accounting policies										
Corrections of prior period errors										
Others										
II. Balance at 1 January 2019	300,000,000.00			2,818,876,820.00				34,838,334.71	327,749,204.96	3,481,464,359.67
III. Changes in equity during the year ("-" for decreases)				-50,000,000.00		147,936,967.80		17,545,782.38	157,912,041.44	273,394,791.62
(I) Total comprehensive income						147,936,967.80			175,457,823.82	323,394,791.62
(II) Owners' contributions and decrease of capital				-50,000,000.00						-50,000,000.00
1. Contribution by owners										
2. Capital invested by holders of other equity instruments										
3. Equity-settled share-based payment										
4. Others				-50,000,000.00						-50,000,000.00
(III) Appropriation of profits								17,545,782.38	-17,545,782.38	
1. Appropriation for surplus reserve								17,545,782.38	-17,545,782.38	
2. Appropriation for general risk provision										
3. Distribution to owners										
4. Others										
(IV) Transfers within equity										
1. Paid-in capital increased by capital reserve transfer										
2. Paid-in capital increased by surplus reserve transfer										
3. Loss covered by surplus reserve										
4. Changes arising from defined benefit plan transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Accrued										
2. Utilised										
(VI) Others										
IV. Balance at 31 December 2019	300,000,000.00			2,768,876,820.00		147,936,967.80		52,384,117.09	485,661,246.40	3,764,859,151.29

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company statement of changes in owner's equity (continued)

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

2018

Items	Paid-in capital	Other equity instruments		Capital reserve	Leas: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
		Preferred shares	Perpetual debts							
I. Balance at 31 December 2017	300,000,000.00			2,338,876,820.00				16,147,970.56	159,535,927.57	2,814,560,718.13
Add: Changes in accounting policies										
Corrections of prior period errors										
Others										
II. Balance at 1 January 2018	300,000,000.00			2,338,876,820.00				16,147,970.56	159,535,927.57	2,814,560,718.13
III. Changes in equity during the year ("-" for decreases)				480,000,000.00				18,690,364.15	168,213,277.39	666,903,641.54
(I) Total comprehensive income										
(II) Owners' contributions and decrease of capital				480,000,000.00					186,903,641.54	186,903,641.54
1. Contribution by owners										
2. Capital invested by holders of other equity instruments										
3. Equily-settled share-based payment										
4. Others				480,000,000.00						480,000,000.00
(III) Appropriation of profits										
1. Appropriation for surplus reserve								18,690,364.15	-18,690,364.15	
2. Appropriation for general risk provision								18,690,364.15	-18,690,364.15	
3. Distribution to owners										
4. Others										
(IV) Transfers within equity										
1. Paid-in capital increased by capital reserve transfer										
2. Paid-in capital increased by surplus reserve transfer										
3. Loss covered by surplus reserve										
4. Changes arising from defined benefit plan transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Accrued										
2. Utilised										
(VI) Others										
IV. Balance at 31 December 2018	300,000,000.00			2,818,876,820.00				34,838,334.71	327,749,204.96	3,481,464,359.67

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Suqian Yunhe Port Area Development Group Co., Ltd. Notes to the 2018-2020 Financial Statements

(Unless otherwise stated, the unit of amount is RMB)

I. Company status and history

(I) Company status

1. Registered location, organization form and headquarter address of the Company

Suqian Yunhe Port Area Development Group Co., Ltd. (the "Company") established in 13 November 2013, registered capital RMB 300,000,000, paid-in capital RMB 300,000,000, Corporate unified social credit code 91321300083126978F. Its head office is located at Group 2, Chuanhang Village, Yangbei Town, Sucheng District, Suqian City; Legal Representative: Lu Yongjun; Enterprise Type: Limited Liability Company.

2. The business nature and main business activities of the Company

The Company's business scope: road general cargo transportation (can be operated after obtaining the corresponding license); municipal public works construction, highway construction; investment in infrastructure construction; rural land reclamation; asset management. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments)

Licensed items: operation of bonded logistics centers; import and export agency; technology import and export; goods import and export; import and export of state-owned trade management goods; food import and export; Carry out business activities, and the specific business projects are subject to the approval results.

General items: landscaping engineering construction; building materials sales; machinery and equipment sales; forestry product sales; flower planting; flower and green plant rental and management.

3. Operating period

The Company's business period is from 13 November 2013 to no fixed period.

4. Approval for issue of financial reports

This financial report has been approved for publication by the Board of Directors of the Company on 25 March 2021.

5. Consolidated report scope

The consolidation scope of the Company's consolidated financial statements is determined on the basis of control, and all controlled subsidiaries are included in the consolidation scope of the consolidated financial statements.

For the details of the companies included in the scope of the consolidated financial statements, please refer to "Note VIII-1. Equity in Subsidiaries"; for changes in the scope of consolidation, please refer to "Note VII. Changes to the scope of consolidation".

(II)History

The company was formerly known as Suqian Canal Central Port Development Co., Ltd., which was invested and established by Suqian Industry Development Group Co., Ltd. and Suqian Huinong Industry Development Co., Ltd. in 13 November 2013, with a registered capital of RMB 300,000,000. Yiming Certified Public Accountants (general partnership) verified and issued the capital verification report "Xu Ming Huisuo Yanzi [2013] No. S194".

Shareholders' capital contributions at the time of company registration are as follows:

Investors	Amount(million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Huinong Industry Development Co., Ltd.	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On February 5, 2015, with the approval of Suqian Administration for Industry and Commerce, the Company changed its name to: Suqian Yunhe Port Area Development Co., Ltd.

On September 2, 2015, the shareholder Suqian Huinong Industrial Development Co., Ltd. transferred its 49% equity in the Company to the Non-tax Revenue Administration of Sucheng District, Suqian City. After the equity transfer, the shareholders' capital contribution structure is as follows:

Investors	Amount (million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Sucheng District Non-tax Income Administration	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On April 10, 2017, the shareholder Suqian Sucheng District Non-tax Income Administration transferred its 49% equity in the Company to Suqian Huinong Industrial Development Co., Ltd. After the equity transfer, the shareholders' capital contribution structure is as follows:

Investors	Amount (million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Huinong Industry Development Co., Ltd.	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On August 27, 2019, approved by the Sucheng District Market Supervision Administration of Suqian City, the Company changed its name to: Suqian Yunhe Port Area Development Group Co., Ltd.

II. Preparation basis of the financial statements

1. Basis of preparation

The financial statements of the Company are prepared on the basis of the going concern assumption, based on actual transactions and events, and in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and their application guidelines, interpretations and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises").

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

2. Sustainable operations

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

III. Statement of compliance

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the Company's consolidated and parent company financial status as of December 31, 2020, December 31, 2019, and December 31, 2018 and 2018 Information on mergers and parent company operating results and cash flows until 2020.

IV. Significant accounting policies and accounting estimates

1. Accounting period

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

2. Operating 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 12 months as an operating cycle and uses it as the standard for dividing the liquidity of assets and liabilities.

3. Functional currency

The Company uses RMB as the standard currency.

4. Accounting treatment method for business combination under the same and different control

A business combination refers to a transaction or event that combines two or more separate businesses to form a reporting entity. Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For a business combination under the same control, the party that obtains control over other companies participating in the merger on the merger date is the merging party, and the other companies participating in the merger are the merged party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total face value of shares issued) is adjusted against the capital premium in the capital reserve, with any excess adjusted against retained earnings.

Any costs directly attributable to the combination is recognised in profit or loss when incurred.

(2) Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized

amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 15 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the Carrying amounts of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of

the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; If the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5.Preparation of Consolidated Financial Statements

(1) Principles for Determining the Scope of Consolidated Financial Statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the Company and all its subsidiaries. Subsidiaries are those that are controlled by the Company.

The company will conduct a reassessment once the relevant facts and changes.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the Company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not

adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the purchase date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the Company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the Company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority-shareholders interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 12 "Long-term equity investment" or Note IV. 9 "Financial Instruments".

If the Company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are signed simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not the package deal, for each transaction, accounting treatment is conducted according to the applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control right" (see Note IV 12 (2) ④) and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the Company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the Company only has rights to the net assets of the arrangement.

Corporate investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 12 (2) ② "Long-term equity investment accounting by the equity method" .

The company operates jointly as a joint venture, confirming the assets held by the Company alone, the liabilities the Company assumed alone, and confirming jointly held assets and jointly

assumed liabilities according to the shares of the Company; confirming the income generated from the sale of the Company's joint operating output share; the income generated from the sales of joint operations according to the Company's share; confirming the expenses incurred by the Company alone, and confirming the cost of joint operations according to the Company's share.

When the Company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the "Accounting Standards for Enterprises No. 8 - Asset Impairment", etc., for the case of the assets invested or sold by the Company to the joint operations, the Company fully confirms the losses; Where the Company purchases assets from a joint operation, the Company confirms the loss according to its share of commitments.

7. Determination standards of cash and cash equivalent

The Company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the Company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign exchange business

(1) Conversion of foreign currency transactions

When initially confirming the foreign currency transaction occurred by the Company, it shall be converted into the functional currency according to the spot exchange rate on the transaction date. However, the foreign currency conversion business or the transaction involving foreign currency conversion that occurred in the Company shall be converted into functional currency amount according to the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; ② for the available-for-sale foreign currency monetary items, the exchange difference arising from Cost change other than the amortized cost is included in other comprehensive income.

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates are included in other comprehensive income; When disposing of overseas operations, transfer to disposal of current profits and losses.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.

(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 a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be recognized as "foreign currency statement translation differences" as other comprehensive income; disposal of overseas operations, included in the current profit and loss of disposal.

Foreign currency financial statements of overseas operations are converted into RMB statements according to the following methods: assets and liabilities items in the balance sheet are converted at the spot exchange rate on the balance sheet date; shareholders' equity items except for "undistributed profits" items, other items Converted at the spot exchange rate at the time of occurrence. The income and expense items in the income statement shall be translated at the current average exchange rate on the transaction date. The undistributed profit at the beginning of the period is the undistributed profit at the end of the period after conversion of the previous year; the undistributed profit at the end of the year is calculated and listed according to each item of profit distribution after conversion; the difference between the total amount of asset items, liabilities items and shareholders' equity items after conversion , as the foreign currency statement translation difference, and recognized as other comprehensive income. When disposing of an overseas operation and losing control, transfer the foreign currency statement translation difference related to the overseas operation listed under the item of shareholders' equity in the balance sheet to the current profit and loss of disposal in full or in proportion to the disposal of the overseas operation.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated at the

current average exchange rate on the day when the cash flows occurred. The impact of exchange rate changes on cash is used as a reconciling item and is presented separately in the cash flow statement.

The opening amount and the actual amount of the previous period are presented according to the amount converted from the financial statements of the previous period.

When disposing of the Company's entire owner's equity in overseas operations or losing control over overseas operations due to the disposal of part of the equity investment or other reasons, the ownership of the overseas operations listed under the owner's equity item in the balance sheet shall be attributed to the overseas operations. The foreign currency statement translation difference of the owner's equity of the parent company shall all be transferred to the current profit and loss on disposal.

When part of the equity investment is disposed of or other reasons lead to a reduction in the proportion of the equity held in the overseas operation but the control over the overseas operation is not lost, the foreign currency statement translation difference related to the part of the disposal of the overseas operation will be attributed to minority interests and will not be transferred to the current profit and loss. When disposing of part of the equity of an associate or a joint venture in an overseas operation, the foreign currency statement translation difference related to the overseas operation shall be transferred to the current profit and loss according to the proportion of the disposal of the overseas operation.

9. Financial instruments

A financial asset or financial liability is recognised when the Company becomes a party to a financial instrument contract. Financial assets and financial liabilities are measured at fair value on initial recognition. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are directly included in profit or loss; for other types of financial assets and financial liabilities, relevant transaction costs are included in the initial recognition amount.

(1) Fair value determination of financial assets and financial liabilities

Fair value refers to the price that can be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The company measures the fair value of financial assets and financial liabilities at the price of the main market. If there is no major market, the Company measures the fair value of financial assets and financial liabilities at the price of the most favorable market, and adopts the applicable and sufficient available data and data at the time. Valuation techniques supported by other information. The input value used in fair value measurement is divided into three levels, namely, the input value of the first level is the unadjusted quotation of the same asset or liability in an active market that can

be obtained on the measurement date; the input value of the second level is the difference between the first level and the The input value of the related asset or liability other than the input value is directly or indirectly observable input value; the third level input value is the unobservable input value of the related asset or liability. The company first uses the first level input value, and finally uses the third level input value. The level to which the fair value measurement result belongs is determined by the lowest level of the input value that is significant to the fair value measurement as a whole.

(2) Classification, recognition and measurement of financial assets

Financial assets bought and sold in a conventional manner are recognized and derecognized on a transaction date basis. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss
Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong to a part of recognizable financial instruments of centralized management, with objective evidence to show the Company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

② Held-to-maturity investments

Refers to non-derivative financial assets with a fixed due date, a fixed or recyclable amount, and the Company's clear intention and ability to hold until maturity.

Subsequent to initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

The effective interest rate method refers to the method of calculating the amortized cost and the interest income or expenses of each period according to the effective interest rate of the financial assets or financial liabilities (including a group of financial assets or financial liabilities). Effective interest rate is the interest rate at which the future cash flows of the financial asset or liability in the expected duration or during shorter applicable time period are discounted into its present nominal value.

When calculating actual interest rate, the Company will estimate future cash flow (without considering future credit losses) based on considering all contractual clauses of financial assets or financial liabilities, while also considering various charges, transaction expenses, discounts or premiums and the like which form part of actual interest rate, paid or charged between contractual parties of financial assets or financial liabilities.

③ Loans and receivables

It refers to the non-derivative financial assets that have no quoted price in an active market, with a fixed or determinable recovery amount. The financial assets classified by the Company as loans and receivables include notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Subsequent to initial recognition, loans and receivables are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

④ Available-for-sale financial assets

It includes the non-derivative financial assets that are designated as available for sale at initial recognition, and financial assets charged to profit or loss for the current period other than financial assets at fair value, loans and receivables, and financial assets out of held-to-maturity investments.

Cost of the available-for-sale debt instrument at the end of the period should be recognized with amortized cost method, which is initially recognized amount minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Cost of the available-for-sale equity instrument at the end of the period is the originally obtained cost.

Available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value, other than exchange differences related with impairment losses and foreign currency monetary financial assets and amortized costs in profit or loss for the current period, are recognized in other comprehensive income. When the financial asset is derecognized, it is transferred out and included in the current profit and loss. However, the equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, and the derivative financial assets that are linked to the equity instrument and must be settled through delivery of the equity instrument are subsequently measured at cost.

Interest on available-for-sale financial assets and cash dividend income that the invested entity declares are recognized in investment income.

(3) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the Company checks the Carrying amounts of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the Company should make the provision for impairment.

The company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an-objective-evidence that the value of the financial asset has been recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The Carrying amounts of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired. Among them, "serious decline" refers to the cumulative decline in fair value over 20%; "non-temporary decline" refers to the continuous decline in fair value over 12 months.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.

(4) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the Company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive income is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive income and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the Company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the Company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments

relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract and loan commitment

The financial guarantee contract that does not belong to financial liabilities measured at fair value with the changes charged to current profits and losses, or the loan commitment that is not designated to measure at fair value with the changes charged to profits and losses and will be subject to loan lower than the market interest rate, is initially recognized as per the fair value, and after initial recognition, it is subsequently measured at the higher between the amount determined pursuant to the Accounting Standards for Business Enterprises No.13 – Contingencies and the balance of initially recognized amount deducting the cumulative amortization amount determined pursuant to the Accounting Standards for Business Enterprises No.14 – Income.

(6) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the Company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(7) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Except for derivatives that are designated as hedging instruments with the high effective hedges, the fair value gains or losses should be recorded in the determined profit or loss period based on the nature of the hedging relationship and the requirements of hedge accounting. And the changes in value of the remaining fairness derivatives are charged to the current profit or loss.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(8) Offset of financial assets and financial liabilities

When the Company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the Company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(9) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the Company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are deducted from equity.

The company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The company does not recognize the changes in fair value of equity instruments.

10. Receivables

Receivables include bills receivable, accounts receivable, other receivables, etc.

(I) Recognition standard of accounts receivable with significant single amount and method of making provision for bad debts

1. Recognition standard for accounts receivable with significant single amount

Receivables with a single significant amount refer to the receivables with a balance of more than RMB 5,000,000 on the balance sheet date.

2. Withdrawal method of bad debt provision for accounts receivable with significant single amount

On the balance sheet date, the Company conducts a separate impairment test for receivables with a single significant amount. If there is objective evidence that it has been impaired, the difference between the present value of its estimated future cash flow and its Carrying amounts shall be recognized as impairment loss and provision for bad debts shall be made; For receivables that are impaired and merged into other receivables with insignificant single amount, bad debt provision shall be made according to the combination.

Objective evidence of impairment of receivables, including the following: ① the debtor has serious financial difficulties; ② the debtor has violated the terms of the contract, such as default or overdue payment of interest or principal; ③ economic or legal reasons Considering factors, make concessions to the debtor in financial difficulties; ④ The debtor is likely to go bankrupt or carry out debt restructuring.

(II) Receivables with bad debt provision based on combination of credit risk characteristics

1. Basis for determining the combination

(1) Ageing portfolio

Receivables with a single significant amount but no provision for bad debts have been made after separate testing, plus the receivables with insignificant single amount after deducting the provision for bad debts, take the age of the receivables as similar credit risk characteristics combination.

(2) Other combinations

Other portfolios refer to the current accounts, deposits, security deposits, reserve funds and other amounts receivable by the Company from related parties, various government units and the companies they invest in.

2. The method of withdrawing bad debt provision by combination

(1) For the ageing combination, the Company accrues the bad debt provision according to the ageing analysis method as follows:

Ageing	Account receivable accrual ratio (%)	Provision ratio of other receivables (%)
Within 1 year (inclusive)	0	0
Over 1 year but within 2 years	10.00	10.00
Over 2 years but within 3 years	20.00	20.00
Over 3 years but within 4 years	30.00	30.00
Over 4 years but within 5 years	50.00	50.00
Over 5 years	100.00	100.00

(2) For other combinations, the Company does not make provision for bad debts in principle,

unless there is conclusive evidence that the receivables are impaired.

(III) Accounts receivable for which bad debt provision is made individually although the individual amount is not significant

Accounts receivable with insignificant single amount refers to accounts receivable with single amount less than RMB 5,000,000.

Although the Company's single amount is not significant, it has the following characteristics (receivables that have disputes with the other party or involve litigation or arbitration; there are obvious signs that the debtor is likely to be unable to perform repayment obligations. Receivables etc.), carry out the impairment test separately, and if there is objective evidence that the impairment has occurred, according to the difference between the present value of its future cash flow and its Carrying amounts, the impairment loss is recognized and the bad debt provision is made. At the same time, the Company will deduct the individual receivables with insignificant amounts after deducting the individual bad debt reserves, and accrue bad debt reserves based on the ageing of the receivables as a combination of similar credit risk characteristics.

11. Inventories

(I) Classification of Inventory

The Company's inventory is divided into raw materials, development costs, self-made semi-finished products, low-value consumables, production costs (work in process), inventory goods (finished products), etc.

(II) Method of Valuation of Issued Inventory

Inventories issued and valued using the weighted average method.

(III) Determination basis of net realizable value of inventories and method of accrual of inventory depreciation reserve

(1) Basis for Determination of Net Realizable Value of Inventories

① Determination basis for the net realizable value of inventories: For materials held for production, if the net realizable value of finished products produced with them is higher than the cost, the materials are still measured at cost; the decline in material prices indicates the net realizable value of finished products. If it is lower than the cost, the material shall be measured according to its net realizable value.

② The net realizable value of inventories held for the execution of sales contracts or labor service contracts shall be calculated based on the contract price; if the quantity of inventories held by the Company exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventory shall be calculated at the general selling price base calculation.

(2) Withdrawal method of inventory depreciation reserve

The Company makes provision for depreciation according to the lower of the cost and net realizable value of a single inventory item.

(IV) inventory system

The Company's inventory system adopts the perpetual inventory system and conducts physical inventory on a regular basis.

(V) Amortization method for low-value consumables

The low-value consumables used by the Company are accounted for by the one-off amortization method, except for the turnover materials that are amortized on average over a five-year period.

12. Long-term equity investments

The long-term equity investment 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 long-term equity investments of which the Company does not have control, joint control or significant impact on the investee company are accounted as financial assets measured at fair value with changes included in current profits and losses, if they belong to non-transactional, the Company may choose to designate them as financial assets measured at fair value with changes included in other comprehensive income at initial recognition for accounting, and the accounting policy is shown in Note IV 9 "Financial instruments".

Joint control means that the Company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the Company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the Carrying amounts of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the Carrying amounts of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. In the case of issuance

of equity securities as the merging consideration, the share of the Carrying amounts of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted. Where the equity of the merged party under the same control is obtained through multiple transactions by steps, to ultimately form business combination under the same control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall on the date of merger, regard the share of the Carrying amounts of the owner's equity of the merged enterprise in the merger's consolidated financial statement as the initial cost of the long-term-equity investment. The difference between the initial cost of the long-term equity investment and the sum of the Carrying amounts of long-term equity investment before the acquisition and Carrying amounts of consideration paid for obtaining shares at the purchase date shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. The equity investments held before the consolidation date due to using equity method of accounting or other comprehensive income recognized as financial assets measured at fair value with changes included in other comprehensive income, are not accounted temporarily.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the Carrying amounts of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management

cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 Carrying amounts of the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the Company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are

recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the Carrying amounts of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the Carrying amounts of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the Company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the Company and the investment income and other comprehensive income should be also confirmed. For transactions between the Company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the Company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the Company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. If the assets invested by the Company to joint venture or associate constitutes a business, if the investor obtains a long-term equity investment without the right of control, the fair value of the investment is used as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the Carrying amounts of the investment business is fully accounted in the current profit or loss. If the assets invested by the Company to joint venture or associate constitutes a business, the difference between the consideration obtained and the Carrying amounts of the business is fully recorded in the current profit or loss. Where the Company constitutes business by the assets purchased from associated enterprises and joint ventures, accounting treatment shall be conducted pursuant to the provisions of the Accounting Standards for Business Enterprises No.20 – Enterprise consolidation, and the gains or losses related to transactions are fully recognized.

When the net losses incurred by the invested entity are confirmed, the Carrying amounts of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the Company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the

expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the Company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the Carrying amounts and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has been accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should be accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are

transferred in the current profit or loss.

If the Company disposes of part of the equity investment and loses control of the invested entity, when the individual financial statements are prepared, if the remaining equity after disposal can exert joint control or significant influence on the investee, it should be calculated according to the equity method, and the residual equity is regarded as being adjusted as equity method when it is obtained; if the remaining equity after disposal cannot exert joint control or significant influence on the invested entity, it should be accounted in accordance with the relevant provisions of the criteria for recognition and measurement of financial instruments. The difference between the fair value on the date of loss of control and the Carrying amounts is included in the current profit or loss. Before the Company obtains control over the investee, for the other comprehensive income recognized as equity method or financial instrument recognition and measurement standard, it is recorded with the basis that the investee disposes of directly the related assets and liabilities when it loses control over the investee. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss when it loses control over the investee. Among them, if the remaining equity after disposal is accounted as the equity method, other comprehensive income and other owners' equity are transferred in proportion; if the residual equity after disposal is accounted as according to the criteria for recognition and measurement of financial instruments, other comprehensive income and all other rights & interests are fully transferred.

If the Company disposes of part of the equity investment and loses the joint control or significant influence on the investee, the remaining equity after disposal should be calculated according to the criteria for confirmation and measurement of financial instruments, and the difference between the Carrying amounts and the fair value on the date of loss of joint control or significant influence is included in the current profit or loss. For the other comprehensive income recognized in the original equity investment as the equity method, it is accounted with the same basis that the investee disposes of directly the related assets or liabilities when the equity method is terminated. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss fully when the equity method is terminated.

The company disposes of the equity investment in the subsidiary company through multiple transactions step by step until it loses control. If the above transaction belongs to a "package deal", the each transaction should be accounted to dispose of the equity investment in the subsidiary and lose control. Before the loss of control, for the difference between the Carrying

amounts of the disposal equity corresponding to the long-term equity investment and each disposal price, it is at first recognized as other comprehensive income, and then transferred to the current profit or loss at the time of loss of control.

13. Investment properties

(1) Scope of investment properties

Investment properties are properties that are held to earn rentals or for capital appreciation, or both, and that can be measured and sold separately. The Company's investment real estate includes leased buildings, leased land use rights, and land use rights held and prepared to be transferred after appreciation.

(2) Recognition conditions for investment properties

Investment real estate can only be confirmed if it meets the following conditions at the same time:

1) It is probable that the economic benefits associated with the investment property will flow to the Company;

2) The cost of the investment property can be measured reliably.

(3) Investment properties that are subsequently measured using the fair value model

1) Basis for selecting the fair value model for subsequent measurement

For the investment properties for which there is conclusive evidence that the fair value can be obtained continuously and reliably, the Company adopts the fair value model for subsequent measurement.

Only if the following conditions are met at the same time, the Company can adopt the investment properties measured by the fair value model:

① There is an active properties transaction market where the investment properties is located;

② The Company can obtain the market price and other relevant information of the same or similar real estate from the real estate transaction market, so as to make a reasonable estimate of the fair value of the investment properties.

2) Determination of fair value of investment properties

① Under the condition that the current market price of the same or similar properties can be obtained, the Company shall determine the fair value of the investment properties with reference to the current market price of the same or similar properties in the active market (public quotation).

② In the event that the current market price of similar or similar real estate cannot be obtained, the Company refers to the recent transaction price of similar or similar properties in the active market, and considers the transaction situation, transaction date, location and other factors, or based on the expected future rental income and The fair value of investment properties is reasonably estimated based on the present value of cash flows.

Similar or similar buildings refer to buildings located in the same geographical location and geographical environment, of the same nature, of the same or similar structure type, of the same

or similar age, and of the same or similar usable conditions; similar or similar land use rights, refers to the land in the same location area, the same or similar geographical environment, and the same or similar usable conditions.

For the investment properties measured by the fair value model, the Company does not accrue depreciation or amortization, and adjust its Carrying amounts based on the fair value of the investment properties on the balance sheet date, and the difference between the fair value and the original Carrying amounts is calculated. into the current profit and loss.

14.Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the Company and the cost of the fixed asset can be measured reliably. Fixed.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Category	Estimated useful life	Residual value rate (%)	Depreciation rate (%)
Plant & buildings	20-25	5	3.80~4.75
Machinery & equipment	10	5	9.50
Motor vehicles	4	5	23.75
Office and electronic equipment	3-5	5	19.00~31.67

The expected net residual value is the amount that the Company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment of fixed assets

Please refer to Note IV.18 "Long-term Assets Impairment" for the method of impairment test and provision for impairment of fixed assets.

(4) Recognition basis and valuation method of fixed assets under financing lease

A financial lease is a lease that substantially transfers all risks and rewards related to the ownership of an asset, and its ownership may or may not be transferred eventually. Fixed assets

leased in by means of finance leases are depreciated for leased assets using the same policies as self-owned fixed assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, depreciation shall be accrued within the useful life of the leased asset; Depreciation is accrued during the period.

(5) Other instructions

Subsequent expenditures 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, they will be included in the cost of fixed assets, and the Carrying amounts of the replaced part will be derecognized. Other subsequent expenses other than this shall be included in the current profit and loss when incurred.

When a fixed asset is in a state of disposal or it is expected that no economic benefits will be generated through use or disposal, the fixed asset is derecognized. The difference between the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting its Carrying amounts and related taxes is included in the current profit and loss.

The Company will review the service life, estimated net residual value and depreciation method of fixed assets at least at the end of the year. If there is any change, it will be treated as a change in accounting estimates.

15. Construction in progress

Costs of construction in progress are determined on the basis of actual project expenditures, including project expenditures incurred during construction, capitalized borrowing costs and other related expenses before the project reaches its expected usable condition. Construction in progress is carried over to the fixed assets after it reaches its intended usable condition.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 18 "Long-term Asset Impairment"

16. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should

be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

17. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the Company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the Company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses.

Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with

limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the Company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- ④ Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- ⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note IV. 18 "Long-term asset impairment".

18. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited useful lives, investment properties measured at cost, and long-term equity investments in subsidiaries, joint ventures, and associates, the Company lists them in the balance sheet. Judging whether there is any sign of impairment. If there is any indication of impairment, estimate its recoverable amount and conduct an impairment test. Goodwill, intangible

assets with indefinite useful lives and intangible assets that have not yet reached a usable state are subject to an annual impairment test regardless of whether there is any sign of impairment.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its Carrying amounts, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's estimated future cash flows. The fair value of the asset is determined based on the price of the sales agreement in the fair transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's bid for the asset; if there is no sales agreement and the asset has an active market, the highest available price is used. The fair value of assets is estimated based on the best information. Disposal costs include legal fees, related taxes, removal fees, and direct costs incurred in bringing the asset to marketable condition in connection with the disposal of the asset. The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate discount rate. The provision for asset impairment is calculated and confirmed on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest group of assets that can independently generate cash inflows.

For the goodwill listed separately in the financial statements, when conducting the impairment test, the Carrying amounts of the goodwill shall be apportioned to the asset group or combination of asset groups expected to benefit from the synergistic effect of the business combination. If the test results show that the recoverable amount of the asset group or combination of asset groups including the apportioned goodwill is lower than its Carrying amounts, the corresponding impairment loss shall be recognized. The amount of impairment loss is first deducted from the Carrying amounts of the goodwill apportioned to the asset group or combination of asset groups, and then based on the proportion of the Carrying amounts of other assets other than goodwill in the asset group or combination of asset groups. Deducting the Carrying amounts of other assets.

Once the above-mentioned asset impairment loss is confirmed, it will not be reversed in subsequent periods to recover the value of the asset.

19. Employee benefits payable

Staff remuneration of the Company mainly includes short-term staff remuneration,

post-employment welfare, dismissal welfare and other long-term staff welfares. Of which:

Short-term remuneration mainly includes wage, bonus, allowance and subsidy, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing reserve fund, labor union fund and staff education fund, non-monetary welfare, etc. The company recognizes actual short-term staff remuneration incurred during accounting period when the employee provides service for the Company as liabilities, and charges to current profits and losses or related asset costs. Of which non-monetary welfare is measured at fair value.

Post-employment welfare mainly includes basic pension insurance, unemployment insurance and annuity, etc. Post-employment welfare plan includes defined contribution plan and defined benefit plan. For defined contribution plan, the corresponding payable amount shall be included in relevant asset cost or current profits and losses when incurred.

Prior to the expiration of the labor contract, terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. When the bank cannot unilaterally withdraw the termination benefits due to termination of labor relation plans or the layoff proposal provided, confirm with the bank regarding the earlier date of costs relates to the restructure of paying resignation welfare associated, confirm the employee remuneration liabilities generated form termination of benefits, and included in the current profits and losses. Nevertheless, if the dismissal welfare is expected not to be fully paid within twelve months after end of the annual reporting period, it shall be handled as per other long-term employee remuneration.

Internal retirement plan of employee can be handled by the same principle as the above dismissal welfare. The company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

For other long-term staff welfare offered by the Company to the employee, in case of compliance with the defined contribution plan, it shall be accounted for as per the defined contribution plan, or otherwise accounted for as per the defined benefit plan.

20. Operating income

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant

economic benefits are likely to flow into the Company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor service transaction completion is determined as per the proportion of labor service already provided to total labor service required.

The result of labor provision transaction can be reliably measured meaning to simultaneously satisfy: ① income amount can be measured reliably; ② relevant economic benefits are likely to flow into the Company; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the labor service costs already incurred are not expected to be compensated, the income are not recognized, and the labor service costs incurred are included in current profits and losses.

When the contract or agreement signed between the Company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance sheet date. Contract completion progress is determined according to the percentage of completed contract workload to the estimated total workload of contract/actually measured completion progress.

The result of construction contract can be reliably measured meaning to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the Company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; ④ contract completion progress and the cost to be incurred for completing the contract can be reliably determined.

If the result of construction contract cannot be reliably estimated, but the contract cost can be

recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance receipts.

In case of providing build-operate-transfer (BOT) to participate in public infrastructure construction business, the Company shall recognize relevant income and expenses for the construction services provided in accordance with the Accounting Standards for Business Enterprises No.15 - Construction Contract, during construction of project; after the infrastructure is constructed, the income and expenses regarding follow-up business services shall be recognized pursuant to the Accounting Standards for Business Enterprises No.14 – Income.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

21. Government grants

Government grants refer to monetary assets and non-monetary assets obtained by the Company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. The company defines the government grants obtained for construction or forming long-term assets by other means as asset-related government grants; the other government grants are defined as revenue-related government grants. If government document does not expressly specify the recipient of subsidy, the subsidy fund is divided into income-related government subsidy and asset-related government subsidy in the following manners: (1) if the government document clarifies the

specific project for subsidy, it is divided as per the relative proportion of asset expenditure amount and expenditure amount charged to expense in the budget of this specific project, and this division proportion needs to be reviewed on each balance sheet date and changed when necessary; (2) if government document only makes general statement on the purpose of usage, rather than indicate the specific project, it is the income-related government subsidy. If government grants are monetary assets, measure according to received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

The company usually recognizes and measures government grants as per the paid-in amount when actually received. Nevertheless, in case of conclusive evidence at the end of period to show compliance with relevant criteria of fiscal support policy provisions and expected receipt of fiscal support funds, measure in accordance with the amount receivable. Government grants measured in accordance with the amount receivable shall simultaneously satisfy the following criteria: (1) the amount of receivable grants has been confirmed by document of government authority, or may be reasonably measured pursuant to relevant provisions of officially promulgated fiscal fund administration measures, and the amount is expected to have no significant uncertainty; (2) it is subject to the administrative measures for fiscal support project and fiscal fund officially promulgated by local fiscal authority and actively disclosed pursuant to the Government Information Disclosure Regulations, and such administrative measures should be generalized preferential (any enterprise that meets the specified criteria can apply), rather than formulated for a specific enterprise; (3) the time limit of payment has been clearly promised in relevant subsidy approval document, and the payment of such amount is guaranteed by corresponding fiscal budget, so as to reasonably ensure receipt within the prescribed time limit; (4) other relevant criteria to meet according to specific circumstances of the Company and such subsidy matter (if any) .

The asset-related government grants are recognized as deferred income, and charged to current profits and losses by phases within the service life of relevant assets in a reasonable and systematic manner, or offset Carrying amounts of relevant assets. For revenue-related government grants, if used to compensate relevant costs or losses in later period, they are recognized as deferred income, and charged to current profits and losses during the period of recognizing relevant costs or losses or offset the relevant costs; if used to compensate relevant costs or losses incurred, they are directly charged to current profits and losses or offset the relevant costs.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the Company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

When the recognized government grants need to be returned, if there is relevant deferred income balance, offset against Cost of relevant deferred income, and the excessive part shall be charged to current profits and losses or adjust Carrying amounts of asset (for the asset-related government grants that offset Carrying amounts of relevant asset and are related to asset when they are initially recognized); in other circumstances, they are directly charged to the current profits and losses.

22. Deferred tax assets and liabilities

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. Taxable income on which current income tax expenses are calculated is calculated after corresponding adjustments on pre-tax accounting profits in current period in accordance with the provisions of relevant tax laws.

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

For the gap between Carrying amounts of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between Carrying amounts of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the Company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the Company recognizes deferred income tax liabilities

arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the Carrying amounts of deferred income tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the Carrying amounts of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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

Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust Carrying amounts of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the Company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current

income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the Company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

23. Changes in significant accounting policies and accounting estimates

(1) Accounting policy changes

During the reporting period, the Company has no changes in accounting policies that need to be disclosed.

(2) Changes in accounting estimates

During the reporting period, the Company has no changes in accounting estimates that need to be disclosed.

V. Taxation

1. Main taxes and rates

Category	Basis	Rate
VAT [Note]	The taxable income is calculated according to the prescribed tax rate, and the value-added tax is calculated based on the difference after deducting the deductible input tax for the current period.	3%、6%、9%、13%
Urban maintenance and construction tax	Turnover tax payable	5%
Education fee surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Income tax	Taxable income	25%
Others	Execute in accordance with relevant national regulations	

Note: The Company has been changed from a small-scale taxpayer to a general taxpayer in May 2020.

2. Tax incentives and approvals

None.

VI. Notes on consolidated financial statement items

1. Cash at bank and on hand

(1) Balance of monetary funds

Items	2020/12/31	2019/12/31
Cash on hand	6,101.31	43,160.07

Items	2020/12/31	2019/12/31
Deposits with banks	387,428,156.04	176,099,928.00
Other monetary funds		
Total	387,434,257.35	176,143,088.07

(2) Among them, the details of monetary funds that have restrictions on use due to mortgage, pledge or freezing are as follows:

Items	2020/12/31	Reason
Deposits with banks	20,000,000.00	time deposit certificate pledge
Total	20,000,000.00	

2. Bills receivable

(1) Bills receivable by category

Items	2020/12/31	2019/12/31
Bank acceptance bills	1,238,835.21	1,032,879.64
Commercial acceptance bills		
Total	1,238,835.21	1,032,879.64

(2) Discounted or endorsed notes receivable that are not due at the end of the period: none.

3. Accounts receivable

(1) Accounts Receivable Classification Disclosure

Category	2020/12/31				
	Cost		Bad debt provision		Carrying amounts
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,192,436,326.47	100.00	26,327.38	<0.01	1,192,409,999.09
Including: Ageing	5,680,464.94	0.48	26,327.38	0.46	5,654,137.56
Others	1,186,755,861.53	99.52			1,186,755,861.53
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,192,436,326.47	100.00	26,327.38		1,192,409,999.09

(continued)

Category	2019/12/31				
	Cost		Bad debt provision		Carrying amounts
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,151,802,078.96	100.00	9,778.30	<0.01	1,151,792,300.66

Category	2019/12/31				Carrying amounts
	Cost		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Including: Ageing	4,822,696.71	0.42	9,778.30	0.20	4,812,918.41
Others	1,146,979,382.25	99.58			1,146,979,382.25
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,151,802,078.96	100.00	9,778.30		1,151,792,300.66

① In the portfolio, accounts receivable with provision for bad debts by ageing portfolios

Ageing	2020/12/31		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	5,484,291.14		
Over 1 year but within 2 years	129,073.80	12,907.38	10.00
Over 2 years but within 3 years	67,100.00	13,420.00	20.00
Over 3 years			
Total	5,680,464.94	26,327.38	

(continued)

Ageing	2019/12/31		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	4,724,913.71		
Over 1 year but within 2 years	97,783.00	9,778.30	10.00
Over 2 years but within 3 years			
Over 3 years			
Total	4,822,696.71	9,778.30	

② In the portfolio, accounts receivable with bad debt provision by other portfolio

Combination	2020/12/31		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Combination of government and government-invested units	1,186,755,861.53		
Total	1,186,755,861.53		

(2) The accounts receivable of the top five ending balances collected by debtor

Name of debtors	Relationship with the Company	2020/12/31	Ageing	Proportion of total receivable balance (%)	Bad debt provision closing balance
Canal Suqian Port Industrial Management Committee	unrelated party	1,186,755,861.53	Within 1 year / Over 1 year but within 2 years	99.52	
Suqian Sujiu Logistics Co., Ltd.	unrelated party	1,268,064.00	Within 1 year	0.11	

Name of debtors	Relationship with the Company	2020/12/31	Ageing	Proportion of total receivable balance (%)	Bad debt provision closing balance
Jiangsu Yunxing Container Logistics Co., Ltd.	unrelated party	613,188.00	Within 1 year	0.05	
Anhui Huahai Shipping Co., Ltd.	unrelated party	558,778.30	Within 1 year	0.05	
Jiangsu Wanchang Logistics Co., Ltd.	unrelated party	482,376.00	Within 1 year	0.04	
Total		1,189,678,267.83		99.77	

4.Prepayments

(1) The ageing analysis of prepayments is as follows

Ageing	2020/12/31		2019/12/31	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	13,254,505.30	93.63	1,868,949.34	73.61
Over 1 year but within 2 years	232,000.00	1.64	1.40	
Over 2 years but within 3 years	1.40			
Over 3 years but within 4 years				
Over 4 years but within 5 years			670,000.00	26.39
Over 5 years	670,000.00	4.73		
Total	14,156,506.70	100.00	2,538,950.74	100.00

(1) Advance payment of Top 5 closing balance classified by advance payment objects

Name of entities	Relationship with the Company	2020/12/31	Ageing	Proportion to total prepayments (%)
Suqian Zhongsheng Garden Co., Ltd.	unrelated party	10,000,000.00	Within 1 year	70.64
Hunan China Railway Wuxin Heavy Industry Co., Ltd.	unrelated party	2,367,000.00	Within 1 year	16.72
Suqian Sunshine Transmission and Transformation Engineering Co., Ltd.	unrelated party	600,000.00	Over 5 years	4.24
Jiangsu Zhuqi Construction Engineering Co., Ltd.	related party	150,000.00	Within 1 year	1.06
Jiangsu Shengyuan Construction and Installation Engineering Co., Ltd.	unrelated party	133,900.00	Over 1 year but within 2 years	0.95
Total		13,250,900.00		93.61

5.Other receivables

Items	2020/12/31	2019/12/31
Other receivables	1,747,124,155.73	740,076,693.33
Interest receivable		

Dividends receivable		
Total	1,747,124,155.73	740,076,693.33

(1) Other receivables

① Analysis by customer type is as follows:

Category	2020/12/31				
	Cost		Bad debt provision		Carrying amounts
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,747,126,699.87	100.00	2,544.14	<0.01	1,747,124,155.73
Including: Ageing	645,608.42	0.04	2,544.14	0.39	643,064.28
Others	1,746,481,091.45	99.96			1,746,481,091.45
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,747,126,699.87	100.00	2,544.14		1,747,124,155.73

(continued)

Category	2019/12/31				
	Cost		Bad debt provision		Carrying amounts
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	740,079,319.40	100.00	2,626.07	<0.01	740,076,693.33
Including: Ageing	5,297,286.03	0.72	2,626.07	0.05	5,294,659.96
Others	734,782,033.37	99.28			734,782,033.37
Receivables with insignificant single amount but with separate provision for bad debts					
Total	740,079,319.40	100.00	2,626.07		740,076,693.33

A. In the portfolio, other receivables for which bad debt provision is made according to the aging analysis method

Ageing	2020/12/31		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	636,427.72		
Over 1 year but within 2 years			
Over 2 years but within 3 years	2,100.70	420.14	20.00
Over 3 years	7,080.00	2,124.00	30.00
Total	645,608.42	2,544.14	

(continued)

Ageing	2019/12/31		
	Other receivables	Bad debt provision	Accrual ratio (%)
Within 1 year	5,283,105.33		
Over 1 year but within 2 years	2,100.70	210.07	10.00
Over 2 years but within 3 years	12,080.00	2,416.00	20.00
Over 3 years			
Total	5,297,286.03	2,626.07	

B. In the portfolio, other receivables for which bad debt provision is made by other methods

Combination	2020/12/31		
	Other receivables	Bad debt provision	Accrual ratio (%)
Related party portfolio			
Combination of government and government-invested units	1,422,236,746.12		
Combination of Warranty Fund and Margin	324,244,345.33		
Total	1,746,481,091.45		

(continued)

Combination	2019/12/31		
	Other receivables	Bad debt provision	Accrual ratio (%)
Related party portfolio	48,759,810.63		
Combination of government and government-invested units	454,058,888.25		
Combination of Warranty Fund and Margin	231,963,334.49		
Total	734,782,033.37		

② Other receivables with top five ending balances collected by debtor

Name of debtors	Nature of payment	2020/12/31	Ageing	Proportion to the total closing balance of other receivables (%)	Bad debt provision Closing balance
Canal Suqian Port Industrial Management Committee	current payment	952,233,529.00	Within 1 year	54.50	
Suqian Zhonggang Landscaping Co., Ltd.	current payment	335,337,302.89	Within 1 year	19.19	
Jiangsu Runmin Water Co., Ltd.	current payment	200,000,000.00	Within 1 year / Over 2 years but within 3 years	11.45	
Jiangsu Zhongan Construction Investment (Group) Co., Ltd.	current payment	76,519,801.03	Within 1 year	4.38	
Suqian Capital Trading Co., Ltd.	current payment	50,000,000.00	Over 2 years but within 3 years	2.86	
Total		1,614,090,632.92		92.38	

6. Inventories

(1) Inventory classification

Items	2020/12/31		
	Cost	Provision for impairment	Carrying amounts
Development costs	2,560,973,591.02		2,560,973,591.02
Finished goods	4,448,739.00		4,448,739.00
Total	2,565,422,330.02		2,565,422,330.02

(continued)

Item	2019/12/31		
	Cost	Provision for impairment	Carrying amounts
Development costs	1,311,581,038.37		1,311,581,038.37
Total	1,311,581,038.37		1,311,581,038.37

(2) Mortgage of inventories at the end of the period: none.

7. Other current assets

Items	2020/12/31	2019/12/31
Entrusted Loan	10,000,000.00	6,858,729.88
Input tax credit	20,882,274.64	
Total	30,882,274.64	6,858,729.88

8. Available for sale financial assets

(1) Available-for-sale financial assets

Items	2020/12/31			2019/12/31		
	Cost	Impairment provision	Carrying amounts	Cost	Impairment provision	Carrying amounts
Available-for-sale equity instruments	10,000,000.00		10,000,000.00	8,000,000.00		8,000,000.00
Including: measured at cost	10,000,000.00		10,000,000.00	8,000,000.00		8,000,000.00
Others	10,000,000.00		10,000,000.00	10,000,000.00		10,000,000.00
Total	20,000,000.00		20,000,000.00	18,000,000.00		18,000,000.00

(2) Available-for-sale financial assets measured at cost at the end of the period

Investee	Cost			
	2019/12/31	Increase	Decrease	2020/12/31
Suqian City Investment Yuanda Construction Technology Co., Ltd.	8,000,000.00			8,000,000.00
Suqian City, Sucheng District, China Merchants Emerging Industry Investment Fund Partnership (Limited Partnership)		2,000,000.00		2,000,000.00
Total	8,000,000.00	2,000,000.00		10,000,000.00

(continued)

Investee	Impairment provision			Shareholding ratio in the investee (%)	Current cash bonus
	2019/12/31	Increase	Decrease		
			2020/12/31		

Suqian City Investment Yuanda Construction Technology Co., Ltd.					8.00
Suqian City, Sucheng District, China Merchants Emerging Industry Investment Fund Partnership (Limited Partnership)					8.33
Total					

(3) Other available-for-sale financial assets at the end of the period

Item	2019/12/31	Increase	Decrease	2020/12/31
Trust Industry Protection Fund	10,000,000.00			10,000,000.00
Total	10,000,000.00			10,000,000.00

9. Long-term equity investment

Investee	2019/12/31	Changes				
		Increase	Decrease	Investment gains and losses	Other comprehensive income adjustment	Other changes in equity
Associates:						
China Power Construction Canal Port Construction and Development Suqian Co., Ltd. [Note]	44,000,000.00		44,000,000.00			
Total	44,000,000.00		44,000,000.00			

(continued)

Investee	Changes			2020/12/31	Closing balance of impairment provision
	Declaring cash dividends or profits	Provision for impairment	Others		
Associates:					
China Power Construction Canal Port Construction and Development Suqian Co., Ltd. [Note]					
Total					

Note: Suqian Port Development Co., Ltd., a subsidiary of the Company, purchased 48% equity of China Power Construction Canal Port Construction and Development Suqian Co., Ltd. in December 2020. After the transfer, the Company directly and indirectly holds China Power Construction Canal Port Construction and Development 68% equity of Suqian Co., Ltd., so the Company's long-term equity investment was accounted for from the equity method to the cost method, and it was included in the scope of consolidation.

10. Investment properties

(1) Investment real estate using the fair value measurement model

Items	2019/12/31	Increase during the year			
		Purchase	Business combinati on added	Self-use real estate or inventory transfer	Income from changes in fair value
(1) Total cost	2,159,393,800.00	283,000,000.00			
Real estate and land		283,000,000.00			
Land use rights	2,159,393,800.00				
(2) Total changes in fair value					72,888,600.00
Real estate and land					26,531,700.00
Land use rights					46,356,900.00
(3) Total Carrying amounts of investment properties	2,159,393,800.00	283,000,000.00			72,888,600.00
Real estate and land		283,000,000.00			26,531,700.00
Land use rights	2,159,393,800.00				46,356,900.00

(continued)

Items	Decrease during the year			2020/12/31
	Disposal	Convert to self-use real estate	Loss from changes in fair value	
(1) Total cost	426,325,800.00			2,016,068,000.00
Real estate and land				283,000,000.00
Land use rights	426,325,800.00			1,733,068,000.00
(2) Total changes in fair value				72,888,600.00
Real estate and land				26,531,700.00
Land use rights				46,356,900.00
(3) Total Carrying amounts of investment properties	426,325,800.00			2,088,956,600.00
Real estate and land				309,531,700.00
Land use rights	426,325,800.00			1,779,424,900.00

Note 1: The fair value of investment real estate at the end of 2020 is determined according to the appraisal report of Beibei Yashi Ping Bao Zi [2021] No. 01-144 issued by Beijing Beibei Yashi Assets Appraisal Office (Special General Partnership).

Note 2: The Carrying amounts of the Company's investment real estate used for mortgage loans at the end of the period is 1,813,254,700.00 yuan. For details, please refer to Note X-1, (2) As of December 31, 2020, the Company's assets mortgage.

Note 3: On May 22, 2020, Suqian Branch of Suqian Natural Resources and Planning Bureau transferred the Company: Suguoyong (2015) No. 7847, Suguoyong (2015) No. 22412, Su (2019) Suqian Real Estate Property No. 0071779 No. land title certificate free of charge.

(2) Investment real estate for which the certificate of title has not been obtained

Items	Carrying amounts	Reasons for not completing the title certificate
Hairun Building Materials real estate	29,185,700.00	in progress
Kangmei New Material Plant	16,032,900.00	in progress
Hengrun Pipe Industry Plant	70,751,000.00	in progress
Total	115,969,600.00	

11. Fixed assets

Items	2020/12/31	2019/12/31
Fixed assets	1,540,493,560.48	13,818,822.86
Fixed Assets Liquidation		
Total	1,540,493,560.48	13,818,822.86

(1) Fixed assets

① Condition

Items	Plant & buildings	Machinery & equipment	Motor vehicles	Electronic equipment	Office equipment	Total
I. Cost						
1. Balance at 31 December 2019	1,508,251.44	9,420,444.99	7,112,213.34	1,683,517.01	768,759.00	20,493,185.78
2. Additions during the year	1,549,443,087.43	3,597,049.46	1,376,801.65	956,159.72	171,391.80	1,555,544,490.06
(1) Purchase	20,000.00	3,597,049.46	1,135,201.65	897,699.72	171,391.80	5,821,342.63
(2) Transfers from construction in progress	1,549,423,087.43					1,549,423,087.43
(3) Through business combination			241,600.00	58,460.00		300,060.00
3. Decrease during the year						
(1) Written off on disposals						
4. Balance at 31 December 2020	1,550,951,338.87	13,017,494.45	8,489,014.99	2,639,676.73	940,150.80	1,576,037,675.84
II. Accumulated depreciation						
1. Balance at 31 December 2019	94,905.62	2,143,194.39	2,521,426.22	1,360,780.90	554,055.79	6,674,362.92
2. Additions during the year	24,647,205.61	1,877,370.89	1,991,797.93	264,477.44	88,900.57	28,869,752.44
(1) Charge for the year	24,647,205.61	1,877,370.89	1,796,504.53	206,848.04	88,900.57	28,616,829.64
(2) Business combination increase			195,293.40	57,629.40		252,922.80
3. Decrease during the year						
(1) Written off on disposals						
4. Balance at 31 December 2020	24,742,111.23	4,020,565.28	4,513,224.15	1,625,258.34	642,956.36	35,544,115.36
III. Provision for impairment						
IV. Carrying amounts						
1. At 31 December 2020	1,526,209,227.64	8,996,929.17	3,975,790.84	1,014,418.39	297,194.44	1,540,493,560.48
2. At 31 December 2019	1,413,345.82	7,277,250.60	4,590,787.12	322,736.11	214,703.21	13,818,822.86

Note 1: Mortgage of fixed assets at the end of the year: none.

Note 2: The Company conducted an impairment test on fixed assets at the end of the year, and no sign of impairment was found, so no provision for impairment was required.

②Fixed assets for which the certificate of title has not been completed

Item	Carrying amounts	Reasons for not completing the title certificate
Standardized workshop of Sino-German (Suqian) Environmental Protection High-tech Industrial Park	199,809,954.50	in progress
Total	199,809,954.50	

12. Construction in progress

(1) Condition

Items	2020/12/31			2019/12/31		
	Cost	Provision for impairment	Carrying amounts	Cost	Provision for impairment	Carrying amounts
Warehousing and port projects				986,203,275.69		986,203,275.69
German Industrial Workshop Project				1,916,244.22		1,916,244.22
1#, 2# public toilet				269,932.29		269,932.29
Wind and dust suppression nets and sprinkler facilities for bulk cargo yards	94,339.62		94,339.62			
Intelligent cold chain warehousing logistics project	13,000.00		13,000.00			
Logistics service center supporting project	896,856.93		896,856.93			
Total	1,004,196.55		1,004,196.55	988,389,452.20		988,389,452.20

(2) Changes

Items	2019/12/31	Additions during the year	Transfers from fixed assets	Decrease during the year	2020/12/31
Warehousing and port projects	986,203,275.69	359,877,428.44	1,346,080,704.13		
German Industrial Workshop Project	1,916,244.22	201,108,265.00	203,024,509.22		
1#, 2# public toilet	269,932.29	47,941.79	317,874.08		
Wind and dust suppression nets and sprinkler facilities for bulk cargo yards		94,339.62			94,339.62
Intelligent cold chain warehousing logistics project		13,000.00			13,000.00
Logistics service center supporting project		896,856.93			896,856.93
Total	988,389,452.20	562,037,831.78	1,549,423,087.43		1,004,196.55

Note: The Company conducted an impairment test on the construction in progress at the end of the year, and no sign of impairment was found, so no provision for impairment was required.

13. Intangible assets

(1) Condition

Items	Land use rights	Software	Total
I. Cost			
1. Balance at 31 December 2019	1,159,536,971.94	21,575.03	1,159,558,546.97
2. Additions during the year		212,637.76	212,637.76
(1) Purchase		212,637.76	212,637.76
3. Decrease during the year			
(1) Disposal			
4. Balance at 31 December 2020	1,159,536,971.94	234,212.79	1,159,771,184.73
II. Accumulated amortisation			
1. Balance at 31 December 2019	92,292,529.11	21,291.08	92,313,820.19
2. Additions during the year	23,190,739.44	66,297.91	23,257,037.35
(1) Charge for the year	23,190,739.44	66,297.91	23,257,037.35
3. Decrease during the year			
(1) Disposal			
4. Balance at 31 December 2020	115,483,268.55	87,588.99	115,570,857.54
III. Provision for impairment			
IV. Carrying amounts			
1. At 31 December 2020	1,044,053,703.39	146,623.80	1,044,200,327.19
2. At 31 December 2019	1,067,244,442.83	283.95	1,067,244,726.78

Note 1: The carrying amounts of intangible assets used for mortgage loans at the end of the year was RMB 1,044,053,703.39. For details, please refer to Note X-1, (2) As of December 31, 2020, the Company's assets pledged.

Note 2: The Company conducted an impairment test on intangible assets at the end of the year, and no sign of impairment was found, so no provision for impairment was required.

14. Long-term deferred expenses

Items	2019/12/31	Additions during the year	Decrease during the year	Other reductions	2020/12/31
Renovation costs	4,388.30		4,388.30		
Total	4,388.30		4,388.30		

15. Deferred tax assets/deferred tax liabilities

(1) Details of deferred tax assets

Item	2020/12/31		2019/12/31	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment of assets	28,871.52	7,217.89	12,404.37	3,101.10

Item	2020/12/31		2019/12/31	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Total	28,871.52	7,217.89	12,404.37	3,101.10

(2) Details of deferred tax liabilities

Items	2020/12/31		2019/12/31	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Value-Added Value of investment properties appraisal for the first-time change	186,660,099.40	46,665,024.85	197,249,290.40	49,312,322.60
Subsequent measurement of changes in fair value of investment properties	72,888,600.00	18,222,150.00		
Total	259,548,699.40	64,887,174.85	197,249,290.40	49,312,322.60

16. Provision for impairment

Item	2019/12/31	Current year increase	Current year decrease		2020/12/31
			Reversals	Transfers out	
Provision for bad and doubtful debts	12,404.37	16,467.15			28,871.52
Total	12,404.37	16,467.15			28,871.52

17. Short-term loans

(1) Classification

Items	2020/12/31	2019/12/31
Pledged loans	20,000,000.00	
Loans secured by mortgages	50,000,000.00	
Guaranteed loans	201,900,000.00	132,800,000.00
Unsecured loans	439,800,000.00	380,000,000.00
Total	711,700,000.00	512,800,000.00

18. Accounts payable

(1) Accounts Payable by Ageing

Ageing	2020/12/31		2019/12/31	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	126,888,144.97	34.59	10,318,295.63	50.46
Over 1 year but within 2 years	236,998,886.13	64.60	3,718,069.64	18.19
Over 2 years but within 3 years	2,013,069.64	0.55		
Over 3 years	945,427.48	0.26	6,409,427.48	31.35
Total	366,845,528.22	100.00	20,445,792.75	100.00

Note: The reason why the aging of accounts payable at the end of this year is not in line with that

at the end of the previous year is that the subsidiary China Power Construction Canal Port Construction and Development Suqian Co., Ltd. was newly included in the scope of consolidation this year.

(2) Top five accounts payable balance at the end of the period

Company name	2020/12/31	Ageing	As a percentage of total accounts payable (%)
China Power Construction Group Co., Ltd.	242,738,465.71	Within 1 year / Over 1 year but within 2 years	66.17
China Railway Prefabricated Building Technology Co., Ltd. Jiangsu Branch	60,234,926.52	Within 1 year	16.42
Suqian Hengrun Pipe Industry Co., Ltd.	20,000,000.00	Within 1 year	5.45
Jiangsu Hairun New Building Materials Co., Ltd.	10,099,087.00	Within 1 year	2.75
Jiangsu Kangmei New Material Technology Co., Ltd.	10,000,000.00	Within 1 year	2.73
Total	343,072,479.23		93.52

19. Advance payments received

(1) Advance payments received by age

Ageing	2020/12/31		2019/12/31	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	191,208,097.64	99.72	2,489,727.01	98.48
Over 1 year but within 2 years	517,764.22	0.27	38,390.38	1.52
Over 2 years but within 3 years	18,275.84	0.01		
Over 3 years				
Total	191,744,137.70	100.00	2,528,117.39	100.00

(2) The top five balance of advance payments received at the end of the period

Name of entities	2020/12/31	Ageing	Proportion of total advance receipts (%)
Rongchang community house sales	174,000,000.00	Within 1 year	90.75
Canal Suqian Port Industrial Park Management Committee	14,251,616.00	Within 1 year	7.43
Hu Xinmin	293,870.09	Within 1 year	0.15
Xi Yanquan	290,116.00	Over 1 year but within 2 years	0.15
Ye Daqu	261,548.77	Within 1 year	0.14
Total	189,097,150.86		98.62

20. Employee benefits payable

(1) List of employee benefits payable

Items	2019/12/31	Accrued during the year	Paid during the year	2020/12/31
I. Short-term employee benefits		11,048,983.54	10,927,268.44	121,715.10
II. Post-employment benefits - defined contribution plans		74,210.62	74,210.62	

Items	2019/12/31	Accrued during the year	Paid during the year	2020/12/31
III. Termination benefits]				
IV. Other long-term employee benefits settled within one year				
Total		11,123,194.16	11,001,479.06	121,715.10

(2) Short-term employee benefits

Items	2019/12/31	Accrued during the year	Paid during the year	2020/12/31
1. Salaries, bonuses, allowances		8,747,775.27	8,747,775.27	
2. Staff welfare		634,153.71	634,153.71	
3. Social insurance		412,011.78	412,011.78	
Including: Medical insurance		347,406.60	347,406.60	
Work-related injury insurance		2,809.98	2,809.98	
Maternity insurance		61,795.20	61,795.20	
4. Housing fund		668,770.00	668,770.00	
5. Labour union fee, staff and workers' education fee		586,272.78	464,557.68	121,715.10
Total		11,048,983.54	10,927,268.44	121,715.10

(3) Post-employment benefits - defined contribution plans

Items	2019/12/31	Accrued during the year	Paid during the year	2020/12/31
1. Basic pension insurance		71,655.81	71,655.81	
2. Unemployment insurance		2,554.81	2,554.81	
3. Annuity				
Total		74,210.62	74,210.62	

21. Taxes payable

Items	2020/12/31	2019/12/31
Income tax payable	38,440,582.35	20,613,107.18
VAT payable	49,196,507.58	51,702,978.77
Land appreciation tax payable	711,917.25	355,958.64
Property tax payable	2,591,651.89	
Urban maintenance and construction tax payable	3,611,003.68	3,621,677.91
Education fee surcharge payable	3,611,003.69	2,591,670.51
Personal income tax payable	1,564.16	3,363.13
Stamp duty payable		2,324.55
Total	98,164,230.60	78,891,080.69

22. Other payables

Items	2020/12/31	2019/12/31
Other payables	986,149,266.48	1,004,203,611.81

Interest payable	28,700,056.23	8,373,268.06
Dividends payable		
Total	1,014,849,322.71	1,012,576,879.87

(1) Other payables

① Other payables by age

Ageing	2020/12/31		2019/12/31	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	679,624,061.96	68.92	622,949,485.31	62.03
Over 1 year but within 2 years	283,190,920.96	28.72	36,068,527.66	3.59
Over 2 years but within 3 years	1,100,497.86	0.11	294,886,878.86	29.37
Over 3 years	22,233,785.70	2.25	50,298,719.98	5.01
Total	986,149,266.48	100.00	1,004,203,611.81	100.00

② Major counterparties in other payables at the end of the period

Name of entities	2020/12/31	Ageing	As a percentage of total other payables (%)
Suqian Huinong Agricultural Development Co., Ltd.	608,000,000.00	Within 1 year / Over 1 year but within 2 years	61.65
China Power Construction Group Co., Ltd.	56,786,111.11	Within 1 year	5.76
Jiangsu Jinchuang Credit Re-guarantee Co., Ltd.	30,000,000.00	Within 1 year	3.04
Jiangsu Chengsha Construction Engineering Co., Ltd.	25,000,000.00	Over 1 year but within 2 years	2.54
Sucheng Economic Development Zone Management Committee	21,360,633.80	Over 3 years	2.17
Total	741,146,744.91		75.16

(2) Interest payable

Item	2020/12/31	2019/12/31
Interest payable	28,700,056.23	8,373,268.06
Total	28,700,056.23	8,373,268.06

23. Non-current liabilities due within one year

Items	2020/12/31	2019/12/31
Long-term payables due within one year	724,060,603.31	274,928,630.30
Long-term loans due within one year	76,000,000.00	100,000,000.00
Including: loans secured by mortgages		
Pledged loans		
Guaranteed loans	16,000,000.00	
Unsecured loans		
Portfolio loans	60,000,000.00	

Total	800,060,603.31	374,928,630.30
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24. Other current liabilities

Items	2020/12/31	2019/12/31
Entrusted Loan		84,000,000.00
Term financing products		178,960,000.00
Total		262,960,000.00

25. Long-term loans

Items	2020/12/31	2019/12/31
Loans secured by mortgages		850,000,000.00
Guaranteed loans	566,000,000.00	600,000,000.00
Portfolio loans	600,000,000.00	
Less: Long-term loans due within one year	76,000,000.00	100,000,000.00
Total	1,090,000,000.00	1,350,000,000.00

26. Long-term payables

Item	2020/12/31	2019/12/31
Loans	2,158,957,117.24	525,474,737.53
Less: due within one year (VI. 23)	724,060,603.31	274,928,630.30
Total	1,434,896,513.93	250,546,107.23

27. Paid-in capital

Investors	2019/12/31	Additions during the year	Decreases during the year	2020/12/31
Suqian Industry Development Group Co., Ltd.	153,000,000.00			153,000,000.00
Suqian Huinong Industry Development Co., Ltd.	147,000,000.00			147,000,000.00
Total	300,000,000.00			300,000,000.00

(continued)

Investors	2018/12/31	Additions during the year	Decreases during the year	2019/12/31
Suqian Industry Development Group Co., Ltd.	153,000,000.00			153,000,000.00
Suqian Huinong Industry Development Co., Ltd.	147,000,000.00			147,000,000.00
Total	300,000,000.00			300,000,000.00

(continued)

Investors	2017/12/31	Additions during the year	Decreases during the year	2018/12/31
Suqian Industry Development Group Co., Ltd.	153,000,000.00			153,000,000.00
Suqian Huinong Industry Development Co., Ltd.	147,000,000.00			147,000,000.00
Total	300,000,000.00			300,000,000.00

28. Capital reserve

Items	2019/12/31	Additions during the year	Decreases during the year	2020/12/31
Capital premiums				
Other capital reserves	2,763,707,449.14	1,236,653,216.18	415,736,609.00	3,584,624,056.32
Total	2,763,707,449.14	1,236,653,216.18	415,736,609.00	3,584,624,056.32

Note: The increased capital reserve in the current period is RMB 1,236,653,216.18, which are the financial funds of RMB 1.23 billion allocated free of charge by the Canal Suqian Port Industrial Park Management Committee, and the Company's capital increase in the subsidiary Suqian Port Development Co., Ltd., Suqian Port Development Co., Ltd. The amount of part of the equity abandoned by the minority shareholders of Development Co., Ltd. for free is RMB 6,653,216.18.

The capital reserve amount decreased by RMB 415,736,609.00 in the current period, because the government recovered the cost of three land assets (including deed tax and other expenses) held by the Company free of charge, and the amount was RMB 415,736,609.00.

(continued)

Items	2018/12/31	Additions during the year	Decreases during the year	2019/12/31
Capital premiums				
Other capital reserves	2,814,425,005.91	219,746.96	50,937,303.73	2,763,707,449.14
Total	2,814,425,005.91	219,746.96	50,937,303.73	2,763,707,449.14

Note: The increase in capital reserve in this period is due to the influence of the newly incorporated subsidiary Suqian Port Development Co., Ltd. The company originally held 49% equity of Suqian Port Development Co., Ltd., and the Company agreed to acquire another shareholder, Suqian City. The amount of equity affected by the 2% equity of Huinong Industrial Development Co., Ltd. and the Company's final holding of 51% equity; the decrease in capital reserve in the current period is due to the free transfer of Suqian Zhonggang Garden held by the Company by the Canal Suqian Port Industrial Park Management Committee 100.00% equity of Green Green Co., Ltd., affecting the equity amount of RMB 50,937,303.73.

(continued)

Items	2017/12/31	Additions during the year	Decreases during the year	2018/12/31
Capital premiums				
Other capital reserves	2,334,425,005.91	480,000,000.00		2,814,425,005.91
Total	2,334,425,005.91	480,000,000.00		2,814,425,005.91

Note: The increase in capital reserve in this period is due to the financial funds allocated by the Company for free from the Canal Suqian Port Industrial Park Management Committee.

29. Other comprehensive income

Items	2019/12/31	Changes during the year	2020/12/31
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		Amount before income tax for the current period	Less: Included in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax
Other comprehensive income that cannot be reclassified to profit or loss						
Other comprehensive income to be reclassified to profit or loss	147,936,967.80	-10,589,191.00		-2,647,297.75	-7,941,893.25	139,995,074.55
Including: The amount affected by the first change in the measurement of self-use properties or inventory converted to the fair value model	147,936,967.80	-10,589,191.00		-2,647,297.75	-7,941,893.25	139,995,074.55
Total	147,936,967.80	-10,589,191.00		-2,647,297.75	-7,941,893.25	139,995,074.55

(continued)

Items	2018/12/31	Changes during the year					2019/12/31
		Amount before income tax for the current period	Less: Included in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
Other comprehensive income that cannot be reclassified to profit or loss							
Other comprehensive income to be reclassified to profit or loss		197,249,290.40		49,312,322.60	147,936,967.80	147,936,967.80	

Including: The amount affected by the first change in the measurement of self-use properties or inventory converted to the fair value model		197,249,290.40		49,312,322.60	147,936,967.80		147,936,967.80
Total		197,249,290.40		49,312,322.60	147,936,967.80		147,936,967.80

Note: The decrease in other comprehensive income in the current period is due to the government's gratuitous recovery of the three lands held by the Company. For details, please refer to Note 3 of Note VI-10.

30. Specific reserve

Item	2019/12/31	Additions during the year	Decreases during the year	2020/12/31
Specific reserve		15,639.88		15,639.88
Total		15,639.88		15,639.88

31. Surplus reserve

Item	2019/12/31	Additions during the year	Decreases during the year	2020/12/31
Statutory surplus reserve	52,384,117.09	20,838,934.07		73,223,051.16
Total	52,384,117.09	20,838,934.07		73,223,051.16

(continued)

Item	2018/12/31	Additions during the year	Decreases during the year	2019/12/31
Statutory surplus reserve	34,838,334.71	17,545,782.38		52,384,117.09
Total	34,838,334.71	17,545,782.38		52,384,117.09

(continued)

Item	2017/12/31	Additions during the year	Decreases during the year	2018/12/31
Statutory surplus reserve	16,147,970.56	18,690,364.15		34,838,334.71
Total	16,147,970.56	18,690,364.15		34,838,334.71

32. Retained earnings

Items	2020	2019	2018
Retained earnings at the end of last period before adjustment	485,618,786.62	326,569,431.30	159,535,927.57
Total retained earnings adjusted at the beginning of period under the same control (increase +, decrease)			
Retained earnings after adjustment at the beginning of period	485,618,786.62	326,569,431.30	159,535,927.57
Add: Net profit attributable to shareholders of parent company in current period	209,761,794.09	176,595,137.70	185,723,867.88
Less: Withdrawal of statutory surplus reserve	20,838,934.07	17,545,782.38	18,690,364.15
Common stock dividends payable	151,185.43		
Retained earnings at the end of the period	674,390,461.21	485,618,786.62	326,569,431.30

33. Operating income and operating costs

(1) Basic information on operating income and operating costs

Items	2020	2019	2018
Operating income	754,529,435.19	628,861,279.07	582,524,271.84
Other operating income	14,224,640.00	642,728.91	
Total	768,754,075.19	629,504,007.98	582,524,271.84
Operating costs	623,579,652.68	532,691,013.39	500,000,000.00
Other operating costs	1,277,316.49	59,007.03	
Total	624,856,969.17	532,750,020.42	500,000,000.00

(2) Main business income classified by business:

Items	Operating income		
	2020	2019	2018
Engineering construction business	690,656,776.00	604,057,652.67	582,524,271.84
Loading and unloading business	44,284,090.04	16,536,692.61	
Warehousing and stockpiling business	9,258,752.71	2,911,590.82	
Transportation business	7,009,806.97	4,742,034.06	
Sales business	781,938.85		
Agency business	949,775.87		
Other business	1,588,294.75	613,308.91	
Total	754,529,435.19	628,861,279.07	582,524,271.84

(continued)

Items	Operating costs		
	2020	2019	2018
Engineering construction business	592,813,732.73	518,482,818.54	500,000,000.00
Loading and unloading business	20,834,439.19	8,269,231.73	
Warehousing and stockpiling business	1,158,323.95	621,562.63	
Transportation business	6,750,341.81	4,392,852.28	
Sales business	465,078.11		
Agency business	1,067,621.49		
Other business	490,115.40	924,548.21	
Total	623,579,652.68	532,691,013.39	500,000,000.00

34. Taxes and surcharges

Items	2020	2019	2018
Urban maintenance and construction tax	186,821.26	1,301,303.70	1,223,300.97

Items	2020	2019	2018
Education fee surcharge	1,194,728.34	929,502.65	873,786.41
Property tax	8,211,286.84		
Land holding tax	1,899,276.60	1,423,834.56	2,847,669.00
Vehicle usage tax	2,854.72		
Stamp duty	19,921.35	7,215.36	
Total	11,514,889.11	3,661,856.27	4,944,756.38

35. Financial expenses

Items	2020	2019	2018
Interest expenses from loans and payables	8,068,993.69	3,764,985.99	9,225,090.93
Less: Interest income	3,447,255.91	5,674,168.15	9,854,070.79
Add: Financial fees	807,817.48	446,045.54	2,013,269.63
Exchange gains and losses	6,176.51		
Total	5,435,731.77	-1,463,136.62	1,384,289.77

36. Other income

Item	2020	2019	2018
Government grants related to the day-to-day activities of the enterprise	108,728,837.93	113,995,153.99	131,000,000.00
Total	108,728,837.93	113,995,153.99	131,000,000.00

Among them, the details of government subsidies are as follows:

Items	2020	2019	2018
Infrastructure construction grants	108,150,000.00	113,800,000.00	131,000,000.00
VAT refund	256,214.29	45,153.99	
Logistics Industry Development Guidance Award and Subsidy Fund	322,623.64	150,000.00	
Total	108,728,837.93	113,995,153.99	131,000,000.00

37. Investment income

Item	2020	2019	2018
Long-term equity investment income accounted for by the equity method			681,880.38
Total			681,880.38

38. Gains from changes in fair value

Item	2020	2019	2018
Changes in fair value of investment properties	72,888,600.00		
Total	72,888,600.00		

39. Impairment losses ("-" for losses)

Item	2020	2019	2018
Bad debt loss	-16,467.15	-12,404.37	

Total	-16,467.15	-12,404.37
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40. Non-operating income

Items	2020	2019	2018
Government grants unrelated to the day-to-day activities of the business			160,000.00
Net fines	107,033.69	8,500.00	
Income from the sale of scrap	525,999.00		
Other	28,700.00	197,107.78	2,322,809.26
Total	661,732.69	205,607.78	2,482,809.26

Among them, the details of government subsidies are as follows:

Item	2020	2019	2018
Assessment reward funds			160,000.00
Total			160,000.00

41. Non-operating expenses

Items	2020	2019	2018
Donations provided	760,330.00		
Unconventional loss	189,655.60		
Penalty pay	89,518.02	201,900.00	
Late payment fee	34,687.47	8,898.97	
Other	167,651.00		
Total	1,241,842.09	210,798.97	

42. Income tax expenses

(1) Income tax expenses for the year represents

Items	2020	2019	2018
Current tax expense for the year	21,423,003.36	20,596,945.57	18,407,253.72
Deferred tax expense for the year	18,218,033.21	-3,101.10	
Total	39,641,036.57	20,593,844.47	18,407,253.72

43. Supplement to cash flow statement

(1) Supplement to cash flow statement

Additional materials	2020	2019	2018
1. Reconciliation of net profit to cash flows from operating activities:			
Net profit	217,822,063.84	179,389,727.49	185,723,867.88
Add: Impairment losses	16,467.15	12,404.37	
Depreciation of fixed assets\Oil and gas assets\ Productive biological assets	28,616,829.64	3,396,856.94	286,838.26
Amortisation of intangible assets	23,257,037.35	3,407.52	
Amortisation of long-term amortised costs	4,388.30	26,329.80	26,329.80

Additional materials	2020	2019	2018
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)			
Losses from scrapping of fixed assets ("-" for gains)			
Losses from changes in fair value ("-" for gains)	-72,888,600.00		
Financial expenses ("-" for income)	8,068,993.69	3,764,985.99	9,225,090.93
Losses arising from investments ("-" for gains)			-681,880.38
Decrease in deferred tax assets ("-" for increase)	-4,116.79	-3,101.10	
Increase in deferred tax liabilities ("-" for decrease)	18,222,150.00		
Decrease in gross inventories ("-" for increase)	-985,877,724.89	478,654,031.93	433,991,693.00
Decrease in operating receivables ("-" for increase)	682,269,126.93	-512,016,947.33	-320,019,289.39
Increase in operating payables ("-" for decrease)	238,234,534.86	-415,616,620.84	-833,526,540.76
Others			
Net cash inflow/outflow from operating activities	157,741,150.08	-262,388,925.23	-524,973,890.66
2. Significant investing and financing activities not requiring the use of cash:			
Conversion of debt into capital			
Convertible corporate bonds due within one year			
Financing leased fixed assets			
3. Changes in cash and cash equivalents:			
Cash at the end of the year	367,434,257.35	176,143,088.07	191,146,784.21
Less: Cash at the beginning of the year	176,143,088.07	191,146,784.21	913,851,643.10
Add: Cash equivalents at the end of the year			
Less: Cash equivalents at the beginning of the year			
Net increase in cash and cash equivalents	191,291,169.28	-15,003,696.14	-722,704,858.89

(2) Cash and cash equivalents held by the Company are as follows:

Items	2020	2019	2018
I. Cash at bank and on hand	367,434,257.35	176,143,088.07	191,146,784.21
Including: Cash on hand	6,101.31	43,160.07	
Bank deposits available on demand	367,428,156.04	176,099,928.00	191,146,784.21
Other monetary funds available on demand			
II. Cash equivalents			
Including: Bond investments with a maturity of 3 months or less			
III. Closing balance of cash at bank and on hand and cash	367,434,257.35	176,143,088.07	191,146,784.21

44. Assets with restricted usage rights

Accounting subjects	Real estate certificate number	2020/12/31	Restricted Reason
Intangible assets	Su (2019) Suqian Real Estate Property No. 0072998	394,755,866.20	mortgage

Intangible assets	Su (2019) Suqian Real Estate Property No. 0072678	631,891,978.80	mortgage
Intangible assets	Su (2019) Suqian Real Estate Property No. 0055948	17,405,858.39	mortgage
Sub-Total		1,044,053,703.39	mortgage
Intangible assets	Su (2016) Suqian Real Estate Property No. 0021869	514,978,500.00	mortgage
Intangible assets	Su (2019) Suqian Real Estate Property No. 0021867	275,998,500.00	mortgage
Intangible assets	Su (2020) Suqian City Real Estate Property No. 0055130	33,829,800.00	mortgage
Intangible assets	Su (2019) Suqian Real Estate Property No. 0071636	988,447,900.00	mortgage
Sub-Total		1,813,254,700.00	
Total		2,857,308,403.39	

VII. Changes in the scope of consolidation

(I) Subsidiaries, structured entities or other operating entities that have formed control rights newly incorporated into the scope of consolidation during the reporting period

1. Subsidiaries, structured entities or other operating entities that have formed control rights newly incorporated into the scope of consolidation in 2018

None.

2. Subsidiaries, structured entities or other operating entities that form control rights newly incorporated into the scope of consolidation in 2019

Name of entities	Way
Suqian Port Development Co., Ltd.	Agreement to be assigned
Suqian Gangfa Supply Chain Management Co., Ltd.	Agreement to be assigned
Suqian Xinggang Logistics Co., Ltd.	Agreement to be assigned
Suqian Gangcheng New Energy Development Co., Ltd. [Note]	Newly established
Jiangsu Gangzhan New Material Technology Development Co., Ltd. [Note]	Newly established
Jiangsu Gangtu Industrial Development Co., Ltd. [Note]	Newly established

Note: The above-mentioned three units of Suqian Gangcheng New Energy Development Co., Ltd., Jiangsu Gangzhan New Material Technology Development Co., Ltd., and Jiangsu Gangtu Industrial Development Co., Ltd. have obtained business licenses, have not actually contributed capital, and have not carried out business operations.

3. Subsidiaries, structured entities or other operating entities that form control rights newly incorporated into the scope of consolidation in 2020

Name of entities	Way
Jiangsu Ganghan Intelligent Cold Chain Warehousing and Logistics Co., Ltd.	Newly established
Jiangsu Xinsilai New Material Technology Co., Ltd. [Note]	Newly established

Name of entities	Way
Jiangsu Pawebsite Intelligent Technology Co., Ltd. [Note]	Newly established
China Power Construction Canal Port Construction and Development Suqian Co., Ltd.	Agreement to be assigned

Note: Jiangsu Xinsilai New Material Technology Co., Ltd. and Jiangsu Pawebsite Intelligent Technology Co., Ltd. have obtained business licenses, but have not actually contributed capital, and have not carried out business operations.

(II) During the reporting period, there was no change in subsidiaries, structured entities or other operating entities that were no longer included in the scope of consolidation.

1. Changes in subsidiaries, structured entities or operating entities that have formed control by other means that are no longer included in the scope of consolidation in 2018.

None.

2. Changes in subsidiaries, structured entities or other operating entities that are no longer included in the scope of consolidation in 2019.

Name of entity	Reasons not included in the merger
Suqian Zhonggang Landscaping Co., Ltd.	Free transfer of equity

Note: The equity of Suqian Zhonggang Landscaping Co., Ltd., a wholly-owned subsidiary of the Company, was transferred to the Canal Suqian Port Industrial Park Management Committee for free on November 22, 2019.

3. Changes in subsidiaries, Structured Subjects or Operating Entities that Form Control in 2020.

None.

VIII. Interests in other entities

1. Interests in subsidiaries

(1) The composition of the enterprise group in 2018

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)		Set up time	Registered capital (million)
				Direct	Indirect		
1	Suqian Shungang Trading Co., Ltd.	Suqian, Jiangsu	Sales of building materials and decoration materials, etc.	100.00		2014/3/12	5,000.00
2	Suqian Zhonggang Landscaping Co., Ltd.	Suqian, Jiangsu	Landscaping engineering design and construction; municipal engineering, water conservancy and hydropower engineering construction	100.00		2014/3/13	5,000.00

(2) The composition of the enterprise group in 2019

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)	Set up time	Registered
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				Direct	Indirect		
1	Suqian Shungang Trading Co., Ltd.	Suqian, Jiangsu	Sales of building materials and decoration materials, etc.	100.00		2014/3/12	5,000.00
2	Suqian Zhonggang Landscaping Co., Ltd.	Suqian, Jiangsu	Landscaping engineering design and construction; municipal engineering, water conservancy and hydropower engineering construction	100.00		2014/3/13	5,000.00
3	Jiangsu Gangzhan New Material Technology Development Co., Ltd. [Note]	Suqian, Jiangsu	New material research and development, construction and installation engineering construction, etc.	100.00		2019/7/22	5,000.00
4	Jiangsu Gangtu Industrial Development Co., Ltd. [Note]	Suqian, Jiangsu	Housing construction engineering, building installation engineering construction, electrical equipment installation, pipeline installation, etc.	100.00		2019/7/18	5,000.00
5	Suqian Port Development Co., Ltd.	Suqian, Jiangsu	Wharf and other port facility services; provide cargo handling, handling, warehousing, container stacking, and LCL services for cargo owners	51.00		2016/6/20	5,000.00
6	Suqian Xinggang Logistics Co., Ltd.	Suqian, Jiangsu	Road general cargo transportation, special cargo transportation (container), shipping agency, cargo warehousing services, etc.		100.00	2017/12/26	1,000.00
7	Suqian Gangfa Supply Chain Management Co., Ltd.	Suqian, Jiangsu	Supply chain management services, e-commerce information consulting services, computer software and hardware technology development, technical consulting, technical services, domestic waterway transportation, freight forwarding (agent), etc.		100.00	2018/3/16	1,000.00
8	Suqian Gangcheng New Energy Development Co., Ltd. [Note]	Suqian, Jiangsu	New energy technology development, technology promotion; energy-saving technology development, technical consultation, technical service, technology promotion, etc.		100.00	2018/3/16	1,000.00

Note: The above-mentioned three units of Suqian Gangcheng New Energy Development Co., Ltd., Jiangsu Gangzhan New Material Technology Development Co., Ltd., and Jiangsu Gangtu Industrial Development Co., Ltd. have obtained business licenses, have not actually contributed capital, and have not carried out business operations.

(3) The composition of the enterprise group in 2020

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)	Set up time	Registered capital
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				Direct	Indirect		
1	Suqian Shungang Trading Co., Ltd.	Suqian, Jiangsu	Sales of building materials and decoration materials, etc.	100.00		2014/3/12	5,000.00
2	Jiangsu Gangtu Industrial Development Co., Ltd.	Suqian, Jiangsu	Housing construction engineering, building installation engineering construction, electrical equipment installation, pipeline installation, etc.	100.00		2019/7/18	5,000.00
3	Jiangsu Gangzhan New Material Technology Development Co., Ltd. [Note 2]	Suqian, Jiangsu	New material research and development, construction and installation engineering construction, etc.	100.00		2019/7/22	5,000.00
4	Jiangsu Ganghan Intelligent Cold Chain Warehousing and Logistics Co., Ltd.	Suqian, Jiangsu	Urban distribution and transportation services; road freight transportation; warehousing services, etc.	100.00		2020/10/29	10,000.00
5	Jiangsu Zhuqi Construction Engineering Co., Ltd. [Note 1]	Suqian, Jiangsu	Housing construction engineering, municipal public works, water conservancy and hydropower engineering, highway engineering, etc.	100.00		2017/9/14	1,000.00
6	Jiangsu Xinsi Laixin Material Technology Co., Ltd. [Note 2]	Suqian, Jiangsu	New material technology research and development; new material technology promotion services, etc.	100.00		2020/12/15	20,000.00
7	Jiangsu Pavist Intelligent Technology Co., Ltd. [Note 2]	Suqian, Jiangsu	Technical service, technical development, technical consultation, technical exchange, technology transfer, etc.	100.00		2020/12/15	20,000.00
8	Suqian City Port Development Co., Ltd.	Suqian, Jiangsu	Wharf and other port facility services; provide cargo handling, handling, warehousing, container stacking, and LCL services for cargo owners	88.29		2016/6/20	5,000.00
9	China Power Construction Canal Port Area Construction and Development Suqian Co., Ltd.	Suqian, Jiangsu	Construction, development and management of port projects; real estate development and operation; port infrastructure construction, etc.	20.00	48.00	2015/9/11	22,000.00
10	Suqian City Gangcheng New Energy Development Co., Ltd. [Note 2]	Suqian, Jiangsu	New energy technology development, technology promotion; energy-saving technology development, technical consultation, technical service, technology promotion, etc.		100.00	2018/3/16	1,000.00
11	Suqian Xinggang Logistics Co., Ltd.	Suqian, Jiangsu	Road general cargo transportation, special cargo transportation (container), shipping agency, cargo warehousing services, etc.		100.00	2017/12/26	1,000.00
12	Suqian Gangfa Supply Chain Management Co.,	Suqian, Jiangsu	Supply chain management services, e-commerce information consulting		100.00	2018/3/16	1,000.00

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)		Set up time	Registered capital (million)
				Direct	Indirect		
	Ltd.		services, computer software and hardware technology development, technical consulting, technical services, domestic waterway transportation, freight forwarding (agent), etc.				

Note 1: On November 28, 2020, Jiangsu Zhuqi Construction Engineering Co., Ltd. was changed from its original shareholder, Yangbei Town Urban Management and Sanitation Service Center, Sucheng District, Suqian City, to 100% of the Company's shares. Although the Company has handled the industrial and commercial change of equity Registration procedures, because the equity change is an agreement transfer, the relevant equity transfer consideration has not been paid as of the date of the audit report, the Company does not yet have the conditions to control Jiangsu Zhuqi Construction Engineering Co., Ltd., so it was not included in the Company in 2020. within the scope of consolidation.

Note 2: Jiangsu Gangzhan New Material Technology Development Co., Ltd., Jiangsu Xinsilai New Material Technology Co., Ltd., Jiangsu Pawebsite Intelligent Technology Co., Ltd., and Suqian Gangcheng New Energy Development Co., Ltd. have all obtained business. License, no actual capital contribution, and no business operation.

2. The Company's associates

(1) The Company's associates in 2018

Name of entities	Type of enterprise	Registration	Business nature	Registered capital (million)	Shareholding ratio (%)	Proportion of voting rights (%)
Suqian Port Development Co., Ltd.	other limited liability companies	Suqian, Jiangsu	Wharf and other port facility services; provide cargo handling, handling, warehousing, container stacking, and LCL services for cargo owners	5,000.00	49.00	49.00
China Power Construction Canal Port Construction and Development Suqian Co., Ltd.	other limited liability companies	Suqian, Jiangsu	Construction, development and management of port projects; real estate development and operation; infrastructure construction, etc.	22,000.00	20.00	20.00

(2) The Company's associates in 2019

Name of entities	Type of enterprise	Registration	Business nature	Registered capital (million)	Shareholding ratio (%)	Proportion of voting rights (%)
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China Power Construction Canal Port Construction and Development Suqian Co., Ltd.	other limited liability companies	Suqian, Jiangsu	Construction, development and management of port projects; real estate and port development operation; infrastructure construction, etc.	22,000.00	20.00	20.00
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(3) The Company's associates in 2020

None.

IX. Related parties and related transactions

1. The actual controller of the Company

The actual controller of the company is the People's Government of Sucheng District, Suqian City.

2. Subsidiaries of the Company

For details, please refer to Note VIII. 1. Interests in subsidiaries.

3. The Company's Joint Ventures and Associates

For the important joint ventures or associates of the Company, please refer to Note VIII-2. The Company's associates.

4. Other related parties

Other related party names	Relationship between other related parties and the Company
Suqian Industry Development Group Co., Ltd.	Shareholders of the Company
Suqian Huinong Industry Development Co., Ltd.	Shareholders of the Company
China Power Construction Group Co., Ltd.	Minority shareholder of subsidiary China Power Construction Canal Port Construction and Development Suqian Co., Ltd.

5. Related party transactions

(1) Affiliated transactions for purchase and sale of goods, provision and acceptance of labor services

None.

(2) Related guarantees

① The company as the guarantor

None.

② The company as the guaranteed party

Guarantee entities	Guaranteed entities	Creditor bank or unit	Balance of guarantee (million yuan)	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	China Development Bank Corporation, Jiangsu Province Branch	12,200.00	2017/12/15	2031/2/28	No

Guarantee entities	Guaranteed entities	Creditor bank or unit	Balance of guarantee (million yuan)	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Branch of China Development Bank Co.	10,000.00	2017/1/9	2031/2/28	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Branch of China Development Bank Co.	10,000.00	2016/3/11	2031/2/28	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Branch of China Development Bank Co.	10,000.00	2017/11/23	2031/2/28	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Branch of China Development Bank Co.	5,000.00	2016/2/29	2031/2/28	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Branch of China Development Bank Co.	7,800.00	2016/6/29	2031/2/28	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Jiangsu Province Branch of China Development Bank Co.	5,000.00	2016/4/14	2031/2/28	No
Suqian Huinong Industrial Development Co.	Suqian Canal Harbor District Development Group Co.	Suqian Branch of Bank of Nanjing Co.	40,000.00	2016/8/10	2023/8/9	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Tianjin Huatie Financial Leasing Co.	974.89	2016/9/20	2021/6/12	No
Jiangsu Zhongan Construction Investment (Group) Co.	Suqian Canal Harbor District Development Group Co.	Ligen Financial Leasing Co.	8,379.23	2020/7/29	2023/7/20	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Zhejiang Guojin Financial Leasing Co.	7,999.56	2020/11/3	2023/11/3	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Nanjing Golden Travel Finance & Leasing Co.	3,000.00	2020/11/20	2023/11/20	No
Suqian Huinong Agricultural Development Co.	Suqian Canal Harbor District Development Group Co.	Shuntai Finance & Leasing Co.	8,000.00	2020/12/4	2023/12/4	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Suqian Branch of Huaxia Bank Co.	12,000.00	2020/12/25	2023/12/25	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Suqian Tongji Rural Microfinance Co.	2,000.00	2020/6/19	2021/6/18	No
Suqian Huinong Industry Development Co.	Suqian Canal Harbor District Development Group Co.	Suqian City Tongji Rural Microfinance Co.	1,400.00	2020/6/19	2021/6/18	No

Guarantee entities	Guaranteed entities	Creditor bank or unit	Balance of guarantee (million yuan)	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Suqian City Canal Harbor District Development Group Co.	Suqian Shungang Trading Co.	Haitong Hengxin International Leasing Co.	7,649.55	2020/4/16	2023/4/16	No
Suqian City Canal Harbor Area Development Group Co.	Suqian Shungang Trading Co.	Jiangsu Jinchuang Credit Re-Guarantee Co.	3,000.00	2020/5/26	2023/5/25	No
Total			154,403.22			

6. Amounts due from and to related parties

Company Name	Name of related party	Accounting subjects	2020/12/31	2019/12/31
Suqian City Canal Harbor Development Group Co.	CEC Canal Harbor District Construction and Development Suqian Company Limited [Note]	Other receivables		48,759,810.63
Sub-total				48,759,810.63
CEC Canal Harbor District Construction and Development Suqian Co.	CEC Construction Group Limited	Accounts payable	242,738,465.71	
Sub-total			242,738,465.71	
Suqian Canal Harbor Development Group Co.	Suqian Huinong Agricultural Development Co.	Other payables	608,000,000.00	348,000,000.00
Suqian Canal Harbor Development Group Co.	Zhongdian Construction Canal Harbor Construction and Development Suqian Company Limited [Note]	Other payables		100,000,000.00
Suqian City Port Development Co.	CEC Construction Group Co.	Other payables	52,800,000.00	
CEC Canal Harbor District Construction and Development Suqian Co.	Zhongdian Construction Group Co.	Other payables	3,986,111.11	
Suqian Shungang Trading Co.	CEC Canal Harbor District Construction and Development Suqian Company Limited [Note]	Other payables		180,000,000.00
Sub-total			664,786,111.11	628,000,000.00

Note: CEC Canal Harbor Construction and Development Suqian Company Limited is an associate of the Company for the year 2019.

X. Commitments and Contingencies

1. As at 31 December 2020, the Company's external guarantees were as follows:

Guarantee entities	Guaranteed entities	Creditor bank or unit	Balance of guarantee (million yuan)	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Suqian Canal Harbor Development Group Co.	Suqian City Urban and Development Investment Co.		16,000.00	2020/11/5	2030/10/20	No

Guarantee entities	Guaranteed entities	Creditor bank or unit	Balance of guarantee (million yuan)	Starting date of guarantee	Expiration date of guarantee	Whether the guarantee has been fulfilled
Suqian Canal Harbor Development Group Co.	Jiangyuan Municipal Engineering Co.	ICBC Suqian Branch	3,000.00	2017/3/14	2026/12/25	No
Suqian Canal Harbor Development Group Co.	City Shang Yuan Gardening Co.	Everbright Bank Nanjing Branch	3,000.00	2020/12/3	2021/10/29	No
Suqian Canal Harbor District Development Group Co.	City Suicheng District New Rural Construction Investment Co.	Bohai Bank Nanjing Branch	54,400.00	2020/9/1	2021/8/25	No
Suqian Canal Harbor District Development Group Co.	City Suicheng District New Rural Construction Investment Co.	Agricultural Bank of China Suqian Branch	12,000.00	2020/3/31	2021/3/29	No
Suqian Canal Harbor District Development Group Co.	Zhonggang and Gardening Co.	Agricultural Bank of China Suqian Branch	2,700.00	2020/9/1	2021/8/25	No
Suqian Canal Harbor District Development Group Co.	Zhonggang and Gardening Co.	Bank of Jiangsu	400.00	2020/12/25	2021/12/25	No
Suqian Canal Harbor District Development Group Co.	City Urban and Development Investment Co.	Bohai Bank Xuzhou Branch	3,300.00	2020/3/31	2021/3/29	No
Total			94,800.00			

2. As at 31 December 2020, the Company's pledged assets are set out below:

Asset class	Warrant Number	Mortgagees	Amount of mortgage (Yuan)	Duration of the mortgage
Intangible Assets	Su (2019) Suqian City Immovable Property Right No. 0072998	China Development Bank Corporation, Jiangsu Province Branch	250,000,000.00	2016.4.17-2031.2.28
Intangible assets	Su (2019) Suqian City Immovable Property Right No. 0072678	China Development Bank Corporation, Jiangsu Branch	450,000,000.00	2016.4.17-2031.2.28
Intangible assets	Su (2019) Suqian City Immovable Property Right No. 0055948	Jiangsu Branch of China Development Bank Co.	50,000,000.00	2020.12.1-2022.12.31
Investment properties	Su (2016) Suqian City Immovable Property Right No. 0021869	Jiangsu Province International Trust Co.	200,000,000.00	2019.7.17-2021.10.18
Investment properties	Su (2019) Suqian City Immovable Property Right No. 0021867	Jiangsu Province International Trust Co.	200,000,000.00	2019.7.17-2021.10.18
Investment properties	Su (2020) Suqian City Immovable Property Right No. 0055130	Jiyin Financial Leasing Co.	150,000,000.00	2020.12.15-2025.6.15
Investment properties	Su (2019) Suqian City Immovable Property Right No. 0071636	Wuhan Credit Risk Management Co.	950,000,000.00	2019.11.27-2024.11.26
Total			2,250,000,000.00	

Save for the above, as at 31 December 2020, the Company has no other commitments and

contingencies that need to be disclosed.

XI. Events after the balance sheet date

As at the date of approval of this financial report, the Company has no post balance sheet events to disclose.

XII. Other important matters

1. Correction of prior period errors

The Company has no prior period error corrections for the year.

2. Other important matters

There are no other significant matters that need to be disclosed by the Company during the year.

XIII. Notes to the principal items in the parent company financial statements

1. Accounts receivable

(1) Accounts receivable classification disclosure

Category	2020/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,186,755,861.53	100.00			1,186,755,861.53
Including: Ageing					
Others	1,186,755,861.53	100.00			1,186,755,861.53
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,186,755,861.53	100.00			1,186,755,861.53

(continued)

Category	2019/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,146,979,382.25	100.00			1,146,979,382.25
Including: Ageing					

Others	1,146,979,382.25	100.00			1,146,979,382.25
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,146,979,382.25	100.00			1,146,979,382.25

① Accounts receivable in the portfolio for which bad debt provision is made using the other portfolio method

Combination		2020/12/31		
		Accounts receivable	Provision for bad debts	Accrual rate (%)
Government government-invested current portfolio	and unit	1,186,755,861.53		
Total		1,186,755,861.53		

(continued)

Combination		2019/12/31		
		Accounts receivable	Provision for bad debts	Accrual rate (%)
Government government-invested current portfolio	and unit	1,146,979,382.25		
Total		1,146,979,382.25		

(2) Major accounts receivable at the end of the period, grouped by party in arrears

Name of entity	Relationship with the Company	2020/12/31	Ageing	Percentage of total accounts receivable (%)	Provision for bad debts closing balance
Canal Suqian Port Industrial Management Committee	Unrelated parties	1,186,755,861.53	Within 1 year /Over 1 year but within 2 years	100.00	
Total		1,186,755,861.53		100.00	

2. Other receivables

Items	2020/12/31	2019/12/31
Other receivables	2,335,855,233.21	407,420,290.08
Interest receivable		
Dividends receivable		
Total	2,335,855,233.21	407,420,290.08

(1) Other receivables

① Analysis by customer type are as follows:

Category	2020/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	

Receivables with a single significant amount and with a separate provision for bad debts				
Receivables with bad debt provision based on combination of credit risk characteristics	2,335,855,233.21	100.00		2,335,855,233.21
Including: Ageing				
Others	2,335,855,233.21	100.00		2,335,855,233.21
Receivables with insignificant single amount but with separate provision for bad debts				
Total	2,335,855,233.21	100.00		2,335,855,233.21

(continued)

Category	2019/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	407,420,290.08	100.00			407,420,290.08
Including: Ageing	5,000,000.00	1.23			5,000,000.00
Others	402,420,290.08	98.77			402,420,290.08
Receivables with insignificant single amount but with separate provision for bad debts					
Total	407,420,290.08	100.00			407,420,290.08

A. Other receivables in the portfolio for which provision for bad debts is made on the basis of the ageing analysis

Ageing	2019/12/31		
	Other receivables	Provision for bad debts	Accrual rate (%)
Within 1 year	5,000,000.00		
Total	5,000,000.00		

B. Other receivables in the portfolio for which provision for bad debts is made using the other portfolio method

Combination name	2020/12/31		
	Other receivables	Provision for bad debts	Accrual rate (%)
Related Party combination	693,463,578.29		
Government and government-invested unit current combination	1,375,407,480.30		

Warranty and Security Deposit combination	266,984,174.62		
Total	2,335,855,233.21		

(continued)

Combination name	2019/12/31		
	Other receivables	Provision for bad debts	Accrual rate (%)
Related Party combination	148,759,810.63		
Government and government-invested unit current combination	175,746,704.58		
Warranty and Security Deposit combination	77,913,774.87		
Total	402,420,290.08		

② Top five other receivables with closing balances, grouped by party in arrears

Name of entities	Nature of payment	2020/12/31	Ageing	As a percentage of the total closing balance of other receivables (%)	Provision for bad debts closing balance
Canal Suqian Port Industrial Park Management Committee	Current payments	819,149,748.00	Within 1 year	35.07	
CEC Canal Harbor Construction and Development Suqian Co.	Current payments	691,793,578.29	Within 1 year	29.62	
Suqian Zhonggang Landscaping Co.	Current payments	425,134,691.17	Within 1 year	18.20	
Jiangsu Runmin Water Services Co.	Current payments	200,000,000.00	Within 1 year / Over 2 years but within 3 years	8.56	
Jiangsu Zhongan Construction Investment (Group) Co.	Current payments	76,519,801.03	Within 1 year	3.28	
Total		2,212,597,818.49		94.73	

3. Long-term equity investments

(1) Classification of long-term equity investments

Items	2020/12/31			2019/12/31		
	Cost	Provision for impairment	Carrying amount	Cost	Provision for impairment	Carrying amount
Investments in subsidiaries	213,550,192.11		213,550,192.11	57,950,192.11		57,950,192.11
Investments in associates and joint ventures	44,000,000.00		44,000,000.00	44,000,000.00		44,000,000.00

Total	257,550,192.11		257,550,192.11	101,950,192.11		101,950,192.11
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(2) Investments in subsidiaries

Investee	2019/12/31	Additions during the year	Decrease during the year	2020/12/31	Provision for impairment	Closing balance of provision for impairment
Suqian City Port Development Co.	7,950,192.11	105,600,000.00		113,550,192.11		
Suqian Shungang Trading Co.	50,000,000.00			50,000,000.00		
Jiangsu Gangtu Industrial Development Co.		50,000,000.00		50,000,000.00		
Total	57,950,192.11	155,600,000.00		213,550,192.11		

(3) Investments in associates and joint ventures

Investee	2019/12/31	Increase/decrease during the period				
		Additions	Decrease	Gains and losses on investments recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity
Associates:						
CEC Canal Harbor District Construction and Development Suqian Co.	44,000,000.00					
Total	44,000,000.00					

(continued)

Investee	Increase/decrease during the period			2020/12/31	Closing balance of provision for impairment
	Declaration of cash dividends or profits	Provision for impairment	Other		
Associates:					
CEC Canal Harbor District Construction and Development Suqian Co.				44,000,000.00	
Total				44,000,000.00	

4. Operating income and operating costs

(1) Basic information on operating income and operating costs

Items	2020	2019	2018
Operating income	690,656,776.00	604,057,652.67	582,524,271.84
Other operating income	13,722,506.41		
Total	704,379,282.41	604,057,652.67	582,524,271.84
Operating costs	592,813,732.73	518,482,818.54	500,000,000.00

Items	2020	2019	2018
Other operating costs	1,240,753.99		
Total	594,054,486.72	518,482,818.54	500,000,000.00

(2) Main business (sub-products, sub-labour)

Item	Operating income		
	2020	2019	2018
Engineering and Construction Business	690,656,776.00	604,057,652.67	582,524,271.84
Total	690,656,776.00	604,057,652.67	582,524,271.84

(continued)

Item	Operating costs		
	2020	2019	2018
Engineering and Construction Business	592,813,732.73	518,482,818.54	500,000,000.00
Total	592,813,732.73	518,482,818.54	500,000,000.00

5. Investment income

Item	2020	2019	2018
Income from long-term equity investments accounted for under the equity method		298,435.74	681,880.38
Total		298,435.74	681,880.38

Suqian Yunhe Port Area Development Group Co., Ltd.

25 March 2021



营业执照

统一社会信用代码

91110102082881146K



(副本) (5-1)

名称 中兴华会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

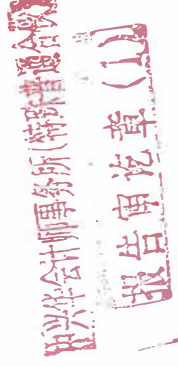
执行事务合伙人 李尊农, 乔久华

经营范围 许可项目: 注册会计师业务; 代理记账。
一般项目: 经相关部门批准后方可开展经营活动。
除依法须经批准的项目外, 凭营业执照依法自主开展经营活动服务; 资产评估。
除依法须经批准的项目外, 凭营业执照依法自主开展经营活动。
(除依法须经批准的项目外, 凭营业执照依法自主开展经营活动。)

成立日期 2013年11月04日

合伙期限 2013年11月04日至 长期

经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



登记机关

2022年11月07日

市场主体应当于每年1月1日至6月30日通过
国家企业信用信息公示系统报送公示年度报告。

国家企业信用信息公示系统网址:p://www.gsxt.gov.cn

国家市场监督管理总局监制



仅作为报告附件使用 会计师事务所 执业证书

北京兴华会计师事务所(普通合伙)

京财会许可(2013)0066号

名称：中兴华会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，

凭证。

3、《会计师事务所执业证书》不得伪造、涂改、出

租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。



发证机关：

北京市财政局

二〇二一年八月十七日

中华人民共和国财政部制



中华人民共和国财政部



首页



机构概况



新闻发布



政务信息



办事服务



互动交流



统计信息



专题专栏

当前位置: 首页 > 政务信息 > 政府信息公开 > 主动公开目录 > 按主题查看 > 证券服务机构监管 > 审计与评估机构

索引号: tm5600001/2022-00000491

分类: 审计与评估机构监管对象

发布机构:

发文日期: 2022年01月11日

名称: 从事证券服务业务会计师事务所名录(截至2021.12.31)

文号:

主题词:

从事证券服务业务会计师事务所名录(截至2021.12.31)



从事证券服务业务会计师事务所名录(截至2021.12.31)

从事证券服务业务会计师事务所名录¹

序号	会计师事务所名称	通讯地址	联系电话
72 ¹	中审亚太会计师事务所(特殊普通合伙) ¹	北京市海淀区复兴路47号天行建商务大厦20层2206 ¹	010-51716767 ¹
73 ¹	中审众环会计师事务所(特殊普通合伙) ¹	武汉市武昌区东湖路169号2-9层 ¹	027-86781250 ¹
74 ¹	中天运会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门大街9号院五栋大楼B1座1七、八层 ¹	010-88395676 ¹
75 ¹	中审会计师事务所(特殊普通合伙) ¹	北京市东城区崇文门东大街11号新成文化大厦A座11层 ¹	010-67086759 ¹
76 ¹	中兴财光华会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门东大街2号22层A24 ¹	0311-85927137 ¹
77 ¹	中兴华会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门大街1号东塔楼15层 ¹	010-51423818 ¹
78 ¹	中证天通会计师事务所(特殊普通合伙) ¹	北京市海淀区西直门北大街甲43号1号楼13层1316-1326 ¹	010-62212990 ¹
79 ¹	中准会计师事务所(特殊普通合伙) ¹	北京市海淀区首体南路22号国兴大厦4层 ¹	010-88356126 ¹
80 ¹	众华会计师事务所(特殊普通合伙) ¹	嘉定工业区沪宜路针城路1630号5幢1088室 ¹	021-63525500 ¹



姓名 樊晓军

Full name

性别 男

Sex

出生日期 1979-05-25

Date of birth

工作单位 中兴华会计师事务所(特殊普通

Working unit

身份证号码 321281197905255830

Identity card number



年度检验登记

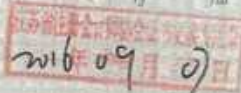
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

证书编号: 020000150034
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2009 年 11 月 30 日
Date of Issuance



樊晓军(020000150034)
您已通过2019年年检
江苏省注册会计师协会

年 月 日
/ / /



姓名 陈东
 Full name 男
 性别 男
 Sex 1982-11-26
 出生日期 1982-11-26
 Date of birth 中兴华会计师事务所（特殊普通
 工作单位 合伙）江苏分所
 Working unit 340811198211264717
 身份证号码
 Identity card No.



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after
 this renewal.

证书编号: 110001673841
 No. of Certificate

批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs

发证日期: 2015 年 04 月 30 日
 Date of Issuance /y /m /d



陈东(110001673841)
 您已通过2020年年检
 江苏省注册会计师协会



陈东(110001673841)
 您已通过2021年年检
 江苏省注册会计师协会

Suqian Yunhe Port Area Development Group Co., Ltd.



AUDITOR'S REPORT

00002022040083751699

Report no.: Zhongxinghua Audit [2022] no. 021631

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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II. Auditor's Report Appendices

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2. Consolidated income statement
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4. Consolidated owner's equity changes statement
5. Parent company balance sheet
6. Parent company income statement
7. Parent company cash flow statement
8. Parent company owner's equity changes statement
9. Notes to the financial statements

III. Auditor's Report Attachments

1. Copy of the business license of Zhongxinghua certified public accountants LLP
2. Copy of the practice certificate of Zhongxinghua certified public accountants LLP
3. Copy of the securities and futures business license of Zhongxinghua certified public accountants LLP
4. Copy of certified public accountants practice certificate



Auditor's Report

Zhongxinghua Audit (2022) No.021631

All shareholders of Suqian Yunhe Port Area Development Group Co., Ltd.:

Opinion

We have audited the financial statements of Suqian Yunhe Port Area Development Group Co., Ltd. ("Yunhe Port Area Company"), which comprise the consolidated and parent company balance sheets as at 31 December 2021, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Yunhe Port Area Company as at 31 December 2021, the consolidated and parent company financial performance and cash flows of Yunhe Port Area Company for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Yunhe Port Area Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Yunhe Port Area Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yunhe Port Area Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing Yunhe Port Area Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yunhe Port Area Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ABC Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Yunhe Port Area Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yunhe Port Area Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Certified Public Accountants
Registered in the People's Republic
of China

Name of CPA:



Beijing · China

Name of CPA:



25 April 2022

Consolidated balance sheet

as at 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021-12-31	2021-1-1	2020-12-31
Current assets:				
Cash at bank and on hand	VI.1	298,882,261.55	387,434,257.35	387,434,257.35
Financial assets held for trading				
Bills receivable				1,238,835.21
Accounts receivable	VI.2	1,504,226,650.95	1,192,409,999.09	1,192,409,999.09
Receivables under financing	VI.3	50,000.00	1,238,835.21	
Prepayments	VI.4	63,609,075.85	14,156,506.70	14,156,506.70
Other receivables	VI.5	2,148,900,183.39	1,747,124,155.73	1,747,124,155.73
Repurchase of resale financial assets				
Inventories	VI.6	3,892,679,814.62	2,565,422,330.02	2,565,422,330.02
Contract assets				
Assets held for sale				
Non-current assets due within one year				
Other current assets	VI.7	65,218,590.00	30,882,274.64	30,882,274.64
Total current assets		7,973,566,576.36	5,938,668,358.74	5,938,668,358.74
Non-current assets				
Debt investments				
Available-for-sale financial assets				20,000,000.00
Other debt investments				
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments				
Investments in other equity instruments				
Other non-current financial assets	VI.8	29,612,000.00	20,000,000.00	
Investment properties	VI.9	1,038,112,900.00	2,088,956,600.00	2,088,956,600.00
Fixed assets	VI.10	1,292,655,332.03	1,540,493,560.48	1,540,493,560.48
Construction in progress	VI.11	6,603,556.23	1,004,196.55	1,004,196.55
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets	VI.12	1,116,229,411.68	1,044,200,327.19	1,044,200,327.19
Development costs				
Goodwill				
Long-term deferred expenses	VI.13	594,894.05		
Deferred tax assets	VI.14	2,332.55	7,217.89	7,217.89
Other non-current assets				
Total non-current assets		3,483,810,426.54	4,694,661,902.11	4,694,661,902.11
Total assets		11,457,377,002.90	10,633,330,260.85	10,633,330,260.85

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated balance sheet (continued)

as at 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021-12-31	2021-1-1	2020-12-31
Current liabilities:				
Short-term loans	VI.15	1,304,323,549.61	713,015,452.05	711,700,000.00
Financial liabilities held for trading				
Bills payable	VI.16	87,000,000.00		
Accounts payable	VI.17	60,461,599.71	366,845,528.22	366,845,528.22
Advance payments received	VI.18	8,885,613.75	14,401,616.00	191,744,137.70
Contract liabilities	VI.19	234,440,243.16	162,699,561.19	
Employee benefits payable	VI.20	132,276.32	121,715.10	121,715.10
Taxes payable	VI.21	96,235,417.43	98,164,230.60	98,164,230.60
Other payables	VI.22	197,419,372.05	986,149,266.48	1,014,849,322.71
Non-current liabilities due within one year	VI.23	1,450,414,325.60	627,445,207.49	800,060,603.31
Other current liabilities	VI.24	11,924,661.70	14,642,960.51	
Total current liabilities		3,451,237,059.33	3,183,485,537.64	3,183,485,537.64
Non-current liabilities:				
Long-term loans	VI.25	1,826,570,000.00	1,090,000,000.00	1,090,000,000.00
Debentures payable				
Including: Preferred shares				
Perpetual debts				
Lease liabilities				
Long-term payables	VI.26	1,437,558,756.78	1,434,896,513.93	1,434,896,513.93
Long-term employee remuneration payable				
Provisions				
Deferred income				
Deferred tax liabilities	VI.15	28,759,315.13	64,887,174.85	64,887,174.85
Other non-current liabilities				
Total non-current liabilities		3,292,888,071.91	2,589,783,688.78	2,589,783,688.78
Total liabilities		6,744,125,131.24	5,773,269,226.42	5,773,269,226.42
Owner's equity:				
Paid-in capital	VI.27	300,000,000.00	300,000,000.00	300,000,000.00
Other equity instruments				
Including: Preferred shares				
Perpetual debts				
Capital reserve	VI.28	3,489,166,517.52	3,584,624,056.32	3,584,624,056.32
Less: Treasury shares				
Other comprehensive income	VI.29	21,281,346.23	139,995,074.55	139,995,074.55
Special reserve	VI.30	208,380.29	15,639.88	15,639.88
Surplus reserve	VI.31	87,183,675.78	73,223,051.16	73,223,051.16
General risk preparation				
Retained earnings	VI.32	798,117,531.06	674,390,461.21	674,390,461.21
Total equity attributable to owners of the Company		4,695,957,450.88	4,772,248,283.12	4,772,248,283.12
Non-controlling interests		17,294,420.78	87,812,751.31	87,812,751.31
Total owner's equity		4,713,251,871.66	4,860,061,034.43	4,860,061,034.43
Total liabilities and owner's equity		11,457,377,002.90	10,633,330,260.85	10,633,330,260.85

Legal Representative: The person in-charge of the accounting affairs: The head of the accounting department:

Consolidated income statement

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021	2020
I. Total operating income	VI.33	786,711,994.21	768,754,075.19
Including: Operating income	VI.33	786,711,994.21	768,754,075.19
II. Total operating costs		756,402,125.53	692,311,836.16
Including: Operating costs	VI.33	653,787,619.58	624,856,969.17
Taxes and surcharges	VI.34	16,526,522.70	11,514,889.11
Selling and distribution expenses		1,217,081.49	296,573.94
General and administrative expenses		80,843,297.18	50,207,672.17
Research and development expenses			
Financial expenses	VI.35	4,027,604.58	5,435,731.77
Including: Interest expenses		75,000.00	8,068,993.69
Interest income		3,975,847.50	3,447,255.91
Add: Other income	VI.36	111,222,737.07	108,728,837.93
Investment income ("-" for losses)			
Including: Income from investment in associates and joint ventures			
Income arising from derecognition of financial assets measured at amortised cost			
Gains from changes in fair value ("-" for losses)			
Net exposure hedging gain ("-" for losses)			
Gains from changes in fair value ("-" for losses)	VI.37	13,773,532.20	72,888,600.00
Credit impairment losses ("-" for losses)	VI.38	19,541.31	
Impairment losses ("-" for losses)			-16,467.15
Gains from asset disposals ("-" for losses)	VI.39	1,067.26	
III. Operating profit ("-" for loss)		155,326,746.52	258,043,209.81
Add: Non-operating income	VI.40	665,306.10	661,732.69
Less: Non-operating expenses	VI.41	2,618,984.41	1,241,842.09
IV. Profit before taxation ("-" for loss)		153,373,068.21	257,463,100.41
Less: Income tax expenses	VI.42	11,413,651.59	39,641,036.57
V. Net profit for the year ("-" for net loss)		141,959,416.62	217,822,063.84
Including: Attributable to owners of the Company ("-" for net loss)		141,586,241.87	209,761,794.09
Attributable to non-controlling interests ("-" for net loss)		373,174.75	8,060,269.75
Including: Net profit from continuing operations ("-" for net loss)		141,959,416.62	217,822,063.84
Net profit from discontinued operations ("-" for net loss)			
VI. Other comprehensive income, net of tax		-118,713,728.32	-7,941,893.25
Other comprehensive income (net of tax) attributable to shareholders of the Company		-118,713,728.32	-7,941,893.25
1. Items that will not be reclassified to profit or loss			
2. Items that may be reclassified to profit or loss		-118,713,728.32	-7,941,893.25
(1) Other comprehensive income recognised under equity			
(2) Gains or losses arising from changes in fair value of available-for-sale financial assets			
(3) Gains and losses from held-to-maturity investments reclassified into available-for-sale financial assets			
(4) Effective portion of cash flow hedge gains and losses			
(5) Changes in fair value of other debt investments			
(6) Amount of financial assets reclassified into other comprehensive income			
(7) Provision for credit impairment of other debt investments			
(8) Cash flow hedge reserve			
(9) Translation differences of foreign currency financial statements			
(10) Others		-118,713,728.32	-7,941,893.25
Other comprehensive income (net of tax) attributable to non-controlling interests			
VII. Total comprehensive income for the year		23,245,688.30	209,880,170.59
Attributable to: (I) Owners of the Company		22,872,513.55	201,819,900.84
(II) Non-controlling interests		373,174.75	8,060,269.75

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated cash flow statement

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021	2020
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		446,485,529.10	728,703,520.06
Refund of taxes			
Proceeds from other operating activities		1,462,599,191.01	833,464,519.77
Sub-total of cash inflows		1,909,084,720.11	1,562,168,039.83
Payment for goods and services		1,464,492,688.20	854,313,372.92
Payment to and for employees		17,254,162.47	10,996,061.67
Payment of various taxes		20,321,648.88	14,808,772.50
Payment for other operating activities		80,644,944.69	524,308,682.66
Sub-total of cash outflows		1,582,713,444.24	1,404,426,889.75
Net cash inflow from operating activities		326,371,275.87	157,741,150.08
II. Cash flows from investing activities			
Proceeds from disposal of investments		10,000,000.00	
Investment returns received			
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		15,000.00	
Net proceeds from disposal of subsidiaries and other business units			
Proceeds from other investing activities			4,599,756.12
Sub-total of cash inflows		10,015,000.00	4,599,756.12
Payment for acquisition of fixed assets, intangible assets and other long-term assets		499,227,574.80	237,295,658.78
Payment for acquisition of investments		143,681,264.00	54,800,000.00
Net increase in mortgage loans			
Net payment for acquisition of subsidiaries and other business units			
Payment for other investing activities			
Sub-total of cash outflows		642,908,838.80	292,095,658.78
Net cash outflow from investing activities		-632,893,838.80	-287,495,902.66
III. Cash flows from financing activities:			
Proceeds from investors			1,230,000,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries			
Proceeds from borrowings		3,745,219,300.00	2,184,550,000.00
Proceeds from other financing activities		1,045,313,660.44	876,359,178.46
Sub-total of cash inflows		4,790,532,960.44	4,290,909,178.46
Repayments of borrowings		2,006,895,208.80	926,515,869.52
Payment for profit distributions or interest		352,958,087.09	267,963,566.76
Including: dividends and profits paid by subsidiaries to minority shareholders			
Payment for other financing activities		2,329,909,097.42	2,775,383,820.32
Sub-total of cash outflows		4,689,762,393.31	3,969,863,256.60
Net cash outflow/inflow from financing activities		100,770,567.13	321,045,921.86
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents ("-" for decrease)			
Add: Cash and cash equivalents at the beginning of the year		367,434,257.35	176,143,088.07
VI. Cash and cash equivalents at the end of the year			
		161,682,261.55	367,434,257.35

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Consolidated statement of changes in owner's equity

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

2021

Items	Attributable to owner of the Company											Total
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	
		Preferred shares	Perpetual									
I. Balance at 31 December 2020	300,000,000.00			3,584,624,056.32		139,995,074.55	15,639.88	73,223,051.16	674,390,461.21	4,772,248,283.12	87,812,751.31	4,860,061,034.43
Add: Changes in accounting policies												
Corrections of prior period errors												
Business combinations involving enterprises under common control												
Others												
II. Balance at 1 January 2021	300,000,000.00			3,584,624,056.32		139,995,074.55	15,639.88	73,223,051.16	674,390,461.21	4,772,248,283.12	87,812,751.31	4,860,061,034.43
III. Changes in equity during the year ("+" for increases)				-95,457,538.80		-118,713,728.32	192,740.41	13,960,624.62	123,727,069.85	-76,290,832.24	-70,518,330.53	-146,809,162.77
(I) Total comprehensive income												
(II) Owners' contributions and decrease of capital				-95,457,538.80		-118,713,728.32			141,586,241.87	22,872,513.55	373,174.75	23,245,688.30
1. Contribution by owners												
2. Capital invested by holders of other equity instruments												
3. Equity-settled share-based payment												
4. Others				-95,457,538.80						-95,457,538.80		-95,457,538.80
(III) Appropriation of profits								13,960,624.62	-17,859,172.02	-3,898,547.40	-70,891,505.28	-74,790,052.68
1. Appropriation for surplus reserve								13,960,624.62	-13,960,624.62			
2. Appropriation for general risk provision												
3. Distribution to owners												
4. Others									-3,898,547.40	-3,898,547.40	-70,891,505.28	-74,790,052.68
(IV) Transfers within equity												
1. Paid-in capital increased by capital reserve transfer												
2. Paid-in capital increased by surplus reserve transfer												
3. Loss covered by surplus reserve												
4. Changes arising from defined benefit plan transferred to retained earnings												
5. Others												
(V) Special reserve							192,740.41			192,740.41		192,740.41
1. Accrued							494,413.65			494,413.65		494,413.65
2. Utilised							301,673.24			301,673.24		301,673.24
(VI) Others												
IV. Balance at 31 December 2021	300,000,000.00			3,489,166,517.52		21,281,346.23	208,380.29	87,183,675.78	798,117,531.06	4,695,957,450.88	17,284,420.78	4,713,251,871.66

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

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

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	2020											
	Attributable to owner of the Company											
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total
	Preferred shares	Perpetual debts	Others									
I. Balance at 31 December 2019	300,000,000.00			2,763,707,449.14		147,936,967.80		52,384,117.09	485,618,786.62	3,749,647,320.65	16,241,720.45	3,765,889,041.10
Add: Changes in accounting policies												
Corrections of prior period errors												
Business combinations involving enterprises under common control												
Others												
II. Balance at 1 January 2020	300,000,000.00			2,763,707,449.14		147,936,967.80		52,384,117.09	485,618,786.62	3,749,647,320.65	16,241,720.45	3,765,889,041.10
III. Changes in equity during the year ("-" for decreases)				820,916,607.18		-7,941,893.25	15,639.88	20,838,934.07	188,771,674.59	1,022,600,962.47	71,571,030.86	1,094,171,993.33
(I) Total comprehensive income						-7,941,893.25			208,761,794.09	201,819,900.84	8,060,269.75	209,880,170.59
(II) Owners' contributions and decrease of capital				820,916,607.18						820,916,607.18	63,856,017.89	884,572,624.87
1. Contribution by owners				1,230,000,000.00						1,230,000,000.00		1,230,000,000.00
2. Capital invested by holders of other equity instruments												
3. Equity-settled share-based payment												
4. Others				-409,083,392.82						-409,083,392.82		-345,427,375.13
(III) Appropriation of profits								20,838,934.07	-20,990,119.50	-151,185.43	-145,256.58	-296,442.01
1. Appropriation for surplus reserve								20,838,934.07				
2. Appropriation for general risk provision									-20,838,934.07			
3. Distribution to owners									-151,185.43			-151,185.43
4. Others												-145,256.58
(IV) Transfers within equity												
1. Paid-in capital increased by capital reserve transfer												
2. Paid-in capital increased by surplus reserve transfer												
3. Loss covered by surplus reserve												
4. Changes arising from defined benefit plan transferred to retained												
5. Others												
(V) Special reserve							15,639.88			15,639.88		15,639.88
1. Accrued							15,639.88			15,639.88		15,639.88
2. Utilised												
(VI) Others												
IV. Balance at 31 December 2020	300,000,000.00			3,584,624,056.32		139,995,074.55	15,639.88	73,223,051.16	674,390,461.21	4,772,248,283.12	87,812,751.31	4,860,061,034.43

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company balance sheet

as at 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021-12-31	2021-1-1	2020-12-31
Current assets:				
Cash at bank and on hand		93,389,300.52	241,292,287.30	241,292,287.30
Financial assets held for trading				
Bills receivable				
Accounts receivables	VIII.1	1,647,614,626.69	1,186,755,861.53	1,186,755,861.53
Receivables under financing				
Prepayments		55,178,873.51	10,923,986.62	10,923,986.62
Other receivables	VIII.2	3,766,112,048.05	2,335,855,233.21	2,335,855,233.21
Inventories		3,370,759,693.13	2,438,738,664.50	2,438,738,664.50
Contract assets				
Assets held for sale				
Non-current assets due within one year				
Other current assets		5,000,000.00	10,000,000.00	10,000,000.00
Total current assets		8,938,054,541.90	6,223,566,033.16	6,223,566,033.16
Non-current assets				
Debt investments				
Available-for-sale financial assets				8,000,000.00
Other debt investments				
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	VIII.3	328,819,456.11	257,550,192.11	257,550,192.11
Investments in other equity instruments				
Other non-current financial assets		27,000,000.00	8,000,000.00	
Investment properties		1,038,112,900.00	2,088,956,600.00	2,088,956,600.00
Fixed assets		1,273,724,630.08	1,525,524,115.96	1,525,524,115.96
Construction in progress			896,856.93	896,856.93
Productive biological assets				
Oil and gas assets				
Right-of-use assets				
Intangible assets		1,003,833,448.48	1,044,053,703.39	1,044,053,703.39
Development costs				
Goodwill				
Long-term deferred expenses				
Deferred tax assets				
Other non-current assets				
Total non-current assets		3,671,490,434.67	4,924,981,468.39	4,924,981,468.39
Total assets		12,609,544,976.57	11,148,547,501.55	11,148,547,501.55

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company balance sheet (continued)

as at 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021-12-31	2021-1-1	2020-12-31
Current liabilities:				
Short-term loans		1,036,270,904.12	555,315,452.05	554,000,000.00
Financial liabilities held for trading				
Bills payable		37,000,000.00		
Accounts payable		1,207,416,640.43	1,246,803,401.82	1,246,803,401.82
Advance payments received		8,885,613.75	14,401,616.00	14,401,616.00
Contract liabilities		1,604,674.76		
Employee benefits payable				
Taxes payable		95,690,322.79	95,140,342.89	95,140,342.89
Other payables		1,590,456,770.34	1,427,168,004.04	1,455,868,060.27
Liabilities held for sale				
Non-current liabilities due within one year		1,211,308,008.38	672,480,960.10	645,096,375.92
Other current liabilities		80,233.74		
Total current liabilities		5,188,713,168.31	4,011,309,796.90	4,011,309,796.90
Non-current liabilities:				
Long-term loans		1,726,570,000.00	1,090,000,000.00	1,090,000,000.00
Debentures payable				
Including: Preferred shares				
Perpetual debts				
Lease liabilities				
Long-term payables		970,478,260.25	1,212,780,540.02	1,212,780,540.02
Long-term employee remuneration payable				
Provisions				
Deferred income				
Deferred tax liabilities		28,759,315.13	64,887,174.85	64,887,174.85
Other non-current liabilities				
Total non-current liabilities		2,725,807,575.38	2,367,667,714.87	2,367,667,714.87
Total liabilities		7,914,520,743.69	6,378,977,511.77	6,378,977,511.77
Owner's equity:				
Paid-in capital		300,000,000.00	300,000,000.00	300,000,000.00
Other equity instruments				
Including: Preferred shares				
Perpetual debts				
Capital reserve		3,487,701,936.20	3,583,140,211.00	3,583,140,211.00
Less: Treasury shares				
Other comprehensive income		21,281,346.23	139,995,074.55	139,995,074.55
Special reserve				
Surplus reserve		87,183,675.78	73,223,051.16	73,223,051.16
Retained earnings		798,857,274.67	673,211,653.07	673,211,653.07
Total owner's equity		4,695,024,232.88	4,769,569,989.78	4,769,569,989.78
Total liabilities and owner's equity		12,609,544,976.57	11,148,547,501.55	11,148,547,501.55

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company income statement

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021	2020
I. Operating income	VIII.4	724,839,142.79	704,379,282.41
Less: Operating costs	VIII.4	609,210,872.00	594,054,486.72
Taxes and surcharges		15,946,374.92	11,168,593.93
Selling and distribution expenses			
General and administrative expenses		67,382,688.82	39,777,755.90
Research and development expenses			
Financial expenses		4,427,695.66	-1,477,417.90
Including: Interest expenses		75,000.00	866,383.08
Interest income		2,995,637.55	2,368,238.28
Add: Other incomes		110,408,787.68	108,150,000.00
Investment income ("-" for losses)			
Including: Income from investment in associates and joint ventures			
Income arising from derecognition of financial assets measured at amortised cost			
Net exposure hedging gains ("-" for losses)			
Net exposure hedging gain("-" for losses)			
Gains from changes in fair value ("-" for losses)		13,773,532.20	72,888,600.00
Credit losses ("-" for losses)			
Impairment losses ("-" for losses)			
Gains from asset disposals ("-" for losses)			
II. Operating profit ("-" for loss)		152,053,831.27	241,894,463.76
Add: Non-operating income		205,554.28	525,999.00
Less: Non-operating expenses		2,195,489.86	606,445.95
III. Profit before taxation ("-" for loss)		150,063,895.69	241,814,016.81
Less: Income tax expenses		10,457,649.47	33,424,676.07
IV. Net profit for the year ("-" for net loss)		139,606,246.22	208,389,340.74
(I) Net profit from continuing operations ("-" for net loss)		139,606,246.22	208,389,340.74
(II) Net profit from discontinued operations ("-" for net loss)			
V. Other comprehensive income, net of tax		-118,713,728.32	-7,941,893.25
(I) Items that will not be reclassified to profit or loss			
(II) Items that may be reclassified to profit or loss		-118,713,728.32	-7,941,893.25
(1) Other comprehensive income recognised under equity method			
(2) Gains or losses arising from changes in fair value of available-for-sale financial assets			
(3) Gains and losses from held-to-maturity investments reclassified into available-for-sale financial assets			
(4) Effective portion of cash flow hedge gains and losses			
(5) Changes in fair value of other debt investments			
(6) Amount of financial assets reclassified into other comprehensive income			
(7) Provision for credit impairment of other debt investments			
(8) Cash flow hedge reserve			
(9) Translation differences of foreign currency financial statements			
(10) Others		-118,713,728.32	-7,941,893.25
VI. Total comprehensive income for the year		20,892,517.90	200,447,447.49

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company cash flow statement

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Note	2021	2020
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		279,526,114.89	659,669,533.97
Refund of taxes			
Proceeds from other operating activities		898,658,906.40	1,047,703,847.58
Sub-total of cash inflows		1,178,185,021.29	1,707,373,381.55
Payment for goods and services		1,033,649,003.42	758,887,450.69
Payment to and for employees		4,876,646.12	2,206,919.11
Payment of various taxes		13,446,949.76	8,719,367.46
Payment for other operating activities		42,780,047.56	890,943,149.60
Sub-total of cash outflows		1,094,752,646.86	1,660,756,886.86
Net cash inflow from operating activities		83,432,374.43	46,616,494.69
II. Cash flows from investing activities:			
Proceeds from disposal of investments			
Investment returns received			
Proceeds from investment income			
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets			
Net proceeds from disposal of subsidiaries and other business units			
Proceeds from other investing activities			
Sub-total of cash inflows			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		377,251,386.41	234,432,666.51
Payment for acquisition of investments		90,269,264.00	146,318,848.03
Net cash paid to acquire subsidiaries and other business units			
Payment for other investing activities			
Sub-total of cash outflows		467,520,650.41	380,751,514.54
Net cash outflow from investing activities		-467,520,650.41	-380,751,514.54
III. Cash flows from financing activities:			
Proceeds from investors			1,230,000,000.00
Proceeds from borrowings		3,079,119,300.00	1,976,850,000.00
Proceeds from other financing activities		635,514,454.67	590,219,600.00
Sub-total of cash inflows		3,714,633,754.67	3,797,069,600.00
Repayments of borrowings		1,699,911,865.46	598,682,363.53
Payment for profit distributions or interest interests		345,989,326.89	258,037,841.47
Payment for other financing activities		1,492,547,273.12	2,525,465,163.23
Sub-total of cash outflows		3,538,448,465.47	3,382,185,368.23
Net cash inflow/outflow from financing activities		176,185,289.20	414,884,231.77
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents ("-" for decrease)			
Add: Cash and cash equivalents at the beginning of the year		241,292,287.30	160,543,075.38
VI. Cash and cash equivalents at the end of the year		33,389,300.52	241,292,287.30

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company statement of changes in owner's equity

for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Items	2021										Total
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
		Preferred shares	Perpetual debts								
I. Balance at 31 December 2020	300,000,000.00			3,583,140,211.00		139,995,074.55		73,223,051.16	673,211,653.07		4,769,669,989.78
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Balance at 1 January 2021	300,000,000.00			3,583,140,211.00		139,995,074.55		73,223,051.16	673,211,653.07		4,769,669,989.78
III. Changes in equity during the year ("-" for decreases)				-95,438,274.80		-118,713,728.32		13,960,624.62	125,645,621.60		-74,545,766.90
(I) Total comprehensive income						-118,713,728.32			139,606,246.22		20,892,517.90
(II) Owners' contributions and decrease of capital				-95,438,274.80							-95,438,274.80
1. Contribution by owners											
2. Capital invested by holders of other equity instruments											
3. Equity-settled share-based payment											
4. Others				-95,438,274.80							-95,438,274.80
(III) Appropriation of profits								13,960,624.62	-13,960,624.62		
1. Appropriation for surplus reserve								13,960,624.62	-13,960,624.62		
2. Appropriation for general risk provision											
3. Distribution to owners											
4. Others											
(IV) Transfers within equity											
1. Paid-in capital increased by capital reserve transfer											
2. Paid-in capital increased by surplus reserve transfer											
3. Loss covered by surplus reserve											
4. Changes arising from defined benefit plan transferred to retained earnings											
5. Others											
(V) Special reserve											
1. Accrued											
2. Utilised											
(VI) Others											
IV. Balance at 31 December 2021	300,000,000.00			3,487,701,936.20		21,281,346.23		87,183,675.78	798,857,274.67		4,695,024,232.88

The person in-charge of the accounting affairs:

The head of the accounting department:

Parent company statement of changes in owner's equity (continued)
for the year ended 31 December 2021

Prepared by: Suqian Yunhe Port Area Development Group Co., Ltd.

Expressed in Renminbi Yuan

Items	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total
		Preferred shares	Perpetual debts							
I. Balance at 31 December 2019	300,000,000.00			2,768,876,820.00		147,936,967.80		52,384,117.09	485,661,246.40	3,754,859,151.29
Add: Changes in accounting policies										
Corrections of prior period errors										
Others										
II. Balance at 1 January 2020	300,000,000.00			2,768,876,820.00		147,936,967.80		52,384,117.09	485,661,246.40	3,754,859,151.29
III. Changes in equity during the year ("-" for decreases)				814,263,391.00		-7,941,893.25		20,838,934.07	187,550,406.67	1,014,710,838.49
(I) Total comprehensive income						-7,941,893.25			208,389,340.74	200,447,447.49
(II) Owners' contributions and decrease of capital				814,263,391.00						814,263,391.00
1. Contribution by owners				1,230,000,000.00						1,230,000,000.00
2. Capital invested by holders of other equity instruments										
3. Equity-settled share-based payment										
4. Others				-415,736,609.00				20,838,934.07	-20,838,934.07	-415,736,609.00
(III) Appropriation of profits								20,838,934.07	-20,838,934.07	
1. Appropriation for surplus reserve								20,838,934.07	-20,838,934.07	
2. Appropriation for general risk provision										
3. Distribution to owners										
4. Others										
(IV) Transfers within equity										
1. Paid-in capital increased by capital reserve transfer										
2. Paid-in capital increased by surplus reserve transfer										
3. Loss covered by surplus reserve										
4. Changes arising from defined benefit plan transferred to retained earnings										
5. Others										
(V) Special reserve										
1. Accrued										
2. Utilised										
(VI) Others										
IV. Balance at 31 December 2020	300,000,000.00			3,583,140,211.00		139,995,074.55		73,223,051.16	673,211,653.07	4,769,569,989.78

Legal Representative:

The person in-charge of the accounting affairs:

The head of the accounting department:

Suqian Yunhe Port Area Development Group Co., Ltd.

Notes to the 2021 Financial Statements

(Unless otherwise stated, the unit of amount is RMB)

I. Company status

(I) Company status

1. Registered location, organization form and headquarter address of the Company

Suqian Yunhe Port Area Development Group Co., Ltd. (the "Company") established in 13 November 2013, registered capital RMB 300,000,000, paid-in capital RMB 300,000,000, Corporate unified social credit code 91321300083126978F. Its head office is located at Group 2, Chuanhang Village, Yangbei Town, Sucheng District, Suqian City; Legal Representative: Lu Yongjun; Enterprise Type: Limited Liability Company.

The Company was formerly known as Suqian Canal Central Port Development Co., Ltd., which was invested and established by Suqian Industry Development Group Co., Ltd. and Suqian Huinong Industry Development Co., Ltd. in 13 November 2013, with a registered capital of RMB 300,000,000. Yiming Certified Public Accountants (general partnership) verified and issued the capital verification report "Xu Ming Huisuo Yanzi [2013] No. S194".

Shareholders' capital contributions at the time of company registration are as follows:

Investors	Amount(million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Huinong Industry Development Co., Ltd.	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On February 5, 2015, with the approval of Suqian Administration for Industry and Commerce, the Company changed its name to: Suqian Yunhe Port Area Development Co., Ltd.

On September 2, 2015, the shareholder Suqian Huinong Industrial Development Co., Ltd. transferred its 49% equity in the Company to the Non-tax Revenue Administration of Sucheng District, Suqian City. After the equity transfer, the shareholders' capital contribution structure is as follows:

Investors	Amount (million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Sucheng District Non-tax Income Administration	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On April 10, 2017, the shareholder Suqian Sucheng District Non-tax Income Administration

transferred its 49% equity in the Company to Suqian Huinong Industrial Development Co., Ltd. After the equity transfer, the shareholders' capital contribution structure is as follows:

Investors	Amount (million)	Proportion (%)	Type
Suqian Industry Development Group Co., Ltd.	15,300.00	51.00	Currency
Suqian Huinong Industry Development Co., Ltd.	14,700.00	49.00	Currency
Total	30,000.00	100.00	

On August 27, 2019, approved by the Sucheng District Market Supervision Administration of Suqian City, the Company changed its name to: Suqian Yunhe Port Area Development Group Co., Ltd.

2. The business nature and main business activities of the Company

The Company's business scope: road general cargo transportation (can be operated after obtaining the corresponding license); municipal public works construction, highway construction; investment in infrastructure construction; rural land reclamation; asset management. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments)

Licensed items: operation of bonded logistics centers; import and export agency; technology import and export; goods import and export; import and export of state-owned trade management goods; food import and export; Carry out business activities, and the specific business projects are subject to the approval results.

General items: landscaping engineering construction; building materials sales; machinery and equipment sales; forestry product sales; flower planting; flower and green plant rental and management.

3. Approval for issue of financial reports

This financial report has been approved for publication by the Board of Directors of the Company on 25 April 2022.

(II) Consolidated report scope

The scope of consolidation of the Company's consolidated financial statements is determined on a control basis and all controlled subsidiaries are included in the scope of consolidation of the consolidated financial statements.

The changes in the scope of the consolidated financial statements for the period are set out in the following table:

1. New subsidiaries included in the scope of consolidation during the period

Name of entities	Way	Note
Suqian City Gangcheng Water Ecological Environment Engineering Co.	Newly established	

Name of entities	Way	Note
Jiangsu Kale Electromechanical Technology Co.	Newly established	
Jiangsu Casting Up Construction Engineering Co.	Purchase	

2. Subsidiaries no longer included in the scope of consolidation during the period

None.

The Company has 14 companies included in the scope of consolidation, of which 10 are subsidiaries and 4 are grandchildren. For details of the subsidiaries included in the scope of the consolidated financial statements, please refer to "Note VIII-1, Interests in subsidiaries"; for details of changes in the scope of consolidation, please refer to "Note VII, Changes in the scope of consolidation".

II. Preparation basis of the financial statements

1. Basis of preparation

The financial statements have been prepared on the going concern basis, according to the Accounting Standards for Business Enterprises—Basic Standards (MOF Decree Release No.33, MOF Decree Amendment No.76) promulgated by the Ministry of Finance, the 42 Items of Specific Accounting Standards promulgated and amended on and after 15 February 2006, the Accounting Standards for Business Enterprises Application Guidelines, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Accounting Standards for Business Enterprises Interpretations and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), based on actual transaction and event.

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company's accounting is based on the accrual basis. Except for certain financial instruments and investment properties, the financial statements are measured on the historical cost basis. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with relevant regulations.

2. Sustainable operations

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

III. Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS") issued by the Ministry of Finance ("MOF") of the People's Republic of China. These financial statements present truly and completely the consolidated financial position and financial

position of the Company as at 31 December 2021, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

IV. Significant accounting policies and accounting estimates

1. Accounting period

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

2. Operating 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 12 months as an operating cycle and uses it as the standard for dividing the liquidity of assets and liabilities.

3. Functional currency

The Company uses RMB as its local currency of account.

4. Accounting treatment method for business combination under the same and different control

A business combination refers to a transaction or event that combines two or more separate businesses to form a reporting entity. Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For a business combination under the same control, the party that obtains control over other companies participating in the merger on the merger date is the merging party, and the other companies participating in the merger are the merged party. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total face value of shares issued) is adjusted against the capital premium in the capital reserve, with any excess adjusted against retained earnings.

Any costs directly attributable to the combination is recognised in profit or loss when incurred.

(2) Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill

is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 14 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the book value of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities(that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; If the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities(that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5. Consolidated financial statement preparation method

(1) The principle of determining the scope of consolidated financial statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by

participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the Company and all its subsidiaries. Subsidiaries are those that are controlled by the Company.

The Company will conduct a reassessment once the relevant facts and changes in circumstances have caused changes in the relevant elements involved in the above control definition.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the Company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the purchase date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the Company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the Company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits

and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority shareholders' interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 14 "Long-term equity investments" or Note IV. 9 "Financial Instruments".

If the Company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are signed simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not the package deal, for each transaction, accounting treatment is conducted according to the applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control right" (see Note IV 14 (2) ④) and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose

control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the Company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the Company only has rights to the net assets of the arrangement.

Corporate investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 14 (2) ② “Long-term equity investments accounting by the equity method” .

The Company operates jointly as a joint venture, confirming the assets held by the Company alone, the liabilities the Company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the Company; confirming the income generated from the sale of the Company's joint operating output share; the income generated from the sales of joint operations according to the Company's share; confirming the expenses incurred by the Company alone, and confirming the cost of joint operations according to the Company's share.

When the Company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The Company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the “Accounting Standards for Enterprises No. 8 - Asset Impairment”, etc., for the case of the assets invested or sold by the Company to the joint operations, the Company fully confirms the losses; Where the Company purchases assets from a joint operation, the Company confirms the loss according to its share of commitments.

7. Determination standards of cash and cash equivalents

The Company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the Company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign exchange business

(1) Conversion of foreign currency transactions

When initially confirming the foreign currency transaction occurred by the Company, it shall be converted into the functional currency according to the spot exchange rate on the transaction date. However, the foreign currency conversion business or the transaction involving foreign currency conversion that occurred in the Company shall be converted into functional currency amount according to the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; ② for the available-for-sale foreign currency monetary items, the exchange difference arising from Cost change other than the amortized cost is included in other comprehensive income.

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates are included in other comprehensive income; When disposing of overseas operations, transfer to disposal of current profits and losses.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.

(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 a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be recognized as "foreign currency statement translation differences" as other comprehensive income; disposal of overseas operations, included in the current profit and loss of disposal.

Foreign currency financial statements of overseas operations are converted into RMB statements according to the following methods: assets and liabilities items in the balance sheet are converted at the spot exchange rate on the balance sheet date; shareholders' equity items except for "undistributed profits" items, other items Converted at the spot exchange rate at the time of occurrence. The income and expense items in the income statement shall be translated at the current average exchange rate on the transaction date. The undistributed profit at the beginning of the period is the undistributed profit at the end of the period after conversion of the previous year; the undistributed profit at the end of the year is calculated and listed according to each item of profit distribution after conversion; the difference between the total amount of asset items, liabilities items and shareholders' equity items after conversion , as the foreign currency statement translation difference, and recognized as other comprehensive income. When disposing of an overseas operation and losing control, transfer the foreign currency statement translation difference related to the overseas operation listed under the item of shareholders' equity in the balance sheet to the current profit and loss of disposal in full or in proportion to the disposal of the overseas operation.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated at the current average exchange rate on the day when the cash flows occurred. The impact of exchange rate changes on cash is used as a reconciling item and is presented separately in the cash flow statement.

The opening amount and the actual amount of the previous period are presented according to the amount converted from the financial statements of the previous period.

When disposing of the Company's entire owner's equity in overseas operations or losing control over overseas operations due to the disposal of part of the equity investment or other reasons, the ownership of the overseas operations listed under the owner's equity item in the balance sheet shall be attributed to the overseas operations. The foreign currency statement translation difference of the owner's equity of the parent company shall all be transferred to the current profit and loss on disposal.

When part of the equity investment is disposed of or other reasons lead to a reduction in the proportion of the equity held in the overseas operation but the control over the overseas operation is not lost, the foreign currency statement translation difference related to the part of the disposal of the overseas operation will be attributed to minority interests and will not be transferred to the current profit and loss. When disposing of part of the equity of an associate or a joint venture in an overseas operation, the foreign currency statement translation difference related to the overseas operation shall be transferred to the current profit and loss according to the proportion of the

disposal of the overseas operation.

9. Financial instruments

The following financial instrument accounting policy is applicable to 2021 and beyond:

When the Company becomes a party to a contract of a financial instrument, the Company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the Company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the Company regards the amount of consideration expected to charge as the initial recognition amount.

① Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The Company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

② Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The Company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the Company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The Company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

③ Financial liabilities measured at fair value with changes included in current profit and loss

The Company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the Company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses contain transactional financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the Company's own credit risk changes, with fair value changes included in other comprehensive incomes, and when the liabilities are

derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the Company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

② Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the Company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to

the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the Company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the Company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(4) De-recognition of financial liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the Company derecognizes such financial liabilities (or a part thereof). If the Company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the Company makes substantial modification to the contractual clauses of original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the Company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the Company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the Company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the Company determines their fair value by using quotation on active market. Quoted market prices in an active

market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc., and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the Company determines their fair value by using valuation techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the Company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

(7) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the Company's remaining equity in the assets after deducting all liabilities. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize the fair value changes of equity instruments.

If dividends for corporate equity instruments are distributed during the existence period (including "interests" generated by instruments classified as equity instruments), they shall be treated as profit distribution.

The following financial instrument accounting policy was applicable to 2020:

When the Company becomes a party to a contract of a financial instrument, the Company shall recognize a financial asset or financial liability. Financial assets and financial liabilities are measured at fair value on initial confirmation. For the financial assets and financial liabilities measured at fair value and the changes therein are recognized into current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss, and for other categories of financial assets and financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

(1) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. The Company measures fair values of financial assets and financial liabilities

at the price in the major market. If no major market, the price best favorable to the market should be used to measure the fair values of financial assets and financial liabilities and current applicable valuation technique with sufficient applicable data and other information support is used. Input value for measurement of fair value can be divided into three levels, i.e. the first-level input value is unadjusted quotation on same assets or liabilities obtained in the active market at the date of measurement; the second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; the third-level input value is non-observable input value of related assets or liabilities. The Company prefers to use the first-level input value, and use the third-level input value finally. Level of the measurement result of fair value is decided according to the lowest level of input value with great significance for whole measurement of fair value.

(2) Classification, confirmation and measurement of financial assets

The financial instruments traded in a conventional manner shall be conducted accounting recognition and de-recognition at the date of transaction. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss

Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong to a part of recognizable financial instruments of centralized management, with objective evidence to show the Company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management

personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

② Held to maturity investments

Refers to non-derivative financial assets with a fixed due date, a fixed or recyclable amount, and the Company's clear intention and ability to hold until maturity.

Subsequent to initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

The effective interest rate method refers to the method of calculating the amortized cost and the interest income or expenses of each period according to the effective interest rate of the financial assets or financial liabilities (including a group of financial assets or financial liabilities). Effective interest rate is the interest rate at which the future cash flows of the financial asset or liability in the expected duration or during shorter applicable time period are discounted into its present nominal value.

When calculating actual interest rate, the Company will estimate future cash flow (without considering future credit losses) based on considering all contractual clauses of financial assets or financial liabilities, while also considering various charges, transaction expenses, discounts or premiums and the like which form part of actual interest rate, paid or charged between contractual parties of financial assets or financial liabilities.

③ Loans and receivables

It refers to the non-derivative financial assets that have no quoted price in an active market, with a fixed or determinable recovery amount. The financial assets classified by the Company as loans and receivables include notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Subsequent to initial recognition, loans and receivables are stated at amortized cost using the effective interest method. The profit or loss arising in de-recognition, impairment or amortization is accounted into current profit or loss.

④ Available for sale financial assets

It includes the non-derivative financial assets that are designated as available for sale at initial recognition, and financial assets charged to profit or loss for the current period other than financial assets at fair value, loans and receivables, and financial assets out of held-to-maturity investments.

Cost of the available-for-sale debt instrument at the end of the period should be recognized with amortized cost method, which is initially recognized amount minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment. Cost of the available-for-sale equity instrument at the end of the period is the originally obtained cost.

Available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value, other than exchange differences related with impairment losses and foreign currency monetary financial assets and amortized costs in profit or loss for the current period, are recognized in other comprehensive income. When the financial asset is derecognized, it is transferred out and included in the current profit and loss. However, the equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured, and the derivative financial assets that are linked to the equity instrument and must be settled through delivery of the equity instrument are subsequently measured at cost.

Interest on available-for-sale financial assets and cash dividend income that the invested entity declares are recognized in investment income.

(3) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the Company checks the book value of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the Company should make the provision for impairment.

The Company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an-objective-evidence that the value of the financial asset has been

recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The book value of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired. Among them, "serious decline" refers to the cumulative decline in fair value over 20%; "non-temporary decline" refers to the continuous decline in fair value over 12 months.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.

(4) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the Company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the

relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the Company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the Company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and

financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract and loan commitment

The financial guarantee contract that does not belong to financial liabilities measured at fair value with the changes charged to current profits and losses, or the loan commitment that is not designated to measure at fair value with the changes charged to profits and losses and will be subject to loan lower than the market interest rate, is initially recognized as per the fair value, and after initial recognition, it is subsequently measured at the higher between the amount determined pursuant to the Accounting Standards for Business Enterprises No.13 – Contingencies and the balance of initially recognized amount deducting the cumulative amortization amount determined pursuant to the Accounting Standards for Business Enterprises No.14 – Income.

(6) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the Company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(7) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Except for derivatives that are designated as hedging

instruments with the high effective hedges, the fair value gains or losses should be recorded in the determined profit or loss period based on the nature of the hedging relationship and the requirements of hedge accounting. And the changes in value of the remaining fairness derivatives are charged to the current profit or loss.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(8) Offset of financial assets and financial liabilities

When the Company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the Company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(9) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the Company's remaining equity in the assets after deducting all liabilities. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The Company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are deducted from equity.

The Company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The Company does not recognize the changes in fair value of equity instruments.

10. Impairment of financial assets

The financial assets that the Company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investments, long-term receivables, etc.

In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

(1) Method for recognizing impairment provision

Based on expected credit losses, the Company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the Company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the Company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the Company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the Company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the Company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the Company considers all reasonable and well-grounded information, including forward-looking information.

For financial instruments with lower credit risks on the balance sheet date, the Company assumes their credit risks have not increased significantly since initial recognition, and chooses to measure loss provision based on expected credit losses within the next 12 months.

(2) Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have increased significantly. Except in special circumstances, the Company adopts the default risk changes that occur within the next 12 months as reasonable estimate of default risk changes that occur throughout the existence period, to determine whether credit risks have increased significantly since initial recognition.

In general, if overdue for more than 30 days, the Company believes credit risk of this financial

instrument has increased significantly, unless conclusive evidences prove credit risk of this financial instrument has not increased significantly since initial recognition.

The Company will consider the following factors when assessing whether credit risk is increased significantly:

- 1) Whether the actual or expected operating results of the debtor have changed significantly;
- 2) Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes;
- 3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;
- 4) Whether expected performance and repayment behavior of the debtor has changed significantly;
- 5) Whether corporate credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the Company judges financial instrument only has relatively low credit risk, the Company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

(3) Criteria for judging financial assets with credit impaired

When one or more events with an adverse impact on the expected future cash flow of financial asset occur, such financial asset becomes a credit-impaired financial asset. Evidence for credit impairment of financial assets includes the following observable information:

- 1) The issuer or debtor has major financial difficulties;
- 2) The debtor breaches the contract, such as defaulting or overdue payment of interest or principal;
- 3) Considering relevant economic or contract of debtor's financial difficulties, the creditor gives the debtor concession that would never be made under any other circumstances;
- 4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- 5) The issuer or debtor is in financial difficulties, causing active market for such financial assets disappeared;

6) A financial asset is purchased or derived at a huge discount which indicates the fact of credit loss occurrence.

Credit impairment of financial assets may be caused by joint action of multiple events, and not necessarily separately identifiable event.

(4) Portfolio method for evaluating expected credit risks based on portfolio

The Company evaluates credit risks individually for financial assets with significantly different credit risks, e.g.: receivables from associated parties; receivables in dispute with the other party or involved in litigation and arbitration; receivables with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

Apart from financial assets with single assessment of credit risk, the Company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the Company include: financial instrument type, credit risk rating, aging portfolio, overdue account aging portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk based on portfolio.

(5) Accounting treatment method of financial asset impairment

At the end of period, the Company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

(6) Method for recognizing credit losses of various financial assets

① Bills receivable

The Company measures loss provision for bills receivable based on the amount equivalent to expected credit losses throughout the existence period. Based on credit risk characteristics of bills receivable, they are divided into different portfolios:

Items	Basis of determining the portfolio
Bank acceptance bill	Acceptors are banks with low credit risks
Commercial acceptance bill	According to credit risk division of the acceptor, it is the same as the division of "accounts receivable" portfolio

The Company generally does not consider a bad debt provision for banker's acceptances that are in good standing.

② Accounts receivable and contract assets

With regard to accounts receivable and contract assets excluding major financing components, the Company measures loss reserve at the amount equivalent to the expected credit loss throughout the duration.

With regard to accounts receivable and contract assets including major financing

components, the Company chooses to always measure loss reserve at the amount equivalent to the expected credit loss throughout the duration.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio	Accrual method
Portfolio 1: Ageing portfolio	The portfolio uses the ageing of the receivables as the credit risk characteristic.	Accrued in accordance with the ageing group versus expected credit loss ratio table
Portfolio 2: Other combinations	Receivables within the scope of consolidation of the Company's financial statements, receivables from various governmental units and companies in which it invests, etc.	The expected credit loss rate is zero unless there is objective evidence that the Company will not be able to collect on the original terms of the financial instrument

Provisioning for bad debts by combination

A. For the ageing portfolio, the Company's expected credit loss rates, determined in accordance with the ageing analysis, are as follows:

Ageing	Percentage of accrual for accounts receivable (%)
Within 1 year (inclusive)	0.00
Over 1 year but within 2 years	10.00
Over 2 years but within 3 years	20.00
Over 3 years but within 4 years	30.00
Over 4 years but within 5 years	50.00
Over 5 years	100.00

B. For other combinations, the Company does not make provision for bad debts.

③ Other receivables

The Company measures impairment losses based on whether the credit risks of other receivables have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period. In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio	Accrual method
Portfolio 1:	This portfolio takes the aging of receivables as	According to the comparison table of aging

Items	Basis of determining the portfolio	Accrual method
Ageing portfolio	credit risk characteristics.	combination and expected credit loss rate
Portfolio 2: Other combinations	This portfolio includes accounts receivable within the consolidated scope of the Company's financial statements, current accounts, deposits, security deposits, reserve funds and other funds formed by various government units and their invested companies.	The expected credit loss rate is zero unless there is objective evidence that the Company will not be able to recover the money according to the original terms of the financial instrument.

The method of withdrawing bad debt provision by combination

A. Aging portfolio, the expected credit loss rate determined by the Company according to the aging analysis method is as follows:

账龄	Percentage of accrual for other receivable (%)
Within 1 year (inclusive)	0.00
Over 1 year but within 2 years	10.00
Over 2 years but within 3 years	20.00
Over 3 years but within 4 years	30.00
Over 4 years but within 5 years	50.00
Over 5 years	100.00

B. For other combinations, the Company does not make provision for bad debts.

11. Receivables financing

Notes receivable and accounts receivable that are classified as measured at fair value and whose changes are included in other comprehensive income and whose maturity is within one year (inclusive) from the date of acquisition are listed as receivables financing; where the maturity is more than one year since acquisition, they shall be listed as other creditor's rights investments. Refer to Notes IV, 9 "Financial Instruments" and Notes IV, 10 "Impairment of Financial Assets" for the relevant accounting policies.

12. Inventories

(1) Classification of inventories

The Company's inventories are classified into raw materials, inventory goods, working capital materials (e.g. low value consumables), development costs and contract performance costs.

Valuation method of issued inventories

Materials issued are accounted for using the weighted average method and inventory goods issued are accounted for using the weighted average method.

(2) Basis for determining the net realisable value of inventories and the method of providing for a decrease in the value of inventories

1) Basis for determining the net realisable value of inventories

① The net realisable value of inventories of goods (finished goods) and materials for sale, which are directly used for sale, is determined in the normal course of production and operation by taking the estimated selling price of the inventories less estimated selling expenses and related taxes.

② Material inventories subject to processing, in the normal course of production operations, the estimated selling price of the finished goods produced, less the estimated costs to be incurred to completion, estimated selling expenses and related taxes, to determine their net realizable value.

③ The net realisable value of inventories held for the purpose of executing sales contracts or labour contracts is calculated on the basis of the contract price; if the Company holds more inventories than the quantity ordered under the sales contract, the net realisable value of the excess inventories is calculated on the basis of the general selling price.

④ Where the net realisable value of finished goods produced from materials, etc. held for production is higher than cost, such materials are still measured at cost; where a decrease in the price of materials indicates that the net realisable value of finished goods is lower than cost, such materials are measured at net realisable value.

2) Method of providing for decline in value of inventories

① Provision for decline in value of inventories is made at the lower of cost or net realisable value of individual items of inventories.

② For a large quantity of inventory with a low unit price, the Company provides for a provision for a decrease in the value of inventory according to the category of inventory.

(3) Inventory inventory system

The Company adopts a perpetual inventory system for inventory taking and conducts regular physical inventories.

(4) Amortisation method of working capital materials

1) Amortisation method of low-value consumables

The Company adopts the lump sum method of amortisation for low-value consumables.

2) Amortisation method for packaging materials

The Company uses the lump-sum method to amortise packaging items.

13. Contract assets

For the rights that customers have not yet paid contract consideration, but the Company has fulfilled performance obligations in accordance with the contract, not attributable to unconditional (i.e. only depending on time lapse) payment collection from customers, the Company presents them as contract assets in balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to Note IV 10 Financial asset impairment.

14. Long-term equity investments

The long-term equity investment 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 long-term equity investments of which the Company does not have control, joint control or significant impact on the investee company are accounted as financial assets measured at fair value with changes included in current profits and losses, if they belong to non-transactional, the Company may choose to designate them as financial assets measured at fair value with changes included in other comprehensive income at initial recognition for accounting, and the accounting policy is shown in Note IV 9 "Financial instruments".

Joint control means that the Company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the Company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the Carrying amounts of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the Carrying amounts of the debts borne by the merging party shall offset against the capital

reserve. If capital reserve is insufficient, retain earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the Carrying amounts of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted. Where the equity of the merged party under the same control is obtained through multiple transactions by steps, to ultimately form business combination under the same control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall on the date of merger, regard the share of the Carrying amounts of the owner's equity of the merged enterprise in the merger's consolidated financial statement as the initial cost of the long-term-equity investment. The difference between the initial cost of the long-term equity investment and the sum of the Carrying amounts of long-term equity investment before the acquisition and Carrying amounts of consideration paid for obtaining shares at the purchase date shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. The equity investments held before the consolidation date due to using equity method of accounting or other comprehensive income recognized as financial assets measured at fair value with changes included in other comprehensive income, are not accounted temporarily.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the Carrying amounts of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by

the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 Carrying amounts of the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the Company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the Carrying amounts of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the Carrying amounts of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the Company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the Company and the investment income and other comprehensive income should be also confirmed. For transactions between the Company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the Company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the Company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. If the assets invested by the Company to joint venture or associate constitutes a business, if the investor obtains a long-term equity investment without the right of control, the fair value of the investment is used as the initial investment cost of the new long-term equity investment. The difference between the initial investment cost and the Carrying amounts of the investment business is fully accounted in the current profit or loss. If the assets invested by the Company to joint venture or associate constitutes a business, the difference between the consideration obtained and the Carrying amounts of the business is fully recorded in the current profit or loss. Where the Company constitutes business by the assets purchased from associated enterprises and joint ventures, accounting treatment shall be conducted pursuant to the provisions of the Accounting Standards for Business Enterprises No.20 – Enterprise consolidation, and the gains or losses related to transactions are fully recognized.

When the net losses incurred by the invested entity are confirmed, the Carrying amounts of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the Company has the obligation to bear

additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the Company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the carrying amounts and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has been accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should be accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than

net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss.

If the Company disposes of part of the equity investment and loses control of the invested entity, when the individual financial statements are prepared, if the remaining equity after disposal can exert joint control or significant influence on the investee, it should be calculated according to the equity method, and the residual equity is regarded as being adjusted as equity method when it is obtained; if the remaining equity after disposal cannot exert joint control or significant influence on the invested entity, it should be accounted in accordance with the relevant provisions of the criteria for recognition and measurement of financial instruments. The difference between the fair value on the date of loss of control and the Carrying amounts is included in the current profit or loss. Before the Company obtains control over the investee, for the other comprehensive income recognized as equity method or financial instrument recognition and measurement standard, it is recorded with the basis that the investee disposes of directly the related assets and liabilities when it loses control over the investee. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss when it loses control over the investee. Among them, if the remaining equity after disposal is accounted as the equity method, other comprehensive income and other owners' equity are transferred in proportion; if the residual equity after disposal is accounted as according to the criteria for recognition and measurement of financial instruments, other comprehensive income and all other rights & interests are fully transferred.

If the Company disposes of part of the equity investment and loses the joint control or significant influence on the investee, the remaining equity after disposal should be calculated according to the criteria for confirmation and measurement of financial instruments, and the difference between the carrying amounts and the fair value on the date of loss of joint control or significant influence is included in the current profit or loss. For the other comprehensive income recognized in the original equity investment as the equity method, it is accounted with the same basis that the investee disposes of directly the related assets or liabilities when the equity method is terminated. The changes in the other owners' equity as the equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss fully when the equity method is terminated.

The Company disposes of the equity investment in the subsidiary company through multiple transactions step by step until it loses control. If the above transaction belongs to a "package deal", the-each transaction should be accounted to dispose of the equity investment in the

subsidiary and lose control. Before the loss of control, for the difference between the carrying amounts of the disposal equity corresponding to the long-term equity investment and each disposal price, it is at first recognized as other comprehensive income, and then transferred to the current profit or loss at the time of loss of control.

15. Investment properties

(1) Scope of investment properties

Investment properties are properties that are held to earn rentals or for capital appreciation, or both, and that can be measured and sold separately. The Company's investment real estate includes leased buildings, leased land use rights, and land use rights held and prepared to be transferred after appreciation.

(2) Recognition conditions for investment properties

Investment real estate can only be confirmed if it meets the following conditions at the same time:

1) It is probable that the economic benefits associated with the investment property will flow to the Company;

2) The cost of the investment property can be measured reliably.

(3) Investment properties that are subsequently measured using the fair value model

1) Basis for selecting the fair value model for subsequent measurement

For the investment properties for which there is conclusive evidence that the fair value can be obtained continuously and reliably, the Company adopts the fair value model for subsequent measurement.

Only if the following conditions are met at the same time, the Company can adopt the investment properties measured by the fair value model:

① There is an active properties transaction market where the investment properties is located;

② The Company can obtain the market price and other relevant information of the same or similar real estate from the real estate transaction market, so as to make a reasonable estimate of the fair value of the investment properties.

2) Determination of fair value of investment properties

① Under the condition that the current market price of the same or similar properties can be obtained, the Company shall determine the fair value of the investment properties with reference to the current market price of the same or similar properties in the active market (public quotation).

② In the event that the current market price of similar or similar real estate cannot be

obtained, the Company refers to the recent transaction price of similar or similar properties in the active market, and considers the transaction situation, transaction date, location and other factors, or based on the expected future rental income and The fair value of investment properties is reasonably estimated based on the present value of cash flows.

Similar or similar buildings refer to buildings located in the same geographical location and geographical environment, of the same nature, of the same or similar structure type, of the same or similar age, and of the same or similar usable conditions; similar or similar land use rights, refers to the land in the same location area, the same or similar geographical environment, and the same or similar usable conditions.

For the investment properties measured by the fair value model, the Company does not accrue depreciation or amortization, and adjust its Carrying amounts based on the fair value of the investment properties on the balance sheet date, and the difference between the fair value and the original Carrying amounts is calculated. into the current profit and loss.

16. Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the Company and the cost of the fixed asset can be measured reliably. Fixed.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Category	Estimated useful life	Residual value rate (%)	Depreciation rate (%)
Plant & buildings	20~40	5.00	2.38~4.75
Machinery & equipment	5~10	5.00	9.50~19.00
Motor vehicles	5~10	5.00	9.50~19.00
Electronic equipment	3~5	5.00	19.00~31.67
Office equipment	3~5	5.00	19.00~31.67

The expected net residual value is the amount that the Company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment of fixed assets

Please refer to Note IV.18 "Long-term Assets Impairment" for the method of impairment test and provision for impairment of fixed assets.

(4) Recognition basis and valuation method of fixed assets under financing lease

A financial lease is a lease that substantially transfers all risks and rewards related to the ownership of an asset, and its ownership may or may not be transferred eventually. Fixed assets leased in by means of finance leases are depreciated for leased assets using the same policies as self-owned fixed assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, depreciation shall be accrued within the useful life of the leased asset; Depreciation is accrued during the period.

(5) Other instructions

Subsequent expenditures 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, they will be included in the cost of fixed assets, and the Carrying amounts of the replaced part will be derecognized. Other subsequent expenses other than this shall be included in the current profit and loss when incurred.

When a fixed asset is in a state of disposal or it is expected that no economic benefits will be generated through use or disposal, the fixed asset is derecognized. The difference between the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting its Carrying amounts and related taxes is included in the current profit and loss.

The Company will review the service life, estimated net residual value and depreciation method of fixed assets at least at the end of the year. If there is any change, it will be treated as a change in accounting estimates.

17. Construction in progress

Costs of construction in progress are determined on the basis of actual project expenditures, including project expenditures incurred during construction, capitalized borrowing costs and other related expenses before the project reaches its expected usable condition. Construction in progress is carried over to the fixed assets after it reaches its intended usable condition. For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 20 "Long-term asset impairment".

18. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the

acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

19. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the Company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the Company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and

building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight-line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized

The categories of intangible assets, estimated useful lives, estimated net salvage rates and annual amortisation rates are shown below:

Category	Estimated useful life	Residual value rate (%)	Depreciation rate (%)
Land use rights	50	0	2.00
Software	10	0	10.00

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the Company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- ④ Sufficient technical, financial and other resources to support the development of the

intangible assets and the ability to use or sell the intangible assets;

⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note IV.20 "Long-term asset impairment".

20. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited useful lives, investment properties measured at cost, and long-term equity investments in subsidiaries, joint ventures, and associates, the Company lists them in the balance sheet. Judging whether there is any sign of impairment. If there is any indication of impairment, estimate its recoverable amount and conduct an impairment test. Goodwill, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state are subject to an annual impairment test regardless of whether there is any sign of impairment.

If the result of the impairment test indicates that the recoverable amount of the asset is lower than its Carrying amounts, an impairment provision shall be made according to the difference and included in the impairment loss. The recoverable amount is the higher of the fair value of the asset less disposal costs and the present value of the asset's estimated future cash flows. The fair value of the asset is determined based on the price of the sales agreement in the fair transaction; if there is no sales agreement but there is an active market for the asset, the fair value is determined based on the buyer's bid for the asset; if there is no sales agreement and the asset has an active market, the highest available price is used. The fair value of assets is estimated based on the best information. Disposal costs include legal fees, related taxes, removal fees, and direct costs incurred in bringing the asset to marketable condition in connection with the disposal of the asset. The present value of the expected future cash flow of the asset is determined according to the expected future cash flow generated during the continuous use and final disposal of the asset, and the discounted amount is determined by selecting an appropriate discount rate. The provision for asset impairment is calculated and confirmed on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest group of assets that can independently

generate cash inflows.

For the goodwill listed separately in the financial statements, when conducting the impairment test, the Carrying amounts of the goodwill shall be apportioned to the asset group or combination of asset groups expected to benefit from the synergistic effect of the business combination. If the test results show that the recoverable amount of the asset group or combination of asset groups including the apportioned goodwill is lower than its Carrying amounts, the corresponding impairment loss shall be recognized. The amount of Impairment loss is first deducted from the Carrying amounts of the goodwill apportioned to the asset group or combination of asset groups, and then based on the proportion of the Carrying amounts of other assets other than goodwill in the asset group or combination of asset groups. Deducting the Carrying amounts of other assets.

Once the above-mentioned asset impairment loss is confirmed, it will not be reversed in subsequent periods to recover the value of the asset.

21. Contract liabilities

Contract liabilities refer to corporate obligation of transferring commodities to customers for customer consideration received or receivable. If customers have paid contract consideration or the Company has obtained unconditional right of receiving payment before the Company transfers commodities to customers, the Company presents such received amount or receivables as contract liabilities at the time of actual payment amount or payable in due time by customers, whichever is earlier. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

22. Employee benefits payable

Staff remuneration of the Company mainly includes short-term staff remuneration, post-employment welfare, dismissal welfare and other long-term staff welfares. Of which:

Short-term remuneration mainly includes wage, bonus, allowance and subsidy, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing reserve fund, labor union fund and staff education fund, non-monetary welfare, etc. The Company recognizes actual short-term staff remuneration incurred during accounting period when the employee provides service for the Company as liabilities, and charges to current profits and losses or related asset costs. Of which non-monetary welfare is measured at fair value.

Post-employment welfare mainly includes basic pension insurance, unemployment insurance and annuity, etc. Post-employment welfare plan includes defined contribution plan and

defined benefit plan. For defined contribution plan, the corresponding payable amount shall be included in relevant asset cost or current profits and losses when incurred.

Prior to the expiration of the labor contract, terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. When the bank cannot unilaterally withdraw the termination benefits due to termination of labor relation plans or the layoff proposal provided, confirm with the bank regarding the earlier date of costs relates to the restructure of paying resignation welfare associated, confirm the employee remuneration liabilities generated from termination of benefits, and included in the current profits and losses. Nevertheless, if the dismissal welfare is expected not to be fully paid within twelve months after end of the annual reporting period, it shall be handled as per other long-term employee remuneration.

Internal retirement plan of employee can be handled by the same principle as the above dismissal welfare. The Company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

For other long-term staff welfare offered by the Company to the employee, in case of compliance with the defined contribution plan, it shall be accounted for as per the defined contribution plan, or otherwise accounted for as per the defined benefit plan.

23. Provisions

When the obligation related to contingencies simultaneously meets the following conditions, it is recognized as estimated liability: (1) such obligation is the current obligation assumed by the Group; (2) the performance of such obligation is likely to cause outflow of economic benefits; (3) the amount of such obligation can be reliably measured.

On the balance sheet date, the estimated liabilities are measured according to the best estimate of expenditures required for performing relevant current obligations, considering such factors as relevant risks of contingent event, uncertainties and currency time value, etc.

If all or part of expenditures required for liquidation of estimated liabilities are expected to be compensated by the third party, when the compensation amount is basically determined to be receivable, it is recognized separately as asset, and the recognized compensation amount does not exceed book value of the estimated liabilities.

24. Operating Incomes

The following accounting policy of income is applicable to 2021 and beyond:

When the contract between the Company and customers meets the following conditions

simultaneously, income is recognized when customers obtain relevant control right of commodity: all parties to the contract have approved this contract and promised to perform their respective obligations; the contract has clarified the rights and obligations of all parties to the contract pertaining to the transferred commodity or provided labor; the contract has clear payment terms regarding the transferred commodity; the contract has commercial substance, namely the performance of this contract will change the Company's future cash flow risk, time distribution or amount; the consideration obtained by the Company due to transferring commodity to customers is likely to be recovered.

On the contract start date, the Company identifies each individual performance obligation in the contract, and apportions the transaction price to each individual performance obligation as per the relative proportion of separate selling price for the commodity promised by each individual performance obligation. When determining transaction price, the impact of factors are considered, such as variable consideration, major financing component in the contract, non-cash consideration and consideration payable to customers.

For each individual performance obligation in the contract, if one of the following conditions is met, the Company recognizes the transaction price apportioned to this individual performance obligation as income during relevant performance period according to the performance progress: customers obtain and consume the economic benefits brought by the Company's performance while the Company is performing contract; customers can control the commodities in progress during performance of the Company; the commodities produced during performance of the Company have irreplaceable application, and the Company has the right to charge funds on the part that has completed performance so far during the entire contract period. The performance progress is determined by input method or output method according to the nature of the transferred commodity. When the performance progress cannot be reasonably determined, if corporate costs incurred are expected to be compensated, income is recognized according to the amount of costs incurred until performance progress can be reasonably determined.

If one of the above conditions is not met, the Company recognizes income for the transaction price apportioned to this individual performance obligation at the time when customers obtain relevant control right of commodity. When judging whether customers have obtained commodity control right, the Company considers the following signs: the Company is entitled to current charging right for such commodity, which means customers have current payment obligation for such commodity; the Company has transferred legal ownership of such commodity to customers, which means customers have held legal ownership of such commodity; the Company has transferred such commodity in kind to customers, which means customers have occupied such

commodity in kind; the Company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The following income accounting policy is applicable to 2020 and before:

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant economic benefits are likely to flow into the Company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor service transaction completion is determined as per the proportion of labor service already provided to total labor service required.

The result of labor provision transaction can be reliably measured meaning to simultaneously satisfy: ① income amount can be measured reliably; ② relevant economic benefits are likely to flow into the Company; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the labor service costs already incurred are not expected to be compensated, the income are not recognized, and the labor service costs incurred are included in current profits and losses.

When the contract or agreement signed between the Company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance

sheet date. Contract completion progress is determined according to the percentage of completed contract workload to the estimated total workload of contract/actually measured completion progress.

The result of construction contract can be reliably measured meaning to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the Company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; ④ contract completion progress and the cost to be incurred for completing the contract can be reliably determined.

If the result of construction contract cannot be reliably estimated, but the contract cost can be recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance-receipts.

In case of providing build-operate-transfer (BOT) to participate in public infrastructure construction business, the Company shall recognize relevant income and expenses for the construction services provided in accordance with the Accounting Standards for Business Enterprises No.15 - Construction Contract, during construction of project; after the infrastructure is constructed, the income and expenses regarding follow-up business services shall be recognized pursuant to the Accounting Standards for Business Enterprises No.14 – Income.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

25. Contract cost

The incremental costs incurred by the Company for acquisition of the contract that is expected to be recovered is recognized an asset as the contract acquisition costs. However, if the asset amortization period does not exceed one year, it is included in current profits and losses at the time of occurrence.

Where the cost incurred for contract performance falls beyond the scope of accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) and simultaneously meets the following conditions, it is recognized an asset as contract performance cost: ① such cost is directly associated with a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers and other costs incurred simply due to such contract; ② such cost increases future resources of the Group for performance obligation; ③ such cost is expected to be recovered.

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

26. Government Grants

Government grants refer to monetary assets and non-monetary assets obtained by the Company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. The Company defines the government grants obtained for construction or forming long-term assets by other means as asset-related government grants; the other government grants are defined as revenue-related government grants. If government document does not expressly specify the recipient of subsidy, the subsidy fund is divided into income-related government subsidy and asset-related government subsidy in the following manners: (1) if the government document clarifies the specific project for subsidy, it is divided as per the relative proportion of asset expenditure amount and expenditure amount charged to expense in the budget of this specific project, and this division proportion needs to be reviewed on each balance sheet date and changed when necessary; (2) if government document only makes general statement on the purpose of usage, rather than indicate the specific project, it is the income-related government subsidy. If government grants are monetary assets, measure according to received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

The Company usually recognizes and measures government grants as per the paid-in amount when actually received. Nevertheless, in case of conclusive evidence at the end of period to show compliance with relevant criteria of fiscal support policy provisions and expected receipt of fiscal support funds, measure in accordance with the amount receivable. Government grants measured in accordance with the amount receivable shall simultaneously satisfy the following criteria: (1) the amount of receivable grants has been confirmed by document of government authority, or may be reasonably measured pursuant to relevant provisions of officially promulgated fiscal fund administration measures, and the amount is expected to have no significant uncertainty; (2) it is subject to the administrative measures for fiscal support project and fiscal fund officially promulgated by local fiscal authority and actively disclosed pursuant to the Government Information Disclosure Regulations, and such administrative measures should be generalized preferential (any enterprise that meets the specified criteria can apply), rather than formulated for a specific enterprise; (3) the time limit of payment has been clearly promised in relevant subsidy approval document, and the payment of such amount is guaranteed by corresponding fiscal budget, so as to reasonably ensure receipt within the prescribed time limit; (4) other relevant criteria to meet according to specific circumstances of the Company and such subsidy matter (if any) .

The asset-related government grants are recognized as deferred income, and charged to current profits and losses by phases within the service life of relevant assets in a reasonable and systematic manner, or offset book value of relevant assets. For revenue-related government grants, if used to compensate relevant costs or losses in later period, they are recognized as deferred income, and charged to current profits and losses during the period of recognizing relevant costs or losses or offset the relevant costs; if used to compensate relevant costs or losses incurred, they are directly charged to current profits and losses or offset the relevant costs.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the Company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

When the recognized government grants need to be returned, if there is relevant deferred income balance, offset against book balance of relevant deferred income, and the excessive part shall be charged to current profits and losses or adjust book value of asset (for the asset-related

government grants that offset book value of relevant asset and are related to asset when they are initially recognized); in other circumstances, they are directly charged to the current profits and losses.

27. 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 current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. Taxable income on which current income tax expenses are calculated is calculated after corresponding adjustments on pre-tax accounting profits in current period in accordance with the provisions of relevant tax laws.

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

For the gap between book value of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between book value of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the Company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the Company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the Company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is

likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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

Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust book value of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the Company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the Company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

28. Leasing

The following lease accounting policy is applicable to 2021 and beyond:

A lease is a contract whereby the Company cedes or acquires the right to control the use of

one or more identified assets for a specified period of time in exchange for, or in consideration of, payment. At the inception date of a contract, the Company assesses whether the contract is a lease or contains a lease.

(1) The Company as lessor

At the inception date of a lease, the Company classifies leases as finance leases and operating leases based on the substance of the transaction. A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of the leased asset. Operating leases are leases other than finance leases.

① Operating leases

The Company uses the straight-line method to recognize lease receipts under operating leases as rental income over the lease term. Variable lease payments relating to operating leases that are not included in the lease receipts are charged to current profit or loss when they are actually incurred.

② Finance leases

At the commencement date of the lease term, the Company recognizes finance lease receivables and derecognizes finance lease assets. Finance lease receivables are initially measured at the net lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts outstanding at the commencement date of the lease discounted at the interest rate embedded in the lease) and interest income is recognized over the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Company that are not included in the measurement of net lease investments are recognized in profit or loss as they are actually incurred.

③ Lease change

When a change in an operating lease occurs, the Company accounts for the change as a new lease from the effective date of the change and the amount of lease receipts received in advance or receivable in connection with the lease prior to the change is considered to be the amount received under the new lease.

The Company accounts for a change in a finance lease as a separate lease when the change occurs and both of the following conditions are met.

the change extends 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 expanded portion of the lease adjusted for the circumstances of that contract.

Where a change in a finance lease is not accounted for as a separate lease, the Company

treats the changed lease in the following circumstances.

If the change had been effective at the commencement date of the lease and the lease would have been classified as an operating lease, the Company would have accounted for it as a new lease from the effective date of the lease change and would have used the net investment in the lease prior to the effective date of the lease change as the carrying amount of the leased asset.

If the change becomes effective on the commencement date of the lease and the lease would have been classified as a finance lease, the Company accounts for it in accordance with the provisions of AS 22 - Recognition and Measurement of Financial Instruments regarding the modification or renegotiation of contracts.

The following lease accounting policy is applicable to 2020 and before:

A finance lease is a lease that transfers substantially all the risks and rewards associated with ownership of an asset, and ownership of which may or may not ultimately pass. Leases other than finance leases are operating leases.

(1) The Company records operating leases as lessor

Rental income from operating leases is recognized as current profit or loss on a straight-line basis over the lease term. Larger initial direct costs are capitalized when incurred and are amortized to current profit or loss over the lease term on the same basis as rental income is recognized; other smaller initial direct costs are recognized in current profit or loss when incurred. Contingent rentals are charged to current profit or loss as they are actually incurred.

(2) The Company records finance leases as lessor

At the lease commencement date, the sum of the minimum lease payments and the initial direct costs at the lease commencement date is recorded as the recorded value of the finance lease receivable, together with the unguaranteed residual value; the difference between the sum of the minimum lease payments, the initial direct costs and the unguaranteed residual value and the sum of their present values is recognized as an unrealized financing gain. Finance lease receivables, net of unrealised finance income, are shown separately for long-term debt and long-term debt due within one year.

Unrealised finance income is recognised over the lease term using the effective interest rate method to calculate finance income for the period. Contingent rentals are charged to current profit or loss as they are actually incurred.

29. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

In accordance with the Ministry of Finance's issuance on 31 March 2017 of AS 22 - Recognition and Measurement of Financial Instruments (revised 2017) (Caihui [2017] 7), AS 23 -

Transfers of Financial Assets (revised 2017) (Caihui [2017] 8), and AS 24 - Hedge Accounting (revised 2017) (Caihui [2017] 9), and on 2 May 2017 issued AS 37 - Presentation of Financial Instruments (Revised 2017) (Caihui [2017] No. 14) (collectively, the above standards are referred to as the "new financial instruments standards"); and the Ministry of Finance issued ASBE No. 14 - Revenue (Revised 2017) on 5 July 2017. -Revenue (Revised 2017) (Caihui [2017] No. 22) (hereinafter referred to as the "New Revenue Standard"); and in accordance with the Ministry of Finance's issuance of AS 21 - Leases (Revised 2018) on 7 December 2018. -Leases (Revised 2018) (Caihui [2018] No. 35) (the "New Lease Standard"). The Company implemented the aforementioned new standard on financial instruments, the new standard on income and the new standard on leases effective January 1, 2021, and made changes to the relevant accounting policies in accordance with the new standard without retrospective adjustments to the comparative financial statements.

First-time implementation of the above new standard adjusts the information relating to the financial statements at the beginning of the year of implementation:

Consolidated Balance Sheet

Items	2020/12/31 (Balance at the end of the previous year)	2021/1/1 (Balance at beginning of year)	Adjustments
Bills receivable	1,238,835.21		-1,238,835.21
Receivables under financing		1,238,835.21	1,238,835.21
Available-for-sale financial assets	20,000,000.00		-20,000,000.00
Other non-current financial assets		20,000,000.00	20,000,000.00
Short-term loans	711,700,000.00	713,015,452.05	1,315,452.05
Advance payments received	191,744,137.70	14,401,616.00	-177,342,521.70
Contract liabilities		162,699,561.19	162,699,561.19
Other payables	1,014,849,322.71	986,149,266.48	-28,700,056.23
Other current liabilities		14,642,960.51	14,642,960.51
Non-current liabilities due within one year	800,060,603.31	827,445,207.49	27,384,604.18

Parent company Balance Sheet

Items	2020/12/31 (Balance at the end of the previous year)	2021/1/1 (Balance at beginning of year)	Adjustments
Available-for-sale financial assets	80,000,000.00		-80,000,000.00
Other non-current financial assets		80,000,000.00	80,000,000.00
Short-term loans	554,000,000.00	555,315,452.05	1,315,452.05
Contract liabilities		175,912,052.94	175,912,052.94
Other payables	1,455,868,060.27	1,427,168,004.04	-28,700,056.23
Other current liabilities		15,832,084.76	15,832,084.76
Non-current liabilities due within one year	645,096,375.92	672,480,980.10	27,384,604.18

(2) Accounting estimate change

None.

V. Taxation

(I) Main taxes and rates

Category	Basis	Rate
VAT	The taxable income is calculated according to the prescribed tax rate, and the value-added tax is calculated based on the difference after deducting the deductible input tax for the current period.	13%、9%、6%、5%、3%
Urban maintenance and construction tax	Turnover tax payable	7%
Education fee surcharge	Turnover tax payable	3%、2%
Local education surcharge	Taxable income	25%

(II) Tax incentives and approvals

None.

VI. Notes on consolidated financial statement items

The following note items (including notes to major items in the Company's financial statements) refer to 31 December 2021 at the end of the period, 1 January 2021 at the beginning of the year, 31 December 2020 at the end of the previous year, the current period refers to FY 2021 and the prior period refers to FY 2020 unless otherwise indicated.

1. Cash at bank and on hand

Items	2021/12/31	2021/1/1
Cash on hand	16,884.03	6,101.31
Deposits with banks	298,865,377.52	387,428,156.04
Other monetary funds		
Total	298,882,261.55	387,434,257.35

Among them, the details of monetary funds that have restrictions on use due to mortgage, pledge or freezing are as follows:

Items	2020/12/31	Reason
Deposits with banks	137,200,000.00	Pledges
Total	137,200,000.00	

2. Accounts receivable

(1) Disclosure by age

Ageing	2021/12/31	2021/1/1
Within 1 year	727,642,355.15	716,860,770.42
Over 1 year but within 2 years	318,584,335.80	475,508,456.05
Over 2 years but within 3 years	458,000,000.00	67,100.00
Sub-total	1,504,226,690.95	1,192,436,326.47
Less: Provision for bad and doubtful debts	40.00	26,327.38
Total	1,504,226,650.95	1,192,409,999.09

(2) Classified and presented by bad debt provision method

Category	2021/12/31				Carrying amount
	Cost		Provision for bad and doubtful debts		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,504,226,690.95	100.00	40.00		1,504,226,650.95
Including: Ageing	7,638,989.99	0.51	40.00		7,638,949.99

Category	2021/12/31				Carrying amount
	Cost		Provision for bad and doubtful debts		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Others	1,496,587,700.96	99.49			1,496,587,700.96
Total	1,504,226,690.95	100.00	40.00		1,504,226,650.95

(continued)

Category	2021/1/1				Carrying amount
	Cost		Provision for bad and doubtful debts		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Receivables with a single significant amount and with a separate provision for bad debts					
Receivables with bad debt provision based on combination of credit risk characteristics	1,192,436,326.47	100.00	26,327.38		1,192,409,999.09
Including: Ageing	5,680,464.94	0.48	26,327.38	0.46	5,654,137.56
Others	1,186,755,861.53	99.52			1,186,755,861.53
Receivables with insignificant single amount but with separate provision for bad debts					
Total	1,192,436,326.47	100.00	26,327.38		1,192,409,999.09

① In the portfolio, accounts receivable with provision for bad debts by ageing portfolios

Items	2021/12/31		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	7,638,589.99		
Over 1 year but within 2 years	400.00	40.00	10.00
Total	7,638,989.99	40.00	

(continued)

Items	2021/1/1		
	Accounts receivable	Bad debt provision	Accrual ratio (%)

Items	2021/1/1		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Within 1 year	5,484,291.14		
Over 1 year but within 2 years	129,073.80	12,907.38	10.00
Over 2 years but within 3 years	67,100.00	13,420.00	20.00
Total	5,680,464.94	26,327.38	

② In the portfolio, accounts receivable with bad debt provision by other portfolio

Items	2021/12/31		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Combination of government and government-invested units	1,496,587,700.96		
Total	1,496,587,700.96		

(continued)

Items	2021/1/1		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Combination of government and government-invested units	1,186,755,861.53		
Total	1,186,755,861.53		

(3) Provision for bad debts

Category	2021/1/1	Changes			2021/12/31
		Additions	Recoveries or reversals	Transfers out or written-off	
Provision for bad debts on accounts receivable	26,327.38		26,287.38		40.00
Total	26,327.38		26,287.38		40.00

(4) The accounts receivable of the top five ending balances collected by debtor

Name of debtors	Relationship with the Company	2021/12/31	Ageing	Proportion of total receivable balance (%)	Bad debt provision closing balance
Canal Suqian Port Industrial Park Management Committee	unrelated party	1,496,583,935.80	Rolling occurs	99.49	
China Construction Third Bureau Group Co.	unrelated party	3,331,499.90	Within 1 year	0.22	
Guangxi Yuchai Logistics Co.	unrelated party	855,000.00	Within 1 year	0.06	
Nanjing Tonghai Container Shipping Co.	unrelated party	609,135.86	Within 1 year	0.04	

Name of debtors	Relationship with the Company	2021/12/31	Ageing	Proportion of total receivable balance (%)	Bad debt provision closing balance
Anhui Huahai Shipping Co.	unrelated party	500,052.30	Within 1 year	0.03	
Total		1,501,879,623.86		99.84	

3. Receivables under financing

Items	2021/12/31		
	Cost	Changes in fair value	Fair value
Bank acceptance bills	50,000.00		50,000.00
Total	50,000.00		50,000.00

(continued)

Items	2021/1/1		
	Cost	Changes in fair value	Fair value
Bank acceptance bills	1,238,835.21		1,238,835.21
Total	1,238,835.21		1,238,835.21

4. Prepayments

(1) The ageing analysis of prepayments is as follows:

Ageing	2021/12/31		2021/1/1	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	62,854,416.88	98.82	13,254,505.30	93.63
Over 1 year but within 2 years	84,658.97	0.13	232,000.00	1.64
Over 2 years but within 3 years			1.40	
Over 3 years	670,000.00	1.05	670,000.00	4.73
Total	63,609,075.85	100.00	14,156,506.70	100.00

(2) Advance payment of Top 5 closing balance classified by advance payment objects

Name of entities	Relationship with the Company	2021/12/31	Proportion to total prepayments (%)
Shaanxi Dayu Construction Engineering Company Limited Suqian Branch	unrelated party	25,000,000.00	39.30
Suqian Xiaoweyuan Real Estate Co., Ltd	unrelated party	23,400,000.00	36.79
Suqian Branch of China Metallurgical Construction Group Co., Ltd	unrelated party	5,000,000.00	7.86

Name of entities	Relationship with the Company	2021/12/31	Proportion to total prepayments (%)
Zhang Min	unrelated party	2,394,874.35	3.76
Li Juan	unrelated party	2,144,023.28	3.37
Total		57,938,897.63	91.08

5. Other receivables

Items	2021/12/31	2021/1/1
Other receivables	2,148,900,183.39	1,747,124,155.73
Interest receivable		
Dividends receivable		
Total	2,148,900,183.39	1,747,124,155.73

(1) Other receivables

① The ageing analysis is as follows:

Ageing	2021/12/31	2021/1/1
Within 1 year	1,029,072,147.58	1,531,976,581.75
Over 1 year but within 2 years	1,039,880,081.00	7,722,565.52
Over 2 years but within 3 years	2,530,152.42	160,357,668.70
Over 3 years but within 4 years	60,357,208.70	1,569,883.90
Over 4 years but within 5 years	1,569,883.90	25,000,000.00
Over 5 years	15,500,000.00	20,500,000.00
Sub-total	2,148,909,473.60	1,747,126,699.87
Less: Provision for bad and doubtful debts	9,290.21	2,544.14
Total	2,148,900,183.39	1,747,124,155.73

② Analysis by customer type is as follows:

Nature of payment	2021/12/31	2021/1/1
Current payments	2,040,696,124.14	1,615,436,286.12
Deposits, security deposits, reserve funds, etc.	108,213,349.46	131,690,413.75
Sub-total	2,148,909,473.60	1,747,126,699.87
Less: Provision for bad and doubtful debts	9,290.21	2,544.14
Total	2,148,900,183.39	1,747,124,155.73

③ An analysis of the movements of provisions for bad and doubtful debts is as follows:

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
2021/1/1	2,544.14			2,544.14
The carrying amounts of other receivables at the beginning of the year was:				
—Transfer to stage 2				
—Transfer to stage 3				
—Reverse to stage 2				
—Reverse to stage 1				
Additions during the year	6,746.07			6,746.07
Recoveries or reversals during the year				
Transfers out during the year				
Written-off during the year				
Others				
2021/12/31	9,290.21			9,290.21

④ Provision for bad debt

Category	2021/1/1	Changes			2021/12/31
		Additions	Recoveries or reversals	Transfers out or written-off	
Provision for bad debts on other receivables	2,544.14	6,746.07			9,290.21
Total	2,544.14	6,746.07			9,290.21

⑤ Other receivables with top five ending balances collected by debtor

Name of debtors	Nature of payment	2021/12/31	Ageing	Proportion to the total closing balance of other receivables (%)	Bad debt provision closing balance
Canal Suqian Port Industrial Management Committee	Current payments	1,001,555,945.00	Within 1 year/Over 1 year but within 2 years	46.61	

Name of debtors	Nature of payment	2021/12/31	Ageing	Proportion to the total closing balance of other receivables (%)	Bad debt provision closing balance
Suqian Huinong Agricultural Development Co.	Current payments	666,208,427.00	Within 1 year	31.00	
Jiangsu Runmin Water Services Co.	Current payments	200,000,000.00	Within 1 year / Over 1 year but within 2 years	9.31	
Suqian Shouchuang Trading Co.	Current payments	50,000,000.00	Over 3 years	2.33	
Suqian Zongsheng Garden Co.	Current payments	50,000,000.00	Within 1 year	2.33	
Total		1,967,764,372.00		91.58	

6. Inventories

(1) Inventory classification

Items	2021/12/31		
	Cost	Provision for decline in value of inventories / provision for impairment of contract performance costs	Carrying amounts
Contract performance costs	3,889,023,067.11		3,889,023,067.11
Finished goods	3,656,747.51		3,656,747.51
Total	3,892,679,814.62		3,892,679,814.62

(continued)

Items	2021/1/1		
	Cost	Provision for decline in value of inventories / provision for impairment of contract performance costs	Carrying amounts
Development costs	2,560,973,591.02		2,560,973,591.02
Finished goods	4,448,739.00		4,448,739.00
Total	2,565,422,330.02		2,565,422,330.02

Note 1: The carrying value of the Company's inventories used to secure borrowings at the end of

the year was RMB183,656,979.40, as detailed in Note VI 44, Assets with restricted usage rights.

7. Other current assets

Items	2021/12/31	2021/1/1
Loans	5,000,000.00	10,000,000.00
Input tax to be deducted	59,883,126.22	20,882,274.64
Prepaid taxes	335,463.78	
Total	65,218,590.00	30,882,274.64

8. Other non-current financial assets

(1) Classification of other non-current financial assets

Item	2021/12/31	2021/1/1
Financial assets classified as at fair value through profit or loss		
Including: Investments in equity instruments	29,612,000.00	20,000,000.00
Total	29,612,000.00	20,000,000.00

(2) Investments in equity instruments

Investee entities	Carrying balance				Percentage of shareholding in the investee (%)
	2021/1/1	Additions during the year	Decrease during the year	2021/12/31	
Suqian Chengtou Yuanda Construction Technology Co.	8,000,000.00			8,000,000.00	8.00
Suqian City, Suqian City, China Merchants Emerging Industry Investment Fund Partnership (Limited Partnership)	2,000,000.00			2,000,000.00	8.33
Trust Industry Guarantee Fund	10,000,000.00		10,000,000.00		
Jiangsu Kaisheng New Materials Co.		1,000,000.00		1,000,000.00	10.00
Jiangsu Gangheng Power Distribution Company Limited [Note 1]		18,000,000.00		18,000,000.00	40.00
Suqian Tianxian Matching Cinema Company Limited [Note 2]		612,000.00		612,000.00	51.00
Total	20,000,000.00	19,612,000.00	10,000,000.00	29,612,000.00	

Note 1: Jiangsu Gangheng Electricity Distribution and Sales Company Limited (hereinafter referred to as Gangheng Company) is jointly invested and established by Suqian Canal Harbor Development Group Company Limited, State Grid Jiangsu Electric Power Company Limited and

National Energy Group Suqian Power Generation Company Limited, accounting for 40%, 40% and 20% of the equity interest of Gangheng Company respectively. The Company only enjoys the share of revenue of Gangheng Company, does not participate in the operation activities of Gangheng Company and does not exercise the management right of Gangheng Company.

Note 2: Suqian Tianxian Matching Cinema Company Limited (hereinafter referred to as Tianxian Matching Company) was jointly established by Jiangsu Gangtu Industrial Development Company Limited (hereinafter referred to as Gangtu Company) and Jiangsu Happy Blue Sea Cinema Development Company Limited, which accounted for 51% and 49% of the equity interest of Tianxian Matching Company respectively. Gangtu Company only enjoys the revenue share of Tianxian Matching Company, does not participate in the operation activities of Tianxian Matching Company and does not exercise the management right over Tianxian Matching Company, therefore, it is not included in the scope of consolidated statements.

9. Investment properties

(1) Investment real estate using the fair value measurement model

Items	Buildings	Land use rights	Total
I. 2021/1/1	309,531,700.00	1,779,424,900.00	2,088,956,600.00
II. Changes during the year	346,695,200.00	-1,397,538,900.00	-1,050,843,700.00
Add: Purchase	182,531,267.80		182,531,267.80
Transfer of inventories/ fixed assets/ intangible assets	200,635,000.00	20,029,200.00	220,664,200.00
Increase in business combinations			
Less: Disposal			
Other transfers out		1,503,426,400.00	1,503,426,400.00
Changes in fair value	-36,471,067.80	85,858,300.00	49,387,232.20
III. 2021/12/31	656,226,900.00	381,886,000.00	1,038,112,900.00

Note 1: The fair value of investment properties at the end of 2021 was determined based on the valuation report No. 01-323 of Northern Asian Affairs Appraisal Report [2022] issued by Beijing Northern Asian Affairs Asset Appraisal Firm (Special General Partnership).

Note 2: The carrying value of the Company's investment properties used as collateral for borrowings at the end of the period was RMB829,193,900.00, as detailed in Note VI 44, Assets with restricted usage rights.

Note 3: Other transfers out of the period amounted to RMB1,503,426,400.00, representing the repossession of the Company's: Su (2019) Suqian Real Estate Right No. 0071636 and Su (2016) Suqian Real Estate Right No. 0021869 land titles by the Suqian Bureau of Natural Resources and Planning without compensation.

(2) Amount of investment properties with outstanding title deeds and reasons

Items	Carrying amounts	Reasons for not completing the title deeds
Hailun building materials property	29,032,700.00	Acquired immovable property rights include only the right to use the land, no building is registered
Heng Run Pipe Factory	72,678,800.00	Acquired immovable property rights include only the right to use the land, no building is registered
Total	101,711,500.00	

10. Fixed assets

Items	2021/12/31	2021/1/1
Fixed assets	1,292,655,332.03	1,540,493,560.48
Fixed Assets Liquidation		
Total	1,292,655,332.03	1,540,493,560.48

(1) Fixed assets

① Condition

Items	Plant & buildings	Machinery & equipment	Motor vehicles	Electronic equipment	Office equipment	Total
I. Cost						
1. 2021/1/1	1,550,949,208.87	12,794,295.21	8,489,014.99	2,696,656.73	1,108,500.04	1,576,037,675.84
2. Additions during the year	265,672.81	7,516,932.69	799,460.18	550,703.32	2,202,806.23	11,335,575.23
(1) Purchase	265,672.81	359,504.81	799,460.18	550,703.32	1,200,060.63	3,175,401.75
(2) Transfers from construction in progress		7,157,427.88			1,002,745.60	8,160,173.48
3. Decrease during the year	224,485,385.18			58,460.00	17,864.08	224,561,709.26
(1) Written off on disposals				58,460.00	17,864.08	76,324.08
(2) Others	224,485,385.18					224,485,385.18
4. 2021/12/31	1,326,729,496.50	20,311,227.90	9,288,475.17	3,188,900.05	3,293,442.19	1,362,811,541.81
II. Accumulated depreciation						
1. 2021/1/1	24,740,757.48	3,844,447.58	4,513,224.15	1,704,601.51	741,084.64	35,544,115.36
2. Additions during the year	32,097,856.14	2,702,853.82	2,068,775.48	447,501.04	572,949.06	37,889,935.54
(1) Charge for the year	32,097,856.14	2,702,853.82	2,068,775.48	447,501.04	572,949.06	37,889,935.54
3. Decrease during the year	3,214,554.72			57,629.40	5,657.00	3,277,841.12
(1) Written off on disposals				57,629.40	5,657.00	63,286.40
(2) Others	3,214,554.72					3,214,554.72
4. 2021/12/31	53,624,058.90	6,547,301.40	6,581,999.63	2,094,473.15	1,308,376.70	70,156,209.78
III. Provision for impairment						

Items	Plant & buildings	Machinery & equipment	Motor vehicles	Electronic equipment	Office equipment	Total
IV. Carrying amounts						
1. 2021/12/31	1,273,105,437.60	13,763,926.50	2,706,475.54	1,094,426.90	1,985,065.49	1,292,655,332.03
2. 2021/1/1	1,526,208,451.39	8,949,847.63	3,975,790.84	992,055.22	367,415.40	1,540,493,560.48

Note 1: Charges on fixed assets at the end of the year: Nil.

Note 2: The Company conducted impairment tests on fixed assets at the end of the year and no indication of impairment was found and no provision for impairment was required.

Note 3: Other decreases in the original value of fixed assets during the year: decrease of RMB203,024,509.22 due to transfer of the original value of investment properties and decrease of accumulated depreciation by RMB3,214,554.72; adjustment of provisional valuation of fixed assets building buildings recorded at RMB21,460,875.96.

(2) There were no fixed assets with outstanding title deeds during the year.

11. Construction in progress

(1) Condition

Items	2021/12/31			2021/1/1		
	Cost	Provision for impairment	Carrying amounts	Cost	Provision for impairment	Carrying amounts
Pawest Plant Construction	615,939.00		615,939.00			
Construction of the Xinsleigh plant	716,781.12		716,781.12			
Patrol boat for Safety and Environment Office	90,265.49		90,265.49			
2#, 3#, 4# breakbulk storage	5,660.38		5,660.38			
Wind and dust suppression nets and sprinklers for bulk storage yard	281,132.07		281,132.07	94,339.62		94,339.62
Intelligent cold chain warehousing and logistics Items	4,893,778.17		4,893,778.17	13,000.00		13,000.00
Logistics service centre supporting project				896,856.93		896,856.93
Total	6,603,556.23		6,603,556.23	1,004,196.55		1,004,196.55

(2) Movement in construction in progress during the period

Items	2021/1/1	Increase during the period	Transfer to fixed assets during the period	Other decrease during the period	2021/12/31
Dust suppression nets and sprinklers for bulk yards	94,339.62	186,792.45			281,132.07
Intelligent cold chain warehousing and logistics Items	13,000.00	4,880,778.17			4,893,778.17
Pawest Plant Construction		615,939.00			615,939.00
Xinsleigh factory construction		716,781.12			716,781.12
Patrol boat for safety and environment office		90,265.49			90,265.49

Items	2021/1/1	Increase during the period	Transfer to fixed assets during the period	Other decrease during the period	2021/12/31
2#, 3#, 4# breakbulk warehouses		5,660.38			5,660.38
40.5t-40m rail-mounted container gantry crane		7,157,427.88	7,157,427.88		
Logistics service centre supporting project	896,856.93	105,888.67	1,002,745.60		
Total	1,004,196.55	13,759,533.16	8,160,173.48		6,603,556.23

Note: The Company conducted an impairment test on construction in progress at the end of the year and no indication of impairment was found and no provision for impairment was required.

12. Intangible assets

(1) Condition

Items	Land use rights	Software	Total
I. Cost			
1. 2021/1/1	1,159,536,971.94	234,212.79	1,159,771,184.73
2. Additions during the year	113,472,010.00	35,849.06	113,507,859.06
(1) Purchase	113,472,010.00	35,849.06	113,507,859.06
(2) Other transfers in			
3. Decrease during the year	18,817,144.34		18,817,144.34
4. 2021/12/31	1,254,191,837.60	270,061.85	1,254,461,899.45
II. Accumulated amortisation			
1. 2021/1/1	115,483,268.55	87,588.99	115,570,857.54
2. Additions during the year	23,949,116.64	123,799.54	24,072,916.18
(1) Charge for the year	23,949,116.64	123,799.54	24,072,916.18
3. Decrease during the year	1,411,285.95		1,411,285.95
4. 2021/12/31	138,021,099.24	211,388.53	138,232,487.77
III. Provision for impairment			
IV. Carrying amounts			
1. 2021/12/31	1,116,170,738.36	58,673.32	1,116,229,411.68
2. 2021/1/1	1,044,053,703.39	146,623.80	1,044,200,327.19

Note 1: The Company conducted impairment tests on intangible assets at the end of the year and no indication of impairment was found and no impairment provision was required.

Note 2: The carrying value of the Company's intangible assets used as collateral for borrowings at the end of the period was RMB1,003,833,448.48, as detailed in Note VI 44, Assets with restricted usage rights.

Note 3: The decrease in the original value of land use rights by RMB18,817,144.34 and the decrease in accumulated amortisation by RMB1,411,285.95 during the year was due to the transfer to investment properties.

(2) There were no land use rights with outstanding title certificates during the year.

13. Long-term deferred expenses

Items	2021/1/1	Additions during the year	Decrease during the year	Other reductions	2021/12/31
Renovation costs		635,565.10	40,671.05		594,894.05
Total		635,565.10	40,671.05		594,894.05

14. Deferred tax assets/deferred tax liabilities

(1) Details of deferred tax assets

Items	2021/12/31		2021/1/1	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment of assets	9,330.21	2,332.55	28,871.52	7,217.89
Total	9,330.21	2,332.55	28,871.52	7,217.89

(2) Details of deferred tax liabilities

Items	2021/12/31		2021/1/1	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Changes in fair value of investment properties	115,037,260.51	28,759,315.13	259,548,699.40	64,887,174.85
Total	115,037,260.51	28,759,315.13	259,548,699.40	64,887,174.85

15. Short-term loans

(1) Classification

Items	2021/12/31	2021/1/1
Loans secured by mortgages	34,000,000.00	50,000,000.00
Pledged loans	27,000,000.00	20,000,000.00
Guaranteed loans	830,800,000.00	201,900,000.00
Unsecured loans	409,800,000.00	439,800,000.00
Interest payable outstanding	2,723,549.61	1,315,452.05
Total	1,304,323,549.61	713,015,452.05

16. Bills payable

(1) Classification

Category	2021/12/31	2021/1/1
Bank acceptance bills	87,000,000.00	
Total	87,000,000.00	

17. Accounts payable

(1) Accounts payable are shown

Items	2021/12/31	2021/1/1
Payment for work and goods	60,461,599.71	366,845,528.22
Total	60,461,599.71	366,845,528.22

(2) Significant accounts payable aged over 1 year

Items	2021/12/31	Reasons for non-reimbursement or carry forward
Jiangsu Hai Run New Building Materials Co., Ltd	10,050,187.00	Not settled
Suqian Hengrun Pipe Industry Co., Ltd	10,000,000.00	Not settled
Jiangsu Kangmei New Material Technology Co., Ltd	5,000,000.00	Not settled
Jiangsu Dahe Mechanical and Electrical Equipment Engineering Co., Ltd	3,982,060.92	Not settled
Jiangsu Huwu Construction Group Co., Ltd	2,000,000.00	Not settled
Total	31,032,247.92	

18. Advance payments received

(1) Presentation of

Items	2021/12/31	2021/1/1
Room rent	8,885,613.75	14,401,616.00
Total	8,885,613.75	14,401,616.00

(2) Significant advance payments received aged over 1 year

Items	2021/12/31	Reasons for non-reimbursement or carry forward
Suqian Canal Harbour Industrial Park Management Committee	8,503,232.00	Not settled
Total	8,503,232.00	

19. Contract liabilities

(1) Presentation of contract liabilities

Items	2021/12/31	2021/1/1
Purchase money	229,223,722.38	159,633,027.53
Loading and unloading, transport and other operations	5,216,520.78	3,066,533.66
Total	234,440,243.16	162,699,561.19

20. Employee benefits payable

(1) List of Employee benefits payable

Items	2021/1/1	Accrued during the year	Paid during the year	2021/12/31
I. Short-term employee benefits	121,715.10	15,786,954.09	15,776,392.87	132,276.32
II. Post-employment benefits - defined contribution plans		1,366,473.74	1,366,473.74	
Total	121,715.10	17,153,427.83	17,142,866.61	132,276.32

(2) Short-term employee benefits

Items	2021/1/1	Accrued during the year	Paid during the year	2021/12/31
1. Salaries, bonuses, allowances		12,515,067.83	12,515,067.83	
2. Staff welfare		831,266.98	831,266.98	
3. Social insurance		770,720.62	770,720.62	
Including: Medical insurance		597,422.34	597,422.34	
Work-related injury insurance		93,130.35	93,130.35	
Maternity insurance		80,167.93	80,167.93	
4. Housing fund		1,038,294.00	1,038,294.00	
5. Labour union fee, staff and workers' education fee	121,715.10	631,604.66	621,043.44	132,276.32
Total	121,715.10	15,786,954.09	15,776,392.87	132,276.32

(3) Post-employment benefits - defined contribution plans

Items	2021/1/1	Accrued during the year	Paid during the year	2021/12/31
1. Basic pension insurance		1,307,418.05	1,307,418.05	
2. Unemployment insurance		41,410.74	41,410.74	
3. Annuity		17,644.95	17,644.95	
Total		1,366,473.74	1,366,473.74	

21. Taxes payable

Items	2021/12/31	2021/1/1
Income tax payable	43,051,163.08	38,440,582.35
VAT payable	40,074,831.84	49,196,507.58
Land appreciation tax payable	711,917.25	711,917.25
Property tax payable	2,600,038.13	2,591,651.89
Urban maintenance and construction tax payable	5,078,964.85	3,611,003.68

Items	2021/12/31	2021/1/1
Education fee surcharge payable	4,659,547.37	3,611,003.69
Personal income tax payable	58,009.81	1,564.16
Stamp duty payable	945.10	
Total	96,235,417.43	98,164,230.60

22. Other payables

Items	2021/12/31	2021/1/1
Other payables	197,419,372.05	986,149,266.48
Interest payable		
Dividends payable		
Total	197,419,372.05	986,149,266.48

(1) Other payables

① Other payables by nature

Items	2021/12/31	2021/1/1
Current payments	131,360,633.80	737,160,633.80
Borrowings	50,298,250.00	239,830,000.00
Deposits, security deposits, imprests, etc.	15,760,488.25	9,158,632.68
Total	197,419,372.05	986,149,266.48

② Significant other payables aged over 1 year

Items	2021/12/31	Reasons for Outstanding or Carry-over
Sucheng Economic Development Zone Management Committee	21,360,633.80	Unsettlement
Total	21,360,633.80	

23. Non-current liabilities due within one year

Items	2021/12/31	2021/1/1
Long-term loans due within one year	117,100,000.00	76,000,000.00
Including: Loans secured by mortgages	100,000.00	
Pledged loans	52,000,000.00	16,000,000.00
Portfolio loans	65,000,000.00	60,000,000.00
Long-term payables due within one year	1,299,185,371.10	724,060,603.31
Accrued interest on non-current liabilities due within one year	34,128,954.50	27,384,604.18
Total	1,450,414,325.60	827,445,207.49

24. Other current liabilities

Items	2021/12/31	2021/1/1
Tax to be transferred	11,924,661.70	14,642,960.51
Total	11,924,661.70	14,642,960.51

25. Long-term loans

Items	2021/12/31	2021/1/1
Pledged loans	59,250,000.00	
Loans secured by mortgages	130,000,000.00	
Guaranteed loans	796,920,000.00	566,000,000.00
Portfolio loans	957,500,000.00	600,000,000.00
Interest payable outstanding	3,065,835.48	5,709,013.70
Less: Long-term loans due within one year	120,165,835.48	81,709,013.70
Total	1,826,570,000.00	1,090,000,000.00

26. Long-term payables

Items	2021/12/31	2021/1/1
Loans	2,736,744,127.88	2,158,957,117.24
Interest payable outstanding	31,063,119.02	21,675,590.48
Less: Long-term payables due within one year	1,330,248,490.12	745,736,193.79
Total	1,437,558,756.78	1,434,896,513.93

27. Paid-in capital

Investors	2021/1/1	Additions during the year	Decreases during the year	2021/12/31
Suqian Industry Development Group Co.	153,000,000.00			153,000,000.00
Suqian Huinong Industry Development Co.	147,000,000.00			147,000,000.00
Total	300,000,000.00			300,000,000.00

28. Capital reserve

Items	2021/1/1	Additions during the year	Decreases during the year	2021/12/31
Other capital reserves	3,584,624,056.32		95,457,538.80	3,489,166,517.52
Total	3,584,624,056.32		95,457,538.80	3,489,166,517.52

Note: Capital surplus decreased by RMB95,457,538.80 during the year. Of which, the decrease of RMB95,438,274.80 was due to the Government's repossession of land held by the Company as Su (2019) Suqian City Immovable Property Right No. 0071636 and Su (2016) Suqian City Immovable Property Right No. 0021869; and the decrease of RMB19,264.00 in

capital surplus due to the acquisition of minority interests in Canal Harbor District Construction and Development Suqian Company Limited.

29. Other comprehensive income

Items	2021/1/1	Amount incurred during the period				2021/12/31
		Amount before income tax for the current period	Less: Included in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: Income tax expense	Attributable to parent company after tax	
Other comprehensive income that cannot be reclassified to profit or loss						
Other comprehensive income to be reclassified to profit or loss	139,995,074.55	-158,284,971.09		-39,571,242.77	-118,713,728.32	21,281,346.23
Including: The amount affected by the first change in the measurement of self-use properties or inventory converted to the fair value model	139,995,074.55	-158,284,971.09		-39,571,242.77	-118,713,728.32	21,281,346.23
Total	139,995,074.55	-158,284,971.09		-39,571,242.77	-118,713,728.32	21,281,346.23

Note: Changes in other comprehensive income: decrease in other comprehensive income of RMB121,300,018.65 due to the government's free repossession of Su (2019) Suqian City Immovable Property Right No. 0071636 and Su (2016) Suqian City Immovable Property Right No. 0021869 land held by the Company; increase in other comprehensive income of RMB2,586,290.33 due to the increase in appraisal value of investment properties transferred for the first time from Sino-German (High-Tech) Environmental Protection Industrial Park during the period income of RMB2,586,290.33.

30. Specific reserve

Items	2021/1/1	Additions during the year	Decreases during the year	2021/12/31
Specific reserve	15,639.88	192,740.41		208,380.29
Total	15,639.88	192,740.41		208,380.29

31. Surplus reserve

Items	2021/1/1	Additions during the year	Decreases during the year	2021/12/31
Statutory surplus reserve	73,223,051.16	13,960,624.62		87,183,675.78

Items	2021/1/1	Additions during the year	Decreases during the year	2021/12/31
Total	73,223,051.16	13,960,624.62		87,183,675.78

32. Retained earnings

Items	2021	2020
Retained earnings at the end of last period before adjustment	674,390,461.21	485,618,786.62
Total retained earnings adjusted at the beginning of period under the same control (increase +, decrease)		
Retained earnings after adjustment at the beginning of period	674,390,461.21	485,618,786.62
Add: Net profit attributable to shareholders of parent company in current period	141,586,241.87	209,761,794.09
Less: Withdrawal of statutory surplus reserve	13,960,624.62	20,838,934.07
Common stock dividends payable	3,898,547.40	151,185.43
Retained earnings at the end of the period	798,117,531.06	674,390,461.21

33. Operating income and operating costs

Items	2021		2020	
	Income	Costs	Income	Costs
Main business	767,016,362.09	644,570,617.58	754,529,435.19	623,579,652.68
Other business	19,695,632.12	9,217,002.00	14,224,640.00	1,277,316.49
Total	786,711,994.21	653,787,619.58	768,754,075.19	624,856,969.17

(1) Main business income classified by business:

Items	2021		2020	
	Income	Costs	Income	Costs
Engineering construction business	699,029,126.21	600,000,000.00	690,656,776.00	592,813,732.73
Loading and unloading business	36,986,727.78	23,461,295.43	44,284,090.04	20,834,439.19
Warehousing and stockpiling business	10,833,704.19	1,797,615.65	9,258,752.71	1,158,323.95
Transportation business	6,874,169.35	9,256,245.46	7,009,806.97	6,750,341.81
Sales business	10,461,311.22	8,151,078.61	781,938.85	465,078.11
Agency business	1,682,133.47	705,777.76	949,775.87	1,067,621.49
Other business	1,149,189.87	1,198,604.67	1,588,294.75	490,115.40
Total	767,016,362.09	644,570,617.58	754,529,435.19	623,579,652.68

(2) Other business income classified by business:

Items	2021		2020	
	Income	Costs	Income	Costs
Agency business	16,886.84		11,304,919.91	
Disposal of waste and scrap materials	82,125.20		1,740,021.43	
Leasing operations	19,318,545.42	9,210,872.00	1,139,970.89	1,240,753.99
Others	278,074.66	6,130.00	39,727.77	36,562.50
Total	19,695,632.12	9,217,002.00	14,224,640.00	1,277,316.49

34. Taxes and surcharges

Items	2021	2020
Urban maintenance and construction tax	1,639,152.25	186,821.26
Education fee surcharge	1,180,013.11	1,194,728.34
Property tax	10,433,818.60	8,211,286.84
Land holding tax	2,847,669.00	1,899,276.60
Vehicle usage tax	3,180.24	2,854.72
Stamp duty	422,689.50	19,921.35
Total	16,526,522.70	11,514,889.11

35. Financial expenses

Items	2021	2020
Interest expenses from loans and payables	75,000.00	8,068,993.69
Less: Interest income	3,975,847.50	3,447,255.91
Add: Financial fees	221,083.73	807,817.48
Exchange gains and losses	-1,991.08	6,176.51
Financing costs	7,709,359.43	
Total	4,027,604.58	5,435,731.77

36. Other income

Item	2021	2020
Government grants related to the day-to-day activities of the enterprise	111,222,737.07	108,728,837.93
Total	111,222,737.07	108,728,837.93

Among them, the details of government subsidies are as follows:

Items	2021	2020
Infrastructure development grants	110,000,000.00	108,150,000.00
Value Added Tax Rebate	140,937.57	256,214.29

Items	2021	2020
Logistics Industry Development Support Fund	150,000.00	322,623.64
Others	931,799.50	
Total	111,222,737.07	108,728,837.93

37. Gains from changes in fair value

Items	2021	2020
Changes in fair value of investment properties	13,773,532.20	72,888,600.00
Total	13,773,532.20	72,888,600.00

38. Credit losses

Items	2021
Accounts receivable	26,287.38
Other receivables	-6,746.07
Total	19,541.31

39. Gains from asset disposals

	2021	2020
Gains from disposals of non-current assets	1,067.26	
Including: Gains from disposal of fixed assets	1,067.26	
Total	1,067.26	

40. Non-operating income

Items	2021	2020
Government grants not related to the ordinary activities of the business	50,000.00	
Net income from fines	519,622.35	107,033.69
Income from sale of scrap		525,999.00
Others	95,683.75	28,700.00
Total	665,306.10	661,732.69

41. Non-operating expenses

Items	2021	2020
Donations provided	205,864.00	760,330.00
Extraordinary losses		189,655.60
Penalty expenses	2,225,489.86	89,518.02
Late payment expenses	10,084.13	34,687.47
Others	177,546.42	167,651.00
Total	2,618,984.41	1,241,842.09

42. Income tax expenses

(1) Income tax expenses for the year represents

Items	2021	2020
Current tax expense for the year	7,965,383.20	21,423,003.36
Deferred tax expense for the year	12,351,693.39	18,218,033.21
Total	20,317,076.59	39,641,036.57

43. Supplement to cash flow statement

(1) Supplement to cash flow statement

Additional materials	2021	2020
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	141,959,416.62	217,822,063.84
Add: Impairment losses		16,467.15
Credit losses	-19,541.31	
Depreciation of fixed assets\Oil and gas assets\ Productive biological assets	37,857,386.64	28,616,829.64
Amortisation of intangible assets	22,938,196.06	23,257,037.35
Amortisation of long-term amortised costs	40,671.05	4,388.30
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	-1,067.26	
Losses from scrapping of fixed assets ("-" for gains)		
Losses from changes in fair value ("-" for gains)	-13,773,532.20	-72,888,600.00
Financial expenses ("-" for income)	7,784,359.43	8,068,993.69
Losses arising from investments ("-" for gains)		
Decrease in deferred tax assets ("-" for increase)	4,885.34	-4,116.79
Increase in deferred tax liabilities ("-" for decrease)	12,346,808.05	18,222,150.00
Decrease in gross inventories ("-" for increase)	-986,910,209.09	-985,877,724.89
Decrease in operating receivables ("-" for increase)	228,871,561.65	682,269,126.93
Increase in operating payables ("-" for decrease)	875,272,340.89	238,234,534.86
Others		
Net cash inflow/outflow from operating activities	326,371,275.87	157,741,150.08
2. Significant investing and financing activities not requiring the use of cash:		
Conversion of debt into capital		

Additional materials	2021	2020
Convertible corporate bonds due within one year		
Financing leased fixed assets		
3. Changes in cash and cash equivalents:		
Cash at the end of the year	161,682,261.55	367,434,257.35
Less: Cash at the beginning of the year	367,434,257.35	176,143,088.07
Add: Cash equivalents at the end of the year		
Less: Cash equivalents at the beginning of the year		
Net increase in cash and cash equivalents	-205,751,995.80	191,291,169.28

(2) Cash and cash equivalents held by the Company are as follows:

Items	2021/12/31	2021/1/1
I. Cash at bank and on hand	161,682,261.55	367,434,257.35
Including: Cash on hand	16,884.03	6,101.31
Bank deposits available on demand	161,665,377.52	367,428,156.04
Other monetary funds available on demand		
II. Cash equivalents		
Including: Bond investments with a maturity of 3 months or less		
III. Closing balance of cash at bank and on hand and cash	161,682,261.55	367,434,257.35
Including: Use of restricted cash and cash equivalents by the parent or a subsidiary within the Group		

44. Assets with restricted usage rights

(1) Presentation of assets with restricted usage rights

Accounting subjects	2021/12/31	Restricted Reason
Deposits with banks	137,200,000.00	Pledges
Inventories	183,656,979.40	Mortgage
Intangible assets	1,003,833,448.48	Mortgage
Investment properties	829,193,900.00	Mortgage
Total	2,153,884,327.88	

(2) As of December 31, 2021, the breakdown of the Company's restricted assets is as follows:

Category	Certificate number	Mortgagees	Amount of mortgage (Yuan)	Duration of the mortgage
Inventories	Su (2021) Suqian City Immovable Property Right No. 0017436	China Agricultural Development Bank Suqian City Branch	73,339,975.80	2021.6.2-2033.6.1

Category	Certificate number	Mortgagees	Amount of mortgage (Yuan)	Duration of the mortgage
Inventories	Su (2021) Suqian City Immovable Property Right No. 0021254	Suqian City Tongchuang Credit Financing Guarantee Co., Ltd.	49,628,250.00	2021.12.24-2022.12.14
Inventories	Su (2021) Suqian City Immovable Property Right No. 0071591	Bank of Jiangsu	60,688,753.60	2021.12.25-2023.12.23
Intangible assets	Su (2019) Suqian City Immovable Property Right No. 0072998	China Development Bank Corporation, Jiangsu Province Branch	385,983,513.64	2016.2.29-2031.2.28
Intangible assets	Su (2019) Suqian City Immovable Property Right No. 0072678	China Development Bank Corporation, Jiangsu Branch	617,849,934.84	2016.4.17-2031.2.28
Investment properties	Su (2021) Suqian City Immovable Property Right No. 0040625	Jiangsu Province Credit Re-Guarantee Group Co., Ltd.	289,164,000.00	2021.9.10-2031.9.10
Investment properties	Su (2021) Suqian City Immovable Property Right No. 0034298	Jiyin Financial Leasing Co., Ltd.	220,664,200.00	2021.1.11-2025.6.15
Investment properties	Su (2021) Suqian City Immovable Property Right No. 0042910	ICBC Suqian Branch	182,824,800.00	2021.5.26-2035.12.31
Investment properties	Su (2020) Suqian City Immovable Property Right No. 0044863	HAYIN Financial Leasing Co., Ltd.	37,877,100.00	2021.2.1-2026.2.10
Investment properties	Su (2020) Suqian City Immovable Property Right No. 0067386	Suqian City Suqian City Jinshui Rural Microfinance Company Limited, Suqian City Tongji Rural Microfinance Company Limited	98,663,800.00	2021.4.9-2024.4.8
Total			2,016,684,327.88	

VII. Changes in the scope of consolidation

1. Business combinations not involving enterprises under common control

(1) Business combinations not involving enterprises under common control that occurred during the period

Name of the Purchased Party	Point of acquisition of share rights	Cost of equity acquisition	Shareholding acquisition ratio (%)	Method of acquisition of shareholdings	Purchase of Day
Jiangsu Casting Up Construction Engineering Co., Ltd.	2021-4-29	850,000.00	100%	Purchase	2021-4-29

(continued)

Name of the Purchased Party	Basis for determining the purchase date	Revenue from the purchaser to the end of the period from the date of purchase to the purchasee	Net profit of the acquiree from the date of purchase to the end of the period
Jiangsu Casting Up Construction Engineering Co., Ltd.	Acquisition of effective control	0.00	0.00

(2) Consolidation costs

Pursuant to the equity transfer agreement dated 1 November 2020 entered into between Yangbei Town Urban Management and Sanitation Service Centre, Suqian City, Suqian City (the Transferor) and Suqian City Canal Harbor District Development Group Company Limited (the Transferee), the Transferor transferred 100% equity interest in Jiangsu Casting Up Construction

Engineering Company Limited (hereinafter referred to as Casting Up Company) to the Transferee at a price of RMB850,000.00. The registered capital of Casting Up Company is RMB10 million and the actual capital contribution is RMB0. The transferor assumed the pre-transfer debts. As at the date of completion of the equity transfer, the Company has obtained the following approved qualifications: Grade 3 General Contractor of Construction Engineering, Grade 3 General Contractor of Municipal Public Works, Grade 3 Professional Contractor of Urban and Road Lighting Engineering and Grade 3 Professional Contractor of Environmental Protection Engineering.

2. Business combinations involving enterprises under common control

None.

3. Disposal of subsidiaries

None.

4. Changes in scope of consolidation for other reasons

(1) Newly established subsidiaries

① On 24 November 2021, the Company established Suqian Gangcheng Water and Ecological Environment Engineering Company Limited, in which the Company holds 100% of the shares and which will be included in the scope of consolidation of the consolidated financial statements from November 2021.

② On 19 November 2021, the Company established Jiangsu Kailuo Electromechanical Technology Company Limited, in which the Company holds 100% of the shares and which will be included in the scope of consolidation of the consolidated financial statements from November 2021.

(2) Liquidation of subsidiaries

None.

VIII. Interests in other entities

1. Interests in subsidiaries

(1) Components of an enterprise group

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)		Set up time	Registered capital (million)
				Direct	Indirect		
1	Suqian Shungang Trading Co., Ltd.	Suqian, Jiangsu	Sales of construction materials, decoration materials, etc.	100.00		2014/3/12	5,000.00
2	Jiangsu Gangtu Industrial Development Co., Ltd.	Suqian, Jiangsu	Building construction, building installation construction, electrical equipment installation, pipeline installation, etc.	100.00		2019/7/18	5,000.00
3	Jiangsu Gangzhan New Material Technology	Suqian, Jiangsu	Research and development of new materials, construction of	100.00		2019/7/22	5,000.00

Suqian Yunhe Port Area Development Group Co., Ltd. Notes to the 2021 Financial Statements

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)		Set up time	Registered capital (million)
				Direct	Indirect		
	Development Co., Ltd.		building installation works, etc.				
4	Jiangsu Hong Kong Han Intelligent Cold Chain Storage & Logistics Co., Ltd.	Suqian, Jiangsu	Urban distribution transport services; road cargo transport; warehousing services, etc.	100.00		2020/10/29	10,000.00
5	Jiangsu Casting Up Construction Engineering Co., Ltd.	Suqian, Jiangsu	Building construction, municipal public works, water conservancy and hydropower engineering, highway engineering, etc.	100.00		2017/9/14	1,000.00
6	Jiangsu Xinsilai New Material Technology Co., Ltd.	Suqian, Jiangsu	New materials technology research and development; new materials technology promotion services, etc.	100.00		2020/12/15	20,000.00
7	Jiangsu Pawest Intelligent Technology Co., Ltd.	Suqian, Jiangsu	Technology services, technology development, technology consultation, technology exchange, technology transfer, etc.	100.00		2020/12/15	20,000.00
8	Suqian City Port Development Co., Ltd.	Suqian, Jiangsu	Wharf and other port facilities services; cargo handling, handling, warehousing, container stacking, unpacking services, etc. for cargo owners	88.29		2016/6/20	5,000.00
9	Canal Harbor District Construction and Development Suqian Company Limited (formerly known as CEC Canal Harbor District Construction and Development Suqian Company Limited)	Suqian, Jiangsu	Construction, development and management of port items; real estate development and operation; port infrastructure construction, etc.	52.00	48.00	2015/9/11	22,000.00
10	Suqian City Gang Sheng Customs Clearance Co Ltd (formerly known as: Suqian City Gangcheng New Energy Development Co Ltd)	Suqian, Jiangsu	Customs clearance and inspection services		100.00	2018/3/16	1,000.00
11	Suqian Xingang Logistics Co., Ltd.	Suqian, Jiangsu	Road general cargo transportation, special cargo transportation (container), shipping agency, cargo storage services, etc.		100.00	2017/12/26	1,000.00
12	Suqian Gangfa Supply Chain Management Co., Ltd.	Suqian, Jiangsu	Supply chain management services, e-commerce information consulting services, computer software and hardware technology		100.00	2018/3/16	1,000.00

No.	Name of entities	Registration	Business nature	Shareholding ratio (%)		Set up time	Registered capital (million)
				Direct	Indirect		
			development, technical consultation and technical services, domestic waterway transport, freight forwarding (agency), etc.				
13	Suqian Gangcheng Water Ecological Environment Engineering Co., Ltd.	Suqian, Jiangsu	Wastewater treatment and its recycling; water environment pollution prevention services; water pollution treatment; water quality pollutant monitoring and testing instruments sales	100.00		2021/11/24	1,000.00
14	Jiangsu Kale Electromechanical Technology Co., Ltd.	Suqian, Jiangsu	CNC machine tool manufacturing; new material technology research and development; metal material manufacturing; mechanical and electrical equipment manufacturing; electrical machinery special equipment manufacturing; motor manufacturing; research and development of intelligent robots; intelligent control system integration; electronic components and electromechanical components equipment manufacturing; electronic components manufacturing, etc.	100.00		2021/11/19	2,000.00

2. Interests in joint ventures or associates

None.

IX. Related parties and related transactions

1. The actual controller of the Company

The actual controller of the company is the People's Government of Sucheng District, Suqian City.

2. Subsidiaries of the Company

For details, please refer to Note VIII. 1. Interests in Subsidiaries.

3. The Company's Joint Ventures and Associates

For the important joint ventures or associates of the Company, please refer to Note VIII-2. Interests in joint ventures or associates.

4. Other related party status (related parties where no controlling relationship exists but transactions occur)

Name of other related parties	Relationship between other related parties and the Company
Suqian Industry Development Group Co., Ltd.	Shareholders of the Company
Suqian Huinong Industry Development Co., Ltd.	Shareholders of the Company

5. Related party transactions

None.

6. Amounts due from and to related parties

(1) Payable

Items	2021/12/31	2021/1/1
Other payables:		
Suqian Huinong Industry Development Co., Ltd	666,208,427.00	608,000,000.00

X. Commitments and Contingencies

1. Significant Commitments

As at 31 December 2021, the Company has no material commitments that require disclosure.

2. Contingencies

(1) As at 31 December 2021, the Company's external guarantees were as follows:

Warrantee	Guarantors	Guarantee balance (million)	Duration of the guarantee	Type of guarantee
Suqian City Urban and Development Investment Co., Ltd.	Suqian Canal Harbor Development Group Co., Ltd.	16,000.00	2020.11.5-2030.10.20	Guarantee
Suqian Jiangyuan Municipal Engineering Co., Ltd.	Suqian Canal Harbor Development Group Co., Ltd.	3,000.00	2017.3.14-2026.12.25	Guarantee
Suqian City Suicheng District New Rural Construction Investment Co., Ltd.	Suqian Canal Harbor Development Group Co., Ltd.	54,400.00	2016.12.30-2026.12.25	Guarantee
Suqian City Suicheng District New Rural Construction Investment Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	12,000.00	2017.3.14-2026.12.25	Guarantee
Suqian Zhonggang Gardening and Greening Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	3,000.00	2021.2.1-2022.1.31	Guarantee
Suqian City Shang Yuan Gardening and Landscaping Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	3,000.00	2021.12.22-2022.12.21	Guarantee
Suqian Chengtou Yuanda Construction Technology Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	79.20	2021.5.31-2022.5.27	Guarantee
Suqian Chengtou Yuanda Construction Technology Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	80.00	2021.6.30-2022.6.29	Guarantee
Suqian Chengtou Yuanda Construction Technology Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	80.00	2021.9.29-2022.9.28	Guarantee
Suqian Chengtou Yuanda Construction Technology Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	80.00	2021.11.2-2022.11.1	Guarantee

Warrantee	Guarantors	Guarantee balance (million)	Duration of the guarantee	Type of guarantee
Suqian Chengtuo Yuanda Construction Technology Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	80.00	2021.12.10-2022.12.9	Guarantee
Jiangsu Mengrun Construction Co., Ltd.	Suqian Canal Harbor District Development Group Co., Ltd.	5,000.00	2021.12.30-2022.12.29	Guarantee
Total		96,799.20		

(2) As at 31 December 2021, the Company had no pending litigation or arbitration.

Save for the above matters, the Company has no other material contingencies that need to be disclosed as at 31 December 2021.

XI. Events after the balance sheet date

As at the date of approval of this financial report, the Company has no other post balance sheet events to disclose.

XII. Other important matters

1. Correction of prior period errors

The Company has no prior period corrections of errors that require disclosure.

XIII. Notes to the principal items in the parent company financial statements

1. Accounts receivable

(1) Disclosure by ageing

Ageing	2021/12/31	2021/1/1
Within 1 year	720,858,765.16	711,376,479.28
Over 1 year but within 2 years	711,376,479.28	475,379,382.25
Over 2 years but within 3 years	215,379,382.25	
Sub-total	1,647,614,626.69	1,186,755,861.53
Less: Provision for bad and doubtful debts		
Total	1,647,614,626.69	1,186,755,861.53

(2) Breakdown by method of bad debt accrual

Category	2021/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables for which a separate bad debt provision has been made					
Receivables for which bad debt	1,647,614,626.69	100.00			1,647,614,626.69

Category	2021/12/31				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
provision is made on a portfolio basis					
Including: Ageing	855,000.00	0.05			855,000.00
Others	1,646,759,626.69	99.95			1,646,759,626.69
Total	1,647,614,626.69	100.00			1,647,614,626.69

(continued)

Category	2021/1/1				Carrying value
	Cost		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables for which a separate bad debt provision has been made					
Receivables for which bad debt provision is made on a portfolio basis	1,186,755,861.53	100.00			1,186,755,861.53
Including: Ageing					
Others	1,186,755,861.53	100.00			1,186,755,861.53
Total	1,186,755,861.53	100.00			1,186,755,861.53

① Accounts receivable in the portfolio for which provision for bad debts is made by ageing group

Items	2021/12/31		
	Accounts receivable	Provision for bad debts	Accrual rate (%)
Within 1 year	855,000.00		
Total	855,000.00		

② Accounts receivable in the portfolio for which bad debt provision is made under other combinations

Items	2021/12/31		
	Accounts receivable	Provision for bad debts	Accrual rate (%)
Government and government-invested unit current portfolio	1,646,759,626.69		
Total	1,646,759,626.69		

(3) Accounts receivable at the end of the period, grouped by party owing

Name of debtor	Relationship with the Company	2021/12/31	Number of years in arrears	As a percentage of accounts receivable (%)	Closing balance of provision for bad debts
Suqian Canal Port Industrial Park Management Committee	Unrelated parties	1,646,755,861.53	Within 1 year / Over 1 year but within 2 years / Over 2 years but within 3 years	99.95	
Guangxi Yuchai Logistics Co., Ltd.	Unrelated parties	855,000.00	Within 1 year	0.05	
Suqian Branch of China Metallurgical Construction Group Co., Ltd.	Unrelated parties	3,765.16	Within 1 year		
Total		1,647,614,626.69		100.00	

2. Other receivables

Items	2021/12/31	2021/1/1
Other receivables	3,766,112,048.05	2,335,855,233.21
Interest receivable		
Dividends receivable		
Total	3,766,112,048.05	2,335,855,233.21

(1) Other receivables

① Disclosure by ageing

Ageing	2021/12/31	2021/1/1
Within 1 year	2,166,890,600.75	2,173,507,168.89
Over 1 year but within 2 years	1,574,373,382.98	7,430,152.42
Over 2 years but within 3 years	2,430,152.42	105,355,108.00
Over 3 years but within 4 years	5,355,108.00	1,562,803.90
Over 4 years but within 5 years	1,562,803.90	27,500,000.00
Over 5 years	15,500,000.00	20,500,000.00
Sub-total	3,766,112,048.05	2,335,855,233.21
Less: Provision for bad and doubtful debts		
Total	3,766,112,048.05	2,335,855,233.21

② Breakdown by nature of payments

Nature	2021/12/31	2021/1/1
Current payments	3,695,967,067.95	2,068,871,058.59
Deposits, security deposits, imprests, etc.	70,144,980.10	266,984,174.62

Sub-total	3,766,112,048.05	2,335,855,233.21
Less: Provision for bad and doubtful debts		
Total	3,766,112,048.05	2,335,855,233.21

③ Top five other receivables with closing balances, grouped by party in arrears

Name of entities	Nature of payment	2021/12/31	Ageing	As a percentage of other receivables (%)	Closing balance of provision for bad debts
Canal Suqian Port and Construction Development Co., Ltd.	Current payments	994,533,997.69	Within 1 year / Over 1 year but within 2 years	26.41	
Suqian Canal Harbor Industrial Park Management Committee	Current payments	868,456,132.00	Within 1 year / Over 1 year but within 2 years	23.06	
Suqian Huinong Agricultural Development Co., Ltd.	Current payments	666,208,427.00	Within 1 year	17.69	
Suqian Zhonggang Gardening Co.	Current payments	375,956,269.51	Within 1 year	9.98	
Jiangsu Gangtu Industrial Development Co., Ltd.	Current payments	219,442,079.50	Within 1 year	5.83	
Total		2,658,388,478.70		82.97	

3. Long-term equity investments

(1) Classification of long-term equity investments

Items	2021/12/31			2021/1/1		
	Cost	Provision for impairment	Carrying amount	Cost	Provision for impairment	Carrying amount
Investments in subsidiaries	328,819,456.11		328,819,456.11	257,550,192.11		257,550,192.11
Total	328,819,456.11		328,819,456.11	257,550,192.11		257,550,192.11

(2) Investments in subsidiaries

Investee	2021/1/1	Additions during the year	Decrease during the year	2021/12/31	Provision for impairment	Closing balance of provision for impairment
Suqian City Port Development Co., Ltd.	113,550,192.11			113,550,192.11		
Suqian Shungang Trading Co., Ltd.	50,000,000.00			50,000,000.00		
Jiangsu Gangtu Industrial Development Co., Ltd.	50,000,000.00			50,000,000.00		
Jiangsu Casting Up Construction Engineering Co., Ltd.		850,000.00		850,000.00		

Canal Harbor District Construction and Development Suqian Co., Ltd.	44,000,000.00	70,419,264.00		114,419,264.00		
Total	257,550,192.11	71,269,264.00		328,819,456.11		

4. Operating income and operating costs

Items	2021		2020	
	Income	Costs	Income	Costs
Main business	705,836,835.91	600,000,000.00	690,656,776.00	592,813,732.73
Other business	19,002,306.88	9,210,872.00	13,722,506.41	1,240,753.99
Total	724,839,142.79	609,210,872.00	704,379,282.41	594,054,486.72

(1) Main business details

Items	2021		2020	
	Income	Costs	Income	Costs
Engineering construction business	699,029,126.21	600,000,000.00	690,656,776.00	592,813,732.73
Warehousing and stockpiling business	6,807,709.70			
Total	705,836,835.91	600,000,000.00	690,656,776.00	592,813,732.73

(2) Other business details

Items	2021		2020	
	Income	Costs	Income	Costs
Leasing business	19,002,306.88	9,210,872.00	13,722,506.41	1,240,753.99
Total	19,002,306.88	9,210,872.00	13,722,506.41	1,240,753.99

Suqian Yunhe Port Area Development Group Co., Ltd.

April 25, 2022



营业执照

(副本) (5-1)

统一社会信用代码

91110102082881146K



扫描二维码
“国家企业信用
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备案、许可、监
管信息

名称 中兴华会计师事务所(特殊普通合伙)

类型 特殊普通合伙企业

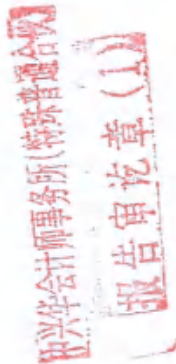
执行事务合伙人 李尊农, 乔久华

经营范围 许可项目：注册会计师业务；代理记账。
一般项目：经相关部门批准后方可开展经营活动
的项目；以相关部门批准文件或许可证件为
准的经营活动；资产评估。（除依法须经批准的项目外，
凭营业执照依法自主开展经营活动）（不得从事
国家和本市产业政策禁止和限制类项目的
经营活动。）

成立日期 2013年11月04日

合伙期限 2013年11月04日至 长期

经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



登记机关



2022年11月08日



仅作会计师事务所附件使用

执业证书

中兴会计师事务所(普通合伙)

报告文号(1)

名称：中兴会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

1、《会计师事务所执业证书》记载事项发生变动的，

应当向财政部门申请换发。

2、《会计师事务所执业证书》不得伪造、涂改、出

租、出借、转让。

3、《会计师事务所执业证书》终止或执业许可注销的，应当向财

政部门交回《会计师事务所执业证书》。



发证机关：

北京市财政局

二〇一三年八月十七日

中华人民共和国财政部制



当前位置: 首页 > 政务信息 > 政府信息公开 > 主动公开目录 > 按主题查看 > 证券服务机构监管 > 审计与评估机构

索引号: sm56000001/2022-00000491 分 类: 审计与评估机构监管对象
发布机构: 发布日期: 2022年01月11日
名 称: 从事证券服务业务会计师事务所名录 (截至2021.12.31)
文 号: 主 题 词:

从事证券服务业务会计师事务所名录 (截至2021.12.31)

从事证券服务业务会计师事务所名录 (截至2021.12.31)



从事证券服务业务会计师事务所名录[↔]

序号	会计师事务所名称	通讯地址	联系电话
72 [↔]	中审亚太会计师事务所(特殊普通合伙) [↔]	北京市海淀区复兴路47号天行建商务大厦20层2206 [↔]	010-51716767 [↔]
73 [↔]	中惠众联会计师事务所(特殊普通合伙) [↔]	武汉市武昌区东湖路169号2-9层 [↔]	027-86781250 [↔]
74 [↔]	中天运会计师事务所(特殊普通合伙) [↔]	北京市西城区丰公庄大街9号院五栋大楼B1座1七、八层 [↔]	010-88395676 [↔]
75 [↔]	中鑫会计师事务所(特殊普通合伙) [↔]	北京市东城区崇文门外大街11号新成文化大厦A座11层 [↔]	010-67088759 [↔]
76 [↔]	中兴财光华会计师事务所(特殊普通合伙) [↔]	北京市西城区阜成门外大街2号22层A24 [↔]	0311-85927137 [↔]
77[↔]	中兴华会计师事务所(特殊普通合伙)[↔]	北京市西城区阜外大街1号东塔楼15层[↔]	010-51423818[↔]
78 [↔]	中证天通会计师事务所(特殊普通合伙) [↔]	北京市海淀区西直门北大街甲43号1号楼13层1316-1326 [↔]	010-62212990 [↔]
79 [↔]	中准会计师事务所(特殊普通合伙) [↔]	北京市海淀区首体南路22号国兴大厦4层 [↔]	010-88356126 [↔]
80 [↔]	众华会计师事务所(特殊普通合伙) [↔]	嘉定工业区洙夷路针线巷1630号5幢1088室 [↔]	021-63525500 [↔]



姓名 樊晓军

Full name

性别 男

Sex

出生日期 1979-05-25

Date of birth 中兴华会计师事务所（特殊普通

工作单位 合伙）江苏分所

Working unit

身份证号码 321281197905255830

Identity card



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after
this renewal.



樊晓军(320000150034)
已通过2019年年检
江苏省注册会计师协会

证书编号: 320000150034
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2009 年 11 月 30 日
Date of Issuance y / m / d



年 月 日
/m /d



姓名 陈东

Full name 男

性别

Sex 1982-11-26

出生日期

Date of birth 中兴华会计师事务所(特殊普通合伙)江苏分所

工作单位

Working unit 340811198211264717

身份证号码

Identity card No.



年度检验登记

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No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2015 年 04 月 30 日
Date of Issuance /y /m /d



陈东(110001673841)
您已通过2020年年检
江苏省注册会计师协会



陈东(110001673841)
您已通过2021年年检
江苏省注册会计师协会

审计业务约定书

甲方编号：

乙方编号： 中兴华(2022)第 020906 号

年 月 日



审计业务约定书

甲方：江苏皋开投资发展集团有限公司

乙方：中兴华会计师事务所（特殊普通合伙）

甲方委托乙方对江苏皋开投资发展集团有限公司及其子公司 2021 年度财务报表进行审计，经双方协商，达成以下约定：

一、业务范围与审计目标

1、乙方接受甲方委托，对江苏皋开投资发展集团有限公司及其子公司按照《企业会计准则》编制的 2021 年度合并及母公司资产负债表、2021 年度合并及母公司利润表、合并及母公司所有者权益变动表和合并及母公司现金流量表以及财务报表附注（以下统称财务报表）进行审计，并出具英文版审计报告。

2、乙方通过执行审计工作，对财务报表的下列方面发表审计意见：（1）财务报表是否按照企业会计准则和《企业会计制度》的规定编制；（2）财务报表是否在所有重大方面公允反映了被审计单位的财务状况、经营成果和现金流量。

二、甲方的责任与义务

（一）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、按照企业会计准则和《企业会计制度》的规定编制财务报表是甲方管理层的责任，这些责任包括：（1）按照企业会计准则和《企业会计制度》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。

（二）甲方的义务

1、及时为乙方的审计工作提供其所要求的全部会计资料及其他有关资料，并保证所提供资料的真实性和完整性。

2、确保乙方不受限制的接触与审计有关的记录、文件和所需的其他信息。

3、甲方管理层对其作出的与审计有关的说明予以书面确认。

4、为乙方派出的有关工作人员提供与本审计业务相关的必要的工作条件和协助，主要事项将由乙方于外勤工作开始前提供清单。

5、按本约定书约定及时足额支付审计费用。

三、乙方的责任和义务

（一）乙方的责任

1、乙方的责任是在实施审计工作的基础上对甲方合并财务报表发表审计意见。乙方按照中国注册会计师审计准则（以下简称审计准则）的规定进行审计。审计准则要求注册会计师遵守职业道德规范，计划和实施审计工作，以对财务报表是否不存在重大错报获取合理保证。

2、审计工作涉及实施审计程序，以获取财务报表金额和披露的审计证据。选择的审计程序取决于乙方的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，乙方考虑与财务报表编制相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。审计工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价会计报表的总体列报。

3、乙方需要合理计划和实施审计工作，以使乙方能够获取充分、适当的审计证据，为甲方财务报表是否不存在重大错报获取合理保证。

4、乙方有责任在审计报告中指明所发现的甲方在重大方面没有遵循企业会计准则和《企业会计制度》编制财务报表且未按乙方的建议进行调整的事项。

5、乙方的审计不能减轻甲方及甲方管理层的责任。

（二）乙方的义务

1、按照约定时间完成审计业务。

2、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）取得甲方的授权；（2）根据法律法规规定，为法律诉讼准备文件或提供证据，以及向监管机构报告发现的违反法规行为；（3）接受行业协会和监管机构依法进行的质量检查；（4）监管机构对乙方进行行政处罚（包括监管机构处罚前的调查、听证）以及乙方对此提起行政复议。

四、审计收费

特
章
AGC

1. 本次审计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。本次审计服务的费用总额为30,000.00元（人民币叁万元）。

2. 甲方应于乙方出具英文版报告后5个工作日内支付30,000.00元（人民币叁万元）费用。

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审计服务实际时间较本约定书签订时预计时间有明显的增加或减少时，甲乙双方应通过协商，相应调整本约定书第四条第1项下所述的审计费用。

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，本约定书所涉及的审计服务不再进行，甲方不得要求退还预付的审计费用；如上述情况发生于乙方人员完成现场审计工作，并离开甲方的工作现场之后，甲方应另行向乙方支付人民币伍万元的补偿费，该补偿费应于甲方收到乙方的收款通知之日起5日内支付。

五、审计报告和审计报告的使用

1、乙方按照《中国注册会计师审计准则第1501号-审计报告》和《中国注册会计师审计准则第1502号-非标准审计报告》规定的格式和类型出具审计报告。

2、乙方向甲方出具审计报告一式肆份。

3、甲方在提交或对外公布审计报告时，不得修改乙方出具的审计报告及其后附的已审计财务报表；当甲方认为有必要修改会计数据、报表数据和所作的说明时，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，但本约定书第三（二）2、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，影响审计工作如期完成，或需提前出具审计报告，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

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审计服务时，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。在终止业务约定的情况下，乙方不得收取费用，不退还已收费用。

九、违约责任

甲、乙双方按照《中华人民共和国合同法》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适用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，因本约定书所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)，双方选择第 (1) 种解决方式：

- (1) 向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

本约定书一式肆份，甲方执贰份，乙方执贰份，具有同等法律效力。

甲方：江苏皋开投资发展集团有限公司

授权代表：

签约日期： 年 月 日



乙方：中审华会计师事务所(特殊普通合伙)

授权代表： 合同专用章

签约日期： 年 月 日



审计业务约定书



甲方编号:

乙方编号: 中兴华(2022)第 021275 号

2022 年 月 日

审计业务约定书

甲方：滨州高新区财金投资集团有限公司

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 2021 年度、2020 年度、2019 年度三个年度财务报表进行审计，经双方协商，达成以下约定：

一、审计的目标和范围

1. 乙方接受甲方委托，对甲方按照企业会计准则编制的 2021 年 12 月 31 日、2020 年 12 月 31 日、2019 年 12 月 31 日的合并及母公司资产负债表，2021 年度、2020 年度、2019 年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司所有者权益（或股东权益）变动表以及相关财务报表附注（以下统称财务报表）进行审计，并出具英文版报告。

2. 乙方审计工作的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

3. 乙方通过执行审计工作，对财务报表的下列方面发表审计意见：（1）财务报表是否在所有重大方面按照企业会计准则的规定编制；（2）财务报表是否在所有重大方面公允反映了甲方 2021 年 12 月 31 日、2020 年 12 月 31 日、2019 年 12 月 31 日的合并及母公司财务状况以及 2021 年度、2020 年度、2019 年度的合并及

母公司经营成果和现金流量。

4. 乙方出具甲方境外债所需要的安慰函及提供相关资料，包括：一季度财务报表及附注，半年报报表及附注，协助编制 OC 文件及需要乙方反馈意见出具的说明文件。

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，必须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. 及时为乙方的审计工作提供与审计有关的所有记录、文件和所需的其他信息（在 202 年 月 日之前提供审计所需的全部资料，如果在审计过程中需要补充资料，亦应及时提供），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. 为满足乙方对甲方合并财务报表发表审计意见的需要，甲方须确保：

乙方和对组成部分财务信息执行相关工作的组成部分注册会计师之间的沟通不受任何限制。（组成部分是指甲方的子公司、分部、分公司、合营企业、联营企业、受托管理的公司等关联企业等企业。）

乙方及时获悉组成部分注册会计师与组成部分治理层和管理层之间的重要沟通（包括就值得关注的内部控制缺陷进行的沟通）。

乙方及时获悉组成部分治理层和管理层与监管机构就与财务信息有关的事项进行的重要沟通。

在乙方认为必要时，允许乙方接触组成部分的信息、组成部分管理层或组成部分注册会计师（包括组成部分注册会计师的工作底稿），并允许乙方对组成部分的财务信息执行相关工作。

7. 甲方管理层对其作出的与审计有关的声明予以书面确认。

8. 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。

9. 按照本约定书的约定及时足额支付审计费用和其他相关费用。

10. 乙方的审计不能减轻甲方及甲方管理层的责任。

三、乙方的责任：

1. 乙方按照中国注册会计师审计准则（以下简称审计准则）的规定执行审计工作。审计准则要求注册会计师遵守中国注册会计师职业道德守则。在执行审计的过程中，乙方需要运用职业判断，保持职业怀疑。

2. 乙方识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

3. 乙方了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

4. 乙方评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

5. 乙方对甲方管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能对甲方持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果乙方得出结论认为存在重大不确定性，应当在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，乙方应当发表非无保留意见。乙方的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致甲方不能持续经营。

6. 乙方评价财务报表的总体列报、结构和内容，并评价财务报表是否公允反映相关交易和事项。

7. 对不由乙方执行相关工作的组成部分财务信息，乙方不单独出具报告；有关的责任由对该组成部分执行相关工作的组成部分注册会计师及其所在的会计师事务所承担。

8. 在审计过程中，乙方若发现甲方存在乙方认为值得关注的内部控制缺陷，应以书面形式向甲方治理层或管理层通报。但乙方通报的各种事项，并不代表已全面说明所有可能存在的缺陷或

已提出所有可行的改进建议。甲方在实施乙方提出的改进建议前应全面评估其影响。未经乙方书面许可，甲方不得向任何第三方提供乙方出具的沟通文件，除非法律法规另有要求。

9. 由于审计和内部控制的固有限制，即使按照审计准则的规定适当地计划和执行审计工作，仍无法避免财务报表的某些重大错报可能未被乙方发现的风险。

10. 按照约定时间完成审计工作，出具审计报告。乙方应于2022年12月31日前出具审计报告。

11. 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）向注册会计师协会或监管机构进行报备；（6）法律法规、执业准则和职业道德规范规定的其他情形。

12. 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、审计收费

1. 本次审计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。乙方预计本次审计服务的费用总额为人民币叁拾万元整（含税）（本业务收费不包括因方案变更增加审计期间或工作量收费，该收费根据委托双方协商后确定）。

2. 甲方应按下述付款方式：甲方应于审计报告完成后十个工作日内一次性结清。

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审计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 段所述的审计费用。

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，本约定书所涉及的审计服务中止，甲方不得要求退还预付的审计费用；如上述情况发生于乙方人员完成现场审计工作，并离开甲方的工作现场之后，甲方应另行向乙方支付补偿费，补偿费用另行协商，该补偿费应于甲方收到乙方的收款通知之日起 15 日内支付。

五、审计报告和审计报告的使用

1. 乙方按照中国注册会计师审计准则规定的格式和类型出具审计报告。

2. 乙方向甲方致送审计报告一式 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

本约定书自签字盖章之日起生效，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，影响审计工作如期完成，或需提前出具审计报告，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审计服务时，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审计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。

(本页无正文)

甲方：滨州高新区财金投资集团有限公司 (盖章)

授权代表：(签名并盖章)



2022年 9月 9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 9月 9日

Engagement Letter

A90

Client: ZTT INDIA PRIVATE LIMITED

Practitioner: ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

ZTT INDIA PRIVATE LIMITED (referred hereinafter as the "Company") requests ZHONGXINGHUA Certified Public Accountants LLP (referred hereinafter as the "We") to review the financial statements for the year ended 31 December 2021.

Details of the engagement are as followed:

A. Scope and objectives

1. According to the terms of engagement, we will review the balance sheet at of 31 December 2021, the income statement, changes in shareholder's equity and the cash flow statement, and notes to the financial statements for the year ended 31 December 2021 (referred hereinafter as the "financial statements") of the Company which are prepared and audited in accordance with t the Chinese Accounting Standards.
2. On the basis of the implementation of the review procedure, we explained whether we noticed certain matters, which made us believe that the financial statements reviewed were not prepared in accordance with the Chinese Accounting Standards and failed to fairly reflect the company's financial status, operating results and cash flow statement.

B. The Company's duties and obligations

1. Provide all the accounting materials and other relevant materials required by our review work in a timely manner (provide all the materials required for review before 31 January 2022), and ensure the authenticity and completeness of the information provided sex.
2. Ensure that we have unrestricted access to the records, documents and other

information required by the review business

3. The company's management shall confirm in writing its statement related to the review business.
4. Provide necessary working conditions and assistance for the relevant staff sent by us. The main items will be provided by us before the review work starts.
5. If there is a component that has not been reviewed by us but needs to be accounted for by the equity method or included in the scope of the consolidated statement, we should coordinate with other certified public accountants to cooperate with our work.
6. Pay the review fee in full and in time as agreed in this agreement, as well as the transportation, board and lodging and other related expenses of our personnel during the review period.

C. Our Duties and obligations

1. We will put forward a review conclusion on the financial statements based on the implementation of the review work. We will follow the "Chinese Certified Public Accountant Review Standards No. 2101-Review of Financial Statements". (Hereinafter referred to as the review guidelines). The review standards require certified public accountants to abide by professional ethics, plan and implement review work to provide limited assurance that there are no major misstatements in the financial statements reviewed, and draw conclusions in a negative way.
2. Review work involves the implementation of review procedures to obtain review evidence related to the amount and disclosure of financial statements. The review procedures implemented are based on inquiry and analysis procedures, depending on our judgment.
3. We need to reasonably plan and implement the review work so that sufficient and appropriate review evidence can be obtained to support the review conclusions expressed with limited guarantees.
4. We have the responsibility to indicate in the review report that the company has not prepared financial statements in accordance with Chinese accounting standards in material aspects and has not adjusted according to our recommendations.

5. Since the review of financial statements is not an audit, and the degree of assurance is lower than that of auditing, we have not conducted audits in accordance with the Chinese Certified Public Accountants Auditing Standards, so we will not issue audit opinions and cannot meet the requirements of laws and regulations or third-party audits. Nor can you rely on reviews to reveal errors, fraud, and violations of laws and regulations.

6. Our review cannot reduce the responsibility of the company and the company's management.

7. The information obtained from the Company during our service will be kept confidential except for the following situations: (1) With the laws and Company's permission; (2) According to the law and legal regulations, the information will only be provided for the relation of the preparation of legal documents or evidences and reported for any illegal actions to the related authorities; (3) With the laws permission, for the purpose of defending our lawful rights and interests in law suit and arbitration (4) For the purpose of quality control reviews carried by requests from our industry regulations or other regulatory authorities; (5) Any other circumstances required by laws, code of practice and professional ethics requirements.

D. Service fee

1. Our fees are computed on the basis of the time spent on your affairs by the partners and our staffs. The anticipated fee of this transformation is RMB50,000.00.

E. Availability of this engagement

This engagement will be valid from the day of signing till the day when both parties have completed their obligations listed in this engagement. However, clauses C(7), D, F, G, H, I will still be enforceable after the expiration of this engagement.

F. Amendment to agreed terms

When unexpected circumstances arise, either party can request to amend the agreed terms provided that both parties are informed in time. Such amendments should be

agreed on the basis of mutual negotiation.

G. Termination of the engagement

1. When we consider it would be inappropriate to continue to provide the service specified in the engagement to the Company, according to our professional ethics and other related professional responsibilities, corresponding laws and regulations or other requirements in laws and regulations, we can use any appropriate communication method to notify the Company the termination of the engagement.
2. If the service is terminated, we have the right to bill the Company according to the proportion of works we have completed by the time of termination.

H. Responsibilities of breaching the engagement

This engagement letter requires both parties are obligated to the responsibilities stated in Contract Law of People's Republic of China.

I. Appropriate laws and disputes resolution

All aspects in this engagement letter should be explainable and enforceable by the Laws of People's Republic of China. This engagement is carried out in where we are going to issue our transferred financial statements. If any conflict or dispute is caused direct related to this engagement (including the existence, availability and termination of any term of this engagement or any impact of the invalidation), both parties agree to take the way of bringing a lawsuit to the people's court with jurisdiction.

J. Other terms

There are two copies of this engagement letter. Each party pertains one copy and both copies have the equivalent legal rights.

Client: ZTT INDIA PRIVATE LIMITED

Practitioner: ZHONGXINGHUA

Certified Public Accountants LLP

(Jiangsu Branch)

Authorized:

卜小华



Contact person:

Contact number:

Email address:

10 January 2022

Authorized:

Contact person:

Contact number:

Email address:

10 January 2022

Engagement Letter

A90

Client: PT ZTT CABLE INDONESIA

Practitioner: ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

PT ZTT CABLE INDONESIA (referred hereinafter as the "Company") requests ZHONGXINGHUA Certified Public Accountants LLP (referred hereinafter as the "We") to review the financial statements for the year ended 31 December 2021.

Details of the engagement are as followed:

A. Scope and objectives

1. According to the terms of engagement, we will review the balance sheet at of 31 December 2021, the income statement, changes in shareholder's equity and the cash flow statement, and notes to the financial statements for the year ended 31 December 2021 (referred hereinafter as the "financial statements") of the Company which are prepared and audited in accordance with t the Chinese Accounting Standards.

2. On the basis of the implementation of the review procedure, we explained whether we noticed certain matters, which made us believe that the financial statements reviewed were not prepared in accordance with the Chinese Accounting Standards and failed to fairly reflect the company's financial status, operating results and cash flow statement.

B. The Company's duties and obligations

1. Provide all the accounting materials and other relevant materials required by our review work in a timely manner (provide all the materials required for review before 31 January 2022), and ensure the authenticity and completeness of the information provided sex.

2. Ensure that we have unrestricted access to the records, documents and other

information required by the review business

3. The company's management shall confirm in writing its statement related to the review business.
4. Provide necessary working conditions and assistance for the relevant staff sent by us. The main items will be provided by us before the review work starts.
5. If there is a component that has not been reviewed by us but needs to be accounted for by the equity method or included in the scope of the consolidated statement, we should coordinate with other certified public accountants to cooperate with our work.
6. Pay the review fee in full and in time as agreed in this agreement, as well as the transportation, board and lodging and other related expenses of our personnel during the review period.

C. Our Duties and obligations

1. We will put forward a review conclusion on the financial statements based on the implementation of the review work. We will follow the "Chinese Certified Public Accountant Review Standards No. 2101-Review of Financial Statements". (Hereinafter referred to as the review guidelines). The review standards require certified public accountants to abide by professional ethics, plan and implement review work to provide limited assurance that there are no major misstatements in the financial statements reviewed, and draw conclusions in a negative way.
2. Review work involves the implementation of review procedures to obtain review evidence related to the amount and disclosure of financial statements. The review procedures implemented are based on inquiry and analysis procedures, depending on our judgment.
3. We need to reasonably plan and implement the review work so that sufficient and appropriate review evidence can be obtained to support the review conclusions expressed with limited guarantees.
4. We have the responsibility to indicate in the review report that the company has not prepared financial statements in accordance with Chinese accounting

standards in material aspects and has not adjusted according to our recommendations.

5. Since the review of financial statements is not an audit, and the degree of assurance is lower than that of auditing, we have not conducted audits in accordance with the Chinese Certified Public Accountants Auditing Standards, so we will not issue audit opinions and cannot meet the requirements of laws and regulations or third-party audits. Nor can you rely on reviews to reveal errors, fraud, and violations of laws and regulations.

6. Our review cannot reduce the responsibility of the company and the company's management.

7. The information obtained from the Company during our service will be kept confidential except for the following situations: (1) With the laws and Company's permission; (2) According to the law and legal regulations, the information will only be provided for the relation of the preparation of legal documents or evidences and reported for any illegal actions to the related authorities; (3) With the laws permission, for the purpose of defending our lawful rights and interests in law suit and arbitration (4) For the purpose of quality control reviews carried by requests from our industry regulations or other regulatory authorities; (5) Any other circumstances required by laws, code of practice and professional ethics requirements.

D. Service fee

1. Our fees are computed on the basis of the time spent on your affairs by the partners and our staffs. The anticipated fee of this transformation is RMB50,000.00.

E. Availability of this engagement

This engagement will be valid from the day of signing till the day when both parties have completed their obligations listed in this engagement. However, clauses C(7), D, F, G, H, I will still be enforceable after the expiration of this engagement.

F. Amendment to agreed terms

When unexpected circumstances arise, either party can request to amend the agreed terms provided that both parties are informed in time. Such amendments should be agreed on the basis of mutual negotiation.

G. Termination of the engagement

1. When we consider it would be inappropriate to continue to provide the service specified in the engagement to the Company, according to our professional ethics and other related professional responsibilities, corresponding laws and regulations or other requirements in laws and regulations, we can use any appropriate communication method to notify the Company the termination of the engagement.
2. If the service is terminated, we have the right to bill the Company according to the proportion of works we have completed by the time of termination.

H. Responsibilities of breaching the engagement

This engagement letter requires both parties are obligated to the responsibilities stated in Contract Law of People's Republic of China.

I. Appropriate laws and disputes resolution

All aspects in this engagement letter should be explainable and enforceable by the Laws of People's Republic of China. This engagement is carried out in where we are going to issue our transferred financial statements. If any conflict or dispute is caused direct related to this engagement (including the existence, availability and termination of any term of this engagement or any impact of the invalidation), both parties agree to take the way of bringing a lawsuit to the people's court with jurisdiction.

J. Other terms

There are two copies of this engagement letter. Each party pertains one copy and both copies have the equivalent legal rights.

Client: PT ZTT CABLE INDONESIA



Practitioner: ZHONGXINGHUA

Certified Public Accountants LLP

(Jiangsu Branch)



Authorized:

Contact person:

Yuhj

Contact number: 18206277178

Email address: *yuhj@zttcable.com*

10 January 2022

Authorized:

Contact person:

Contact number:

Email address:

10 January 2022

Engagement Letter

A90

Client: ZTT MAROC SARL AU

Practitioner: ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

ZTT MAROC SARL AU (referred hereinafter as the “Company”) requests ZHONGXINGHUA Certified Public Accountants LLP (referred hereinafter as the “We”) to review the financial statements for the year ended 31 December 2021.

Details of the engagement are as followed;

A. Scope and objectives

1. According to the terms of engagement, we will review the balance sheet at of 31 December 2021, the income statement, changes in shareholder’s equity and the cash flow statement, and notes to the financial statements for the year ended 31 December 2021 (referred hereinafter as the “financial statements”) of the Company which are prepared and audited in accordance with t the Chinese Accounting Standards.
2. On the basis of the implementation of the review procedure, we explained whether we noticed certain matters, which made us believe that the financial statements reviewed were not prepared in accordance with the Chinese Accounting Standards and failed to fairly reflect the company’s financial status, operating results and cash flow statement.

B. The Company’s duties and obligations

1. Provide all the accounting materials and other relevant materials required by our review work in a timely manner (provide all the materials required for review before 31 January 2022), and ensure the authenticity and completeness of the information provided sex.
2. Ensure that we have unrestricted access to the records, documents and other

information required by the review business

3. The company's management shall confirm in writing its statement related to the review business.
4. Provide necessary working conditions and assistance for the relevant staff sent by us. The main items will be provided by us before the review work starts.
5. If there is a component that has not been reviewed by us but needs to be accounted for by the equity method or included in the scope of the consolidated statement, we should coordinate with other certified public accountants to cooperate with our work.
6. Pay the review fee in full and in time as agreed in this agreement, as well as the transportation, board and lodging and other related expenses of our personnel during the review period.

C. Our Duties and obligations

1. We will put forward a review conclusion on the financial statements based on the implementation of the review work. We will follow the "Chinese Certified Public Accountant Review Standards No. 2101-Review of Financial Statements". (Hereinafter referred to as the review guidelines). The review standards require certified public accountants to abide by professional ethics, plan and implement review work to provide limited assurance that there are no major misstatements in the financial statements reviewed, and draw conclusions in a negative way.
2. Review work involves the implementation of review procedures to obtain review evidence related to the amount and disclosure of financial statements. The review procedures implemented are based on inquiry and analysis procedures, depending on our judgment.
3. We need to reasonably plan and implement the review work so that sufficient and appropriate review evidence can be obtained to support the review conclusions expressed with limited guarantees.
4. We have the responsibility to indicate in the review report that the company has not prepared financial statements in accordance with Chinese accounting standards in material aspects and has not adjusted according to our recommendations.

5. Since the review of financial statements is not an audit, and the degree of assurance is lower than that of auditing, we have not conducted audits in accordance with the Chinese Certified Public Accountants Auditing Standards, so we will not issue audit opinions and cannot meet the requirements of laws and regulations or third-party audits. Nor can you rely on reviews to reveal errors, fraud, and violations of laws and regulations.

6. Our review cannot reduce the responsibility of the company and the company's management.

7. The information obtained from the Company during our service will be kept confidential except for the following situations: (1) With the laws and Company's permission; (2) According to the law and legal regulations, the information will only be provided for the relation of the preparation of legal documents or evidences and reported for any illegal actions to the related authorities; (3) With the laws permission, for the purpose of defending our lawful rights and interests in law suit and arbitration (4) For the purpose of quality control reviews carried by requests from our industry regulations or other regulatory authorities; (5) Any other circumstances required by laws, code of practice and professional ethics requirements.

D. Service fee

1. Our fees are computed on the basis of the time spent on your affairs by the partners and our staffs. The anticipated fee of this transformation is RMB50,000.00. (The company can also pay the equivalent Euro amount at the exchange rate on the date of contract signing)

E. Availability of this engagement

This engagement will be valid from the day of signing till the day when both parties have completed their obligations listed in this engagement. However, clauses C(7), D, F, G, H, I will still be enforceable after the expiration of this engagement.

F. Amendment to agreed terms

When unexpected circumstances arise, either party can request to amend the agreed terms provided that both parties are informed in time. Such amendments should be agreed on the basis of mutual negotiation.

G. Termination of the engagement

1. When we consider it would be inappropriate to continue to provide the service specified in the engagement to the Company, according to our professional ethics and other related professional responsibilities, corresponding laws and regulations or other requirements in laws and regulations, we can use any appropriate communication method to notify the Company the termination of the engagement.
2. If the service is terminated, we have the right to bill the Company according to the proportion of works we have completed by the time of termination.

H. Responsibilities of breaching the engagement

This engagement letter requires both parties are obligated to the responsibilities stated in Contract Law of People's Republic of China.

I. Appropriate laws and disputes resolution

All aspects in this engagement letter should be explainable and enforceable by the Laws of People's Republic of China. This engagement is carried out in where we are going to issue our transferred financial statements. If any conflict or dispute is caused direct related to this engagement (including the existence, availability and termination of any term of this engagement or any impact of the invalidation), both parties agree to take the way of bringing a lawsuit to the people's court with jurisdiction.

J. Other terms

There are two copies of this engagement letter. Each party pertains one copy and both copies have the equivalent legal rights.

Client: ZTT MAROC S.A.R.L AU



Practitioner: ZHONGXINGHUA Certified

Public Accountants LLP (Jiangsu
Branch)



Authorized:

Authorized:

Contact person:

Contact person:

Contact number:

Contact number:

Email address:

Email address:

10 January 2022

10 January 2022

Engagement Letter

A90

Client: ZTT DO BRASIL LTDA

Practitioner: ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

ZTT DO BRASIL LTDA (referred hereinafter as the “Company”) requests ZHONGXINGHUA Certified Public Accountants LLP (referred hereinafter as the “We”) to review the financial statements for the year ended 31 December 2021.

Details of the engagement are as followed:

A. Scope and objectives

1. According to the terms of engagement, we will review the balance sheet at of 31 December 2021, the income statement, changes in shareholder’s equity and the cash flow statement, and notes to the financial statements for the year ended 31 December 2021 (referred hereinafter as the “financial statements”) of the Company which are prepared and audited in accordance with t the Chinese Accounting Standards.

2. On the basis of the implementation of the review procedure, we explained whether we noticed certain matters, which made us believe that the financial statements reviewed were not prepared in accordance with the Chinese Accounting Standards and failed to fairly reflect the company’s financial status, operating results and cash flow statement.

B. The Company’s duties and obligations

1. Provide all the accounting materials and other relevant materials required by our review work in a timely manner (provide all the materials required for review before 31 January 2022), and ensure the authenticity and completeness of the information provided sex.

2. Ensure that we have unrestricted access to the records, documents and other

information required by the review business

3. The company's management shall confirm in writing its statement related to the review business.
4. Provide necessary working conditions and assistance for the relevant staff sent by us. The main items will be provided by us before the review work starts.
5. If there is a component that has not been reviewed by us but needs to be accounted for by the equity method or included in the scope of the consolidated statement, we should coordinate with other certified public accountants to cooperate with our work.
6. Pay the review fee in full and in time as agreed in this agreement, as well as the transportation, board and lodging and other related expenses of our personnel during the review period.

C. Our Duties and obligations

1. We will put forward a review conclusion on the financial statements based on the implementation of the review work. We will follow the "Chinese Certified Public Accountant Review Standards No. 2101-Review of Financial Statements". (Hereinafter referred to as the review guidelines). The review standards require certified public accountants to abide by professional ethics, plan and implement review work to provide limited assurance that there are no major misstatements in the financial statements reviewed, and draw conclusions in a negative way.
2. Review work involves the implementation of review procedures to obtain review evidence related to the amount and disclosure of financial statements. The review procedures implemented are based on inquiry and analysis procedures, depending on our judgment.
3. We need to reasonably plan and implement the review work so that sufficient and appropriate review evidence can be obtained to support the review conclusions expressed with limited guarantees.
4. We have the responsibility to indicate in the review report that the company has not prepared financial statements in accordance with Chinese accounting standards in material aspects and has not adjusted according to our recommendations.

5. Since the review of financial statements is not an audit, and the degree of assurance is lower than that of auditing, we have not conducted audits in accordance with the Chinese Certified Public Accountants Auditing Standards, so we will not issue audit opinions and cannot meet the requirements of laws and regulations or third-party audits. Nor can you rely on reviews to reveal errors, fraud, and violations of laws and regulations.

6. Our review cannot reduce the responsibility of the company and the company's management.

7. The information obtained from the Company during our service will be kept confidential except for the following situations: (1) With the laws and Company's permission; (2) According to the law and legal regulations, the information will only be provided for the relation of the preparation of legal documents or evidences and reported for any illegal actions to the related authorities; (3) With the laws permission, for the purpose of defending our lawful rights and interests in law suit and arbitration (4) For the purpose of quality control reviews carried by requests from our industry regulations or other regulatory authorities; (5) Any other circumstances required by laws, code of practice and professional ethics requirements.

D. Service fee

1. Our fees are computed on the basis of the time spent on your affairs by the partners and our staffs. The anticipated fee of this transformation is RMB50,000.00.

E. Availability of this engagement

This engagement will be valid from the day of signing till the day when both parties have completed their obligations listed in this engagement. However, clauses C(7), D, F, G, H, I will still be enforceable after the expiration of this engagement.

F. Amendment to agreed terms

When unexpected circumstances arise, either party can request to amend the agreed terms provided that both parties are informed in time. Such amendments should be

agreed on the basis of mutual negotiation.

G. Termination of the engagement

1. When we consider it would be inappropriate to continue to provide the service specified in the engagement to the Company, according to our professional ethics and other related professional responsibilities, corresponding laws and regulations or other requirements in laws and regulations, we can use any appropriate communication method to notify the Company the termination of the engagement.
2. If the service is terminated, we have the right to bill the Company according to the proportion of works we have completed by the time of termination.

H. Responsibilities of breaching the engagement

This engagement letter requires both parties are obligated to the responsibilities stated in Contract Law of People's Republic of China.

I. Appropriate laws and disputes resolution

All aspects in this engagement letter should be explainable and enforceable by the Laws of People's Republic of China. This engagement is carried out in where we are going to issue our transferred financial statements. If any conflict or dispute is caused direct related to this engagement (including the existence, availability and termination of any term of this engagement or any impact of the invalidation), both parties agree to take the way of bringing a lawsuit to the people's court with jurisdiction.

J. Other terms

There are two copies of this engagement letter. Each party pertains one copy and both copies have the equivalent legal rights.

CNPJ 18.748.007/0001-51

Client: ZTT DO BRASIL LTDA
ZTT DO BRASIL LTDA

Rodovia Divaldo Suruagy, s/n, km 12
Po'o Multifabril Jose Aprigio Vilela
57.160-000 - Marechal Deodoro - AL

Authorized: *[Signature]*

Contact person: *[Signature]*

Contact number: 13901472472

Email address: *cin@china200.com*

10 January 2022

Practitioner: ZHONGXINGHUA Certified

Public Accountants LLP (Jiangsu

Branch)



Authorized:

Contact person:

Contact number:

Email address:

10 January 2022

Engagement Letter

A90

Client: DEMIRER KABLO TESISLERI SANAYI VE TICARET ANONIM
SIRKETI

Practitioner: ZHONGXINGHUA Certified Public Accountants LLP (Jiangsu Branch)

DEMIRER KABLO TESISLERI SANAYI VE TICARET ANONIM SIRKETI
(referred hereinafter as the "Company") requests ZHONGXINGHUA Certified Public
Accountants LLP (referred hereinafter as the "We") to review the financial statements
for the year ended 31 December 2021. Details of the engagement are as followed:

A. Scope and objectives

1. According to the terms of engagement, we will review the balance sheet at of 31 December 2021, the income statement, changes in shareholder's equity and the cash flow statement, and notes to the financial statements for the year ended 31 December 2021 (referred hereinafter as the "financial statements") of the Company which are prepared and audited in accordance with t the Chinese Accounting Standards.
2. On the basis of the implementation of the review procedure, we explained whether we noticed certain matters, which made us believe that the financial statements reviewed were not prepared in accordance with the Chinese Accounting Standards and failed to fairly reflect the company's financial status, operating results and cash flow statement.

B. The Company's duties and obligations

1. Provide all the accounting materials and other relevant materials required by our review work in a timely manner (provide all the materials required for review before 31 January 2022), and ensure the authenticity and completeness of the information provided sex.

2. Ensure that we have unrestricted access to the records, documents and other information required by the review business
3. The company's management shall confirm in writing its statement related to the review business.
4. Provide necessary working conditions and assistance for the relevant staff sent by us. The main items will be provided by us before the review work starts.
5. If there is a component that has not been reviewed by us but needs to be accounted for by the equity method or included in the scope of the consolidated statement, we should coordinate with other certified public accountants to cooperate with our work.
6. Pay the review fee in full and in time as agreed in this agreement, as well as the transportation, board and lodging and other related expenses of our personnel during the review period.

C. Our Duties and obligations

1. We will put forward a review conclusion on the financial statements based on the implementation of the review work. We will follow the "Chinese Certified Public Accountant Review Standards No. 2101-Review of Financial Statements". (Hereinafter referred to as the review guidelines). The review standards require certified public accountants to abide by professional ethics, plan and implement review work to provide limited assurance that there are no major misstatements in the financial statements reviewed, and draw conclusions in a negative way.
2. Review work involves the implementation of review procedures to obtain review evidence related to the amount and disclosure of financial statements. The review procedures implemented are based on inquiry and analysis procedures, depending on our judgment.
3. We need to reasonably plan and implement the review work so that sufficient and appropriate review evidence can be obtained to support the review conclusions expressed with limited guarantees.
4. We have the responsibility to indicate in the review report that the company has not

prepared financial statements in accordance with Chinese accounting standards in material aspects and has not adjusted according to our recommendations.

5. Since the review of financial statements is not an audit, and the degree of assurance is lower than that of auditing, we have not conducted audits in accordance with the Chinese Certified Public Accountants Auditing Standards, so we will not issue audit opinions and cannot meet the requirements of laws and regulations or third-party audits. Nor can you rely on reviews to reveal errors, fraud, and violations of laws and regulations.

6. Our review cannot reduce the responsibility of the company and the company's management.

7. The information obtained from the Company during our service will be kept confidential except for the following situations: (1) With the laws and Company's permission; (2) According to the law and legal regulations, the information will only be provided for the relation of the preparation of legal documents or evidences and reported for any illegal actions to the related authorities; (3) With the laws permission, for the purpose of defending our lawful rights and interests in law suit and arbitration (4) For the purpose of quality control reviews carried by requests from our industry regulations or other regulatory authorities; (5) Any other circumstances required by laws, code of practice and professional ethics requirements.

D. Service fee

1. Our fees are computed on the basis of the time spent on your affairs by the partners and our staffs. The anticipated fee of this transformation is RMB50,000.00.

E. Availability of this engagement

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I. Appropriate laws and disputes resolution

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J. Other terms

There are two copies of this engagement letter. Each party pertains one copy and both copies have the equivalent legal rights.

Client: DEMİNER KABLO TESİSLERİ
SANAYİ VE TİCARET ANONİM ŞİRKETİ



Authorized:

Contact person:

Contact number:

Email address:

10 January 2022

Practitioner: ZHONGXINGHUA
Certified Public Accountants LLP
(Jiangsu Branch)

Authorized:

Contact person:

Contact number:

Email address:

10 January 2022





Auditor's Report

Zhongxinghua Audit (2021) No.020223

All shareholders of Ganzhou Tourism Investment Group LTD:

Opinion

We have audited the financial statements of Ganzhou Tourism Investment Group LTD ("Ganzhou Tourism Investment Company"), which comprise the consolidated and parent company balance sheets as at 31 December 2020, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and company statements of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Ganzhou Tourism Investment Company as at 31 December 2020, and the consolidated and parent company financial performance and cash flows of Ganzhou Tourism Investment Company for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ganzhou Tourism Investment Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Ganzhou Tourism Investment Company is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Ganzhou Tourism Investment Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



accounting unless management either intends to liquidate Ganzhou Tourism Investment Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ganzhou Tourism Investment Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ganzhou Tourism Investment Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Ganzhou Tourism Investment Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Ganzhou Tourism Investment Company to express an opinion on the financial statements. We are responsible for the direction, supervision



and performance of the group audit. We remain solely responsible for our audit opinion.

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

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Certified Public Accountants
Registered in the People's Republic
of China

Name of CPA:



Beijing · China

Name of CPA:



21 April 2021

中天科技摩洛哥有限公司
2021年度财务报表审阅报告书



中兴华会计师事务所(特殊普通合伙)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

地址：北京市西城区阜外大街1号四川大厦东座15层

邮编：100037

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中兴华会计师事务所（特殊普通合伙）江苏分所

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP JIANGSU BRANCH
地址 (Add): 南京市建邺区嘉陵江东街 50 号 16-19 楼
F16-19, No.50 Jialing River East Road, Jianye District, Nanjing, China
电话 (Tel): 025-83248770 传真 (Fax): 025-83206200

审阅报告

中兴华审字(2022)JSFS0191号

中天科技摩洛哥有限公司全体股东:

我们审阅了后附的中天科技摩洛哥有限公司(以下简称“中天摩洛哥公司”)财务报表,包括2021年12月31日的资产负债表,2021年度的利润表、所有者权益变动表和现金流量表以及财务报表附注。这些财务报表的编制是中天摩洛哥公司管理层的责任,我们的责任是在实施审阅工作的基础上对这些财务报表出具审阅报告。

我们按照《中国注册会计师审阅准则第 2101 号——财务报表审阅》的规定执行了审阅业务。该准则要求我们计划和实施审阅工作,以对财务报表是否不存在重大错报获取有限保证。审阅主要限于询问公司有关人员和对财务数据实施分析程序,提供的保证程度低于审计。我们没有实施审计,因而不发表审计意见。

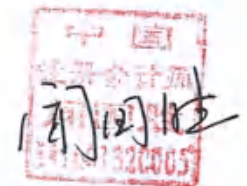
根据我们的审阅,我们没有注意到任何事项使我们相信财务报表没有按照企业会计准则的规定编制,未能在所有重大方面公允反映被审阅单位的财务状况、经营成果和现金流量。

中兴华会计师事务所(特殊普通合伙)江苏分所



(盖章)

中国注册会计师:



中国注册会计师:



中国·南京

2022年4月28日

资产负债表

2021年12月31日

编制单位：中天科技摩洛哥有限公司

金额单位：人民币元

资 产	注释	期末余额	年初余额
流动资产：			
货币资金	五（一）	35,876,386.97	15,804,117.99
交易性金融资产			
衍生金融资产			
应收票据			
应收账款	五（二）	75,741,963.25	49,078,840.50
应收款项融资			
预付款项	五（三）	431,165.79	2,463,171.84
其他应收款	五（四）	48,042.21	296,055.63
存货	五（五）	67,988,758.31	35,929,240.10
合同资产			
持有待售资产			
一年内到期的非流动资产			
其他流动资产			
流动资产合计		180,086,316.53	103,571,426.06
非流动资产：			
债权投资			
其他债权投资			
长期应收款			
长期股权投资			
其他权益工具投资			
其他非流动金融资产			
投资性房地产			
固定资产	五（六）	84,528,951.26	90,256,927.78
在建工程	五（七）		
生产性生物资产			
油气资产			
使用权资产			
无形资产	五（八）	18,698,728.17	19,805,867.93
开发支出			
商誉			
长期待摊费用	五（九）	40,962.34	84,741.61
递延所得税资产			
其他非流动资产			
非流动资产合计		103,268,641.77	110,147,537.32
资产总计		283,354,958.30	213,718,963.38

单位负责人：

主管会计工作负责人：

会计机构负责人：

资产负债表（续）

2021年12月31日

编制单位：中天科技摩洛哥有限公司

金额单位：人民币元

负债及所有者权益	注释	期末余额	年初余额
流动负债：			
短期借款			
交易性金融负债			
衍生金融负债			
应付票据			
应付账款	五（十）	91,125,214.45	47,158,406.22
预收款项	五（十一）		631,997.01
合同负债	五（十二）	1,031,054.94	
应付职工薪酬	五（十三）	939,205.71	682,557.58
应交税费	五（十四）	215,371.85	32,516.97
其他应付款	五（十五）	23,311,294.56	37,854,051.06
持有待售负债			
一年内到期的非流动负债			
其他流动负债	五（十六）	2,345,412.90	
流动负债合计		118,967,554.41	86,359,528.84
非流动负债：			
长期借款			
应付债券			
租赁负债			
长期应付款			
长期应付职工薪酬			
预计负债			
递延收益	五（十七）	4,752,962.64	6,205,944.27
递延所得税负债			
其他非流动负债			
非流动负债合计		4,752,962.64	6,205,944.27
负债合计		123,720,517.05	92,565,473.11
所有者权益：			
实收资本	五（十八）	143,486,188.47	106,866,858.60
其他权益工具			
资本公积			
减：库存股			
其他综合收益	五（十九）	-4,120,890.13	4,895,160.68
专项储备			
盈余公积	五（二十）	918,878.34	480,227.24
未分配利润	五（二十一）	19,350,264.57	8,911,243.75
所有者权益合计		159,634,441.25	121,153,490.27
负债及所有者权益总计		283,354,958.30	213,718,963.38

单位负责人：

主管会计工作负责人：

会计机构负责人：

利润表

2021年度

编制单位：中天科技摩洛哥有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、营业收入	五（二十二）	219,360,587.92	116,769,949.59
减：营业成本	五（二十二）	196,346,212.97	103,875,319.07
税金及附加	五（二十三）	6,643.13	8,359.11
销售费用	五（二十四）	2,284,786.85	259,378.90
管理费用	五（二十五）	9,355,959.42	3,253,478.76
研发费用			
财务费用	五（二十六）	872,697.70	846,111.70
其中：利息费用		621,173.85	366,190.07
利息收入		14,053.47	1,350.57
加：其他收益	五（二十七）	1,126,046.76	1,100,465.56
投资收益			
其中：对联营企业和合营企业的投资收益			
以摊余成本计量的金融资产终止确认收益			
净敞口套期收益			
公允价值变动收益			
信用减值损失	五（二十八）	-946,409.61	-871,693.15
资产减值损失			
资产处置收益			
二、营业利润		10,673,925.00	8,756,074.46
加：营业外收入	五（二十九）	210,374.33	16,955.30
减：营业外支出	五（三十）	6,627.41	7.72
三、利润总额		10,877,671.92	8,773,022.04
减：所得税费用			
四、净利润		10,877,671.92	8,773,022.04
（一）持续经营净利润		10,877,671.92	8,773,022.04
（二）终止经营净利润			
五、其他综合收益的税后净额	五（三十一）	-9,016,050.81	225,578.07
（一）不能重分类进损益的其他综合收益			
1.重新计量设定受益计划变动额			
2.权益法下不能转损益的其他综合收益			
3.其他权益工具投资公允价值变动			
4.企业自身信用风险公允价值变动			
（二）将重分类进损益的其他综合收益		-9,016,050.81	225,578.07
1.权益法下可转损益的其他综合收益			
2.其他债权投资公允价值变动			
3.金融资产重分类计入其他综合收益的金额			
4.其他债权投资信用减值准备			
5.现金流量套期储备			
6.外币财务报表折算差额		-9,016,050.81	225,578.07
7.其他			
六、综合收益总额		1,861,621.11	8,998,600.11

单位负责人：

主管会计工作负责人：

会计机构负责人：

现金流量表

2021年度

编制单位：中天科技摩洛哥有限公司

金额单位：人民币元

项目	注释	本期金额	上期金额
一、经营活动产生的现金流量：			
销售商品、提供劳务收到的现金		188,021,484.55	90,040,186.00
收到的税费返还			
收到其他与经营活动有关的现金	五（三十二）	471,718.93	7,338,705.97
经营活动现金流入小计		188,493,203.48	97,378,891.97
购买商品、接受劳务支付的现金		164,069,157.50	104,667,092.56
支付给职工以及为职工支付的现金		11,449,587.85	6,267,220.86
支付的各项税费		6,643.13	8,359.11
支付其他与经营活动有关的现金	五（三十二）	9,085,348.11	1,096,728.03
经营活动现金流出小计		184,610,736.59	112,039,400.56
经营活动产生的现金流量净额		3,882,466.89	-14,660,508.59
二、投资活动产生的现金流量：			
收回投资收到的现金			
取得投资收益收到的现金			
处置固定资产、无形资产和其他长期资产收回的现金净额			
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			
投资活动现金流入小计			
购建固定资产、无形资产和其他长期资产支付的现金		7,760,306.41	1,581,320.20
投资支付的现金			
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
投资活动现金流出小计		7,760,306.41	1,581,320.20
投资活动产生的现金流量净额		-7,760,306.41	-1,581,320.20
三、筹资活动产生的现金流量：			
吸收投资收到的现金		36,619,329.87	
取得借款收到的现金			
收到其他与筹资活动有关的现金	五（三十二）		19,260,000.00
筹资活动现金流入小计		36,619,329.87	19,260,000.00
偿还债务支付的现金			
分配股利、利润或偿付利息支付的现金		621,173.85	382,879.53
支付其他与筹资活动有关的现金	五（三十二）	10,821,300.00	
筹资活动现金流出小计		11,442,473.85	382,879.53
筹资活动产生的现金流量净额		25,176,856.02	18,877,120.47
四、汇率变动对现金及现金等价物的影响		-1,226,747.52	-826,226.84
五、现金及现金等价物净增加额		20,072,268.98	1,809,064.84
加：期初现金及现金等价物余额		15,804,117.99	13,995,053.15
六、期末现金及现金等价物余额		35,876,386.97	15,804,117.99

单位负责人：

主管会计工作负责人：

会计机构负责人：

所有者权益变动表

2021年度

编制单位：中天科技摩洛哥有限公司

金额单位：人民币元

项目	本期金额						上期金额									
	实收资本	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计	实收资本	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计
一、上年年末余额	106,866,858.60			4,895,160.58		480,227.24	8,911,243.75	121,153,490.27	106,866,858.60			4,669,582.61		41,576.14	576,872.81	112,154,890.16
加：会计政策变更																
前期差错更正																
其他																
二、本年初余额	106,866,858.60			4,895,160.58		480,227.24	8,911,243.75	121,153,490.27	106,866,858.60			4,669,582.61		41,576.14	576,872.81	112,154,890.16
三、本年增减变动金额	36,619,329.87			-9,016,050.11		438,651.10	10,439,020.82	38,480,950.98								
(一)综合收益总额				-9,016,050.11			10,877,671.92	1,861,621.11								
(二)所有者投入和减少资本	36,619,329.87							36,619,329.87								
1.所有者投入资本	36,619,329.87							36,619,329.87								
2.其他权益工具持有者投入资本																
3.股份支付计入所有者权益的金额																
4.其他																
(三)利润分配																
1.提取盈余公积						438,651.10	-438,651.10							438,651.10	-438,651.10	
2.提取一般风险准备						438,651.10	-438,651.10							438,651.10	-438,651.10	
3.对所有者的分配																
4.其他																
(四)所有者权益内部结转																
1.资本公积转增资本																
2.盈余公积转增资本																
3.盈余公积弥补亏损																
4.设定收益计划变动额结转留存收益																
5.其他综合收益结转留存收益																
6.其他																
(五)专项储备																
1.本期提取																
2.本期使用																
(六)其他																
四、本年年末余额	143,486,188.47			-4,120,890.13		918,878.34	19,350,264.57	159,634,441.25	106,866,858.60			4,895,160.68		480,227.24	8,911,243.75	121,153,490.27

主管会计工作负责人：

会计机构负责人：

单位负责人：

中天科技摩洛哥有限公司

2021 年度财务报表附注

一、公司基本情况

(一) 公司注册信息

中天科技摩洛哥有限公司（以下简称“本公司”）是在摩洛哥注册成立的公司，本公司由中天科技股份有限公司投资设立，注册地址：Zone Franche d'Exportation de Tanger Automotive City, Lot 149, Commune Jouamaa, Province Fahs-Anjra, 9000 Tanger。注册名称：ZTT MAROS SARL AU，注册号：001974416000028。截至 2021 年 12 月 31 日，本公司股本结构如下：

股东名称	认缴出资	实缴出资	出资比例
江苏中天科技股份有限公司	143,486,188.47	143,486,188.47	100.00%
合计	143,486,188.47	143,486,188.47	100.00%

(二) 公司的业务性质和主要经营活动

本公司的经营范围：光缆的生产及销售。

二、财务报表的编制基础

(一) 编制基础

本公司财务报表以持续经营假设为基础，根据实际发生的交易和事项，按照财政部颁布的企业会计准则及其应用指南、解释及其他有关规定（统称“企业会计准则”）编制。此外，本公司还按照中国证监会《公开发行证券的公司信息披露编报规则第 15 号——财务报告的一般规定》（2014 年修订）披露有关财务信息。

根据企业会计准则的相关规定，本公司会计核算以权责发生制为基础。除某些金融工具外，本财务报表均以历史成本为计量基础。资产如果发生减值，则按照相关规定计提相应的减值准备。

(二) 持续经营

本财务报表以持续经营为基础列报，本公司自报告期末起至少 12 个月具有持续经营能力。

三、重要会计政策和会计估计

本公司根据实际生产经营特点，依据相关企业会计准则的规定，制定了若干项具体会计政策和会计估计。

(一) 遵循企业会计准则的声明

本公司编制的财务报表符合企业会计准则的要求，真实、完整地反映了本公司 2021 年 12 月 31 日的财务状况及 2021 年度的经营成果和现金流量等有关信息。

(二) 会计期间

本公司的会计期间分为年度和中期，会计中期指短于一个完整的会计年度的报告期间。本公司会计年度采用公历年度，即每年自 1 月 1 日起至 12 月 31 日止。

(三) 营业周期

正常营业周期是指本公司从购买用于加工的资产起至实现现金或现金等价物的期间。本公司以 12 个月作为一个营业周期，并以其作为资产和负债的流动性划分标准。

(四) 记账本位币

本公司以摩洛哥迪拉姆为记账本位币，编制本财务报表所采用的货币均为人民币。

(五) 合营安排分类及共同经营会计处理方法

合营安排，是指一项由两个或两个以上的参与方共同控制的安排。本公司根据在合营安排中享有的权利和承担的义务，将合营安排分为共同经营和合营企业。共同经营，是指本公司享有该安排相关资产且承担该安排相关负债的合营安排。合营企业，是指本公司仅对该安排的净资产享有权利的合营安排。

本公司对合营企业的投资采用权益法核算，按照本附注三、(十二) 2 中所述的会计政策处理。

本公司作为合营方对共同经营，确认本公司单独持有的资产、单独所承担的负债，以及按本公司份额确认共同持有的资产和共同承担的负债；确认出售本公司享有的共同经营产出份额所产生的收入；按本公司份额确认共同经营因出售产出所产生的收入；确认本公司单独所发生的费用，以及按本公司份额确认共同经营发生的费用。

当本公司作为合营方向共同经营投出或出售资产（该资产不构成业务，下同）、或者自共同经营购买资产时，在该等资产出售给第三方之前，本公司仅确认因该交易产生的损益中归属于共同经营其他参与方的部分。该等资产发生符合《企业会计准则第 8 号——资产减值》等规定的资产减值损失的，对于由本公司向共同经营投出或出售资产的情况，本公司全额确认该损失；对于本公司自共同经营购买资产的情况，本公司按承担的份额确认该损失。

(六) 现金及现金等价物的确定标准

本公司在编制现金流量表时，将同时具备期限短（从购买日起三个月内到期）、流动性强、易于转换为已知现金、价值变动风险很小四个条件的投资，确定为现金等价物。权益性

投资不作为现金等价物。

(七) 外币业务和外币报表折算

本公司外币业务采用交易发生日的即期汇率作为折算汇率，折合为人民币，但公司发生的外币兑换业务或涉及外币兑换的交易事项，按照实际采用的汇率折算为人民币金额。资产负债表日，外币货币性项目余额按资产负债表日即期汇率折算。由汇率折算产生的汇兑差额，除属于与购建符合资本化条件的资产相关的外币专门借款产生的汇兑差额按照借款费用资本化的原则处理之外，均计入当期损益。

以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算的人民币金额计量。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算，折算后的差额，作为公允价值变动（含汇率变动）处理，计入当期损益或确认为其他综合收益。

(八) 金融工具

金融工具，是指形成一方的金融资产，并形成其他方的金融负债或权益工具的合同。当本公司成为金融工具合同一方时，确认相关的金融资产或金融负债。

1. 金融资产的分类、确认和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为：以摊余成本计量的金融资产；以公允价值计量且其变动计入其他综合收益的金融资产；以公允价值计量且其变动计入当期损益的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款或应收票据，本公司按照预期有权收取的对价金额作为初始确认金额。

(1) 以摊余成本计量的金融资产

本公司管理以摊余成本计量的金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产按照实际利率法确认利息收入。此类金融资产因终止确认产生的利得或损失以及因减值导致的损失直接计入当期损益。此类金融资产主要包括货币资金、应收票据、应收账款、其他应收款、债权投资和长期应收款等。本公司将自资产负债表日起一年内（含一年）到期的债权投资和长期应收款，列示为一年内到期的非流动资产；取得时期限在一年内（含一年）的债权投资列示为其他流动资产。

(2) 以公允价值计量且其变动计入其他综合收益的金融资产

本公司管理此类金融资产的业务模式为既以收取合同现金流量为目标又以出售为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致。本公司对此类金融资产按照公

公允价值计量且其变动计入其他综合收益，但减值损失或利得、汇兑损益和按照实际利率法计算的利息收入计入当期损益。当金融资产终止确认时，之前计入其他综合收益的累计利得或损失将从其他综合收益转出，计入当期损益。此类金融资产主要包括应收款项融资、其他债权投资等。本公司将自资产负债表日起一年内（含一年）到期的其他债权投资，列示为一年内到期的非流动资产；取得时期限在一年内（含一年）的其他债权投资列示为其他流动资产。

此外，本公司将部分非交易性权益工具投资指定为以公允价值计量且其变动计入其他综合收益的金融资产，列示为其他权益工具投资，其相关股利收入计入当期损益，公允价值变动计入其他综合收益。当该金融资产终止确认时，之前计入其他综合收益的累计利得或损失将从其他综合收益转入留存收益，不计入当期损益。

（3）以公允价值计量且其变动计入当期损益的金融资产

本公司将上述以摊余成本计量的金融资产和以公允价值计量且其变动计入其他综合收益的金融资产之外的金融资产，分类为以公允价值计量且其变动计入当期损益的金融资产。对于此类金融资产，本公司采用公允价值进行后续计量，公允价值变动计入当期损益。

本公司将对其没有控制、共同控制和重大影响的权益工具投资按照公允价值计量且其变动计入当期损益，列示为交易性金融资产；自资产负债表日起预期持有超过一年的，列示为其他非流动金融资产。

此外，在初始确认时，本公司为了消除或显著减少会计错配，将部分金融资产指定为以公允价值计量且其变动计入当期损益的金融资产。

2. 金融工具减值

本公司对于以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的债务工具投资、合同资产和财务担保合同等，以预期信用损失为基础确认损失准备。

信用损失，是指本公司考虑有关过去事项、当前状况以及对未来经济状况的预测等因素，以发生违约的风险为权重，预计合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额的现值。其中，对于本公司购买或源生的已发生信用减值的金融资产，应按照该金融资产经信用调整的实际利率折现。

对于因销售商品、提供劳务等日常经营活动形成的应收票据、应收账款和应收款项融资，无论是否存在重大融资成分，本公司均运用简化计量方法，按照相当于整个存续期内的预期信用损失金额计量损失准备。

除上述采用简化计量方法以外的金融资产，本公司在每个资产负债表日评估其信用风险自初始确认后是否已经显著增加，如果信用风险自初始确认后未显著增加，处于第一阶段，本公司按照相当于未来 12 个月内预期信用损失的金额计量损失准备，并按照账面余额和实际利率计算利息收入；如果信用风险自初始确认后已显著增加但尚未发生信用减值的，处于第二阶段，本公司按照相当于整个存续期内预期信用损失的金额计量损失准备，并按照账面余额和实际利率计算利息收入；如果初始确认后发生信用减值的，处于第三阶段，本公司按

照相当于整个存续期内预期信用损失的金额计量损失准备，并按照摊余成本和实际利率计算利息收入。对于资产负债表日只具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后未显著增加。

本公司基于单项和组合评估金融工具的预期信用损失。本公司考虑了不同客户的信用风险特征，以客户信用等级组合和逾期账龄组合为基础评估应收款项的预期信用损失。

本公司将计提或转回的损失准备计入当期损益。对于持有的以公允价值计量且其变动计入其他综合收益的债务工具，本公司在将减值损失或利得计入当期损益的同时调整其他综合收益。

3. 金融负债的分类、确认和计量

金融负债于初始确认时分类为以摊余成本计量的金融负债和以公允价值计量且其变动计入当期损益的金融负债。对于以摊余成本计量的金融负债的相关交易费用计入其初始确认金额，以公允价值计量且其变动计入当期损益的金融负债，相关交易费用直接计入当期损益。

以摊余成本计量的金融负债

除金融资产转移不符合终止确认条件或继续涉入被转移金融资产所形成的金融负债、财务担保合同外的其他金融负债分类为以摊余成本计量的金融负债，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

此类金融负债主要包括应付票据、应付账款、其他应付款、借款及应付债券等。期限在一年以内（含一年）的，列示为流动负债；期限在一年以上但自资产负债表日起一年内（含一年）到期的，列示为一年内到期的非流动负债；其余列示为非流动负债。

(2) 以公允价值计量且其变动计入当期损益的金融负债

以公允价值计量且其变动计入当期损益的金融负债，包括交易性金融负债（含属于金融负债的衍生工具）和初始确认时指定为以公允价值计量且其变动计入当期损益的金融负债。

交易性金融负债（含属于金融负债的衍生工具），按照公允价值进行后续计量，除与套期会计有关外，公允价值变动计入当期损益。

被指定为以公允价值计量且其变动计入当期损益的金融负债，该负债由本公司自身信用风险变动引起的公允价值变动计入其他综合收益，且终止确认该负债时，计入其他综合收益的自身信用风险变动引起的其公允价值累计变动额转入留存收益。

其余公允价值变动计入当期损益。若按上述方式对该等金融负债的自身信用风险变动的影响进行处理会造成或扩大损益中的会计错配的，本公司将该金融负债的全部利得或损失（包括企业自身信用风险变动的影响金额）计入当期损益。

4. 金融资产转移的确认依据和计量方法

满足下列条件之一的金融资产，予以终止确认：①收取该金融资产现金流量的合同权利

终止；②该金融资产已转移，且将金融资产所有权上几乎所有的风险和报酬转移给转入方；③该金融资产已转移，虽然企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产的控制。

若企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产的控制的，则按照继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。继续涉入所转移金融资产的程度，是指该金融资产价值变动使企业面临的风险水平。

其他权益工具投资终止确认时，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入留存收益；其余金融资产终止确认时，其账面价值与收到的对价以及原直接计入其他综合收益的公允价值变动累计额之和的差额，计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

本公司对采用附追索权方式出售的金融资产，或将持有的金融资产背书转让，需确定该金融资产所有权上几乎所有的风险和报酬是否已经转移。已将该金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产；既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，则继续判断企业是否对该资产保留了控制，并根据前面各段所述的原则进行会计处理。

5. 金融负债的终止确认

金融负债（或其一部分）的现时义务已经解除的，本公司终止确认该金融负债（或该部分金融负债）。本公司（借入方）与借出方签订协议，以承担新金融负债的方式替换原金融负债，且新金融负债与原金融负债的合同条款实质上不同的，终止确认原金融负债，同时确认一项新金融负债。本公司对原金融负债（或其一部分）的合同条款作出实质性修改的，终止确认原金融负债，同时按照修改后的条款确认一项新金融负债。

金融负债（或其一部分）终止确认的，账面价值与支付的对价（包括转出的非现金资产或承担的负债）之间的差额，计入当期损益。

6. 金融资产和金融负债的抵销

当本公司具有抵销已确认金额的金融资产和金融负债的法定权利，且该种法定权利是当前可执行的，同时本公司计划以净额结算或同时变现该金融资产和清偿该金融负债时，金融资产和金融负债以相互抵销后的净额在资产负债表内列示。除此以外，金融资产和金融负债在资产负债表内分别列示，不予相互抵销。

7. 金融资产和金融负债的公允价值确定方法

公允价值，是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。金融工具存在活跃市场的，本公司采用活跃市场中的报价确定其公允价值。活跃市场中的报价是指易于定期从交易所、经纪商、行业协会、定价服务机构等获得的价格，且代表了在公平交易中实际发生的市场交易的价格。金融工具不存在活跃市场的，本公司采用估值技术确定其公允价值。估值技术包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融工具当前的公允价值、现金流量折现法和期权定价模型等。在估值时，公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可输入值，并将其在公允价值层次中分类为第三层级。

(九) 存货

1. 存货的分类

本公司存货主要包括：原材料、在途物资、在产品、库存商品、发出商品、委托加工物资等。

2. 存货取得和发出的计价方法

本公司存货取得时按实际成本计价；发出时按加权平均法计价。

建造合同按实际成本计量，包括从合同签订开始至合同完成止所发生的、与执行合同有关的直接费用和间接费用。为订立合同而发生的差旅费、投标费等，能够单独区分和可靠计量且合同很可能订立的，在取得合同时计入合同成本；未满足上述条件的，则计入当期损益。

在建合同累计已发生的成本和累计已确认的毛利（亏损）与已结算的价款在资产负债表中以抵销后的净额列示。在建合同累计已发生的成本和累计已确认的毛利（亏损）之和超过已结算价款的部分作为存货列示；在建合同已结算的价款超过累计已发生的成本与累计已确认的毛利（亏损）之和的部分作为预收款项列示。

本公司因债务重组取得债务人用以抵债的存货，以该存货的公允价值为基础确定其入账价值。

本公司在非货币性资产交换具备商业实质和换入资产或换出资产的公允价值能够可靠计量的前提下，非货币性资产交换换入的存货通常以换出资产的公允价值为基础确定其入账价值，除非有确凿证据表明换入资产的公允价值更加可靠；不满足上述前提的非货币性资产交换，以换出资产的账面价值和应支付的相关税费作为换入存货的成本。

本公司以同一控制下的企业吸收合并方式取得的存货按被合并方的账面价值确定其入账价值；以非同一控制下的企业吸收合并方式取得的存货按公允价值确定其入账价值。

3. 存货可变现净值的确认和跌价准备的计提方法

可变现净值是指在日常活动中，存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额。在确定存货的可变现净值时，以取得的确凿证据为基础，同时考虑持有存货的目的以及资产负债表日后事项的影响。

本公司期末对存货进行全面清查后，按存货的成本与可变现净值孰低提取或调整存货跌价准备。

产成品、商品和用于出售的材料等直接用于出售的商品存货，在正常生产经营过程中，以该存货的估计售价减去估计的销售费用和相关税费后的金额，确定其可变现净值；

需要经过加工的材料存货，在正常生产经营过程中，以所生产的产成品的估计售价减去至完工时估计将要发生的成本、估计的销售费用和相关税费后的金额，确定其可变现净值；

为执行销售合同或者劳务合同而持有的存货，其可变现净值以合同价格为基础计算，若持有存货的数量多于销售合同订购数量的，超出部分的存货的可变现净值以一般销售价格为基础计算。

期末通常按照单个存货项目计提存货跌价准备；对于数量繁多、单价较低的存货，按照存货类别计提存货跌价准备；与在同一地区生产和销售的产品系列相关、具有相同或类似最终用途或目的，且难以与其他项目分开计量的存货，则合并计提存货跌价准备。

以前减记存货价值的影响因素已经消失的，减记的金额予以恢复，并在原已计提的存货跌价准备金额内转回，转回的金额计入当期损益。

4. 存货的盘存制度为

本公司存货采用永续盘存制。

5. 低值易耗品和包装物的摊销方法

本公司低值易耗品采用一次摊销法摊销。

(十) 合同资产

本公司将客户尚未支付合同对价，但本公司已经依据合同履行了履约义务，且不属于无条件（即仅取决于时间流逝）向客户收款的权利，在资产负债表中列示为合同资产。同一合同下的合同资产和合同负债以净额列示，不同合同下的合同资产和合同负债不予抵销。

合同资产预期信用损失的确定方法和会计处理方法参见附注三（八）、2“金融工具减值”。

(十一) 持有待售资产

本公司若主要通过出售（包括具有商业实质的非货币性资产交换，下同）而非持续使用一项非流动资产或处置组收回其账面价值的，则将其划分为持有待售类别。具体标准为同时

满足以下条件：某项非流动资产或处置组根据类似交易中出售此类资产或处置组的惯例，在当前状况下即可立即出售；本公司已经就出售计划作出决议且获得确定的购买承诺；预计出售将在一年内完成。其中，处置组是指在一项交易中作为整体通过出售或其他方式一并处置的一组资产，以及在该交易中转让的与这些资产直接相关的负债。处置组所属的资产组或资产组组合按照《企业会计准则第 8 号——资产减值》分摊了企业合并中取得的商誉的，该处置组应当包含分摊至处置组的商誉。

本公司初始计量或在资产负债表日重新计量划分为持有待售的非流动资产和处置组时，其账面价值高于公允价值减去出售费用后的净额的，将账面价值减记至公允价值减去出售费用后的净额，减记的金额确认为资产减值损失，计入当期损益，同时计提持有待售资产减值准备。对于处置组，所确认的资产减值损失先抵减处置组中商誉的账面价值，再按比例抵减该处置组内适用《企业会计准则第 42 号——持有待售的非流动资产、处置组和终止经营》（以下简称“持有待售准则”）的计量规定的各项非流动资产的账面价值。后续资产负债表日持有待售的处置组公允价值减去出售费用后的净额增加的，以前减记的金额应当予以恢复，并在划分为持有待售类别后适用持有待售准则计量规定的非流动资产确认的资产减值损失金额内转回，转回金额计入当期损益，并根据处置组中除商誉外适用持有待售准则计量规定的各项非流动资产账面价值所占比重按比例增加其账面价值；已抵减的商誉账面价值，以及适用持有待售准则计量规定的非流动资产在划分为持有待售类别前确认的资产减值损失不得转回。

持有待售的非流动资产或处置组中的非流动资产不计提折旧或摊销，持有待售的处置组中负债的利息和其他费用继续予以确认。

非流动资产或处置组不再满足持有待售类别的划分条件时，本公司不再将其继续划分为持有待售类别或将非流动资产从持有待售的处置组中移除，并按照以下两者孰低计量：(1)划分为持有待售类别前的账面价值，按照假定不划分为持有待售类别情况下本应确认的折旧、摊销或减值等进行调整后的金额；(2)可收回金额。

（十二）长期股权投资

本部分所指的长期股权投资是指本公司对被投资单位具有共同控制或重大影响的长期股权投资。

1. 投资成本的确定

投资成本视长期股权投资取得方式的不同，分别按照本公司实际支付的现金购买价款、投资合同或协议约定的价值、非货币性资产交换交易中换出资产的公允价值或原账面价值、该项长期股权投资自身的公允价值等方式确定。与取得长期股权投资直接相关的费用、税金及其他必要支出也计入投资成本。对于因追加投资能够对被投资单位实施重大影响或实施共同控制但不构成控制的，长期股权投资成本为按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有股权投资的公允价值加上新增投资成本之和。

2. 后续计量及损益确认方法

对被投资单位具有共同控制（构成共同经营者除外）或重大影响的长期股权投资，采用权益法核算。

采用权益法核算时，长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，其差额计入当期损益，同时调整长期股权投资的成本。

采用权益法核算时，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资收益和其他综合收益，同时调整长期股权投资的账面价值；按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；对于被投资单位除净损益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入资本公积。在确认应享有被投资单位净损益的份额时，以取得投资时被投资单位各项可辨认资产等的公允价值为基础，对被投资单位的净利润进行调整后确认。被投资单位采用的会计政策及会计期间与本公司不一致的，按照本公司的会计政策及会计期间对被投资单位的财务报表进行调整，并据以确认投资收益和其他综合收益。对于本公司与联营企业及合营企业之间发生的交易，投出或出售的资产不构成业务的，未实现内部交易损益按照享有的比例计算归属于本公司的部分予以抵销，在此基础上确认投资损益。但本公司与被投资单位发生的未实现内部交易损失，属于所转让资产减值损失的，不予以抵销。本公司向合营企业或联营企业投出的资产构成业务的，投资方因此取得长期股权投资但未取得控制权的，以投出业务的公允价值作为新增长期股权投资的初始投资成本，初始投资成本与投出业务的账面价值之差，全额计入当期损益。本公司向合营企业或联营企业出售的资产构成业务的，取得的对价与业务的账面价值之差，全额计入当期损益。本公司自联营企业及合营企业购入的资产构成业务的，按《企业会计准则第 20 号——企业合并》的规定进行会计处理，全额确认与交易相关的利得或损失。

在确认应分担被投资单位发生的净亏损时，以长期股权投资的账面价值和其他实质上构成对被投资单位净投资的长期权益减记至零为限。此外，如本公司对被投资单位负有承担额外损失的义务，则按预计承担的义务确认预计负债，计入当期投资损失。被投资单位以后期间实现净利润的，本公司在收益分享额弥补未确认的亏损分担额后，恢复确认收益分享额。

长期股权投资处置时，其账面价值与实际取得价款的差额，计入当期损益。处置后的剩余股权仍采用权益法核算的，在处置时将原计入股东权益的其他综合收益部分按相应的比例采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理。因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，按比例结转入当期损益。

（十三）投资性房地产

投资性房地产是指为赚取租金或资本增值，或两者兼有而持有的房地产。包括已出租的土地使用权、持有并准备增值后转让的土地使用权、已出租的建筑物等。此外，对于本公司持有以备经营出租的空置建筑物，若董事会（或类似机构）作出书面决议，明确表示将其用

于经营出租且持有意图短期内不再发生变化的，也作为投资性房地产列报。

投资性房地产按成本进行初始计量。与投资性房地产有关的后续支出，如果与该资产有关的经济利益很可能流入且其成本能可靠地计量，则计入投资性房地产成本。其他后续支出，在发生时计入当期损益。

本公司采用成本模式对投资性房地产进行后续计量，并按照与房屋建筑物或土地使用权一致的政策进行折旧或摊销。

投资性房地产的减值测试方法和减值准备计提方法详见附注三、（二十）“长期资产减值”。

投资性房地产的用途改变为自用时，自改变之日起，将该投资性房地产转换为固定资产或无形资产。自用房地产的用途改变为赚取租金或资本增值时，自改变之日起，将固定资产或无形资产转换为投资性房地产。发生转换时，以转换前的账面价值作为转换后的入账价值。

当投资性房地产被处置、或者永久退出使用且预计不能从其处置中取得经济利益时，终止确认该项投资性房地产。投资性房地产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后计入当期损益。

（十四）固定资产

1. 固定资产确认条件

固定资产是指为生产商品、提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。固定资产仅在与其有关的经济利益很可能流入本公司，且其成本能够可靠地计量时才予以确认。固定资产按成本并考虑预计弃置费用因素的影响进行初始计量。

2. 固定资产的分类

本公司固定资产分类为：房屋及建筑物、机器设备、运输设备、办公及其他设备。

3. 固定资产的初始计量

本公司固定资产通常按照实际成本作为初始计量。

本公司购买固定资产的价款超过正常信用条件延期支付，实质上具有融资性质的，固定资产的成本以购买价款的现值为基础确定。

本公司债务重组取得债务人用以抵债的固定资产，以该固定资产的公允价值为基础确定其入账价值，并将重组债务的账面价值与该用以抵债的固定资产公允价值之间的差额，计入当期损益；在非货币性资产交换具备商业实质和换入资产或换出资产的公允价值能够可靠计量的前提下，非货币性资产交换换入的固定资产通常以换出资产的公允价值为基础确定其入账价值，除非有确凿证据表明换入资产的公允价值更加可靠；不满足上述前提的非货币性资产交换，以换出资产的账面价值和应支付的相关税费作为换入固定资产的成本，不确认损益。

本公司以同一控制下的企业吸收合并方式取得的固定资产按被合并方的账面价值确定

其入账价值；以非同一控制下的企业吸收合并方式取得的固定资产按公允价值确定其入账价值。

4. 固定资产折旧计提方法

本公司固定资产折旧自达到预定可使用状态的次月起采用年限平均法分类计提，根据固定资产类别、预计使用年限和预计净残值率确定折旧率。

符合资本化条件的固定资产装修费用，在两次装修期间与固定资产尚可使用年限两者中较短的期间内，采用年限平均法单独计提折旧。

各类固定资产折旧年限和年折旧率如下：

类别	预计使用年限	净残值率 (%)	年折旧率 (%)
房屋及建筑物	20年	5.00	4.75
机器设备	6-10年	5.00	15.83-9.50
运输设备	10年	5.00	9.50
办公及其他设备	5年	5.00	19.00

已计提资产减值的固定资产，资产减值损失确认后，减值资产的折旧费用在未来期间作相应调整，以使该资产在剩余使用寿命内，系统地分摊调整后的资产账面价值（扣除预计净残值）。

5. 固定资产的减值测试方法及减值准备计提方法

固定资产的减值测试方法和减值准备计提方法详见附注三、(二十)“长期资产减值”。

(十五) 在建工程

1. 在建工程的初始计量和后续计量

本公司在建工程按照实际发生的支出确定其工程成本，并单独核算。工程达到预定可使用状态前因进行试运转所发生的净支出，计入工程成本。在建工程项目在达到预定可使用状态前所取得的试运转过程中形成的、能够对外销售的产品，其发生的成本，计入在建工程成本，销售或转为库存商品时，按实际销售收入或按预计售价冲减工程成本。在建工程发生的借款费用，符合借款费用资本化条件的，在所购建的固定资产达到预计可使用状态前，计入在建工程成本。

2. 在建工程结转为固定资产的时点

本公司在建工程项目按建造该项资产达到预定可使用状态前所发生的全部支出，作为固定资产的入账价值。所建造的固定资产在建工程已达到预定可使用状态，但尚未办理竣工决算的，自达到预定可使用状态之日起，根据工程预算、造价或者工程实际成本等，按估计的价值转入固定资产，并按本公司固定资产折旧政策计提固定资产的折旧，待办理竣工决算后，再按实际成本调整原来的暂估价值，但不调整原已计提的折旧额。

上述“达到预定可使用状态”，是指固定资产已达到本公司预定的可使用状态。当存在下列情况之一时，则认为所购建的固定资产已达到预定可使用状态：

- (1) 固定资产的实体建造(包括安装)工作已经全部完成或者实质上已经全部完成；
- (2) 已经过试生产或试运行，并且其结果表明资产能够正常运行或者能够稳定地生产出合格产品时，或者试运行结果表明能够正常运转或营业时；
- (3) 该项建造的固定资产上的支出金额很少或者几乎不再发生；
- (4) 所购建的固定资产已经达到设计或合同要求，或与设计或合同要求相符或基本相符，即使有极个别地方与设计或合同要求不相符，也不足以影响其正常使用。

3. 在建工程的减值测试方法和减值准备计提方法详见附注三、(二十)“长期资产减值”。

(十六) 借款费用

借款费用包括借款利息、折价或溢价的摊销、辅助费用以及因外币借款而发生的汇兑差额等。可直接归属于符合资本化条件的资产的购建或者生产的借款费用，在资产支出已经发生、借款费用已经发生、为使资产达到预定可使用或可销售状态所必要的购建或生产活动已经开始时，开始资本化；构建或者生产的符合资本化条件的资产达到预定可使用状态或者可销售状态时，停止资本化。其余借款费用在发生当期确认为费用。

专门借款当期实际发生的利息费用，减去尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额予以资本化；一般借款根据累计资产支出超过专门借款部分的资产支出加权平均数乘以所占用一般借款的资本化率，确定资本化金额。资本化率根据一般借款的加权平均利率计算确定。

资本化期间内，外币专门借款的汇兑差额全部予以资本化；外币一般借款的汇兑差额计入当期损益。

符合资本化条件的资产指需要经过相当长时间的购建或者生产活动才能达到预定可使用或可销售状态的固定资产、投资性房地产和存货等资产。

如果符合资本化条件的资产在购建或生产过程中发生非正常中断、并且中断时间连续超过 3 个月的，暂停借款费用的资本化，直至资产的购建或生产活动重新开始。

(十七) 使用权资产

除短期租赁和低价值资产租赁外，本公司在租赁期开始日对租赁确认使用权资产。租赁期开始日，是指出租人提供租赁资产使其可供本公司使用的起始日期。使用权资产按照成本进行初始计量。

该成本包括：租赁负债的初始计量金额；在租赁期开始日或之前支付的租赁付款额，存在租赁激励的，扣除已享受的租赁激励相关金额；本公司发生的初始直接费用；本公司为拆

卸及移除租赁资产、复原租赁资产所在场地或将租赁资产恢复至租赁条款约定状态预计将发生的成本。

本公司参照《企业会计准则第 4 号——固定资产》有关折旧规定，对使用权资产计提折旧。本公司能够合理确定租赁期届满时取得租赁资产所有权的，使用权资产在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的，在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。

(十八) 无形资产

1. 无形资产的确认条件

本公司无形资产是指拥有或者控制的没有实物形态的可辨认非货币性资产。无形资产同时满足下列条件的，才能予以确认：(1)与该无形资产有关的经济利益很可能流入企业；(2)该无形资产的成本能够可靠地计量。

2. 无形资产的计价方法

本公司无形资产按照实际成本进行初始计量。

本公司购买无形资产的价款超过正常信用条件延期支付，实质上具有融资性质的，无形资产的成本以购买价款的现值为基础确定。

本公司债务重组取得债务人用以抵债的无形资产，以该无形资产的公允价值为基础确定其入账价值，并将重组债务的账面价值与该用以抵债的无形资产公允价值之间的差额，计入当期损益；在非货币性资产交换具备商业实质和换入资产或换出资产的公允价值能够可靠计量的前提下，非货币性资产交换换入的无形资产通常以换出资产的公允价值为基础确定其入账价值，除非有确凿证据表明换入资产的公允价值更加可靠；不满足上述前提的非货币性资产交换，以换出资产的账面价值和应支付的相关税费作为换入无形资产的成本，不确认损益。

本公司以同一控制下的企业吸收合并方式取得的无形资产按被合并方的账面价值确定其入账价值；以非同一控制下的企业吸收合并方式取得的无形资产按公允价值确定其入账价值。

取得的土地使用权通常作为无形资产核算。自行开发建造厂房等建筑物，相关的土地使用权支出和建筑物建造成本则分别作为无形资产和固定资产核算。如为外购的房屋及建筑物，则将有关价款在土地使用权和建筑物之间进行分配，难以合理分配的，全部作为固定资产处理。

3. 无形资产使用寿命及摊销

本公司于取得无形资产时分析判断其使用寿命。无形资产的使用寿命为有限的，估计该使用寿命的年限或者构成使用寿命的产量等类似计量单位数量；无法预见无形资产为企业带来经济利益期限的，视为使用寿命不确定的无形资产。使用寿命有限的无形资产在使用寿命内采用直线法摊销，使用寿命不确定的无形资产不予摊销。

期末，本公司对使用寿命有限的无形资产的使用寿命和摊销方法进行复核，如发生变更则作为会计估计变更处理。此外，还对使用寿命不确定的无形资产的使用寿命进行复核，如果有证据表明该无形资产为企业带来经济利益的期限是可预见的，则估计其使用寿命并按照使用寿命有限的无形资产的摊销政策进行摊销。

4. 研究与开发支出

本公司内部研究开发项目的支出分为研究阶段支出与开发阶段支出。

本公司划分内部研究开发项目研究阶段支出和开发阶段支出的具体标准为：研究阶段支出是指本公司为获取并理解新的科学或技术知识而进行的独创性的、探索性的有计划调查所发生的支出，是为进一步开发活动进行资料及相关方面的准备，已进行的研究活动将来是否会转入开发、开发后是否会形成无形资产等均具有较大的不确定性；开发阶段支出是指在进入商业性生产或使用前，将研究成果或其他知识应用于某项计划或设计，以生产出新的或具有实质性改进的材料、装置、产品等所发生的支出。相对于研究阶段而言，开发阶段是已完成研究阶段的工作，在很大程度上具备了形成一项新产品或新技术的基本条件。

研究阶段支出，于发生时计入当期损益；开发阶段支出，同时满足下列条件时确认为无形资产：

- (1) 完成该无形资产以使其能够使用或出售在技术上具有可行性；
- (2) 具有完成该无形资产并使用或出售的意图；
- (3) 无形资产产生经济利益的方式，包括能够证明运用该无形资产生产的产品存在市场或无形资产自身存在市场，无形资产将在内部使用的，能够证明其有用性；
- (4) 有足够的技术、财务资源和其他资源支持，以完成该无形资产的开发，并有能力使用或出售该无形资产；
- (5) 归属于该无形资产开发阶段的支出能够可靠地计量。

不能满足上述条件的开发阶段的支出计入当期损益。

5. 无形资产的减值测试方法及减值准备计提方法

无形资产的减值测试方法和减值准备计提方法详见附注三、(二十)“长期资产减值”。

(十九) 长期待摊费用

长期待摊费用为已经发生但应由报告期和以后各期负担的分摊期限在一年以上的各项费用。本公司的长期待摊费用主要包括经营性租入固定资产的改良支出和一次性支付的光伏电站占地的长期在租赁费。长期待摊费用在预计受益期间按直线法摊销。

(二十) 长期资产减值

对于固定资产、在建工程、使用寿命有限的无形资产、以成本模式计量的投资性房地产

及对子公司、合营企业、联营企业的长期股权投资等非流动非金融资产，本公司于资产负债表日判断是否存在减值迹象。如存在减值迹象的，则估计其可收回金额，进行减值测试。商誉、使用寿命不确定的无形资产和尚未达到可使用状态的无形资产，无论是否存在减值迹象，每年均进行减值测试。

减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产的公允价值根据公平交易中销售协议价格确定；不存在销售协议但存在资产活跃市场的，公允价值按照该资产的买方出价确定；不存在销售协议和资产活跃市场的，则以可获取的最佳信息为基础估计资产的公允价值。处置费用包括与资产处置有关的法律费用、相关税费、搬运费以及为使资产达到可销售状态所发生的直接费用。资产预计未来现金流量的现值，按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量，选择恰当的折现率对其进行折现后的金额加以确定。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

在财务报表中单独列示的商誉，在进行减值测试时，将商誉的账面价值分摊至预期从企业合并的协同效应中受益的资产组或资产组组合。测试结果表明包含分摊的商誉的资产组或资产组组合的可收回金额低于其账面价值的，确认相应的减值损失。减值损失金额先抵减分摊至该资产组或资产组组合的商誉的账面价值，再根据资产组或资产组组合中除商誉以外的其他各项资产的账面价值所占比重，按比例抵减其他各项资产的账面价值。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

(二十一) 合同负债

合同负债，是指本公司已收或应收客户对价而应向客户转让商品的义务。如果在本公司向客户转让商品之前，客户已经支付了合同对价或本公司已经取得了无条件收款权，本公司在客户实际支付款项和到期应支付款项孰早时点，将该已收或应收款项列示为合同负债。同一合同下的合同资产和合同负债以净额列示，不同合同下的合同资产和合同负债不予抵销。

(二十二) 职工薪酬

本公司职工薪酬主要包括短期职工薪酬、离职后福利、辞退福利。其中：

短期薪酬主要包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、生育保险费、工伤保险费、住房公积金、工会经费和职工教育经费、非货币性福利等。本公司在职工为本公司提供服务的会计期间将实际发生的短期职工薪酬确认为负债，并计入当期损益或相关资产成本。其中非货币性福利按公允价值计量。

离职后福利主要包括基本养老保险、失业保险等。离职后福利计划包括设定提存计划。采用设定提存计划的，相应的应缴存金额于发生时计入相关资产成本或当期损益。

在职工劳动合同到期之前解除与职工的劳动关系,或为鼓励职工自愿接受裁减而提出给予补偿的建议,在本公司不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时,和本公司确认与涉及支付辞退福利的重组相关的成本两者孰早日,确认辞退福利产生的职工薪酬负债,并计入当期损益。

职工内部退休计划采用与上述辞退福利相同的原则处理。本公司将自职工停止提供服务日至正常退休日的期间拟支付的内退人员工资和缴纳的社会保险费等,在符合预计负债确认条件时,计入当期损益(辞退福利)。

(二十三) 租赁负债

除短期租赁和低价值资产租赁外,本公司在租赁期开始日按照该日尚未支付的租赁付款额的现值对租赁负债进行初始计量。在计算租赁付款额的现值时,本公司采用租赁内含利率作为折现率,无法确定租赁内含利率的,采用增量借款利率作为折现率。

租赁付款额是指本公司向出租人支付的与在租赁期内使用租赁资产的权利相关的款项,包括:固定付款额及实质固定付款额,存在租赁激励的,扣除租赁激励相关金额;取决于指数或比率的可变租赁付款额;本公司合理确定将行使的购买选择权的行权价格;-租赁期反映出本公司将行使终止租赁选择权的,行使终止租赁选择权需支付的款项;-根据本公司提供的担保余值预计应支付的款项。

租赁期开始日后,本公司按照固定的周期性利率计算租赁负债在租赁期内各期间的利息费用,并计入当期损益或相关资产成本。

在租赁期开始日后,发生下列情形的,本公司重新计量租赁负债,并调整相应的使用权资产,若使用权资产的账面价值已调减至零,但租赁负债仍需进一步调减的,本公司将差额计入当期损益:因租赁期变化或购买选择权的评估结果发生变化的,本公司按变动后租赁付款额和修订后的折现率计算的现值重新计量租赁负债;根据担保余值预计的应付金额或者用于确定租赁付款额的指数或者比例发生变动,本公司按照变动后的租赁付款额和原折现率计算的现值重新计量租赁负债。

(二十四) 预计负债

当与或有事项相关的义务同时符合以下条件,确认为预计负债:(1)该义务是本公司承担的现时义务;(2)履行该义务很可能导致经济利益流出;(3)该义务的金额能够可靠地计量。

在资产负债表日,考虑与或有事项有关的风险、不确定性和货币时间价值等因素,按照履行相关现时义务所需支出的最佳估计数对预计负债进行计量。

如果清偿预计负债所需支出全部或部分预期由第三方补偿的,补偿金额在基本确定能够收到时,作为资产单独确认,且确认的补偿金额不超过预计负债的账面价值。

(二十五) 收入

1.收入确认原则

(1) 本公司与客户之间的合同同时满足下列条件时，在客户取得相关商品控制权时确认收入：合同各方已批准该合同并承诺将履行各自义务；合同明确了合同各方与所转让商品或提供劳务相关的权利和义务；合同有明确的与所转让商品相关的支付条款；合同具有商业实质，即履行该合同将改变本公司未来现金流量的风险、时间分布或金额；本公司因向客户转让商品而有权取得的对价很可能收回。

(2) 在合同开始日，本公司识别合同中存在的各单项履约义务，并将交易价格按照各单项履约义务所承诺商品的单独售价的相对比例分摊至各单项履约义务。在确定交易价格时考虑了可变对价、合同中存在的重大融资成分、非现金对价、应付客户对价等因素的影响。

(3) 对于合同中的每个单项履约义务，如果满足下列条件之一的，本公司在相关履约时段内按照履约进度将分摊至该单项履约义务的交易价格确认为收入：客户在本公司履约的同时即取得并消耗本公司履约所带来的经济利益；客户能够控制本公司履约过程中在建的商品；本公司履约过程中所产出的商品具有不可替代用途，且本公司在整个合同期间内有权就累计至今已完成的履约部分收取款项。履约进度根据所转让商品的性质采用投入法或产出法确定，当履约进度不能合理确定时，本公司已经发生的成本预计能够得到补偿的，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

(4) 如果不满足上述条件之一，则本公司在客户取得相关商品控制权的时点将分摊至该单项履约义务的交易价格确认收入。在判断客户是否已取得商品控制权时，本公司考虑下列迹象：公司就该商品享有现时收款权利，即客户就该商品负有现时付款义务；公司已将该商品的法定所有权转移给客户，即客户已拥有该商品的法定所有权；公司已将该商品实物转移给客户，即客户已实物占有该商品；公司已将该商品所有权上的主要风险和报酬转移给客户，即客户已取得该商品所有权上的主要风险和报酬；客户已接受该商品；其他表明客户已取得商品控制权的迹象。

(二十六) 合同成本

合同成本包括合同履约成本与合同取得成本。

1. 合同履约成本

本公司对于为履行合同发生的成本，不属于除收入准则外的其他企业会计准则范围且同时满足下列条件的作为合同履约成本确认为一项资产：

(1) 该成本与一份当前或预期取得的合同直接相关，包括直接人工、直接材料、制造费用（或类似费用）、明确由客户承担的成本以及仅因该合同而发生的其他成本；

(2) 该成本增加了企业未来用于履行履约义务的资源。

(3) 该成本预期能够收回。

该资产根据其初始确认时摊销期限是否超过一个正常营业周期在存货或其他非流动资

产中列报。

2. 合同取得成本

本公司为取得合同发生的增量成本预期能够收回的，作为合同取得成本确认为一项资产。

增量成本是指本公司不取得合同就不会发生的成本，如销售佣金等。对于摊销期限不超过一年的，在发生时计入当期损益。

3. 合同成本摊销

上述与合同成本有关的资产，采用与该资产相关的商品或服务收入确认相同的基础，在履约义务履行的时点或按照履约义务的履约进度进行摊销，计入当期损益。

4. 合同成本减值

上述与合同成本有关的资产，账面价值高于本公司因转让与该资产相关的商品预期能够取得剩余对价与为转让该相关商品估计将要发生的成本的差额的，超出部分应当计提减值准备，并确认为资产减值损失。

计提减值准备后，如果以前期间减值的因素发生变化，使得上述两项差额高于该资产账面价值的，转回原已计提的资产减值准备，并计入当期损益，但转回后的资产账面价值不超过假定不计提减值准备情况下该资产在转回日的账面价值。

(二十七) 政府补助

政府补助是指本公司从政府无偿取得货币性资产和非货币性资产，不包括政府以投资者身份并享有相应所有者权益而投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。

本公司将所取得的用于购建或以其他方式形成长期资产的政府补助界定为与资产相关的政府补助；其余政府补助界定为与收益相关的政府补助。若政府文件未明确规定补助对象，则采用以下方式将补助款划分为与收益相关的政府补助和与资产相关的政府补助：(1)政府文件明确了补助所针对的特定项目的，根据该特定项目的预算中将形成资产的支出金额和计入费用的支出金额的相对比例进行划分，对该划分比例需在每个资产负债表日进行复核，必要时进行变更；(2)政府文件中对用途仅作一般性表述，没有指明特定项目的，作为与收益相关的政府补助。

政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能够可靠取得的，按照名义金额计量。按照名义金额计量的政府补助，直接计入当期损益。

本公司对于政府补助通常在实际收到时，按照实收金额予以确认和计量。但对于期末有确凿证据表明能够符合财政扶持政策规定的相关条件预计能够收到财政扶持资金，按照应收的金额计量。按照应收金额计量的政府补助应同时符合以下条件：(1)应收补助款的金额已经

过有权政府部门发文确认,或者可根据正式发布的财政资金管理办法的有关规定自行合理测算,且预计其金额不存在重大不确定性;(2)所依据的是当地财政部门正式发布并按照《政府信息公开条例》的规定予以主动公开的财政扶持项目及其财政资金管理办法,且该管理办法应当是普惠性的(任何符合规定条件的企业均可申请),而不是专门针对特定企业制定的;(3)相关的补助款批文中已明确承诺了拨付期限,且该款项的拨付是有相应财政预算作为保障的,因而可以合理保证其可在规定期限内收到。

与资产相关的政府补助,确认为递延收益,并在相关资产的使用寿命内按照合理、系统的方法分期计入当期损益。与收益相关的政府补助,用于补偿以后期间的相关成本费用或损失的,确认为递延收益,并在确认相关成本费用或损失的期间计入当期损益;用于补偿已经发生的相关成本费用或损失的,直接计入当期损益。

同时包含与资产相关部分和与收益相关部分的政府补助,区分不同部分分别进行会计处理;难以区分的,将其整体归类为与收益相关的政府补助。

与本公司日常活动相关的政府补助,按照经济业务的实质,计入其他收益;与日常活动无关的政府补助,计入营业外收入。

已确认的政府补助需要退回时,存在相关递延收益余额的,冲减相关递延收益账面余额,超出部分计入当期损益;属于其他情况的,直接计入当期损益。

(二十八) 递延所得税资产/递延所得税负债

1. 当期所得税

资产负债表日,对于当期和以前期间形成的当期所得税负债(或资产),以按照税法规定计算的预期应交纳(或返还)的所得税金额计量。计算当期所得税费用所依据的应纳税所得额系根据有关税法规定对本报告期税前会计利润作相应调整后计算得出。

2. 递延所得税资产及递延所得税负债

资产、负债项目的账面价值与其计税基础之间的差额,以及未作为资产和负债确认但按照税法规定可以确定其计税基础的项目的账面价值与计税基础之间的差额产生的暂时性差异,采用资产负债表债务法确认递延所得税资产及递延所得税负债。

与商誉的初始确认有关,以及与既不是企业合并、发生时也不影响会计利润和应纳税所得额(或可抵扣亏损)的交易中产生的资产或负债的初始确认有关的应纳税暂时性差异,不予确认有关的递延所得税负债。此外,对与子公司、联营企业及合营企业投资相关的应纳税暂时性差异,如果本公司能够控制暂时性差异转回的时间,而且该暂时性差异在可预见的未来很可能不会转回,也不予确认有关的递延所得税负债。除上述例外情况,本公司确认其他所有应纳税暂时性差异产生的递延所得税负债。

与既不是企业合并、发生时也不影响会计利润和应纳税所得额(或可抵扣亏损)的交易中产生的资产或负债的初始确认有关的可抵扣暂时性差异,不予确认有关的递延所得税资产。

此外，对与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异，如果暂时性差异在可预见的未来不是很可能转回，或者未来不是很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额，不予确认有关的递延所得税资产。除上述例外情况，本公司以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限，确认其他可抵扣暂时性差异产生的递延所得税资产。

对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

资产负债表日，对于递延所得税资产和递延所得税负债，根据税法规定，按照预期收回相关资产或清偿相关负债期间的适用税率计量。

于资产负债表日，对递延所得税资产的账面价值进行复核，如果未来很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

3. 所得税费用

所得税费用包括当期所得税和递延所得税。

除确认为其他综合收益或直接计入股东权益的交易和事项相关的当期所得税和递延所得税计入其他综合收益或股东权益，以及企业合并产生的递延所得税调整商誉的账面价值外，其余当期所得税和递延所得税费用或收益计入当期损益。

4. 所得税的抵销

当拥有以净额结算的法定权利，且意图以净额结算或取得资产、清偿负债同时进行时，本公司当期所得税资产及当期所得税负债以抵销后的净额列报。

当拥有以净额结算当期所得税资产及当期所得税负债的法定权利，且递延所得税资产及递延所得税负债是与同一税收征管部门对同一纳税主体征收的所得税相关或者是对不同的纳税主体相关，但在未来每一具有重要性的递延所得税资产及负债转回的期间内，涉及的纳税主体意图以净额结算当期所得税资产和负债或是同时取得资产、清偿负债时，本公司递延所得税资产及递延所得税负债以抵销后的净额列报。

(二十九) 租赁

以下租赁会计政策适用于 2021 年度及以后：

租赁是指本公司让渡或取得了在一定期间内控制一项或多项已识别资产使用的权利以换取或支付对价的合同。在一项合同开始日，本公司评估合同是否为租赁或包含租赁。

(1) 本公司作为承租人

本公司租赁资产的类别主要为房屋建筑物。

①初始计量

在租赁期开始日，本公司将可在租赁期内使用租赁资产的权利确认为使用权资产，将尚未支付的租赁付款额的现值确认为租赁负债，短期租赁和低价值资产租赁除外。在计算租赁付款额的现值时，本公司采用租赁内含利率作为折现率；无法确定租赁内含利率的，采用承租人增量借款利率作为折现率。

②后续计量

本公司自租赁期开始的当月对使用权资产计提折旧，能够合理确定租赁期届满时取得租赁资产所有权的，本公司在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的，本公司在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。

对于租赁负债，本公司按照固定的周期性利率计算其在租赁期内各期间的利息费用，计入当期损益或计入相关资产成本。未纳入租赁负债计量的可变租赁付款额在实际发生时计入当期损益或相关资产成本。

租赁期开始日后，当实质固定付款额发生变动、担保余值预计的应付金额发生变化、用于确定租赁付款额的指数或比率发生变动、购买选择权、续租选择权或终止选择权的评估结果或实际行权情况发生变化时，本公司按照变动后的租赁付款额的现值重新计量租赁负债，并相应调整使用权资产的账面价值。使用权资产账面价值已调减至零，但租赁负债仍需进一步调减的，本公司将剩余金额计入当期损益。

③短期租赁和低价值资产租赁

对于短期租赁（在租赁开始日租赁期不超过 12 个月的租赁）和低价值资产租赁，本公司采取简化处理方法，不确认使用权资产和租赁负债，而在租赁期内各个期间按照直线法或其他系统合理的方法将租赁付款额计入相关资产成本或当期损益。

④租赁变更

租赁发生变更且同时符合下列条件的，本公司将该租赁变更作为一项单独租赁进行会计处理：

- 该租赁变更通过增加一项或多项租赁资产的使用权而扩大了租赁范围；
- 增加的对价与租赁范围扩大部分的单独价格按该合同情况调整后的金额相当。

租赁变更未作为一项单独租赁进行会计处理的，在租赁变更生效日，本公司重新分摊变更后合同的对价，重新确定租赁期，并按照变更后租赁付款额和修订后的折现率计算的现值重新计量租赁负债。

租赁变更导致租赁范围缩小或租赁期缩短的，本公司相应调减使用权资产的账面价值，并将部分终止或完全终止租赁的相关利得或损失计入当期损益。其他租赁变更导致租赁负债重新计量的，本公司相应调整使用权资产的账面价值。

以下租赁会计政策适用于 2020 年度：

融资租赁为实质上转移了与资产所有权有关的全部风险和报酬的租赁，其所有权最终可能转移，也可能不转移。融资租赁以外的其他租赁为经营租赁。

(1) 本公司作为承租人记录经营租赁业务

经营租赁的租金支出在租赁期内的各个期间按直线法计入相关资产成本或当期损益。初始直接费用计入当期损益。或有租金于实际发生时计入当期损益。

(2) 本公司作为出租人记录经营租赁业务

经营租赁的租金收入在租赁期内的各个期间按直线法确认为当期损益。对金额较大的初始直接费用于发生时予以资本化，在整个租赁期间内按照与确认租金收入相同的基础分期计入当期损益；其他金额较小的初始直接费用于发生时计入当期损益。或有租金于实际发生时计入当期损益。

(3) 本公司作为承租人记录融资租赁业务

于租赁期开始日，将租赁开始日租赁资产的公允价值与最低租赁付款额现值两者中较低者作为租入资产的入账价值，将最低租赁付款额作为长期应付款的入账价值，其差额作为未确认融资费用。此外，在租赁谈判和签订租赁合同过程中发生的，可归属于租赁项目的初始直接费用也计入租入资产价值。最低租赁付款额扣除未确认融资费用后的余额分别长期负债和一年内到期的长期负债列示。

未确认融资费用在租赁期内采用实际利率法计算确认当期的融资费用。或有租金于实际发生时计入当期损益。

(4) 本公司作为出租人记录融资租赁业务

于租赁期开始日，将租赁开始日最低租赁收款额与初始直接费用之和作为应收融资租赁款的入账价值，同时记录未担保余值；将最低租赁收款额、初始直接费用及未担保余值之和与其现值之和的差额确认为未实现融资收益。应收融资租赁款扣除未实现融资收益后的余额分别长期债权和一年内到期的长期债权列示。

未实现融资收益在租赁期内采用实际利率法计算确认当期的融资收入。或有租金于实际发生时计入当期损益。

(三十) 套期会计

本公司在套期开始时，记录套期工具与被套期项目之间的关系，以及风险管理目标和进行不同套期交易的策略。此外，在套期开始及之后，本公司会持续地对套期有效性进行评价。

被指定为现金流量套期且符合条件的衍生工具，其公允价值变动属于有效套期的部分确认为其他综合收益，无效套期部分计入当期损益。

如果对预期交易的套期使本公司随后确认一项金融资产或金融负债的，原计入其他综合

收益的金额将在该项资产或债务影响企业损益的相同期间转出，计入当期损益；如果本公司预期原计入其他综合收益的净损失全部或部分在未来会计期间不能弥补，则将不能弥补的部分转出，计入当期损益。

如果对预期交易的套期使本公司随后确认一项非金融资产或非金融负债，则将已计入其他综合收益的利得或损失转出，计入该项非金融资产或非金融负债的初始成本中。如果预期原计入其他综合收益的净损失全部或部分在未来会计期间不能弥补的，则将不能弥补的部分转出，计入当期损益。

除上述情况外，原计入其他综合收益的金额在被套期项目预期交易影响损益的相同期间转出，计入当期损益。

当本公司撤销了对套期关系的指定、套期工具已到期或被出售、合同终止、已行使或不再符合套期会计条件时，终止运用套期会计。套期会计终止时，已计入其他综合收益的累计利得或损失，将在预期交易发生并计入损益时，自其他综合收益转出计入损益。如果预期交易不会发生，则将计入其他综合收益的累计利得或损失立即转出，计入当期损益。

(三十一)重要会计政策、会计估计的变更

1. 重要会计政策变更

财政部于 2018 年 12 月 7 日发布了《企业会计准则第 21 号——租赁(2018 年修订)》(财会[2018]35 号)(以下简称“新租赁准则”)。本公司于 2021 年 1 月 1 日起执行前述新租赁准则，并依据新租赁准则的规定对相关会计政策进行变更。

根据新租赁准则的规定，对于首次执行日前已存在的合同，本公司选择不重新评估其是否为租赁或者包含租赁。本公司选择仅对 2021 年 1 月 1 日尚未完成的租赁合同的累计影响数进行调整。首次执行的累积影响金额调整首次执行当期期初(即 2021 年 1 月 1 日)的留存收益及财务报表其他相关项目金额，对可比期间信息不予调整。

执行上述新准则对本公司财务报表无影响。

2. 重要会计估计变更

本公司本报告期内无会计估计变更事项。

四、税项

税种	计税基础	税率
企业所得税	应纳税所得额	0% (前五年)
增值税	应税收入按税率计算销项税，并按扣除当期允许抵扣的进项税额后的差额计缴增值税	0% (永久)
监理税	工程项目发生额	10%

五、财务报表主要项目注释

以下注释项目除非特别指出，上年年末指 2020 年 12 月 31 日，年初指 2021 年 1 月 1 日，期末指 2021 年 12 月 31 日，本期指 2021 年度，上期指 2020 年度。

（一）货币资金

项目	期末余额	年初余额
库存现金		44,419.32
银行存款	35,876,386.97	15,759,698.67
合计	35,876,386.97	15,804,117.99

（二）应收账款

1.按账龄披露

账龄	期末余额	年初余额
1 年以内	78,084,498.20	50,596,742.78
小计	78,084,498.20	50,596,742.78
减：坏账准备	2,342,534.95	1,517,902.28
合计	75,741,963.25	49,078,840.50

2.按坏账计提方法分类列示

项目	期末余额				
	账面余额		坏账准备		账面价值
	金额	比例(%)	金额	计提比例(%)	
按组合计提坏账准备的应收账款	78,084,498.20	100.00	2,342,534.95	3.00	75,741,963.25
合计	78,084,498.20	100.00	2,342,534.95	3.00	75,741,963.25

(续)

项目	年初余额				
	账面余额		坏账准备		账面价值
	金额	比例(%)	金额	计提比例(%)	
按组合计提坏账准备的应收账款	50,596,742.78	100.00	1,517,902.28	3.00	49,078,840.50
合计	50,596,742.78	100.00	1,517,902.28	3.00	49,078,840.50

组合中，按账龄组合计提坏账准备的应收账款

账龄	期末余额		
	账面余额	坏账准备	计提比例(%)
1年以内	78,084,498.20	2,342,534.95	3.00
合计	78,084,498.20	2,342,534.95	3.00

(续)

账龄	年初余额		
	账面余额	坏账准备	计提比例(%)
1年以内	50,596,742.78	1,517,902.28	3.00
合计	50,596,742.78	1,517,902.28	3.00

3.本期计提、收回或转回的坏账准备情况

类别	期初余额	本期变动金额				期末余额
		计提	收回或转回	转销或核销	其他变动	
坏账准备	1,517,902.28	953,828.34			-129,195.67	2,342,534.95

(三) 预付款项

1.预付款项按账龄列示

账龄	期末余额		年初余额	
	金额	比例(%)	金额	比例(%)
1年以内	431,165.79	100.00	2,463,171.84	100.00
合计	431,165.79	100.00	2,463,171.84	100.00

(四) 其他应收款

1.其他应收款分类

项目	期末余额	年初余额
应收利息		
应收股利		
其他应收款	48,042.21	296,055.63
合计	48,042.21	296,055.63

2.其他应收款按账龄披露

账龄	期末余额	年初余额
1年以内	49,528.05	305,211.99
小计	49,528.05	305,211.99
减：坏账准备	1,485.84	9,156.36
合计	48,042.21	296,055.63

3.按款项性质分类情况

款项性质	期末账面余额	上年期末账面余额
往来款	49,528.05	305,211.99
小计	49,528.05	305,211.99
减：坏账准备	1,485.84	9,156.36
合计	48,042.21	296,055.63

4.坏账准备计提情况

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失（未发生信用减值）	整个存续期预期信用损失（已发生信用减值）	
2021 年 1 月 1 日余额	9,156.36			9,156.36
2021 年 1 月 1 日其他应收款账面余额在本期：				
——转入第二阶段				
——转入第三阶段				
——转回第二阶段				
——转回第一阶段				
本期计提	-7,418.73			-7,418.73
本期转回				
本期转销				
本期核销				
其他变动	-251.79			-251.79
期末余额	1,485.84			1,485.84

5.坏账准备的情况

类别	期初余额	本期变动金额					期末余额
		计提	合并增加	收回或转回	转销或核销	其他变动	
坏账准备	9,156.36	-7,418.73				-251.79	1,485.84

(五) 存货

项目	期末余额		
	账面余额	跌价准备	账面价值
原材料	50,620,764.31		50,620,764.31
在产品	1,022,027.15		1,022,027.15
库存商品	16,345,966.85		16,345,966.85

项目	期末余额		
	账面余额	跌价准备	账面价值
合计	67,988,758.31		67,988,758.31

(续)

项目	年初余额		
	账面余额	跌价准备	账面价值
原材料	27,692,440.18		27,692,440.18
在产品	1,142,545.76		1,142,545.76
库存商品	7,094,254.16		7,094,254.16
合计	35,929,240.10		35,929,240.10

(六) 固定资产

项目	期末余额	年初余额
固定资产	84,528,951.26	90,256,927.78
固定资产清理		
合计	84,528,951.26	90,256,927.78

1. 固定资产

项目	房屋及建筑物	机器设备	运输设备	办公及其他设备	合计
一、账面原值					
1. 期初余额	42,508,165.32	55,442,923.89	216,871.18	1,303,304.26	99,471,264.65
2. 本期增加金额	-1,774,770.35	3,745,206.31	-11,916.48	-9,420.33	1,949,099.15
(1) 购置		6,823,192.51		63,932.49	6,887,125.00
(2) 在建工程转入	562,382.00				562,382.00
(3) 汇率折算	-2,337,152.35	-3,077,986.20	-11,916.48	-73,352.82	-5,500,407.85
3. 本期减少金额					
4. 期末余额	40,733,394.97	59,188,130.20	204,954.70	1,293,883.93	101,420,363.80
二、累计折旧					
1. 期初余额	2,469,437.04	6,146,877.20	122,801.41	475,221.22	9,214,336.87
2. 本期增加金额	1,913,605.83	5,469,745.11	34,330.52	259,394.21	7,677,075.67
(1) 计提	2,130,349.36	6,038,611.95	42,701.11	296,720.84	8,508,383.26
(2) 汇率折算	-216,743.53	-568,866.84	-8,370.59	-37,326.63	-831,307.59

项目	房屋及建筑物	机器设备	运输设备	办公及其他设备	合计
3.本期减少金额					
4.期末余额	4,383,042.87	11,616,622.31	157,131.93	734,615.43	16,891,412.54
三、减值准备					
1.期初余额					
2.本期增加金额					
3.本期减少金额					
4.期末余额					
四、账面价值					
1.期末账面价值	36,350,352.10	47,571,507.89	47,822.77	559,268.50	84,528,951.26
2.期初账面价值	40,038,728.28	49,296,046.69	94,069.77	828,083.04	90,256,927.78

(七) 在建工程

项目	期末余额	上年年末余额
在建工程		
工程物资		
合计		

1.重要在建工程项目本期变动情况

项目名称	期初余额	本期增加	本期转入固定资产	期末余额
厂房设施		562,382.00	562,382.00	
合计		562,382.00	562,382.00	

(八) 无形资产

项目	土地使用权	专利权	合计
一、账面原值			
1.期初余额	19,744,779.78	99,447.24	19,844,227.02
2.本期增加金额	-1,084,922.41	-5,494.95	-1,090,417.36
(1) 购置			
(2) 汇率折算	-1,084,922.41	-5,494.95	-1,090,417.36
3.本期减少金额			
4.期末余额	18,659,857.37	93,952.29	18,753,809.66
二、累计摊销			

项目	土地使用权	专利权	合计
1.期初余额		38,359.09	38,359.09
2.本期增加金额		16,722.40	16,722.40
(1)计提		19,574.41	19,574.41
(2)汇率折算		-2,852.01	-2,852.01
3.本期减少金额			
4.期末余额		55,081.49	55,081.49
三、减值准备			
1.期初余额			
2.本期增加金额			
3.本期减少金额			
4.期末余额			
四、账面价值			
1.期末账面价值	18,659,857.37	38,870.80	18,698,728.17
2.期初账面价值	19,744,779.78	61,088.15	19,805,867.93

(九) 长期待摊费用

项目	期初余额	本期增加额	本期摊销额	其他减少额	期末余额
固定资产改良支出	84,741.61		40,665.72	3,113.55	40,962.34
合计	84,741.61		40,665.72	3,113.55	40,962.34

(十) 应付账款

账龄	期末余额	年初余额
1年以内	91,125,214.45	47,158,406.22
合计	91,125,214.45	47,158,406.22

(十一) 预收款项

账龄	期末余额	年初余额
1年以内		631,997.01
合计		631,997.01

(十二) 合同负债

项目	期末余额	年初余额
1年以内	1,031,054.94	
合计	1,031,054.94	

(十三) 应付职工薪酬

1. 应付职工薪酬列示

项目	期初余额	本期增加	本期减少	期末余额
一、短期薪酬	682,557.58	10,571,938.49	10,403,915.92	850,580.15
二、离职后福利-设定提存计划		901,464.82	812,839.26	88,625.56
三、辞退福利				
四、一年内到期的其他福利				
合计	682,557.58	11,473,403.31	11,216,755.18	939,205.71

2. 短期薪酬列示

项目	期初余额	本期增加	本期减少	期末余额
1、工资、奖金、津贴和补贴	682,557.58	10,194,650.76	10,065,047.36	812,160.98
2、职工福利费				
3、社会保险费		377,287.73	338,868.56	38,419.17
其中：医疗保险费		377,287.73	338,868.56	38,419.17
工伤保险费				
生育保险费				
其他				
4、住房公积金				
5、工会经费和职工教育经费				
6、短期带薪缺勤				
7、短期利润分享计划				
合计	682,557.58	10,571,938.49	10,403,915.92	850,580.15

3. 设定提存计划列示

项目	期初余额	本期增加	本期减少	期末余额
1、基本养老保险		901,464.82	812,839.26	88,625.56
合计		901,464.82	812,839.26	88,625.56

(十四) 应交税费

项目	期末余额	年初余额
个人所得税	36,572.09	32,516.97
其他	178,799.76	
合计	215,371.85	32,516.97

(十五) 其他应付款

项目	期末余额	年初余额
应付利息		
应付股利		
其他应付款	23,311,294.56	37,854,051.06
合计	23,311,294.56	37,854,051.06

1.其他应付款

项目	期末余额	年初余额
往来款		136,551.06
母公司借款	23,311,294.56	37,717,500.00
合计	23,311,294.56	37,854,051.06

(十六) 其他流动负债

项目	期末余额	年初余额
其他	2,345,412.90	
合计	2,345,412.90	

(十七) 递延收益

项目	年初余额	本期增加	本期减少	期末余额	形成原因
政府补助	6,205,944.27		1,452,981.63	4,752,962.64	与资产相关的政府补助
合计	6,205,944.27		1,452,981.63	4,752,962.64	

其中，涉及政府补助的项目

项目	年初余额	本期新增补助金额	本期计入其他收益金额	其他变动	期末余额
购买资产补助	6,205,944.27		1,126,046.76	326,934.87	4,752,962.64
总计	6,205,944.27		1,126,046.76	326,934.87	4,752,962.64

(十八) 实收资本

投资者名称	年初余额		本期增加	本期减少	期末余额	
	投资金额	所占比例(%)			投资金额	所占比例(%)
江苏中天科技股份有限公司	106,866,858.60	100.00	36,619,329.87		143,486,188.47	100.00
合计	106,866,858.60	100.00	36,619,329.87		143,486,188.47	100.00

(十九) 其他综合收益

项目	年初余额	本期发生金额					期末余额
		本期所得税前发生额	减：前期计入其他综合收益当期转入损益（或留存收益）	减：所得税费用	税后归属于母公司	税后归属于少数股东	
一、不能重分类进损益的其他综合收益							
二、将重分类进损益的其他综合收益	4,895,160.68	4,895,160.68	-9,016,050.81		-9,016,050.81		-4,120,890.13
外币财务报表折算差额	4,895,160.68	4,895,160.68	-9,016,050.81		-9,016,050.81		-4,120,890.13
合计	4,895,160.68	4,895,160.68	-9,016,050.81		-9,016,050.81		-4,120,890.13

(二十) 盈余公积

项目	上年末余额	期初余额	本期增加	本期减少	期末余额
法定盈余公积金	480,227.24	480,227.24	438,651.10		918,878.34
合计	480,227.24	480,227.24	438,651.10		918,878.34

(二十一) 未分配利润

项目	本期金额	上期金额
调整前上年末未分配利润	8,911,243.75	576,872.81
调整年初未分配利润合计数(调增+, 调减-)		
调整后年初未分配利润	8,911,243.75	576,872.81
加: 本期归属于母公司股东的净利润	10,877,671.92	8,773,022.04
减: 提取法定盈余公积	438,651.10	438,651.10
期末未分配利润	19,350,264.57	8,911,243.75

(二十二) 营业收入和营业成本

项目	本期金额		上期金额	
	收入	成本	收入	成本
一、主营业务	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07
二、其他业务				
合计	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07

(1). 主营业务(分产品)

产品名称	本期金额		上期金额	
	收入	成本	收入	成本
光缆	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07
合计	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07

(2). 主营业务(分地区)

地区名称	本期金额		上期金额	
	收入	成本	收入	成本
境内销售				
境外销售	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07
合计	219,360,587.92	196,346,212.97	116,769,949.59	103,875,319.07

(二十三) 税金及附加

项目	本期金额	上期金额
境外税费	6,643.13	8,359.11
合计	6,643.13	8,359.11

(二十四) 销售费用

项目	本期金额	上期金额
工资	350,064.07	259,378.90
销售服务费	1,934,722.78	
合计	2,284,786.85	259,378.90

(二十五) 管理费用

项目	本期金额	上期金额
职工薪酬	1,866,319.61	1,234,216.80
差旅费	1,459,470.17	1,041,303.60
办公费	149,598.96	138,086.92
招待费	116,577.98	91,773.46
固定资产折旧	339,421.95	375,465.28
无形资产摊销	19,574.41	
保险费	102,967.52	
修理费	72,895.43	89,949.83
聘请中介机构费	275,345.05	
租赁费	333,169.94	234,382.26
商标使用费	4,537,323.38	
其他	83,295.02	48,300.61
合计	9,355,959.42	3,253,478.76

(二十六) 财务费用

项目	本期金额	上期金额
利息支出	621,173.85	366,190.07
减：利息收入	14,053.47	1,350.57
汇兑损益	138,661.70	394,568.20
手续费支出	126,915.62	86,704.00
合计	872,697.70	846,111.70

(二十七) 其他收益

项目	本期金额	上期金额	本期计入非经常性损益的金额
与企业日常活动相关的政府补助	1,126,046.76	1,100,465.56	1,126,046.76
合计	1,126,046.76	1,100,465.56	1,126,046.76

1.其中，政府补助明细如下：

补助项目	本期金额	上期金额	与资产相关/与收益相关
与企业日常活动相关的政府补助	1,126,046.76	1,100,465.56	与资产相关
合计	1,126,046.76	1,100,465.56	

(二十八) 信用减值损失

项目	本期金额	上期金额
应收账款坏账损失	-953,828.34	-863,255.82
其他应收款坏账损失	7,418.73	-8,437.33
合计	-946,409.61	-871,693.15

(二十九) 营业外收入

项目	本期金额	上期金额	本期计入非经常性损益的金额
其他	210,374.33	16,955.30	210,374.33
合计	210,374.33	16,955.30	210,374.33

(三十) 营业外支出

项目	本期金额	上期金额	本期计入非经常性损益的金额
其他	6,627.41	7.72	6,627.41
合计	6,627.41	7.72	6,627.41

(三十一) 其他综合收益的税后净额

详见附注五、(十八)。

(三十二) 现金流量

1. 收到其他与经营活动有关的现金

项目	本期数	上期数
利息收入	14,053.47	1,350.57
补贴收入		7,320,400.10
保证金等其他往来	247,291.13	
其他	210,374.33	16,955.30
合计	471,718.93	7,338,705.97

2.支付其他与经营活动有关的现金

项目	本期数	上期数
费用支出	9,078,720.70	1,096,720.31
其他	6,627.41	7.72
合计	9,085,348.11	1,096,728.03

3.收到其他与筹资活动有关的现金

项目	本期数	上期数
关联方资金拆入		19,260,000.00
合计		19,260,000.00

4.支付其他与筹资活动有关的现金

项目	本期数	上期数
归还关联方	10,821,300.00	
合计	10,821,300.00	

(三十三) 现金流量表补充资料

1. 现金流量表补充资料

项目	本期金额	上期数
1、将净利润调节为经营活动现金流量：		
净利润	10,877,671.92	8,773,022.04
加：资产减值准备		
信用减值损失	946,409.61	871,693.15
固定资产折旧、油气资产折耗、生产性生物资产折 旧	8,508,383.26	7,821,418.51
无形资产摊销	19,574.41	19,693.15
长期待摊费用摊销	40,665.72	42,641.93

项目	本期金额	上期数
处置固定资产、无形资产和其他长期资产的损失(收益以“-”号填列)		
固定资产报废损失(收益以“-”号填列)		
公允价值变动损失(收益以“-”号填列)		
财务费用(收益以“-”号填列)	759,835.55	394,568.20
投资损失(收益以“-”号填列)		
递延所得税资产减少(增加以“-”号填列)		
递延所得税负债增加(减少以“-”号填列)		
存货的减少(增加以“-”号填列)	-32,059,518.21	-5,096,101.52
经营性应收项目的减少(增加以“-”号填列)	-29,584,026.12	-30,647,917.06
经营性应付项目的增加(减少以“-”号填列)	44,373,470.75	3,160,473.01
其他		
经营活动产生的现金流量净额	3,882,466.89	-14,660,508.59
2、不涉及现金收支的重大投资和筹资活动:		
债务转为资本		
一年内到期的可转换公司债券		
融资租入固定资产		
3、现金及现金等价物净变动情况:		
现金的期末余额	35,876,386.97	15,804,117.99
减: 现金的年初余额	15,804,117.99	13,995,053.15
加: 现金等价物的期末余额		
减: 现金等价物的年初余额		
现金及现金等价物净增加额	20,072,268.98	1,809,064.84

2. 现金及现金等价物的构成

项目	本期金额	上期金额
一、现金	35,876,386.97	15,804,117.99
其中: 库存现金		44,419.32
可随时用于支付的银行存款	35,876,386.97	15,759,698.67
二、现金等价物		
三、期末现金及现金等价物余额	35,876,386.97	15,804,117.99

(三十四) 外币货币性项目

项目	期末外币余额	折算汇率	期末折算人民币余额
货币资金			35,589,248.39
其中：美元	3,908,248.23	6.3757	24,917,818.24
欧元	1,240,260.77	7.2197	8,954,310.68
摩洛哥迪拉姆	2,478,789.52	0.6927	1,717,119.47
应收账款			77,390,828.68
其中：欧元	9,968,525.15	7.2197	71,969,761.03
美元	850270.19	6.3757	5,421,067.65
其他应收款			49,529.84
其中：摩洛哥迪拉姆	71,500.00	0.6927	49,529.84
应付账款			90,355,574.42
其中：欧元	8,638,608.40	7.2197	62,368,161.07
美元	3,928,399.50	6.3757	25,046,296.69
摩洛哥迪拉姆	4,245,720.39	0.6927	2,941,116.66
其他应付款			23,103,040.00
其中：欧元	3,200,000.00	7.2197	23,103,040.00

六、关联方及关联交易

1. 本公司的母公司情况

(1) 本公司的母公司有关信息

母公司名称	注册地	业务性质	注册资本	组织机构代码
江苏中天科技股份有限公司	如东县河口镇	光缆购销业务	341,294.97万	91320600138670947L

(2) 母公司注册资本（或实收资本、股本）变化情况

母公司名称	年初数	本期增加	本期减少	年末数
江苏中天科技股份有限公司	306,615.29万	34,679.68万		341,294.97万

(3) 母公司对本公司的持股比例和表决权比例：

母公司名称	合计持股比例（%）	合计享有的表决权比例
江苏中天科技股份有限公司	100.00	100.00

中天科技集团有限公司持有本公司之母公司江苏中天科技股份有限公司的股权比例 22.68%，享有的表决权比例 22.68%。

2. 本公司的其他关联方情况

企业名称	关联关系
中天世贸有限公司	同一母公司
江苏中天科技股份有限公司	同一母公司
中天欧洲有限公司	中天世贸之子公司
中天科技印度有限公司	同一母公司
中天科技法国有限公司	同一母公司
中天科技集团上海亚东供应链管理有限公司	同一实际控制人

3. 关联方交易情况

(1) 销售商品/提供劳务情况

关联方	关联交易内容	本期金额	上期金额
中天科技法国有限公司	销售商品	39,585,209.72	757,563.47
中天欧洲有限公司	销售商品	46,471,910.36	90,823,975.70
中天世贸有限公司	销售商品	18,640,431.50	18,585,767.08
江苏中天科技股份有限公司	销售商品	344,496.58	679,360.16

(2) 采购商品/接受劳务情况

关联方	关联交易内容	本期金额	上期金额
中天科技巴西有限公司			1,223,340.05
中天科技欧洲有限公司	采购商品	421,142.09	
中天科技印度有限公司	采购商品	2,163,134.16	8,831,545.35
江苏中天科技股份有限公司	采购商品	5,009,220.45	11,213,538.92
中天世贸有限公司	采购商品	141,262,483.25	62,291,285.63
中天科技集团上海亚东供应链管理有限公司	采购商品	506,973.95	1,327,857.38

(3) 关联方资金拆借

关联方	方向	拆借余额	到期日	说明
江苏中天科技股份有限公司	归还	10,821,300.00		

4. 关联方应收应付款项

(1) 应收项目

项目	期末余额	年初余额
应收账款：		
中天世贸有限公司	820,079.57	7,579,934.61

项 目	期末余额	年初余额
中天科技法国有限公司	6,460,920.58	473,094.62
江苏中天科技股份有限公司		692,942.70
中天欧洲有限公司	24,025,579.19	36,381,933.04
预付账款：		
中天世贸有限公司	25,002.08	

(2) 应付项目

项 目	期末余额	年初余额
应付账款：		
中天世贸有限公司	79,615,376.57	45,337,124.19
中天科技巴西有限公司		15,176.40
中天科技集团上海亚东供应链管理有限公司		215,713.19
中天科技欧洲有限公司	416,566.01	
其他应付款：		
江苏中天科技股份有限公司	23,311,294.56	37,717,500.00

七、或有事项

截至 2021 年 12 月 31 日止，本公司无需要披露的重大或有事项。

八、资产负债表日后事项

截至报告日止，本公司无需要披露的资产负债表日后事项。

九、其他重大事项

截至 2021 年 12 月 31 日止，本公司无需要披露的其他重大事项。

中天科技摩洛哥有限公司

2022 年 4 月 28 日



营业执照

(副本)

编号 320100000202103260032

统一社会信用代码

913201003025692941

(1/1)

扫描二维码登录“国家企业信用信息公示系统”了解更多登记、备案、许可、监管信息。



名称 中兴华会计师事务所(特殊普通合伙)江苏分所

成立日期 2014年05月08日

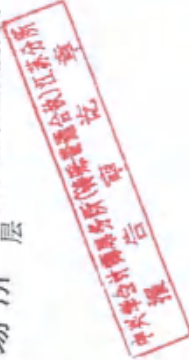
类型 特殊普通合伙企业分支机构

营业期限 2014年05月08日至*****

负责人 乔久华

营业场所 南京市建邺区嘉陵江东街50号康绿智汇港19层

经营范围 审查企业会计报表,出具审计报告;验证企业资本,出具验资报告;办理企业合并、分立、清算事宜中的审计业务,出具有关报告;基本建设年度决算审计;代理记账;会计咨询、税务咨询、管理咨询、会计培训;法律、法规规定的其他业务。(依法须经批准的项目,经相关部门批准后方可开展经营活动)



登记机关

2021年03月26日

国家企业信用信息公示系统网址: <http://www.gsxt.gov.cn>

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制

证书序号: 5003590

说明

- 1、《会计师事务所执业证书》是证明会计师事务所经财政部门依法审批，准予持证分所执行业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所分所终止或执业许可注销的，应当向财政部门交回《会计师事务所分所执业证书》。



中华人民共和国财政部制



会计师事务所分所 执业证书



名称: 中兴华会计师事务所(普通合伙)江苏分所
负责人: 乔久华
经营场所: 南京市建邺区嘉陵江东街50号康缘智汇港19层
分所执业证书编号: 110001673202
批准执业文号: 苏财会[2010]9号
批准执业日期: 2010年02月04日





姓名: 闻国胜
 Full name: 闻国胜
 性别: 男
 Sex: 男
 出生日期: 1969-1-13
 Date of birth: 1969-1-13
 工作单位: 江苏富源会计师事务所有限公司
 Working unit: 江苏富源会计师事务所有限公司
 身份证号码: 342601196901130065
 Identity card No: 342601196901130065



证书编号: 341601320005
 No. of Certificate: 341601320005
 注册协会: 江苏省注册会计师协会
 Registered Institute of CPAs: 江苏省注册会计师协会
 日期: 1996 年 6 月 4 日
 Date of issuance: 1996 / 6 / 4



2017.4.30



闻国胜(341601320005)
 您已通过2021年年检
 江苏省注册会计师协会

年检专用章



注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred from

事务所
 CPAs

转出协会盖章
 Stamp of the transfer-out Institute of CPAs

年 月 日
 / /

同意调入
 Agree the holder to be transferred to 变更档案

江苏富源会计师事务所(普通合伙) 江苏富源会计师事务所
 CPAs



转入协会盖章
 Stamp of the transfer-in Institute of CPAs

2017 年 6 月 30 日
 / /

李星辰

姓名
Full name 女

性别
Sex 1992-12-25

出生日期
Date of birth 中兴华会计师事务所(特殊普通合伙)江苏分所

工作单位
Working unit 321084199212253223

身份证号
Identity card 321084199212253223




证书编号:
No. of Certificate **110001670318**

批准注册协会:
Authorized Institute of CPAs **江苏省注册会计师协会**

发证日期:
Date of Issuance **2019** 年 **12** 月 **31** 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



李星辰(110001670318)
您已通过2020年年检
江苏省注册会计师协会



李星辰(110001670318)
您已通过2021年年检
江苏省注册会计师协会

泰兴市中兴国有资产经营投资有限公司



审计报告

00002022040034273650

报告文号：中兴华审字[2022]第020834号

中兴华会计师事务所（特殊普通合伙）

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2. 合并利润表
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4. 合并所有者权益变动表
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三、审计报告附件

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3. 注册会计师执业证书复印件



中兴华会计师事务所（特殊普通合伙）

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP
地址（location）：北京市丰台区丽泽路 20 号丽泽 SOHO B 座 20 层
20/F, Tower B, Lize SOHO, 20 Lize Road, Fengtai District, Beijing PR China

审计报告

中兴华审字（2022）第 020834 号

泰兴市中兴国有资产经营投资有限公司全体股东：

一、审计意见

我们审计了泰兴市中兴国有资产经营投资有限公司（以下简称“中兴国投公司”）财务报表，包括 2021 年 12 月 31 日的合并及母公司资产负债表，2021 年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司所有者权益变动表以及相关财务报表附注。

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了中兴国投公司 2021 年 12 月 31 日合并及母公司的财务状况以及 2021 年度合并及母公司的经营成果和现金流量。

二、形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则，我们独立于中兴国投公司，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

三、管理层和治理层对财务报表的责任

管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、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。

在编制财务报表时，管理层负责评估中兴国投公司的持续经营能力，披露与持续经营相关的事项（如适用），并运用持续经营假设，除非管理层计划清算中兴国投



公司、终止运营或别无其他现实的选择。

治理层负责监督中兴国投公司的财务报告过程。

四、注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计的过程中，我们运用了职业判断，保持了职业怀疑。同时，我们也执行以下工作：

（1）识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

（2）了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

（3）评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

（4）对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能对中兴国投公司持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致中兴国投公司不能持续经营。

（5）评价财务报表的总体列报、结构和内容，并评价财务报表是否公允反映相关交易和事项。

（6）就中兴国投公司实体或业务活动的财务信息获取充分、适当的审计证据，



以对财务报表发表意见。我们负责指导、监督和执行集团审计。我们对审计意见承担全部责任。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

中兴华会计师事务所（特殊普通合伙）



中国注册会计师：



中国注册会计师：



2022年4月10日

合并资产负债表

2021年12月31日

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	期末余额	年初余额	上年年末余额
流动资产：				
货币资金	八、1	2,518,259,647.33	2,921,791,417.87	2,921,791,417.87
交易性金融资产		1,000,096.20		不适用
以公允价值计量且其变动计入当期损益的金融资产		不适用	不适用	
衍生金融资产				
应收票据				26,546,344.44
应收账款	八、2	1,419,429,595.77	1,787,962,077.24	1,787,962,077.24
应收款项融资	八、3	66,535,730.24	26,546,344.44	不适用
预付款项	八、4	1,175,576,324.45	1,039,835,605.44	1,039,835,605.44
其他应收款	八、5	10,140,149,416.77	11,880,880,434.64	11,880,880,434.64
存货	八、6	12,738,507,359.65	11,177,085,158.80	12,303,032,400.46
合同资产	八、7	1,213,710,053.41	1,125,947,241.66	不适用
持有待售资产				
一年内到期的非流动资产				
其他流动资产	八、8	1,372,132,507.22	888,545,991.57	888,545,991.57
流动资产合计		30,645,300,731.04	30,848,594,271.66	30,848,594,271.66
非流动资产：				
债权投资				不适用
可供出售金融资产	八、9	不适用	不适用	149,794,560.58
其他债权投资				不适用
持有至到期投资		不适用	不适用	
长期应收款				
长期股权投资	八、10	6,867,996.53	73,738,251.39	73,738,251.39
其他权益工具投资	八、11	318,373,324.27	149,794,560.58	不适用
其他非流动金融资产				不适用
投资性房地产	八、12	122,725,231.03	108,583,307.60	108,583,307.60
固定资产	八、13	725,298,964.83	649,148,973.26	649,148,973.26
在建工程	八、14	38,149,770.50	4,698,818.00	4,698,818.00
生产性生物资产				
油气资产				
使用权资产				不适用
无形资产	八、15	1,214,388,864.76	1,251,925,281.36	1,251,925,281.36
开发支出				
商誉				
长期待摊费用			209,000.00	209,000.00
递延所得税资产	八、16	38,613,066.17	31,062,993.68	31,062,993.68
其他非流动资产		13,135,880.54	168,945.00	168,945.00
非流动资产合计		2,477,553,098.63	2,269,330,130.87	2,269,330,130.87
资产总计		33,122,853,829.67	33,117,924,402.53	33,117,924,402.53

法定代表人：



主管会计工作负责人：



会计机构负责人：



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合并资产负债表(续)

2021年12月31日

编制单位:泰兴市中兴国有资产经营投资有限公司

金额单位:人民币元

项 目	注释	期末余额	年初余额	上年年末余额
流动负债:				
短期借款	八、17	2,463,827,413.73	2,213,067,110.00	2,213,067,110.00
交易性金融负债				不适用
以公允价值计量且其变动计入当期损益的金融负债		不适用	不适用	
应付票据	八、18	28,400,000.00	500,000.00	500,000.00
应付账款	八、19	2,100,700,746.77	2,037,557,548.91	2,037,557,548.91
预收款项	八、20	210,000.00		622,440,123.55
应付职工薪酬		27,779,262.22	20,904,183.04	20,904,183.04
合同负债	八、21	369,198,910.92	571,179,215.84	不适用
应交税费	八、22	480,718,783.73	494,297,907.01	494,297,907.01
其他应付款	八、23	2,452,580,539.41	3,441,443,350.65	3,480,386,547.75
持有待售负债				
一年内到期的非流动负债	八、24	1,478,838,572.61	1,683,667,538.73	1,644,724,341.63
其他流动负债	八、25	23,054,765.69	51,260,907.71	
流动负债合计		9,425,308,995.08	10,513,877,761.89	10,513,877,761.89
非流动负债:				
长期借款	八、26	3,483,500,000.00	4,444,000,000.00	4,444,000,000.00
应付债券	八、27	2,273,662,357.64	2,230,275,143.55	2,230,275,143.55
租赁负债				不适用
长期应付款	八、28	1,901,328,475.45		
长期应付职工薪酬				
预计负债				
递延收益				
递延所得税负债				
其他非流动负债				
非流动负债合计		7,658,490,833.09	6,674,275,143.55	6,674,275,143.55
负债合计		17,083,799,828.17	17,188,152,905.44	17,188,152,905.44
所有者权益:				
实收资本	八、29	3,000,000,000.00	3,000,000,000.00	3,000,000,000.00
其他权益工具				
资本公积	八、30	10,447,639,353.66	10,477,008,581.67	10,477,008,581.67
减:库存股				
其他综合收益	八、31	-71,417,285.54	-71,003,863.18	-71,003,863.18
专项储备			1,259,564.72	1,259,564.72
盈余公积	八、32	160,579,291.33	158,111,717.60	158,111,717.60
一般风险准备				
未分配利润	八、33	2,374,882,341.13	2,223,358,526.39	2,223,358,526.39
归属于母公司所有者权益合计		15,911,683,700.58	15,788,734,527.20	15,788,734,527.20
少数股东权益		127,370,300.92	141,036,969.89	141,036,969.89
所有者权益合计		16,039,054,001.50	15,929,771,497.09	15,929,771,497.09
负债和所有者权益总计		33,122,853,829.67	33,117,924,402.53	33,117,924,402.53

法定代表人:



主管会计工作负责人:



会计机构负责人:



合并利润表

2021年度

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、营业总收入	八、34	9,115,420,574.14	7,618,584,868.54
其中：营业收入		9,115,420,574.14	7,618,584,868.54
二、营业总成本		9,181,890,941.37	7,677,419,357.52
其中：营业成本	八、34	8,636,978,944.27	7,232,222,370.56
税金及附加		48,857,667.84	38,212,406.31
销售费用		9,574,935.02	493,112.50
管理费用		227,059,681.62	151,806,645.56
研发费用			
财务费用	八、35	259,419,712.62	254,684,822.59
其中：利息费用		285,695,745.55	301,091,874.94
利息收入		42,039,388.31	70,023,738.42
加：其他收益	八、36	198,975,570.46	180,652,278.39
投资收益（损失以“-”号填列）	八、37	89,829,076.18	120,693,600.80
其中：对联营企业和合营企业的投资收益		-726,068.81	-1,201,011.68
以摊余成本计量的金融资产终止确认收益			
汇兑收益（损失以“-”号填列）			
公允价值变动收益（损失以“-”号填列）			
信用减值损失（损失以“-”号填列）		-25,558,692.96	
资产减值损失（损失以“-”号填列）			3,426,153.59
资产处置收益（损失以“-”号填列）		4,073,673.44	6,004,418.60
三、营业利润（亏损以“-”号填列）		200,849,259.89	251,941,962.40
加：营业外收入	八、38	9,835,574.17	11,547,679.39
减：营业外支出	八、39	8,564,281.17	11,193,597.95
四、利润总额（亏损总额以“-”号填列）		202,120,552.89	252,296,043.84
减：所得税费用	八、40	50,140,366.01	66,114,179.57
五、净利润（净亏损以“-”号填列）		151,980,186.88	186,181,864.27
（一）按经营持续性分类：			
1、持续经营净利润（净亏损以“-”号填列）		151,980,186.88	186,181,864.27
2、终止经营净利润（净亏损以“-”号填列）			
（二）按所有权归属分类：			
1、归属于母公司股东的净利润（净亏损以“-”号填列）		156,691,388.47	186,713,609.21
2、少数股东损益（净亏损以“-”号填列）		-4,711,201.59	-531,744.94
六、其他综合收益的税后净额		-413,422.36	-71,578,599.42
（一）归属母公司所有者的其他综合收益的税后净额		-413,422.36	-71,578,599.42
1、不能重分类进损益的其他综合收益			
（1）重新计量设定受益计划变动额			
（2）权益法下不能转损益的其他综合收益			
（3）其他权益工具投资公允价值变动			不适用
（4）企业自身信用风险公允价值变动			不适用
（5）其他			
2、将重分类进损益的其他综合收益		-413,422.36	-71,578,599.42
（1）权益法下可转损益的其他综合收益			
（2）其他债权投资公允价值变动			不适用
（3）可供出售金融资产投资公允价值变动		不适用	-71,578,599.42
（4）金融资产重分类计入其他综合收益的金额		-413,422.36	不适用
（5）持有至到期投资重分类为可供出售金融资产损益		不适用	
（6）其他债权投资信用减值准备			不适用
（7）现金流量套期储备			
（8）外币财务报表折算差额			
（二）归属于少数股东的其他综合收益的税后净额			
七、综合收益总额		151,566,764.52	114,603,264.85
（一）归属于母公司所有者的综合收益总额		156,277,966.11	115,135,009.79
（二）归属于少数股东的综合收益总额		-4,711,201.59	-531,744.94

法定代表人：

主管会计工作负责人：

会计机构负责人：



合并现金流量表

2021年度

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、经营活动产生的现金流量：			
销售商品、提供劳务收到的现金		10,098,180,942.42	6,610,171,498.17
收到的税费返还			
收到其他与经营活动有关的现金		4,785,010,491.74	3,669,634,968.27
经营活动现金流入小计		14,883,191,434.16	10,279,806,466.44
购买商品、接受劳务支付的现金		10,932,212,109.66	8,533,733,861.40
支付给职工以及为职工支付的现金		399,085,261.44	261,457,010.40
支付的各项税费		406,824,692.60	325,787,801.28
支付其他与经营活动有关的现金		1,937,619,466.12	3,485,671,828.72
经营活动现金流出小计		13,675,741,529.82	12,606,650,501.80
经营活动产生的现金流量净额		1,207,449,904.34	-2,326,844,035.36
二、投资活动产生的现金流量：			
收回投资收到的现金			
取得投资收益收到的现金		87,707,144.99	123,932,452.04
处置固定资产、无形资产和其他长期资产收回的现金净额		6,672,180.41	19,574,951.18
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金		550,511,406.62	580,430,574.40
投资活动现金流入小计		644,890,732.02	723,937,977.62
购建固定资产、无形资产和其他长期资产支付的现金		140,713,378.22	37,405,862.03
投资支付的现金		101,000,096.20	
取得子公司及其他营业单位支付的现金净额			27,761,406.62
支付其他与投资活动有关的现金		1,001,513,300.00	
投资活动现金流出小计		1,243,226,774.42	65,167,268.65
投资活动产生的现金流量净额		-598,336,042.40	658,770,708.97
三、筹资活动产生的现金流量：			
吸收投资收到的现金		319,894,000.00	1,012,361,658.00
其中：子公司吸收少数股东投资收到的现金			
取得借款收到的现金		2,470,116,310.72	2,228,702,710.00
收到其他与筹资活动有关的现金		1,167,904,724.00	
筹资活动现金流入小计		3,957,915,034.72	3,241,064,368.00
偿还债务支付的现金		3,225,750,000.00	1,248,750,000.00
分配股利、利润或偿付利息支付的现金		619,322,154.93	655,738,458.28
其中：子公司支付给少数股东的股利、利润			
支付其他与筹资活动有关的现金			1,232,432,755.17
筹资活动现金流出小计		3,845,072,154.93	3,136,921,213.45
筹资活动产生的现金流量净额		112,842,879.79	104,143,154.55
四、汇率变动对现金及现金等价物的影响		-5,506,294.97	-6,209,760.37
五、现金及现金等价物净增加额		716,450,446.76	-1,570,139,932.21
加：期初现金及现金等价物余额		1,773,409,200.57	3,343,549,132.78
六、期末现金及现金等价物余额		2,489,859,647.33	1,773,409,200.57

法定代表人：

主管会计工作负责人：

会计机构负责人：



合并所有者权益变动表

2021年度

金额单位：人民币元

项	本期金额									
	实收资本	资本公积	其他综合收益	专项储备	盈余公积	未分配利润	小计	少数股东权益	所有者权益合计	
一、上年年末余额	3,000,000,000.00	10,477,008,581.67	-71,003,863.18	1,259,564.72	158,111,717.60	2,223,358,526.39	15,788,734,527.20	141,036,969.89	15,929,771,497.09	
加：会计政策变更										
前期差错更正										
二、本年初余额	3,000,000,000.00	10,477,008,581.67	-71,003,863.18	1,259,564.72	158,111,717.60	2,223,358,526.39	15,788,734,527.20	141,036,969.89	15,929,771,497.09	
三、本期增减变动金额（减少以“-”号填列）										
（一）综合收益总额			-413,422.36	-1,259,564.72	2,467,573.73	151,523,814.74	122,949,173.38	-13,666,668.97	109,282,504.41	
（二）所有者投入和减少资本			-413,422.36			156,691,388.47	156,277,966.11	-4,711,201.59	151,566,764.52	
1、所有者投入资本										
2、其他权益工具持有者投入资本										
3、股份支付计入所有者权益的金额										
4、其他		-29,369,228.01					-29,369,228.01	-8,955,467.38	-38,324,695.39	
（三）利润分配										
1、提取盈余公积					2,467,573.73	-5,167,573.73	-2,700,000.00			
2、提取一般风险准备					2,467,573.73	-2,467,573.73				
3、对所有者的分配						-2,700,000.00	-2,700,000.00		-2,700,000.00	
（四）股东权益内部结转										
1、资本公积转增资本										
2、盈余公积转增资本										
3、盈余公积弥补亏损										
4、设定受益计划变动额结转留存收益										
5、其他综合收益结转留存收益										
（五）专项储备				-1,259,564.72			-1,259,564.72		-1,259,564.72	
1、本期提取										
2、本期使用				1,259,564.72			1,259,564.72		1,259,564.72	
（六）其他										
四、本年年末余额	3,000,000,000.00	10,447,639,353.66	-71,417,285.54		160,579,291.33	2,374,882,341.13	15,911,683,700.58	127,370,300.92	16,039,054,001.50	

法定代表人

晖成印国

主管会计工作负责人

农杨印建

会计机构负责人

娟季印红

合并所有者权益变动表 (续)

2021年度

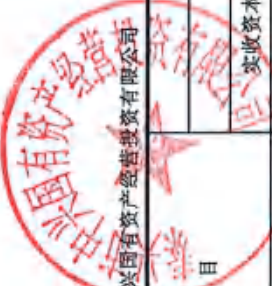
金额单位: 人民币元

项 目	上期金额								
	归属于母公司所有者权益								
	实收资本	资本公积	其他综合收益	专项储备	盈余公积	未分配利润	小计		
一、上年年末余额	3,000,000,000.00	10,094,331,661.33	574,736.24		155,809,624.71	2,062,897,010.07	15,313,613,032.35	174,506,089.50	15,488,119,121.85
加: 会计政策变更									
前期差错更正									
二、本年初余额	3,000,000,000.00	10,094,331,661.33	574,736.24		155,809,624.71	2,062,897,010.07	15,313,613,032.35	174,506,089.50	15,488,119,121.85
三、本期增减变动金额 (减少以“-”号填列)		382,676,920.34	-71,578,599.42	1,259,564.72	2,302,092.89	160,461,516.32	475,121,494.85	-33,469,119.61	441,652,375.24
(一) 综合收益总额			-71,578,599.42			186,713,609.21	115,135,009.79	-531,744.94	114,603,264.85
(二) 所有者投入和减少资本		382,676,920.34					382,676,920.34	-32,937,374.67	349,739,545.67
1、所有者投入资本		-681,901,987.66					-681,901,987.66	14,210,000.00	-667,691,987.66
2、其他权益工具持有者投入资本									
3、股份支付计入所有者权益的金额									
4、其他		1,064,578,908.00					1,064,578,908.00	-47,147,374.67	1,017,431,533.33
(三) 利润分配					2,302,092.89	-26,252,092.89	-23,950,000.00		-23,950,000.00
1、提取盈余公积					2,302,092.89	-2,302,092.89			
2、提取一般风险准备									
3、对所有者的分配									
(四) 股东权益内部结转									
1、资本公积转增资本									
2、盈余公积转增资本									
3、盈余公积弥补亏损									
4、设定受益计划变动额结转留存收益									
5、其他综合收益结转留存收益									
(五) 专项储备				1,259,564.72			1,259,564.72		1,259,564.72
(六) 其他									
四、本年年末余额	3,000,000,000.00	10,477,008,581.67	-71,003,863.18	1,259,564.72	158,111,717.60	2,223,358,526.39	15,788,734,527.20	141,036,969.89	15,929,771,497.09

法定代表人:

主管会计工作负责人:

会计机构负责人:



资产负债表

2021年12月31日

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	期末余额	年初余额	上年年末余额
流动资产：				
货币资金		504,612,596.09	340,371,826.70	340,371,826.70
交易性金融资产				不适用
以公允价值计量且其变动计入当期损益的金融资产		不适用	不适用	
衍生金融资产				
应收票据				
应收账款				
应收款项融资				不适用
预付款项				
其他应收款	十三、1	10,485,446,976.86	7,417,946,473.13	7,417,946,473.13
存货		791,929,283.05	773,843,637.68	773,843,637.68
合同资产				不适用
持有待售资产				
一年内到期的非流动资产				
其他流动资产		1,327,785,800.00	841,361,406.62	841,361,406.62
流动资产合计		13,109,774,656.00	9,373,523,344.13	9,373,523,344.13
非流动资产：				
债权投资				不适用
可供出售金融资产		不适用	不适用	11,200,000.00
其他债权投资				不适用
持有至到期投资		不适用	不适用	
长期应收款				
长期股权投资	十三、2	4,893,477,836.05	4,958,241,744.10	4,958,241,744.10
其他权益工具投资		177,984,186.05	11,200,000.00	不适用
其他非流动金融资产				不适用
投资性房地产				
固定资产		66,905,416.00	13,880,711.70	13,880,711.70
在建工程		38,078,370.50	1,504,160.00	1,504,160.00
生产性生物资产				
油气资产				
使用权资产				不适用
无形资产				
开发支出				
商誉				
长期待摊费用				
递延所得税资产		10,410,201.92	10,435,239.42	10,435,239.42
其他非流动资产				
非流动资产合计		5,186,856,010.52	4,995,261,855.22	4,995,261,855.22
资产总计		18,296,630,666.52	14,368,785,199.35	14,368,785,199.35

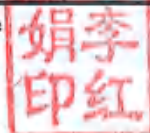
法定代表人：



主管会计工作负责人：



会计机构负责人：



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资产负债表 (续)

2021年12月31日

编制单位: 泰兴市中兴国有资产经营投资有限公司

金额单位: 人民币元

项目	注释	期末余额	年初余额	上年年末余额
流动负债:				
短期借款		1,402,029,861.11	500,000,000.00	500,000,000.00
交易性金融负债				不适用
以公允价值计量且其变动计入当期损益的金融负债		不适用	不适用	
衍生金融负债				
应付票据				
应付账款		164,356.37	164,356.37	164,356.37
预收款项				
合同负债				不适用
应付职工薪酬				
应交税费		211,540,902.09	208,032,912.86	208,032,912.86
其他应付款		2,631,033,443.44	1,951,666,787.13	1,951,666,787.13
持有待售负债				
一年内到期的非流动负债		524,067,188.79	399,974,341.63	399,974,341.63
其他流动负债				
流动负债合计		4,768,835,751.80	3,059,838,397.99	3,059,838,397.99
非流动负债:				
长期借款				
应付债券		998,522,357.64	925,295,143.55	925,295,143.55
租赁负债				不适用
长期应付款		1,801,051,162.00		
长期应付职工薪酬				
预计负债				
递延收益				
递延所得税负债				
其他非流动负债				
非流动负债合计		2,799,573,519.64	925,295,143.55	925,295,143.55
负债合计		7,568,409,271.44	3,985,133,541.54	3,985,133,541.54
所有者权益:				
实收资本		3,000,000,000.00	3,000,000,000.00	3,000,000,000.00
其他权益工具				
资本公积		6,796,193,837.51	6,476,299,837.51	6,476,299,837.51
减: 库存股				
其他综合收益				
专项储备				
盈余公积		160,579,291.33	158,111,717.60	158,111,717.60
未分配利润		771,448,266.24	749,240,102.70	749,240,102.70
所有者权益合计		10,728,221,395.08	10,383,651,657.81	10,383,651,657.81
负债和所有者权益总计		18,296,630,666.52	14,368,785,199.35	14,368,785,199.35

法定代表人:

主管会计工作负责人:

会计机构负责人:



利润表

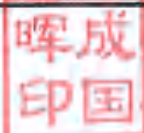
2021年度

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、营业收入	十二、4	154,666.67	
减：营业成本	十二、4		
税金及附加		375,855.99	551,276.95
销售费用			
管理费用		6,043,987.48	4,639,263.75
研发费用			
财务费用		65,692,979.46	80,302,035.78
其中：利息费用		67,899,979.28	89,038,721.65
利息收入		2,220,233.32	8,750,691.33
加：其他收益		45,002,824.20	22,185,091.12
投资收益（损失以“-”号填列）	十三、3	52,873,331.83	77,071,165.66
其中：对联营企业和合营企业的投资收益			-295,077.02
以摊余成本计量的金融资产终止确认收益			
公允价值变动收益（损失以“-”号填列）			
信用减值损失（损失以“-”号填列）		100,150.00	
资产减值损失（损失以“-”号填列）			12,854,891.52
资产处置收益（损失以“-”号填列）			
二、营业利润（亏损以“-”号填列）		26,018,149.77	26,618,571.82
加：营业外收入		10,000.00	16,000.00
减：营业外支出		1,327,375.00	
三、利润总额（亏损总额以“-”号填列）		24,700,774.77	26,634,571.82
减：所得税费用		25,037.50	3,613,642.95
四、净利润（净亏损以“-”号填列）		24,675,737.27	23,020,928.87
（一）持续经营净利润（净亏损以“-”号填列）		24,675,737.27	23,020,928.87
（二）终止经营净利润（净亏损以“-”号填列）			
五、其他综合收益的税后净额			
（一）不能重分类进损益的其他综合收益			
1.重新计量设定受益计划变动额			
2.权益法下不能转损益的其他综合收益			
3.其他权益工具投资公允价值变动			不适用
4.企业自身信用风险公允价值变动			不适用
（二）将重分类进损益的其他综合收益			
1.权益法下可转损益的其他综合收益			
2.其他债权投资公允价值变动			不适用
3.可供出售金融资产投资公允价值变动		不适用	
4.金融资产重分类计入其他综合收益的金额			不适用
5.持有至到期投资重分类为可供出售金融资产损益		不适用	
6.其他债权投资信用减值准备			不适用
7.现金流量套期储备			
8.外币财务报表折算差额			
六、综合收益总额		24,675,737.27	23,020,928.87

法定代表人：



主管会计工作负责人：



会计机构负责人：



现金流量表

2021年度

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	注释	本期金额	上期金额
一、经营活动产生的现金流量：			
销售商品、提供劳务收到的现金		162,400.00	
收到的税费返还			
收到其他与经营活动有关的现金		2,538,904,472.84	1,668,915,342.85
经营活动现金流入小计		2,539,066,872.84	1,668,915,342.85
购买商品、接受劳务支付的现金		18,085,645.37	756,324,132.92
支付给职工以及为职工支付的现金		1,942,682.76	1,755,532.06
支付的各项税费			
支付其他与经营活动有关的现金		3,107,902,918.02	3,172,613,550.64
经营活动现金流出小计		3,127,931,246.15	3,930,693,215.62
经营活动产生的现金流量净额		-588,864,373.31	-2,261,777,872.77
二、投资活动产生的现金流量：			
收回投资收到的现金			
取得投资收益收到的现金		52,233,331.83	77,366,242.68
处置固定资产、无形资产和其他长期资产收回的现金净额			
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金		540,511,406.62	
投资活动现金流入小计		592,744,738.45	77,366,242.68
购建固定资产、无形资产和其他长期资产支付的现金		59,146,763.73	1,508,640.00
投资支付的现金		101,380,278.00	6,178,400.00
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金		991,513,300.00	27,761,406.62
投资活动现金流出小计		1,152,040,341.73	35,448,446.62
投资活动产生的现金流量净额		-559,295,603.28	41,917,796.06
三、筹资活动产生的现金流量：			
吸收投资收到的现金		319,894,000.00	998,151,658.00
取得借款收到的现金		2,170,000,000.00	930,000,000.00
收到其他与筹资活动有关的现金		94,914,688.96	
筹资活动现金流入小计		2,584,808,688.96	1,928,151,658.00
偿还债务支付的现金		1,100,000,000.00	
分配股利、利润或偿付利息支付的现金		172,407,942.98	112,988,721.65
支付其他与筹资活动有关的现金			
筹资活动现金流出小计		1,272,407,942.98	112,988,721.65
筹资活动产生的现金流量净额		1,312,400,745.98	1,815,162,936.35
四、汇率变动对现金及现金等价物的影响			
五、现金及现金等价物净增加额			
加：期初现金及现金等价物余额		340,371,826.70	745,068,967.06
六、期末现金及现金等价物余额			
		504,612,596.09	340,371,826.70

法定代表人：



主管会计工作负责人：



会计机构负责人：



所有者权益变动表

2021年度

编制单位：泰兴市中兴国有资产经营投资有限公司

金额单位：人民币元

项 目	本期金额						所有者权益合计
	实收资本	资本公积	其他综合收益	专项储备	盈余公积	未分配利润	
一、上年年末余额	3,000,000,000.00	6,476,299,837.51			158,111,717.60	749,240,102.70	10,383,651,657.81
加：会计政策变更							
前期差错更正							
二、本年初余额	3,000,000,000.00	6,476,299,837.51			158,111,717.60	749,240,102.70	10,383,651,657.81
三、本期增减变动金额（减少以“-”号填列）		319,894,000.00			2,467,573.73	22,208,163.54	344,569,737.27
（一）综合收益总额						24,675,737.27	24,675,737.27
（二）所有者投入和减少资本		319,894,000.00					319,894,000.00
1、所有者投入资本							
2、其他权益工具持有者投入资本							
3、股份支付计入所有者权益的金额							
4、其他		319,894,000.00					319,894,000.00
（三）利润分配					2,467,573.73	-2,467,573.73	
1、提取盈余公积					2,467,573.73	-2,467,573.73	
2、提取一般风险准备							
3、对所有者的分配							
4、其他							
（四）股东权益内部结转							
1、资本公积转增资本							
2、盈余公积转增资本							
3、盈余公积弥补亏损							
4、设定受益计划变动额结转留存收益							
5、其他综合收益结转留存收益							
（五）专项储备							
（六）其他							
四、本年年末余额	3,000,000,000.00	6,796,193,837.51			160,579,291.33	771,448,266.24	10,728,221,395.08

法定代表人

主管会计工作负责人

会计机构负责人



所有者权益变动表 (续)

2021年度

编制单位: 泰兴市中兴国有资产经营投资有限公司

金额单位: 人民币元

项 目	上期金额						所有者权益合计
	实收资本	资本公积	其他综合收益	专项储备	盈余公积	未分配利润	
一、上年年末余额	3,000,000,000.00	4,593,817,730.73			155,809,624.71	752,471,266.72	8,502,098,622.16
加: 会计政策变更							
前期差错更正							
二、本年初余额	3,000,000,000.00	4,593,817,730.73			155,809,624.71	752,471,266.72	8,502,098,622.16
三、本期增减变动金额 (减少以“-”号填列)		1,882,482,106.78			2,302,092.89	-3,231,164.02	1,881,553,035.65
(一) 综合收益总额						23,020,928.87	23,020,928.87
(二) 所有者投入和减少资本		1,882,482,106.78					1,882,482,106.78
1、所有者投入资本							
2、其他权益工具持有者投入资本							
3、股份支付计入所有者权益的金额							
4、其他		1,882,482,106.78					1,882,482,106.78
(三) 利润分配					2,302,092.89	-26,252,092.89	-23,950,000.00
1、提取盈余公积					2,302,092.89	-2,302,092.89	
2、提取一般风险准备							
3、对所有者的分配							
(四) 股东权益内部结转						-23,950,000.00	-23,950,000.00
1、资本公积转增资本 (或股本)							
2、盈余公积转增资本 (或股本)							
3、盈余公积弥补亏损							
4、设定受益计划变动额结转留存收益							
5、其他综合收益结转留存收益							
6、其他							
(五) 专项储备							
(六) 其他							
四、本年年末余额	3,000,000,000.00	6,476,299,837.51			158,111,717.60	749,240,102.70	10,383,651,657.81

法定代表人

主管会计工作负责人:

会计机构负责人:



泰兴市中兴国有资产经营投资有限公司

2021 年度财务报表附注

(除特别说明外, 金额单位为人民币元)

一、公司基本情况

1、公司注册地、组织形式和总部地址

泰兴市中兴国有资产经营投资有限公司(以下简称公司或本公司)系经泰州市人民政府泰政复[2002]25号文批准,由泰兴市人民政府投资组建,公司成立于2002年5月17日,注册资本为300000万元,统一社会信用代码为913212837378397910,法定代表人成国晖,注册地:泰兴市曾涛路6号。公司类型:有限责任公司(法人独资)。

根据泰兴市人民政府2019年12月12日《市政府关于同意组建泰兴市城市投资发展集团有限公司的批复》(泰政复(2019)166号)文件,公司股东变更为泰兴市城市投资发展集团有限公司。

2、公司的业务性质和主要经营活动

本公司属商务服务业,经营范围主要包括:国有资产投资经营、资本运作;建筑物资销售;政府建设项目代理服务;城市基础设施施工;土地整理、开发。

3、财务报告的批准报出

本公司财务报告经董事会批准报出。

4、合并报表范围

本公司本年度纳入合并范围的子公司以及合并范围变化情况,详见本附注七“企业合并”。

二、财务报表的编制基础

1、编制基础

本公司财务报表以持续经营假设为基础,根据实际发生的交易和事项,按照财政部发布的《企业会计准则——基本准则》(财政部令第33号发布、财政部令第76号修订)、于2006年2月15日及其后颁布和修订的42项具体会计准则、企业会计准则应用指南、企业会计准则解释及其他相关规定(以下合称“企业会计准则”)的规定编制。

根据企业会计准则的相关规定,本公司会计核算以权责发生制为基础,除某些金融工具外,本财务报表均以历史成本为计量基础。

2、持续经营

本财务报表以持续经营为基础列报,本公司自报告期末起至少12个月具有持续经营能力。

三、遵循企业会计准则的声明

本公司编制的财务报表符合企业会计准则的要求,真实、完整地反映了本公司2021年12月31日的合并及母公司财务状况及2021年度合并及母公司经营成果和合并及母公司现金流量等有关信息。

四、重要会计政策和会计估计

1、会计期间

本公司会计年度采用公历年度，即每年自 1 月 1 日起至 12 月 31 日止。

2、营业周期

正常营业周期是指本公司从购买用于加工的资产起至实现现金或现金等价物的期间。本公司以 12 个月作为一个营业周期，并以其作为资产和负债的流动性划分标准。

3、记账本位币

本公司编制本财务报表时所采用的货币为人民币。

4、同一控制下和非同一控制下企业合并的会计处理方法

企业合并，是指将两个或两个以上单独的企业合并形成一个报告主体的交易或事项。企业合并分为同一控制下企业合并和非同一控制下企业合并。

(1) 同一控制下的合并

参与合并的企业在合并前后均受同一方或相同的多方最终控制，且该控制并非暂时性的，为同一控制下的企业合并。同一控制下的企业合并，在合并日取得对其他参与合并企业控制权的一方为合并方，参与合并的其他企业为被合并方。合并日，是指合并方实际取得对被合并方控制权的日期。

合并方取得的资产和负债均按合并日在被合并方的账面价值计量。合并方取得的净资产账面价值与支付的合并对价账面价值（或发行股份面值总额）的差额，调整资本公积（股本溢价）；资本公积（股本溢价）不足以冲减的，调整留存收益。

合并方为进行企业合并发生的各项直接费用，于发生时计入当期损益。

(2) 非同一控制下的合并

参与合并的企业在合并前后不受同一方或相同的多方最终控制的，为非同一控制下的企业合并。非同一控制下的企业合并，在购买日取得对其他参与合并企业控制权的一方为购买方，参与合并的其他企业为被购买方。购买日，是指为购买方实际取得对被购买方控制权的日期。

对于非同一控制下的企业合并，合并成本包含购买日购买方为取得对被购买方的控制权而付出的资产、发生或承担的负债以及发行的权益性证券的公允价值，为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他管理费用于发生时计入当期损益。购买方作为合并对价发行的权益性证券或债务性证券的交易费用，计入权益性证券或债务性证券的初始确认金额。所涉及的或有对价按其在购买日的公允价值计入合并成本，购买日后 12 个月内出现对购买日已存在情况的新的或进一步证据而需要调整或有对价的，相应调整合并商誉。购买方发生的合并成本及在合并中取得的可辨认净资产按购买日的公允价值计量。合并成本大于合并中取得的被购买方于购买日可辨认净资产公允价值份额的差额，确认为商誉。合并成本小于合并中取得的被购买方可辨认净资产公允价值份额的，首先对取得的被购买方各项可辨认资产、负债及

或有负债的公允价值以及合并成本的计量进行复核，复核后合并成本仍小于合并中取得的被购买方可辨认净资产公允价值份额的，其差额计入当期损益。

购买方取得被购买方的可抵扣暂时性差异，在购买日因不符合递延所得税资产确认条件而未予确认的，在购买日后 12 个月内，如取得新的或进一步的信息表明购买日的相关情况已经存在，预期被购买方在购买日可抵扣暂时性差异带来的经济利益能够实现的，则确认相关的递延所得税资产，同时减少商誉，商誉不足冲减的，差额部分确认为当期损益；除上述情况以外，确认与企业合并相关的递延所得税资产的，计入当期损益。

通过多次交易分步实现的非同一控制下企业合并，根据《财政部关于印发企业会计准则解释第 5 号的通知》（财会〔2012〕19 号）和《企业会计准则第 33 号——合并财务报表》第五十一条关于“一揽子交易”的判断标准（参见本附注四、5(2)），判断该多次交易是否属于“一揽子交易”。属于“一揽子交易”的，参考本部分前面各段描述及本附注四、15“长期股权投资”进行会计处理；不属于“一揽子交易”的，区分个别财务报表和合并财务报表进行相关会计处理：

在个别财务报表中，以购买日之前所持被购买方的股权投资的账面价值与购买日新增投资成本之和，作为该项投资的初始投资成本；购买日之前持有的被购买方的股权涉及其他综合收益的，在处置该项投资时将与其相关的其他综合收益采用与被购买方直接处置相关资产或负债相同的基础进行会计处理（即，除了按照权益法核算的在被购买方重新计量设定受益计划净负债或净资产导致的变动中的相应份额以外，其余转入当期投资收益）。

在合并财务报表中，对于购买日之前持有的被购买方的股权，按照该股权在购买日的公允价值进行重新计量，公允价值与其账面价值的差额计入当期投资收益；购买日之前持有的被购买方的股权涉及其他综合收益的，与其相关的其他综合收益应当采用与被购买方直接处置相关资产或负债相同的基础进行会计处理（即，除了按照权益法核算的在被购买方重新计量设定受益计划净负债或净资产导致的变动中的相应份额以外，其余转为购买日所属当期投资收益）。

5、合并财务报表的编制方法

（1）合并财务报表范围的确定原则

合并财务报表的合并范围以控制为基础予以确定。控制是指本公司拥有对被投资方的权力，通过参与被投资方的相关活动而享有可变回报，并且有能力运用对被投资方的权力影响该回报金额。合并范围包括本公司及全部子公司。子公司，是指被本公司控制的主体。

一旦相关事实和情况的变化导致上述控制定义涉及的相关要素发生了变化，本公司将进行重新评估。

（2）合并财务报表编制的方法

从取得子公司的净资产和生产经营决策的实际控制权之日起，本公司开始将其纳入合并范围；从丧失实际控制权之日起停止纳入合并范围。对于处置的子公司，处置日前的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中；当期处置的子公司，不调整合并

资产负债表的期初数。非同一控制下企业合并增加的子公司，其购买日后的经营成果及现金流量已经适当地包括在合并利润表和合并现金流量表中，且不调整合并财务报表的期初数和对比数。同一控制下企业合并增加的子公司及吸收合并下的被合并方，其自合并当期期初至合并日的经营成果和现金流量已经适当地包括在合并利润表和合并现金流量表中，并且同时调整合并财务报表的对比数。

在编制合并财务报表时，子公司与本公司采用的会计政策或会计期间不一致的，按照本公司的会计政策和会计期间对子公司财务报表进行必要的调整。对于非同一控制下企业合并取得的子公司，以购买日可辨认净资产公允价值为基础对其财务报表进行调整。

公司内所有重大往来余额、交易及未实现利润在合并财务报表编制时予以抵销。

子公司的股东权益及当期净损益中不属于本公司所拥有的部分分别作为少数股东权益及少数股东损益在合并财务报表中股东权益及净利润项下单独列示。子公司当期净损益中属于少数股东权益的份额，在合并利润表中净利润项目下以“少数股东损益”项目列示。少数股东分担的子公司的亏损超过了少数股东在该子公司期初股东权益中所享有的份额，仍冲减少数股东权益。

当因处置部分股权投资或其他原因丧失了对原有子公司的控制权时，对于剩余股权，按照其在丧失控制权日的公允价值进行重新计量。处置股权取得的对价与剩余股权公允价值之和，减去按原持股比例计算应享有原有子公司自购买日开始持续计算的净资产的份额之间的差额，计入丧失控制权当期的投资收益。与原有子公司股权投资相关的其他综合收益，在丧失控制权时采用与被购买方直接处置相关资产或负债相同的基础进行会计处理（即，除了在该原有子公司重新计量设定受益计划净负债或净资产导致的变动以外，其余一并转为当期投资收益）。其后，对该部分剩余股权按照《企业会计准则第 2 号——长期股权投资》或《企业会计准则第 22 号——金融工具确认和计量》等相关规定进行后续计量，详见本附注四、15“长期股权投资”或本附注四、9“金融工具”。

本公司通过多次交易分步处置对子公司股权投资直至丧失控制权的，需区分处置对子公司股权投资直至丧失控制权的各项交易是否属于一揽子交易。处置对子公司股权投资的各项交易的条款、条件以及经济影响符合以下一种或多种情况，通常表明应将多次交易事项作为一揽子交易进行会计处理：①这些交易是同时或者在考虑了彼此影响的情况下订立的；②这些交易整体才能达成一项完整的商业结果；③一项交易的发生取决于其他至少一项交易的发生；④一项交易单独看是不经济的，但是和其他交易一并考虑时是经济的。不属于一揽子交易的，对其中的每一项交易视情况分别按照“不丧失控制权的情况下部分处置对子公司的长期股权投资”（详见本附注四、15、（2）④）和“因处置部分股权投资或其他原因丧失了对原有子公司的控制权”（详见前段）适用的原则进行会计处理。处置对子公司股权投资直至丧失控制权的各项交易属于一揽子交易的，将各项交易作为一项处置子公司并丧失控制权的交易进行会计处理；但是，在丧失控制权之前每一次处置价款与处置投资对应的享有该子公司净资产份额的差额，在合并财务报

表中确认为其他综合收益，在丧失控制权时一并转入丧失控制权当期的损益。

6、合营安排分类及共同经营会计处理方法

合营安排，是指一项由两个或两个以上的参与方共同控制的安排。本公司根据在合营安排中享有的权利和承担的义务，将合营安排分为共同经营和合营企业。共同经营，是指本公司享有该安排相关资产且承担该安排相关负债的合营安排。合营企业，是指本公司仅对该安排的净资产享有权利的合营安排。

本公司对合营企业的投资采用权益法核算，按照本附注四、15（2）②“权益法核算的长期股权投资”中所述的会计政策处理。

本公司作为合营方对共同经营，确认本公司单独持有的资产、单独所承担的负债，以及按本公司份额确认共同持有的资产和共同承担的负债；确认出售本公司享有的共同经营产出份额所产生的收入；按本公司份额确认共同经营因出售产出所产生的收入；确认本公司单独所发生的费用，以及按本公司份额确认共同经营发生的费用。

当本公司作为合营方向共同经营投出或出售资产（该资产不构成业务，下同）、或者自共同经营购买资产时，在该等资产出售给第三方之前，本公司仅确认因该交易产生的损益中归属于共同经营其他参与方的部分。该等资产发生符合《企业会计准则第 8 号——资产减值》等规定的资产减值损失的，对于由本公司向共同经营投出或出售资产的情况，本公司全额确认该损失；对于本公司自共同经营购买资产的情况，本公司按承担的份额确认该损失。

7、现金及现金等价物的确定标准

本公司现金及现金等价物包括库存现金、可以随时用于支付的存款以及本公司持有的期限短（一般为从购买日起三个月内到期）、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

8、外币业务和外币报表折算

（1）外币交易的折算方法

本公司发生的外币交易在初始确认时，按交易日的即期汇率折算为记账本位币金额，但公司发生的外币兑换业务或涉及外币兑换的交易事项，按照实际采用的汇率折算为记账本位币金额。

（2）对于外币货币性项目和外币非货币性项目的折算方法

资产负债表日，对于外币货币性项目采用资产负债表日即期汇率折算，由此产生的汇兑差额，除：①属于与购建符合资本化条件的资产相关的外币专门借款产生的汇兑差额按照借款费用资本化的原则处理；②用于境外经营净投资有效套期的套期工具的汇兑差额（该差额计入其他综合收益，直至净投资被处置才被确认为当期损益）；以及③可供出售的外币货币性项目除摊余成本之外的其他账面余额变动产生的汇兑差额计入其他综合收益之外，均计入当期损益。

编制合并财务报表涉及境外经营的，如有实质上构成对境外经营净投资的外币货币性项目，因汇率变动而产生的汇兑差额，计入其他综合收益；处置境外经营时，转入处置当期损益。

以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算的记账本位币金额计量。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算，折算后的记账本位币金额与原记账本位币金额的差额，作为公允价值变动（含汇率变动）处理，计入当期损益或确认为其他综合收益。

（3）外币财务报表的折算方法

编制合并财务报表涉及境外经营的，如有实质上构成对境外经营净投资的外币货币性项目，因汇率变动而产生的汇兑差额，作为“外币报表折算差额”确认为其他综合收益；处置境外经营时，计入处置当期损益。

境外经营的外币财务报表按以下方法折算为人民币报表：资产负债表中的资产和负债项目，采用资产负债表日的即期汇率折算；股东权益类项目除“未分配利润”项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的折算。年初未分配利润为上一年折算后的年末未分配利润；期末未分配利润按折算后的利润分配各项目计算列示；折算后资产类项目与负债类项目和股东权益类项目合计数的差额，作为外币报表折算差额，确认为其他综合收益。处置境外经营并丧失控制权时，将资产负债表中股东权益项目下列示的、与该境外经营相关的外币报表折算差额，全部或按处置该境外经营的比例转入处置当期损益。

外币现金流量以及境外子公司的现金流量，采用现金流量发生日的即期汇率折算。汇率变动对现金的影响额作为调节项目，在现金流量表中单独列报。

年初数和上年实际数按照上年财务报表折算后的数额列示。

在处置本公司在境外经营的全部所有者权益或因处置部分股权投资或其他原因丧失了对境外经营控制权时，将资产负债表中所有者权益项目下列示的、与该境外经营相关的归属于母公司所有者权益的外币报表折算差额，全部转入处置当期损益。

在处置部分股权投资或其他原因导致持有境外经营权益比例降低但不丧失对境外经营控制权时，与该境外经营处置部分相关的外币报表折算差额将归属于少数股东权益，不转入当期损益。在处置境外经营为联营企业或合营企业的部分股权时，与该境外经营相关的外币报表折算差额，按处置该境外经营的比例转入处置当期损益。

9、金融工具

以下金融工具会计政策适用 2021 年及以后：

在本公司成为金融工具合同的一方时确认一项金融资产或金融负债。

（1）金融资产的分类、确认和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为：以摊余成本计量的金融资产；以公允价值计量且其变动计入其他综合收益的金融资产；以公允价值计量且其变动计入当期损益的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款或应收票据，本公司按照预期有权收取的对价金额作为初始确认金额。

①以摊余成本计量的金融资产

本公司管理以摊余成本计量的金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产，采用实际利率法，按照摊余成本进行后续计量，其摊销或减值产生的利得或损失，计入当期损益。

②以公允价值计量且其变动计入其他综合收益的金融资产

本公司管理此类金融资产的业务模式为既以收取合同现金流量为目标又以出售为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致。本公司对此类金融资产按照公允价值计量且其变动计入其他综合收益，但减值损失或利得、汇兑损益和按照实际利率法计算的利息收入计入当期损益。

此外，本公司将部分非交易性权益工具投资指定为以公允价值计量且其变动计入其他综合收益的金融资产。本公司将该类金融资产的相关股利收入计入当期损益，公允价值变动计入其他综合收益。当该金融资产终止确认时，之前计入其他综合收益的累计利得或损失将从其他综合收益转入留存收益，不计入当期损益。

③以公允价值计量且其变动计入当期损益的金融资产

本公司将上述以摊余成本计量的金融资产和以公允价值计量且其变动计入其他综合收益的金融资产之外的金融资产，分类为以公允价值计量且其变动计入当期损益的金融资产。此外，在初始确认时，本公司为了消除或显著减少会计错配，将部分金融资产指定为以公允价值计量且其变动计入当期损益的金融资产。对于此类金融资产，本公司采用公允价值进行后续计量，公允价值变动计入当期损益。

(2) 金融负债的分类、确认和计量

金融负债于初始确认时分类为以公允价值计量且其变动计入当期损益的金融负债和其他金融负债。对于以公允价值计量且其变动计入当期损益的金融负债，相关交易费用直接计入当期损益，其他金融负债的相关交易费用计入其初始确认金额。

①以公允价值计量且其变动计入当期损益的金融负债

以公允价值计量且其变动计入当期损益的金融负债，包括交易性金融负债（含属于金融负债的衍生工具）和初始确认时指定为以公允价值计量且其变动计入当期损益的金融负债。

交易性金融负债（含属于金融负债的衍生工具），按照公允价值进行后续计量，除与套期会计有关外，公允价值变动计入当期损益。

被指定为以公允价值计量且其变动计入当期损益的金融负债，该负债由本公司自身信用风险变动引起的公允价值变动计入其他综合收益，且终止确认该负债时，计入其他综合收益的自身信用风险变动引起的其公允价值累计变动额转入留存收益。其余公允价值变动计入当期损益。若按上述方式对该等金融负债的自身信用风险变动的影响进行处理会造成或扩大损益中的会计错配的，本公司将该金融负债的全部利得或损失（包括企业自身信用风险变动的影响金额）计入当期损益。

②其他金融负债

除金融资产转移不符合终止确认条件或继续涉入被转移金融资产所形成的金融负债、财务担保合同外的其他金融负债分类为以摊余成本计量的金融负债，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

（3）金融资产转移的确认依据和计量方法

满足下列条件之一的金融资产，予以终止确认：①收取该金融资产现金流量的合同权利终止；②该金融资产已转移，且将金融资产所有权上几乎所有的风险和报酬转移给转入方；③该金融资产已转移，虽然企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产的控制。

若企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产的控制的，则按照继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。继续涉入所转移金融资产的程度，是指该金融资产价值变动使企业面临的风险水平。

金融资产整体转移满足终止确认条件的，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

本公司对采用附追索权方式出售的金融资产，或将持有的金融资产背书转让，需确定该金融资产所有权上几乎所有的风险和报酬是否已经转移。已将该金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产；既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，则继续判断企业是否对该资产保留了控制，并根据前面各段所述的原则进行会计处理。

（4）金融负债的终止确认

金融负债（或其一部分）的现时义务已经解除的，本公司终止确认该金融负债（或该部分金融负债）。本公司（借入方）与借出方签订协议，以承担新金融负债的方式替换原金融负债，且新金融负债与原金融负债的合同条款实质上不同的，终止确认原金融负债，同时确认一项新金融负债。本公司对原金融负债（或其一部分）的合同条款作出实质性修改的，终止确认原金融负债，

同时按照修改后的条款确认一项新金融负债。

金融负债（或其一部分）终止确认的，本公司将其账面价值与支付的对价（包括转出的非现金资产或承担的负债）之间的差额，计入当期损益。

（5）金融资产和金融负债的抵销

当本公司具有抵销已确认金额的金融资产和金融负债的法定权利，且该种法定权利是当前可执行的，同时本公司计划以净额结算或同时变现该金融资产和清偿该金融负债时，金融资产和金融负债以相互抵销后的净额在资产负债表内列示。除此以外，金融资产和金融负债在资产负债表内分别列示，不予相互抵销。

（6）金融资产和金融负债的公允价值确定方法

公允价值，是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。金融工具存在活跃市场的，本公司采用活跃市场中的报价确定其公允价值。活跃市场中的报价是指易于定期从交易所、经纪商、行业协会、定价服务机构等获得的价格，且代表了在公平交易中实际发生的市场交易的价格。金融工具不存在活跃市场的，本公司采用估值技术确定其公允价值。估值技术包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融工具当前的公允价值、现金流量折现法和期权定价模型等。在估值时，公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可输入值。

（7）权益工具

权益工具是指能证明拥有本公司在扣除所有负债后的资产中的剩余权益的合同。本公司发行（含再融资）、回购、出售或注销权益工具作为权益的变动处理，与权益性交易相关的交易费用从权益中扣减。本公司不确认权益工具的公允价值变动。

本公司权益工具在存续期间分派股利（含分类为权益工具的工具所产生的“利息”）的，作为利润分配处理。

以下金融工具会计政策适用 2020 年度：

在本公司成为金融工具合同的一方时确认一项金融资产或金融负债。金融资产和金融负债在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产和金融负债，相关的交易费用直接计入损益；对于其他类别的金融资产和金融负债，相关交易费用计入初始确认金额。

（1）金融资产和金融负债的公允价值确定方法

公允价值，是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。本公司以主要市场的价格计量金融资产和金融负债的公允价值，不存在

主要市场的，以最有利市场的价格计量金融资产和金融负债的公允价值，并且采用当时适用并且有足够可利用数据和其他信息支持的估值技术。公允价值计量所使用的输入值分为三个层次，即第一层次输入值是计量日能够取得的相同资产或负债在活跃市场上未经调整的报价；第二层次输入值是除第一层次输入值外相关资产或负债直接或间接可观察的输入值；第三层次输入值是相关资产或负债的不可观察输入值。本公司优先使用第一层次输入值，最后再使用第三层次输入值。公允价值计量结果所属的层次，由对公允价值计量整体而言具有重大意义的输入值所属的最低层次决定。

(2)金融资产的分类、确认和计量

以常规方式买卖金融资产，按交易日进行会计确认和终止确认。金融资产在初始确认时划分为以公允价值计量且其变动计入当期损益的金融资产、持有至到期投资、贷款和应收款项以及可供出售金融资产。

①以公允价值计量且其变动计入当期损益的金融资产

包括交易性金融资产和指定为以公允价值计量且其变动计入当期损益的金融资产。

交易性金融资产是指满足下列条件之一的金融资产：A.取得该金融资产的目的，主要是为了近期内出售；B.属于进行集中管理的可辨认金融工具组合的一部分，且有客观证据表明本公司近期采用短期获利方式对该组合进行管理；C.属于衍生工具，但是，被指定且为有效套期工具的衍生工具、属于财务担保合同的衍生工具、与在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资挂钩并须通过交付该权益工具结算的衍生工具除外。

符合下述条件之一的金融资产，在初始确认时可指定为以公允价值计量且其变动计入当期损益的金融资产：A.该指定可以消除或明显减少由于该金融资产的计量基础不同所导致的相关利得或损失在确认或计量方面不一致的情况；B.本公司风险管理或投资策略的正式书面文件已载明，对该金融资产所在的金融资产组合或金融资产和金融负债组合以公允价值为基础进行管理、评价并向关键管理人员报告。

以公允价值计量且其变动计入当期损益的金融资产采用公允价值进行后续计量，公允价值变动形成的利得或损失以及与该等金融资产相关的股利和利息收入计入当期损益。

②持有至到期投资

是指到期日固定、回收金额固定或可确定，且本公司有明确意图和能力持有至到期的非衍生金融资产。

持有至到期投资采用实际利率法，按摊余成本进行后续计量，在终止确认、发生减值或摊销时产生的利得或损失，计入当期损益。

实际利率法是指按照金融资产或金融负债（含一组金融资产或金融负债）的实际利率计算其摊余成本及各期利息收入或支出的方法。实际利率是指将金融资产或金融负债在预期存续期间或适用的更短期间内的未来现金流量，折现为该金融资产或金融负债当前账面价值所使用的利率。

在计算实际利率时，本公司将在考虑金融资产或金融负债所有合同条款的基础上预计未来现金流量（不考虑未来的信用损失），同时还将考虑金融资产或金融负债合同各方之间支付或收取的、属于实际利率组成部分的各项收费、交易费用及折价或溢价等。

③贷款和应收款项

是指在活跃市场中没有报价、回收金额固定或可确定的非衍生金融资产。本公司划分为贷款和应收款的金融资产包括应收票据、应收账款、应收利息、应收股利及其他应收款等。

贷款和应收款项采用实际利率法，按摊余成本进行后续计量，在终止确认、发生减值或摊销时产生的利得或损失，计入当期损益。

④可供出售金融资产

包括初始确认时即被指定为可供出售的非衍生金融资产，以及除了以公允价值计量且其变动计入当期损益的金融资产、贷款和应收款项、持有至到期投资以外的金融资产。

可供出售债务工具投资的期末成本按照摊余成本法确定，即初始确认金额扣除已偿还的本金，加上或减去采用实际利率法将该初始确认金额与到期日金额之间的差额进行摊销形成的累计摊销额，并扣除已发生的减值损失后的金额。可供出售权益工具投资的期末成本为其初始取得成本。

可供出售金融资产采用公允价值进行后续计量，公允价值变动形成的利得或损失，除减值损失和外币货币性金融资产与摊余成本相关的汇兑差额计入当期损益外，确认为其他综合收益，在该金融资产终止确认时转出，计入当期损益。但是，在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，以及与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产，按照成本进行后续计量。

可供出售金融资产持有期间取得的利息及被投资单位宣告发放的现金股利，计入投资收益。

(3)金融资产减值

除了以公允价值计量且其变动计入当期损益的金融资产外，本公司在每个资产负债表日对其他金融、资产的账面价值进行检查，有客观证据表明金融资产发生减值的，计提减值准备。

本公司对单项金额重大的金融资产单独进行减值测试；对单项金额不重大的金融资产，单独进行减值测试或包括在具有类似信用风险特征的金融资产组合中进行减值测试。单独测试未发生减值的金融资产（包括单项金额重大和不重大的金融资产），包括在具有类似信用风险特征的金融资产组合中再进行减值测试。已单项确认减值损失的金融资产，不包括在具有类似信用风险特征的金融资产组合中进行减值测试。

①持有至到期投资、贷款和应收款项减值

以成本或摊余成本计量的金融资产将其账面价值减记至预计未来现金流量现值，减记金额确认为减值损失，计入当期损益。金融资产在确认减值损失后，如有客观证据表明该金融资产价值已恢复，且客观上与确认该损失后发生的事项有关，原确认的减值损失予以转回，金融资产转回减值损失后的账面价值不超过假定不计提减值准备情况下该金融资产在转回日的摊余成本。

②可供出售金融资产减值

当综合相关因素判断可供出售权益工具投资公允价值下跌是严重或非暂时性下跌时，表明该可供出售权益工具投资发生减值。其中“严重下跌”是指公允价值下跌幅度累计超过 20%；“非暂时性下跌”是指公允价值连续下跌时间超过 12 个月。

可供出售金融资产发生减值时，将原计入其他综合收益的因公允价值下降形成的累计损失予以转出并计入当期损益，该转出的累计损失为该资产初始取得成本扣除已收回本金和已摊销金额、当前公允价值和原已计入损益的减值损失后的余额。

在确认减值损失后，期后如有客观证据表明该金融资产价值已恢复，且客观上与确认该损失后发生的事项有关，原确认的减值损失予以转回，可供出售权益工具投资的减值损失转回确认为其他综合收益，可供出售债务工具的减值损失转回计入当期损益。

在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，或与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产的减值损失，不予转回。

(4)金融资产转移的确认依据和计量方法

满足下列条件之一的金融资产，予以终止确认：①收取该金融资产现金流量的合同权利终止；②该金融资产已转移，且将金融资产所有权上几乎所有的风险和报酬转移给转入方；③该金融资产已转移，虽然企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产的控制。

若企业既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产的控制的，则按照继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。继续涉入所转移金融资产的程度，是指该金融资产价值变动使企业面临的风险水平。

金融资产整体转移满足终止确认条件的，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

本公司对采用附追索权方式出售的金融资产，或将持有的金融资产背书转让，需确定该金融资产所有权上几乎所有的风险和报酬是否已经转移。已将该金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产；既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，则继续判断企业是否对该资产保留了控制，并根据前面各段所述的原则进行会计处理。

(5)金融负债的分类和计量

金融负债在初始确认时划分为以公允价值计量且其变动计入当期损益的金融负债和其他金融负债。初始确认金融负债，以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融负

债，相关的交易费用直接计入当期损益；对于其他金融负债，相关交易费用计入初始确认金额。

①以公允价值计量且其变动计入当期损益的金融负债

分类为交易性金融负债和在初始确认时指定为以公允价值计量且其变动计入当期损益的金融负债的条件与分类为交易性金融资产和在初始确认时指定为以公允价值计量且其变动计入当期损益的金融资产的条件一致。

以公允价值计量且其变动计入当期损益的金融负债采用公允价值进行后续计量，公允价值的变动形成的利得或损失以及与该等金融负债相关的股利和利息支出计入当期损益。

②其他金融负债

与在活跃市场中没有报价、公允价值不能可靠计量的权益工具挂钩并须通过交付该权益工具结算的衍生金融负债，按照成本进行后续计量。其他金融负债采用实际利率法，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

③财务担保合同

不属于指定为以公允价值计量且其变动计入当期损益的金融负债的财务担保合同，以公允价值进行初始确认，在初始确认后按照《企业会计准则第 13 号——或有事项》确定的金额和初始确认金额扣除按照《企业会计准则第 14 号——收入》的原则确定的累计摊销额后的余额之中的较高者进行后续计量。

(6) 金融负债的终止确认

金融负债的现时义务全部或部分已经解除的，才能终止确认该金融负债或其一部分。本公司（债务人）与债权人之间签订协议，以承担新金融负债方式替换现存金融负债，且新金融负债与现存金融负债的合同条款实质上不同的，终止确认现存金融负债，并同时确认新金融负债。

金融负债全部或部分终止确认的，将终止确认部分的账面价值与支付的对价（包括转出的非现金资产或承担的新金融负债）之间的差额，计入当期损益。

(7) 衍生工具及嵌入衍生工具

衍生工具于相关合同签署日以公允价值进行初始计量，并以公允价值进行后续计量。衍生工具的公允价值变动计入当期损益。

对包含嵌入衍生工具的混合工具，如未指定为以公允价值计量且其变动计入当期损益的金融资产或金融负债，嵌入衍生工具与该主合同在经济特征及风险方面不存在紧密关系，且与嵌入衍生工具条件相同，单独存在的工具符合衍生工具定义的，嵌入衍生工具从混合工具中分拆，作为单独的衍生金融工具处理。如果无法在取得时或后续的资产负债表日对嵌入衍生工具进行单独计量，则将混合工具整体指定为以公允价值计量且其变动计入当期损益的金融资产或金融负债。

(8) 金融资产和金融负债的抵销

当本公司具有抵销已确认金融资产和金融负债的法定权利，且目前可执行该种法定权利，同时本公司计划以净额结算或同时变现该金融资产和清偿该金融负债时，金融资产和金融负债以相

互抵销后的金额在资产负债表内列示。除此以外，金融资产和金融负债在资产负债表内分别列示，不予相互抵销。

(9) 权益工具

权益工具是指能证明拥有本公司在扣除所有负债后的资产中的剩余权益的合同。本公司发行（含再融资）、回购、出售或注销权益工具作为权益的变动处理。本公司不确认权益工具的公允价值变动。与权益性交易相关的交易费用从权益中扣减。

本公司对权益工具持有方的各种分配（不包括股票股利），减少股东权益。本公司不确认权益工具的公允价值变动额。

10、金融资产减值

以下金融资产减值会计政策适用 2021 年度及以后。

本公司需确认减值损失的金融资产系以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的债务工具投资，主要包括应收票据、应收账款、其他应收款、债权投资、其他债权投资、长期应收款等。此外，对部分财务担保合同，也按照本部分所述会计政策计提减值准备和确认信用减值损失。

(1) 减值准备的确认方法

本公司以预期信用损失为基础，对上述各项目按照其适用的预期信用损失计量方法（一般方法或简化方法）计提减值准备并确认信用减值损失。

信用损失，是指本公司按照原实际利率折现的、根据合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额，即全部现金短缺的现值。其中，对于购买或源生的已发生信用减值的金融资产，本公司按照该金融资产经信用调整的实际利率折现。

预期信用损失计量的一般方法是指，本公司在每个资产负债表日评估金融资产的信用风险自初始确认后是否已经显著增加，如果信用风险自初始确认后已显著增加，本公司按照相当于整个存续期内预期信用损失的金额计量损失准备；如果信用风险自初始确认后未显著增加，本公司按照相当于未来 12 个月内预期信用损失的金额计量损失准备。本公司在评估预期信用损失时，考虑所有合理且有依据的信息，包括前瞻性信息。

对于在资产负债表日具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后并未显著增加，选择按照未来 12 个月内的预期信用损失计量损失准备。

(2) 信用风险自初始确认后是否显著增加的判断标准

如果某项金融资产在资产负债表日确定的预计存续期内的违约概率显著高于在初始确认时确定的预计存续期内的违约概率，则表明该项金融资产的信用风险显著增加。除特殊情况外，本公司采用未来 12 个月内发生的违约风险的变化作为整个存续期内发生违约风险变化的合理估计，来确定自初始确认后信用风险是否显著增加。

本公司在评估信用风险是否显著增加时会考虑如下因素：

- 1) 债务人经营成果实际或预期是否发生显著变化;
- 2) 债务人所处的监管、经济或技术环境是否发生显著不利变化;
- 3) 作为债务抵押的担保物价值或第三方提供的担保或信用增级质量是否发生显著变化, 这些变化预期将降低债务人按合同规定期限还款的经济动机或者影响违约概率;
- 4) 债务人预期表现和还款行为是否发生显著变化;
- 5) 本公司对金融工具信用管理方法是否发生变化等。

于资产负债表日, 若本公司判断金融工具只具有较低的信用风险, 则本公司假定该金融工具的信用风险自初始确认后并未显著增加。如果金融工具的违约风险较低, 借款人在短期内履行其合同现金流量义务的能力很强, 并且即使较长时期内经济形势和经营环境存在不利变化但未必一定降低借款人履行其合同现金义务, 则该金融工具被视为具有较低的信用风险。

(3) 已发生信用减值的金融资产的判断标准

当对金融资产预期未来现金流量具有不利影响的一项或多项事件发生时, 该金融资产成为已发生信用减值的金融资产。金融资产已发生信用减值的证据包括下列可观察信息:

- 1) 发行方或债务人发生重大财务困难;
- 2) 债务人违反合同, 如偿付利息或本金违约或逾期等;
- 3) 债权人出于与债务人财务困难有关的经济或合同考虑, 给予债务人在任何其他情况下都不会做出的让步;
- 4) 债务人很可能破产或进行其他财务重组;
- 5) 发行方或债务人财务困难导致该金融资产的活跃市场消失;
- 6) 以大幅折扣购买或源生一项金融资产, 该折扣反映了发生信用损失的事实。

金融资产发生信用减值, 有可能是多个事件的共同作用所致, 未必是可单独识别的事件所致。

(4) 以组合为基础评估预期信用风险的组合方法

本集团基于单项和组合评估金融工具的预期信用损失。当无法以合理成本评估单项金融工具的预期信用损失时, 本集团依据不同客户的信用风险特征将应收款项、合同资产划分为无风险组合和账龄组合, 在组合基础上计算预期信用损失, 具体分类如下:

①无风险组合

对于政府单位及国有企业、关联方单位、保证金备用金等形成的应收款项和合同资产, 本集团参考历史信用损失经验, 结合当前状况以及对未来经济状况的预测, 预计信用损失为零, 认定为无风险组合, 该组合的应收款项和合同资产不计提损失准备。

②账龄组合

除上述款项以外的应收款项、合同资产, 本集团参考历史信用损失经验, 结合当前状况以及对未来经济状况的预测, 通过违约风险敞口和未来 12 个月内或整个存续期预期信用损失率, 计算预期信用损失。

(5) 金融资产减值的会计处理方法

期末，本公司计算各类金融资产的预计信用损失，如果该预计信用损失大于其当前减值准备的账面金额，将其差额确认为减值损失；如果小于当前减值准备的账面金额，则将差额确认为减值利得。

11、应收款项融资

分类为以公允价值计量且其变动计入其他综合收益的应收票据和应收账款，自取得起期限在一年内（含一年）的部分，列示为应收款项融资；自取得起期限在一年以上的，列示为其他债权投资。其相关会计政策参见本附注四、9“金融工具”及附注四、10“金融资产减值”。

12、存货

(1) 存货的分类

本公司存货主要包括原材料、开发成本、开发产品、待开发土地、合同履约成本等。

(2) 存货取得和发出的计价方法

存货在取得时按实际成本计价，存货成本包括采购成本、加工成本和其他成本。领用和发出时按加权平均法计价。

(3) 存货可变现净值的确认和跌价准备的计提方法

可变现净值是指在日常活动中，存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额。在确定存货的可变现净值时，以取得的确凿证据为基础，同时考虑持有存货的目的以及资产负债表日后事项的影响。

在资产负债表日，存货按照成本与可变现净值孰低计量。当其可变现净值低于成本时，提取存货跌价准备。存货跌价准备通常按单个存货项目的成本高于其可变现净值的差额提取。

计提存货跌价准备后，如果以前减记存货价值的影响因素已经消失，导致存货的可变现净值高于其账面价值的，在原已计提的存货跌价准备金额内予以转回，转回的金额计入当期损益。

(4) 存货的盘存制度为永续盘存制。

(5) 低值易耗品于领用时按一次摊销法摊销。

13、合同资产

本公司将客户尚未支付合同对价，但本公司已经依据合同履行了履约义务，且不属于无条件（即仅取决于时间流逝）向客户收款的权利，在资产负债表中列示为合同资产。同一合同下的合同资产和合同负债以净额列示，不同合同下的合同资产和合同负债不予抵销。

合同资产预期信用损失的确定方法和会计处理方法参见附注四、10 金融资产减值。

14、持有待售资产和处置组

本公司若主要通过出售（包括具有商业实质的非货币性资产交换，下同）而非持续使用一项非流动资产或处置组收回其账面价值的，则将其划分为持有待售类别。具体标准为同时满足以下条件：某项非流动资产或处置组根据类似交易中出售此类资产或处置组的惯例，在当前状况下即可立即出

售；本公司已经就出售计划作出决议且获得确定的购买承诺；预计出售将在一年内完成。其中，处置组是指在一项交易中作为整体通过出售或其他方式一并处置的一组资产，以及在该交易中转让的与这些资产直接相关的负债。处置组所属的资产组或资产组组合按照《企业会计准则第 8 号——资产减值》分摊了企业合并中取得的商誉的，该处置组应当包含分摊至处置组的商誉。

本公司初始计量或在资产负债表日重新计量划分为持有待售的非流动资产和处置组时，其账面价值高于公允价值减去出售费用后的净额的，将账面价值减记至公允价值减去出售费用后的净额，减记的金额确认为资产减值损失，计入当期损益，同时计提持有待售资产减值准备。对于处置组，所确认的资产减值损失先抵减处置组中商誉的账面价值，再按比例抵减该处置组内适用《企业会计准则第 42 号——持有待售的非流动资产、处置组和终止经营》（以下简称“持有待售准则”）的计量规定的各项非流动资产的账面价值。后续资产负债表日持有待售的处置组公允价值减去出售费用后的净额增加的，以前减记的金额应当予以恢复，并在划分为持有待售类别后适用持有待售准则计量规定的非流动资产确认的资产减值损失金额内转回，转回金额计入当期损益，并根据处置组中除商誉外适用持有待售准则计量规定的各项非流动资产账面价值所占比重按比例增加其账面价值；已抵减的商誉账面价值，以及适用持有待售准则计量规定的非流动资产在划分为持有待售类别前确认的资产减值损失不得转回。

持有待售的非流动资产或处置组中的非流动资产不计提折旧或摊销，持有待售的处置组中负债的利息和其他费用继续予以确认。

非流动资产或处置组不再满足持有待售类别的划分条件时，本公司不再将其继续划分为持有待售类别或将非流动资产从持有待售的处置组中移除，并按照以下两者孰低计量：（1）划分为持有待售类别前的账面价值，按照假定不划分为持有待售类别情况下本应确认的折旧、摊销或减值等进行调整后的金额；（2）可收回金额。

15、长期股权投资

本部分所指的长期股权投资是指本公司对被投资单位具有控制、共同控制或重大影响的长期股权投资。本公司对被投资单位不具有控制、共同控制或重大影响的长期股权投资，作为以公允价值计量且其变动计入当期损益的金融资产核算，其中如果属于非交易性的，本公司在初始确认时可选择将其指定为以公允价值计量且其变动计入其他综合收益的金融资产核算，其会计政策详见附注四、9“金融工具”。

共同控制，是指本公司按照相关约定对某项安排所共有的控制，并且该安排的相关活动必须经过分享控制权的参与方一致同意后才能决策。重大影响，是指本公司对被投资单位的财务和经营政策有参与决策的权力，但并不能够控制或者与其他方一起共同控制这些政策的制定。

（1）投资成本的确定

对于同一控制下的企业合并取得的长期股权投资，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本。长期股权投资初始

投资成本与支付的现金、转让的非现金资产以及所承担债务账面价值之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。以发行权益性证券作为合并对价的，在合并日按照被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，按照发行股份的面值总额作为股本，长期股权投资初始投资成本与所发行股份面值总额之间的差额，调整资本公积；资本公积不足冲减的，调整留存收益。通过多次交易分步取得同一控制下被合并方的股权，最终形成同一控制下企业合并的，应分别是否属于“一揽子交易”进行处理；属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，在合并日按照应享有被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本，长期股权投资初始投资成本与达到合并前的长期股权投资账面价值加上合并日进一步取得股份新支付对价的账面价值之和的差额，调整资本公积；资本公积不足冲减的，调整留存收益。合并日之前持有的股权投资因采用权益法核算或作为以公允价值计量且其变动计入其他综合收益的金融资产而确认的其他综合收益，暂不进行会计处理。

对于非同一控制下的企业合并取得的长期股权投资，在购买日按照合并成本作为长期股权投资的初始投资成本，合并成本包括购买方付出的资产、发生或承担的负债、发行的权益性证券的公允价值之和。通过多次交易分步取得被购买方的股权，最终形成非同一控制下的企业合并的，应分别是否属于“一揽子交易”进行处理；属于“一揽子交易”的，将各项交易作为一项取得控制权的交易进行会计处理。不属于“一揽子交易”的，按照原持有被购买方的股权投资账面价值加上新增投资成本之和，作为改按成本法核算的长期股权投资的初始投资成本。原持有的股权采用权益法核算的，相关其他综合收益暂不进行会计处理。

合并方或购买方为企业合并发生的审计、法律服务、评估咨询等中介费用以及其他相关管理费用，于发生时计入当期损益。

除企业合并形成的长期股权投资外的其他股权投资，按成本进行初始计量，该成本视长期股权投资取得方式的不同，分别按照本公司实际支付的现金购买价款、本公司发行的权益性证券的公允价值、投资合同或协议约定的价值、非货币性资产交换交易中换出资产的公允价值或原账面价值、该项长期股权投资自身的公允价值等方式确定。与取得长期股权投资直接相关的费用、税金及其他必要支出也计入投资成本。对于因追加投资能够对被投资单位实施重大影响或实施共同控制但不构成控制的，长期股权投资成本为按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有股权投资的公允价值加上新增投资成本之和。

(2) 后续计量及损益确认方法

对被投资单位具有共同控制（构成共同经营者除外）或重大影响的长期股权投资，采用权益法核算。此外，公司财务报表采用成本法核算能够对被投资单位实施控制的长期股权投资。

① 成本法核算的长期股权投资

采用成本法核算时，长期股权投资按初始投资成本计价，追加或收回投资调整长期股权投资

的成本。除取得投资时实际支付的价款或者对价中包含的已宣告但尚未发放的现金股利或者利润外，当期投资收益按照享有被投资单位宣告发放的现金股利或利润确认。

② 权益法核算的长期股权投资

采用权益法核算时，长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，其差额计入当期损益，同时调整长期股权投资的成本。

采用权益法核算时，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资收益和其他综合收益，同时调整长期股权投资的账面价值；按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；对于被投资单位除净损益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入资本公积。在确认应享有被投资单位净损益的份额时，以取得投资时被投资单位各项可辨认资产等的公允价值为基础，对被投资单位的净利润进行调整后确认。被投资单位采用的会计政策及会计期间与本公司不一致的，按照本公司的会计政策及会计期间对被投资单位的财务报表进行调整，并据以确认投资收益和其他综合收益。对于本公司与联营企业及合营企业之间发生的交易，投出或出售的资产不构成业务的，未实现内部交易损益按照享有的比例计算归属于本公司的部分予以抵销，在此基础上确认投资损益。但本公司与被投资单位发生的未实现内部交易损失，属于所转让资产减值损失的，不予以抵销。本公司向合营企业或联营企业投出的资产构成业务的，投资方因此取得长期股权投资但未取得控制权的，以投出业务的公允价值作为新增长期股权投资的初始投资成本，初始投资成本与投出业务的账面价值之差，全额计入当期损益。本公司向合营企业或联营企业出售的资产构成业务的，取得的对价与业务的账面价值之差，全额计入当期损益。本公司自联营企业及合营企业购入的资产构成业务的，按《企业会计准则第 20 号——企业合并》的规定进行会计处理，全额确认与交易相关的利得或损失。

在确认应分担被投资单位发生的净亏损时，以长期股权投资的账面价值和其他实质上构成对被投资单位净投资的长期权益减记至零为限。此外，如本公司对被投资单位负有承担额外损失的义务，则按预计承担的义务确认预计负债，计入当期投资损失。被投资单位以后期间实现净利润的，本公司在收益分享额弥补未确认的亏损分担额后，恢复确认收益分享额。

③ 收购少数股权

在编制合并财务报表时，因购买少数股权新增的长期股权投资与按照新增持股比例计算应享有子公司自购买日（或合并日）开始持续计算的净资产份额之间的差额，调整资本公积，资本公积不足冲减的，调整留存收益。

④ 处置长期股权投资

在合并财务报表中，母公司在不丧失控制权的情况下部分处置对子公司的长期股权投资，处置价款与处置长期股权投资相对应享有子公司净资产的差额计入股东权益；母公司部分处置对子

公司的长期股权投资导致丧失对子公司控制权的，按本附注四、5、（2）“合并财务报表编制的方法”中所述的相关会计政策处理。

其他情形下的长期股权投资处置，对于处置的股权，其账面价值与实际取得价款的差额，计入当期损益。

采用权益法核算的长期股权投资，处置后的剩余股权仍采用权益法核算的，在处置时将原计入所有者权益的其他综合收益部分按相应的比例采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理。因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，按比例结转入当期损益。

采用成本法核算的长期股权投资，处置后剩余股权仍采用成本法核算的，其在取得对被投资单位的控制之前因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，并按比例结转当期损益；因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动按比例结转当期损益。

本公司因处置部分股权投资丧失了对被投资单位的控制的，在编制个别财务报表时，处置后的剩余股权能够对被投资单位实施共同控制或施加重大影响的，改按权益法核算，并对该剩余股权视同自取得时即采用权益法核算进行调整；处置后的剩余股权不能对被投资单位实施共同控制或施加重大影响的，改按金融工具确认和计量准则的有关规定进行会计处理，其在丧失控制之日的公允价值与账面价值之间的差额计入当期损益。对于本公司取得对被投资单位的控制之前，因采用权益法核算或金融工具确认和计量准则核算而确认的其他综合收益，在丧失对被投资单位控制时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因采用权益法核算而确认的被投资单位净资产中除净损益、其他综合收益和利润分配以外的其他所有者权益变动在丧失对被投资单位控制时结转入当期损益。其中，处置后的剩余股权采用权益法核算的，其他综合收益和其他所有者权益按比例结转；处置后的剩余股权改按金融工具确认和计量准则进行会计处理的，其他综合收益和其他所有者权益全部结转。

本公司因处置部分股权投资丧失了对被投资单位的共同控制或重大影响的，处置后的剩余股权改按金融工具确认和计量准则核算，其在丧失共同控制或重大影响之日的公允价值与账面价值之间的差额计入当期损益。原股权投资因采用权益法核算而确认的其他综合收益，在终止采用权益法核算时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理，因被投资方除净损益、其他综合收益和利润分配以外的其他所有者权益变动而确认的所有者权益，在终止采用权益法时全部转入当期投资收益。

本公司通过多次交易分步处置对子公司股权投资直至丧失控制权，如果上述交易属于一揽子交易的，将各项交易作为一项处置子公司股权投资并丧失控制权的交易进行会计处理，在丧失控制权之前每一次处置价款与所处置的股权对应的长期股权投资账面价值之间的差额，先确认为其

他综合收益，到丧失控制权时再一并转入丧失控制权的当期损益。

16、投资性房地产

投资性房地产是指为赚取租金或资本增值，或两者兼有而持有的房地产。包括已出租的土地使用权、持有并准备增值后转让的土地使用权、已出租的建筑物等。

投资性房地产按成本进行初始计量。与投资性房地产有关的后续支出，如果与该资产有关的经济利益很可能流入且其成本能可靠地计量，则计入投资性房地产成本。其他后续支出，在发生时计入当期损益。

本公司采用成本模式对投资性房地产进行后续计量，并按照与房屋建筑物或土地使用权一致的政策进行折旧或摊销。

投资性房地产的减值测试方法和减值准备计提方法详见附注四、22 长期资产减值”。

自用房地产或存货转换为投资性房地产或投资性房地产转换为自用房地产时，按转换前的账面价值作为转换后的入账价值。

投资性房地产的用途改变为自用时，自改变之日起，将该投资性房地产转换为固定资产或无形资产。自用房地产的用途改变为赚取租金或资本增值时，自改变之日起，将固定资产或无形资产转换为投资性房地产。发生转换时，转换为采用成本模式计量的投资性房地产，以转换前的账面价值作为转换后的入账价值。

当投资性房地产被处置、或者永久退出使用且预计不能从其处置中取得经济利益时，终止确认该项投资性房地产。投资性房地产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后计入当期损益。

17、固定资产

(1) 固定资产确认条件

固定资产是指为生产商品、提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。固定资产仅在与其有关的经济利益很可能流入本公司，且其成本能够可靠地计量时才予以确认。固定资产按成本并考虑预计弃置费用因素的影响进行初始计量。

(2) 各类固定资产的折旧方法

固定资产从达到预定可使用状态的次月起，采用年限平均法在使用寿命内计提折旧。各类固定资产的使用寿命、预计净残值和年折旧率如下：

序号	类别	折旧年限(年)	预计残值率(%)
1	房屋建筑物	20-50	0-5
2	运输工具	8-10	0-5
3	机器设备	8-12	0-5
4	电子设备	3-5	0-5
5	其他设备	5-10	0-5

预计净残值是指假定固定资产预计使用寿命已满并处于使用寿命终了时的预期状态，本公司

目前从该项资产处置中获得的扣除预计处置费用后的金额。

（3）固定资产的减值测试方法及减值准备计提方法

固定资产的减值测试方法和减值准备计提方法详见附注四、22“长期资产减值”。

（4）其他说明

与固定资产有关的后续支出，如果与该固定资产有关的经济利益很可能流入且其成本能可靠地计量，则计入固定资产成本，并终止确认被替换部分的账面价值。除此以外的其他后续支出，在发生时计入当期损益。

当固定资产处于处置状态或预期通过使用或处置不能产生经济利益时，终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的差额计入当期损益。

本公司至少于年度终了对固定资产的使用寿命、预计净残值和折旧方法进行复核，如发生改变则作为会计估计变更处理。

18、在建工程

在建工程成本按实际工程支出确定，包括在建期间发生的各项工程支出、工程达到预定可使用状态前的资本化的借款费用以及其他相关费用等。在建工程在达到预定可使用状态后结转为固定资产。

在建工程的减值测试方法和减值准备计提方法详见附注四、22“长期资产减值”。

19、借款费用

借款费用包括借款利息、折价或溢价的摊销、辅助费用以及因外币借款而发生的汇兑差额等。可直接归属于符合资本化条件的资产的购建或者生产的借款费用，在资产支出已经发生、借款费用已经发生、为使资产达到预定可使用或可销售状态所必要的购建或生产活动已经开始时，开始资本化；构建或者生产的符合资本化条件的资产达到预定可使用状态或者可销售状态时，停止资本化。其余借款费用在发生当期确认为费用。

专门借款当期实际发生的利息费用，减去尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额予以资本化；一般借款根据累计资产支出超过专门借款部分的资产支出加权平均数乘以所占用一般借款的资本化率，确定资本化金额。资本化率根据一般借款的加权平均利率计算确定。

资本化期间内，外币专门借款的汇兑差额全部予以资本化；外币一般借款的汇兑差额计入当期损益。

符合资本化条件的资产指需要经过相当长时间的购建或者生产活动才能达到预定可使用或可销售状态的固定资产、投资性房地产和存货等资产。

如果符合资本化条件的资产在购建或生产过程中发生非正常中断、并且中断时间连续超过 3 个月的，暂停借款费用的资本化，直至资产的购建或生产活动重新开始。

20、无形资产

(1) 无形资产

无形资产是指本公司拥有或者控制的没有实物形态的可辨认非货币性资产。

无形资产按成本进行初始计量。与无形资产有关的支出，如果相关的经济利益很可能流入本公司且其成本能可靠地计量，则计入无形资产成本。除此以外的其他项目的支出，在发生时计入当期损益。

取得的土地使用权通常作为无形资产核算。自行开发建造厂房等建筑物，相关的土地使用权支出和建筑物建造成本则分别作为无形资产和固定资产核算。如为外购的房屋及建筑物，则将有关价款在土地使用权和建筑物之间进行分配，难以合理分配的，全部作为固定资产处理。

使用寿命有限的无形资产自可供使用时起，对其原值减去预计净残值和已计提的减值准备累计金额在其预计使用寿命内采用直线法分期平均摊销。使用寿命不确定的无形资产不予摊销。

期末，对使用寿命有限的无形资产的使用寿命和摊销方法进行复核，如发生变更则作为会计估计变更处理。此外，还对使用寿命不确定的无形资产的使用寿命进行复核，如果有证据表明该无形资产为企业带来经济利益的期限是可预见的，则估计其使用寿命并按照使用寿命有限的无形资产的摊销政策进行摊销。

(2) 无形资产的减值测试方法及减值准备计提方法

无形资产的减值测试方法和减值准备计提方法详见附注四、22“长期资产减值”。

21、长期待摊费用

长期待摊费用为已经发生但应由报告期和以后各期负担的分摊期限在一年以上的各项费用。本公司的长期待摊费用在预计受益期间按直线法摊销。

22、长期资产减值

对于固定资产、在建工程、使用寿命有限的无形资产、使用权资产、以成本模式计量的投资性房地产及对子公司、合营企业、联营企业的长期股权投资等非流动非金融资产，本公司于资产负债表日判断是否存在减值迹象。如存在减值迹象的，则估计其可收回金额，进行减值测试。商誉、使用寿命不确定的无形资产和尚未达到可使用状态的无形资产，无论是否存在减值迹象，每年均进行减值测试。

减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产的公允价值根据公平交易中销售协议价格确定；不存在销售协议但存在资产活跃市场的，公允价值按照该资产的买方出价确定；不存在销售协议和资产活跃市场的，则以可获取的最佳信息为基础估计资产的公允价值。处置费用包括与资产处置有关的法律费用、相关税费、搬运费以及为使资产达到可销售状态所发生的直接费用。资产预计未来现金流量的现值，按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量，选择恰当的折现率对其进行

折现后的金额加以确定。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

在财务报表中单独列示的商誉，在进行减值测试时，将商誉的账面价值分摊至预期从企业合并的协同效应中受益的资产组或资产组组合。测试结果表明包含分摊的商誉的资产组或资产组组合的可收回金额低于其账面价值的，确认相应的减值损失。减值损失金额先抵减分摊至该资产组或资产组组合的商誉的账面价值，再根据资产组或资产组组合中除商誉以外的其他各项资产的账面价值所占比重，按比例抵减其他各项资产的账面价值。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

23、合同负债

合同负债会计政策适用于 2021 年度及以后。

合同负债，是指本公司已收或应收客户对价而应向客户转让商品的义务。如果在本公司向客户转让商品之前，客户已经支付了合同对价或本公司已经取得了无条件收款权，本公司在客户实际支付款项和到期应支付款项孰早时点，将该已收或应收款项列示为合同负债。同一合同下的合同资产和合同负债以净额列示，不同合同下的合同资产和合同负债不予抵销。

24、职工薪酬

本公司职工薪酬主要包括短期职工薪酬、离职后福利。其中：

短期薪酬主要包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、生育保险费、工伤保险费、住房公积金、工会经费和职工教育经费、非货币性福利等。本公司在职工为本公司提供服务的会计期间将实际发生的短期职工薪酬确认为负债，并计入当期损益或相关资产成本。其中非货币性福利按公允价值计量。

离职后福利主要包括基本养老保险、失业保险以及年金等。离职后福利计划包括设定提存计划。采用设定提存计划的，相应的应缴存金额于发生时计入相关资产成本或当期损益。

25、预计负债

当与或有事项相关的义务同时符合以下条件，确认为预计负债：（1）该义务是本公司承担的现时义务；（2）履行该义务很可能导致经济利益流出；（3）该义务的金额能够可靠地计量。

在资产负债表日，考虑与或有事项有关的风险、不确定性和货币时间价值等因素，按照履行相关现时义务所需支出的最佳估计数对预计负债进行计量。

如果清偿预计负债所需支出全部或部分预期由第三方补偿的，补偿金额在基本确定能够收到时，作为资产单独确认，且确认的补偿金额不超过预计负债的账面价值。

26、收入

以下收入会计政策适用于 2021 年度及以后：

本公司与客户之间的合同同时满足下列条件时，在客户取得相关商品控制权时确认收入：合

同各方已批准该合同并承诺将履行各自义务；合同明确了合同各方与所转让商品或提供劳务相关的权利和义务；合同有明确的与所转让商品相关的支付条款；合同具有商业实质，即履行该合同将改变本公司未来现金流量的风险、时间分布或金额；本公司因向客户转让商品而有权取得的对价很可能收回。

在合同开始日，本公司识别合同中存在的各单项履约义务，并将交易价格按照各单项履约义务所承诺商品的单独售价的相对比例分摊至各单项履约义务。在确定交易价格时考虑了可变对价、合同中存在的重大融资成分、非现金对价、应付客户对价等因素的影响。

对于合同中的每个单项履约义务，如果满足下列条件之一的，本公司在相关履约时段内按照履约进度将分摊至该单项履约义务的交易价格确认为收入：客户在本公司履约的同时即取得并消耗本公司履约所带来的经济利益；客户能够控制本公司履约过程中在建的商品；本公司履约过程中所产出的商品具有不可替代用途，且本公司在整个合同期间内有权就累计至今已完成的履约部分收取款项。履约进度根据所转让商品的性质采用投入法或产出法确定，当履约进度不能合理确定时，本公司已经发生的成本预计能够得到补偿的，按照已经发生的成本金额确认收入，直到履约进度能够合理确定为止。

如果不满足上述条件之一，则本公司在客户取得相关商品控制权的时点将分摊至该单项履约义务的交易价格确认收入。在判断客户是否已取得商品控制权时，本公司考虑下列迹象：企业就该商品享有现时收款权利，即客户就该商品负有现时付款义务；企业已将该商品的法定所有权转移给客户，即客户已拥有该商品的法定所有权；企业已将该商品实物转移给客户，即客户已实物占有该商品；企业已将该商品所有权上的主要风险和报酬转移给客户，即客户已取得该商品所有权上的主要风险和报酬；客户已接受该商品；其他表明客户已取得商品控制权的迹象。

以下收入会计政策适用于 2020 年度及以前：

本公司的营业收入主要包括销售商品收入、提供劳务收入、建造合同收入、使用费收入和利息收入。

1、商品销售收入

在已将商品所有权上的主要风险和报酬转移给买方，既没有保留通常与所有权相联系的继续管理权，也没有对已售商品实施有效控制，收入的金额能够可靠地计量，相关的经济利益很可能流入企业，相关的已发生或将发生的成本能够可靠地计量时，确认商品销售收入的实现。

2、提供劳务收入

在提供劳务交易的结果能够可靠估计的情况下，于资产负债表日按照完工百分比法确认提供的劳务收入。劳务交易的完工进度按已经发生的劳务成本占估计总成本的比例确定。

提供劳务交易的结果能够可靠估计是指同时满足：①收入的金额能够可靠地计量；②相关的经济利益很可能流入企业；③交易的完工程度能够可靠地确定；④交易中已发生和将发生的成本能够可靠地计量。

如果提供劳务交易的结果不能够可靠估计，则按已经发生并预计能够得到补偿的劳务成本金额确认提供的劳务收入，并将已发生的劳务成本作为当期费用。已经发生的劳务成本如预计不能得到补偿的，则不确认收入。

本公司与其他企业签订的合同或协议包括销售商品和提供劳务时，如销售商品部分和提供劳务部分能够区分并单独计量的，将销售商品部分和提供劳务部分分别处理；如销售商品部分和提供劳务部分不能够区分，或虽能区分但不能够单独计量的，将该合同全部作为销售商品处理。

3、建造合同收入

在建造合同的结果能够可靠估计的情况下，于资产负债表日按照完工百分比法确认合同收入和合同费用。合同完工进度按累计实际发生的合同成本占合同预计总成本的比例确定。

建造合同的结果能够可靠估计是指同时满足：①合同总收入能够可靠地计量；②与合同相关的经济利益很可能流入企业；③实际发生的合同成本能够清楚地区分和可靠地计量；④合同完工进度和为完成合同尚需发生的成本能够可靠地确定。

如建造合同的结果不能可靠地估计，但合同成本能够收回的，合同收入根据能够收回的实际合同成本予以确认，合同成本在其发生的当期确认为合同费用；合同成本不可能收回的，在发生时立即确认为合同费用，不确认合同收入。使建造合同的结果不能可靠估计的不确定因素不复存在的，按照完工百分比法确定与建造合同有关的收入和费用。

合同预计总成本超过合同总收入的，将预计损失确认为当期费用。

在建合同累计已发生的成本和累计已确认的毛利(亏损)与已结算的价款在资产负债表中以抵销后的净额列示。在建合同累计已发生的成本和累计已确认的毛利(亏损)之和超过已结算价款的部分作为存货列示；在建合同已结算的价款超过累计已发生的成本与累计已确认的毛利(亏损)之和的部分作为预收款项列示。

4、使用费收入

根据有关合同或协议，按权责发生制确认收入。

5、利息收入

按照他人使用本公司货币资金的时间和约定利率计算确定。

27、合同成本

合同成本会计政策适用于 2021 年度及以后。

本集团为取得合同发生的增量成本预期能够收回的，作为合同取得成本确认为一项资产。但是，如果该资产的摊销期限不超过一年，则在发生时计入当期损益。

为履行合同发生的成本不属于《企业会计准则第 14 号——收入（2017 年修订）》之外的其他企业会计准则规范范围且同时满足下列条件的，作为合同履约成本确认为一项资产：①该成本与一份当前或预期取得的合同直接相关，包括直接人工、直接材料、制造费用（或类似费用）、明确由客户承担的成本以及仅因该合同而发生的其他成本；②该成本增加了本集团未来用于履行履

约义务的资源；③该成本预期能够收回。

与合同成本有关的资产采用与该资产相关的商品收入确认相同的基础进行摊销，计入当期损益。

28、政府补助

政府补助是指本公司从政府无偿取得货币性资产和非货币性资产，不包括政府以投资者身份并享有相应所有者权益而投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能够可靠取得的，按照名义金额计量。按照名义金额计量的政府补助，直接计入当期损益。

本公司对于政府补助通常在实际收到时，按照实收金额予以确认和计量。但对于期末有确凿证据表明能够符合财政扶持政策规定的相关条件预计能够收到财政扶持资金，按照应收的金额计量。按照应收金额计量的政府补助应同时符合以下条件：（1）应收补助款的金额已经过有权政府部门发文确认，或者可根据正式发布的财政资金管理办法的有关规定自行合理测算，且预计其金额不存在重大不确定性；（2）所依据的是当地财政部门正式发布并按照《政府信息公开条例》的规定予以主动公开的财政扶持项目及其财政资金管理办法，且该管理办法应当是普惠性的（任何符合规定条件的企业均可申请），而不是专门针对特定企业制定的；（3）相关的补助款批文中已明确承诺了拨付期限，且该款项的拨付是有相应财政预算作为保障的，因而可以合理保证其可在规定期限内收到。

与资产相关的政府补助，确认为递延收益，并在相关资产的使用寿命内按照合理、系统的方法分期计入当期损益。与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间计入当期损益；用于补偿已经发生的相关成本费用或损失的，直接计入当期损益。

同时包含与资产相关部分和与收益相关部分的政府补助，区分不同部分分别进行会计处理；难以区分的，将其整体归类为与收益相关的政府补助。

与本公司日常活动相关的政府补助，按照经济业务的实质，计入其他收益或冲减相关成本费用；与日常活动无关的政府补助，计入营业外收支。

已确认的政府补助需要退回时，存在相关递延收益余额的，冲减相关递延收益账面余额，超出部分计入当期损益或（对初始确认时冲减相关资产账面价值的与资产相关的政府补助）调整资产账面价值；属于其他情况的，直接计入当期损益。

29、递延所得税资产/递延所得税负债

（1）当期所得税

资产负债表日，对于当期和以前期间形成的当期所得税负债（或资产），以按照税法规定计算的预期应交纳（或返还）的所得税金额计量。计算当期所得税费用所依据的应纳税所得额系根据有关税法规定对本报告期税前会计利润作相应调整后计算得出。

（2）递延所得税资产及递延所得税负债

某些资产、负债项目的账面价值与其计税基础之间的差额，以及未作为资产和负债确认但按照税法规定可以确定其计税基础的项目的账面价值与计税基础之间的差额产生的暂时性差异，采用资产负债表债务法确认递延所得税资产及递延所得税负债。

与商誉的初始确认有关，以及与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的应纳税暂时性差异，不予确认有关的递延所得税负债。此外，对与子公司、联营企业及合营企业投资相关的应纳税暂时性差异，如果本公司能够控制暂时性差异转回的时间，而且该暂时性差异在可预见的未来很可能不会转回，也不予确认有关的递延所得税负债。除上述例外情况，本公司确认其他所有应纳税暂时性差异产生的递延所得税负债。

与既不是企业合并、发生时也不影响会计利润和应纳税所得额（或可抵扣亏损）的交易中产生的资产或负债的初始确认有关的可抵扣暂时性差异，不予确认有关的递延所得税资产。此外，对与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异，如果暂时性差异在可预见的未来不是很可能转回，或者未来不是很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额，不予确认有关的递延所得税资产。除上述例外情况，本公司以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限，确认其他可抵扣暂时性差异产生的递延所得税资产。

对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

资产负债表日，对于递延所得税资产和递延所得税负债，根据税法规定，按照预期收回相关资产或清偿相关负债期间的适用税率计量。

于资产负债表日，对递延所得税资产的账面价值进行复核，如果未来很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

（3）所得税费用

所得税费用包括当期所得税和递延所得税。

除确认为其他综合收益或直接计入股东权益的交易和事项相关的当期所得税和递延所得税计入其他综合收益或股东权益，以及企业合并产生的递延所得税调整商誉的账面价值外，其余当期所得税和递延所得税费用或收益计入当期损益。

（4）所得税的抵销

当拥有以净额结算的法定权利，且意图以净额结算或取得资产、清偿负债同时进行时，本公司当期所得税资产及当期所得税负债以抵销后的净额列报。

当拥有以净额结算当期所得税资产及当期所得税负债的法定权利，且递延所得税资产及递延所得税负债是与同一税收征管部门对同一纳税主体征收的所得税相关或者是对不同的纳税主体

相关，但在未来每一具有重要性的递延所得税资产及负债转回的期间内，涉及的纳税主体意图以净额结算当期所得税资产和负债或是同时取得资产、清偿负债时，本公司递延所得税资产及递延所得税负债以抵销后的净额列报。

30、租赁

以下租赁会计政策适用于 2021 年度及以后：

租赁是指本公司让渡或取得了在一定期间内控制一项或多项已识别资产使用的权利以换取或支付对价的合同。在一项合同开始日，本公司评估合同是否为租赁或包含租赁。

(1) 本公司作为承租人

本公司租赁资产的类别主要为房屋建筑物、场地等。

①初始计量

在租赁期开始日，本公司将可在租赁期内使用租赁资产的权利确认为使用权资产，将尚未支付的租赁付款额的现值确认为租赁负债，短期租赁和低价值资产租赁除外。在计算租赁付款额的现值时，本公司采用租赁内含利率作为折现率；无法确定租赁内含利率的，采用承租人增量借款利率作为折现率。

②后续计量

本公司参照《企业会计准则第 4 号——固定资产》有关折旧规定对使用权资产计提折旧（详见本附注四、17“固定资产”），能够合理确定租赁期届满时取得租赁资产所有权的，本公司在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的，本公司在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。

对于租赁负债，本公司按照固定的周期性利率计算其在租赁期内各期间的利息费用，计入当期损益或计入相关资产成本。未纳入租赁负债计量的可变租赁付款额在实际发生时计入当期损益或相关资产成本。

租赁期开始日后，当实质固定付款额发生变动、担保余值预计的应付金额发生变化、用于确定租赁付款额的指数或比率发生变动、购买选择权、续租选择权或终止选择权的评估结果或实际行权情况发生变化时，本公司按照变动后的租赁付款额的现值重新计量租赁负债，并相应调整使用权资产的账面价值。使用权资产账面价值已调减至零，但租赁负债仍需进一步调减的，本公司将剩余金额计入当期损益。

③短期租赁和低价值资产租赁

对于短期租赁（在租赁开始日租赁期不超过 12 个月的租赁）和低价值资产租赁，本公司采取简化处理方法，不确认使用权资产和租赁负债，而在租赁期内各个期间按照直线法或其他系统合理的方法将租赁付款额计入相关资产成本或当期损益。

(2) 本公司作为出租人

本公司在租赁开始日，基于交易的实质，将租赁分为融资租赁和经营租赁。融资租赁是指实

质上转移了与租赁资产所有权有关的几乎全部风险和报酬的租赁。经营租赁是指除融资租赁以外的其他租赁。

①经营租赁

本公司采用直线法将经营租赁的租赁收款额确认为租赁期内各期间的租金收入。与经营租赁有关的未计入租赁收款额的可变租赁付款额，于实际发生时计入当期损益。

②融资租赁

于租赁期开始日，本公司确认应收融资租赁款，并终止确认融资租赁资产。应收融资租赁款以租赁投资净额（未担保余值和租赁期开始日尚未收到的租赁收款额按照租赁内含利率折现的现值之和）进行初始计量，并按照固定的周期性利率计算确认租赁期内的利息收入。本公司取得的未纳入租赁投资净额计量的可变租赁付款额在实际发生时计入当期损益。

以下租赁会计政策适用于 2020 年度及以前：

融资租赁为实质上转移了与资产所有权有关的全部风险和报酬的租赁，其所有权最终可能转移，也可能不转移。融资租赁以外的其他租赁为经营租赁。

（1）本公司作为承租人记录经营租赁业务

经营租赁的租金支出在租赁期内的各个期间按直线法计入相关资产成本或当期损益。初始直接费用计入当期损益。或有租金于实际发生时计入当期损益。

（2）本公司作为出租人记录经营租赁业务

经营租赁的租金收入在租赁期内的各个期间按直线法确认为当期损益。对金额较大的初始直接费用于发生时予以资本化，在整个租赁期间内按照与确认租金收入相同的基础分期计入当期损益；其他金额较小的初始直接费用于发生时计入当期损益。或有租金于实际发生时计入当期损益。

（3）本公司作为承租人记录融资租赁业务

于租赁期开始日，将租赁开始日租赁资产的公允价值与最低租赁付款额现值两者中较低者作为租入资产的入账价值，将最低租赁付款额作为长期应付款的入账价值，其差额作为未确认融资费用。此外，在租赁谈判和签订租赁合同过程中发生的，可归属于租赁项目的初始直接费用也计入租入资产价值。最低租赁付款额扣除未确认融资费用后的余额分别长期负债和一年内到期的长期负债列示。

未确认融资费用在租赁期内采用实际利率法计算确认当期的融资费用。或有租金于实际发生时计入当期损益。

（4）本公司作为出租人记录融资租赁业务

于租赁期开始日，将租赁开始日最低租赁收款额与初始直接费用之和作为应收融资租赁款的入账价值，同时记录未担保余值；将最低租赁收款额、初始直接费用及未担保余值之和与其现值之和的差额确认为未实现融资收益。应收融资租赁款扣除未实现融资收益后的余额分别长期债权和一年内到期的长期债权列示。

未实现融资收益在租赁期内采用实际利率法计算确认当期的融资收入。或有租金于实际发生时计入当期损益。

五、会计政策和会计估计变更以及差错更正的说明

1、会计政策变更及影响

财政部于 2017 年 7 月 5 日发布了《企业会计准则第 14 号—收入(2017 年修订)》(财会〔2017〕22 号)(以下简称“新收入准则”)。通知要求执行企业会计准则的非上市企业,自 2021 年 1 月 1 日起施行。

财政部于 2017 年 3 月 31 日分别发布了《企业会计准则第 22 号——金融工具确认和计量(2017 年修订)》(财会〔2017〕7 号)、《企业会计准则第 23 号——金融资产转移(2017 年修订)》(财会〔2017〕8 号)、《企业会计准则第 24 号——套期会计(2017 年修订)》(财会〔2017〕9 号),于 2017 年 5 月 2 日发布了《企业会计准则第 37 号——金融工具列报(2017 年修订)》(财会〔2017〕14 号)(上述准则以下统称“新金融工具准则”)。通知要求执行企业会计准则的非上市企业自 2021 年 1 月 1 日起施行。

财政部于 2018 年 12 月 7 日发布了关于印发修订《企业会计准则第 21 号——租赁》的通知(财会〔(2018) 35 号),通知要求执行企业会计准则的其他企业自 2021 年 1 月 1 日起施行。

根据上述文件要求,公司董事会同意自 2021 年 1 月 1 日起执行上述新准则,并对原会计政策相关内容进行变更。执行新金融工具准则、新收入准则、新租赁准则等调整执行当年年初财务报表相关科目情况如下:

①合并资产负债表

项 目	2021 年 1 月 1 日余额	2020 年 12 月 31 日余额	调整数
应收票据		26,546,344.44	-26,546,344.44
应收款项融资	26,546,344.44		26,546,344.44
存货	11,177,085,158.80	12,303,032,400.46	-1,125,947,241.66
合同资产	1,125,947,241.66		1,125,947,241.66
可供出售金融资产		149,794,560.58	-149,794,560.58
其他权益工具投资	149,794,560.58		149,794,560.58
预收款项		622,440,123.55	-622,440,123.55
合同负债	571,179,215.84		571,179,215.84
其他应付款	3,441,443,350.65	3,480,386,547.75	-38,943,197.10
其他流动负债	51,260,907.71		51,260,907.71
一年内到期的非流动负债	1,683,667,538.73	1,644,724,341.63	38,943,197.10

②母公司资产负债表

项 目	2021 年 1 月 1 日余额	2020 年 12 月 31 日余额	调整数
可供出售金融资产		11,200,000.00	-11,200,000.00
其他权益工具投资	11,200,000.00		11,200,000.00

项 目	2021 年 1 月 1 日余额	2020 年 12 月 31 日余额	调整数
其他应付款	1,912,723,590.03	1,951,666,787.13	-38,943,197.10
一年内到期的非流动负	438,917,538.73	399,974,341.63	38,943,197.10

2、会计估计变更以及差错更正

本公司报表期间无需要披露的会计估计变更以及差错更正。

六、税项

税 种	计税依据	税 率
增值税	应税收入按适用税率计算销项税，并按扣除当期允许抵扣的进项税额后的差额计缴增值税	6%、9%、13%
增值税	应税收入（征收率）	3%、6%
城市维护建设税	应计流转税额	7%
教育费附加	应计流转税额	5%
企业所得税	应纳税所得额	25%
房产税	房产余值、房租收入	1.2%、12%

七、企业合并

集团合并财务报表的合并范围以控制为基础确定。

（一）子企业情况

序号	企业名称	注册地	业务性质	持股比例		取得方式
				直接	间接	
1	泰兴市中泰城市建设投资有限公司	泰兴市	商务服务业	97.50%		设立
2	泰兴市汇源投资经营开发有限公司	泰兴市	商务服务业	100%		划转
3	泰兴市兴泰驾驶人训考管理有限公司	泰兴市	其他服务业	51%	49%	设立
4	泰兴市清源水利建设有限公司	泰兴市	土木工程建筑业	100%		划转
5	江苏兴盛水务建设开发有限公司	泰兴市	土木工程建筑业	100%		划转
6	江苏兴源市政工程有限公司	泰兴市	土木工程建筑业	100%		划转
7	泰兴市振泰市政工程有限公司	泰兴市	土木工程建筑业	100%		划转
8	泰兴市祥泰水务建设开发有限公司	泰兴市	土木工程建筑业	100%		划转
9	泰兴一建建设集团有限公司	泰兴市	房屋建筑业	100%		划转
10	泰兴一建装饰有限公司	泰兴市	施工企业		100%	设立
11	泰兴市一建防水工程有限公司	泰兴市	施工企业		100%	设立
12	泰兴市一建起重设备工程有限公司	泰兴市	建筑安装业		100%	设立
13	泰兴市兴盛建筑劳务有限公司	泰兴市	施工企业		100%	设立
14	泰兴市建安技术检测有限公司	泰兴市	科学研究和技术服务业		100%	设立
15	泰兴市兴盛建材物资贸易有限公司	泰兴市	批发业		100%	设立
16	泰兴一建（柬埔寨）有限公司	泰兴市	建筑业		100%	设立
17	泰兴市开源房地产发展有限公司	泰兴市	房地产业		51%	设立
18	泰兴市开源建筑劳务有限公司	泰兴市	其他建筑业		100%	设立

序号	企业名称	注册地	业务性质	持股比例		取得方式
				直接	间接	
19	泰兴市传媒集团有限公司	泰兴市	租赁和商务服务业	100%		划转
20	泰兴市广电世影视有限公司	泰兴市	文化艺术业		100%	划转
21	泰兴市广电国际旅社有限公司	泰兴市	商务服务业		100%	划转
22	泰兴市广电信息技术工程有限公司	泰兴市	信息传输、软件和信息技术服务业		100%	划转
23	泰兴市广电教育咨询有限公司	泰兴市	租赁和商务服务业		100%	划转
24	泰兴市兴荧文化传媒有限公司	泰兴市	商务服务业		100%	划转
25	泰兴市广播电视网络传输有限公司	泰兴市	新闻和出版业		67.98%	划转
26	泰兴市襟江文旅有限公司	泰兴市	批发业	100%		设立
27	泰兴市中兴国有资产经营投资(香港)有限公司			100%		设立
28	泰兴市盛泰城镇化建设有限公司	泰兴市	房屋建筑业	100%		划转
29	泰兴市惠泰水务建设有限公司	泰兴市	房屋建筑业	100%		划转
30	泰兴市保安服务有限公司	泰兴市	其他服务业	100%		划转
31	江苏润城城市服务有限公司	泰兴市	公共设施管理业	100%		设立
32	泰兴市大视界影视娱乐城有限公司	泰兴市	新闻和出版业		100%	划转

(二) 报表期间新纳入合并范围的子公司情况

公司名称	持股比例 (%)	取得方式
江苏润城城市服务有限公司	100%	设立
泰兴市大视界影视娱乐城有限公司	100%	划转

(三) 报表期间不再纳入合并范围的主体情况

无。

八、合并财务报表项目注释

下列所披露的财务报表数据，除特别注明之外，上年年末指 2020 年 12 月 31 日，本年年末余额指 2021 年 12 月 31 日，本期指 2021 度，上期指 2020 年度。

1、货币资金

项目	期末余额	上年年末余额
库存现金	2,679,026.07	6,004,503.55
银行存款	2,487,180,621.26	2,915,786,914.32
其他货币资金	28,400,000.00	
合计	2,518,259,647.33	2,921,791,417.87

注：期末其他货币资金 28,400,000.00 元因承兑汇票保证金受限。

2、应收账款

(1) 按账龄披露

账 龄	期末余额	上年年末余额
1 年以内	1,103,425,975.68	1,504,388,899.59
1 至 2 年	272,774,242.66	147,324,006.20
2 至 3 年	12,942,814.64	141,218,283.09
3 至 4 年	54,858,253.19	14,799,437.14
4 至 5 年	2,243,436.13	9,358,734.57
5 年以上	19,676,827.13	18,796,332.47
小 计	1,465,921,549.43	1,835,885,693.06
减：坏账准备	46,491,953.66	47,923,615.82
合 计	1,419,429,595.77	1,787,962,077.24

(2) 按坏账计提方法分类列示

类别	期末余额			
	账面余额		坏账准备	账面价值
	金额	比例 (%)		
单项计提坏账准备的应收账款				
按组合计提坏账准备的应收账款，其中：				
组合一：账龄组合	1,457,295,220.66	99.41	46,491,953.66	1,410,803,267.00
组合二：无风险组合	8,626,328.77	0.59		8,626,328.77
组合小计	1,465,921,549.43	100.00	46,491,953.66	1,419,429,595.77
合 计	1,465,921,549.43	100.00	46,491,953.66	1,419,429,595.77

(续)

类别	上年年末余额			
	账面余额		坏账准备	账面价值
	金额	比例 (%)		
单项金额重大并单项计提坏账准备的应收账款				
按信用风险特征组合计提坏账准备的应收账款，其中：				
组合一：账龄组合	1,830,948,024.81	99.73	47,923,615.82	1,783,024,408.99
组合二：无风险组合	4,937,668.25	0.27		4,937,668.25
组合小计	1,835,885,693.06	100.00	47,923,615.82	1,787,962,077.24
单项金额不重大但单独计提坏账准备的应收账款				
合 计	1,835,885,693.06	100.00	47,923,615.82	1,787,962,077.24

(3) 按账龄组合计提坏账准备的应收账款

账龄	期末余额			上年年末余额		
	应收账款	坏账准备	计提比例 (%)	应收账款	坏账准备	计提比例 (%)
1 年以内	1,097,538,682.41		0	1,499,451,231.34		0
1 至 2 年	271,350,967.16	13,567,548.36	5	147,324,006.20	7,366,200.31	5

账龄	期末余额			上年年末余额		
	应收账款	坏账准备	计提比例 (%)	应收账款	坏账准备	计提比例 (%)
2 至 3 年	11,636,494.64	1,163,649.46	10	141,218,283.09	14,121,828.31	10
3 至 4 年	54,858,253.19	10,971,650.64	20	14,799,437.14	2,959,887.43	20
4 至 5 年	2,243,436.13	1,121,718.07	50	9,358,734.57	4,679,367.30	50
5 年以上	19,667,387.13	19,667,387.13	100	18,796,332.47	18,796,332.47	100
合计	1,457,295,220.66	46,491,953.66		1,830,948,024.81	47,923,615.82	

(4) 按欠款方归集的前五名应收账款情况

债务人名称	应收账款期末金额	欠款年限	占应收账款总额的比例 (%)
深圳市和城房地产开发有限公司	88,190,469.21	1 年以内	6.02
南京华侨城置地有限公司	79,618,244.09	1 年以内	5.43
惠州市新华联嘉业房地产开发有限公司	78,945,054.67	1 年以内	5.39
南宁市平德房地产开发有限公司	68,538,701.57	1 年以内	4.68
惠州阳光新都房地产开发有限公司	52,087,104.45	1 年以内	3.54
合计	367,379,573.99		25.06

3、应收款项融资

项目	期末余额		
	成本	公允价值变动	公允价值
应收票据	66,535,730.24		66,535,730.24
应收账款			
合计	66,535,730.24		66,535,730.24

4、预付款项

(1) 预付款项按账龄列示

账龄	期末余额		上年年末余额	
	金额	比例 (%)	金额	比例 (%)
1 年以内	625,028,965.81	53.18	589,791,147.41	56.72
1 至 2 年	265,251,465.20	22.56	215,949,881.34	20.77
2 至 3 年	179,671,193.10	15.28	115,842,741.11	11.14
3 年以上	105,624,700.34	8.98	118,251,835.58	11.37
合计	1,175,576,324.45	100.00	1,039,835,605.44	100.00

(2) 按预付对象归集的期末主要预付款情况

单位名称	期末余额	占预付账款期末余额合计数的比例 (%)
上海能超建筑工程有限公司	23,006,374.00	1.96
泰州市国裕建筑科技有限公司	21,111,024.64	1.80
叶春和	19,744,910.00	1.68

单位名称	期末余额	占预付账款期末余额合计数的比例 (%)
王华	19,205,588.53	1.63
宿迁和永建筑劳务有限公司	17,100,000.00	1.45
合计	100,167,897.17	8.52

5、其他应收款

项目	期末余额	上年年末余额
其他应收款	10,140,149,416.77	11,805,349,349.15
应收利息		75,531,085.49
应收股利		
合计	10,140,149,416.77	11,880,880,434.64

(1) 按账龄披露

账龄	期末余额	上年年末余额
1 年以内	8,964,537,961.01	8,920,184,692.25
1 至 2 年	653,221,670.70	1,589,144,240.51
2 至 3 年	182,210,539.03	776,583,829.58
3 至 4 年	27,485,253.05	269,031,295.11
4 至 5 年	129,385,275.93	2,797,846.93
5 年以上	291,466,930.74	328,775,303.36
小 计	10,248,307,630.46	11,886,517,207.74
减：坏账准备	108,158,213.69	81,167,858.59
合 计	10,140,149,416.77	11,805,349,349.15

(2) 按款项性质分类情况

款项性质	期末账面余额	上年年末账面余额
账龄组合	1,268,750,155.03	1,147,426,287.14
政府单位组合	4,121,770,628.72	4,546,254,905.24
关联方组合	4,857,786,846.71	6,192,836,015.36
小计	10,248,307,630.46	11,886,517,207.74
减：坏账准备	108,158,213.69	81,167,858.59
合计	10,140,149,416.77	11,805,349,349.15

(3) 坏账准备计提情况

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失 (未发生信用减值)	整个存续期预期信用损失 (已发生信用减值)	
年初余额	29,892,555.23	51,275,303.36		81,167,858.59
年初其他应收款账面余额在本期:				
——转入第二阶段				
——转入第三阶段				

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失（未发生信用减值）	整个存续期预期信用损失（已发生信用减值）	
——转回第二阶段				
——转回第一阶段				
本期计提	26,105,668.79	884,686.31		26,990,355.10
本期转回				
本期转销				
本期核销				
其他变动				
期末余额	55,998,224.02	52,159,989.67		108,158,213.69

(4) 按欠款方归集的期末余额前五名的其他应收款情况

债务人名称	款项性质	期末余额	占其他应收款余额的比例(%)
泰兴市财政局	往来	3,351,530,395.05	32.70
泰兴市中泰养老产业投资有限公司	往来	1,356,548,587.52	13.24
泰州市人民政府国有资产监督管理委员会	往来	1,100,000,000.00	10.73
泰兴市恒源建设有限公司	往来	1,008,051,526.84	9.84
泰兴市宏源建设有限公司	往来	726,496,994.73	7.09
合计		7,542,627,504.14	73.60

6、存货

(1) 存货分类

项目	期末余额	上年年末余额
原材料	19,370,121.56	17,752,584.00
库存商品	13,035,955.45	31,032,505.71
工程施工		1,125,947,241.66
开发成本		4,728,144,168.84
合同履约成本	4,850,313,630.08	
待开发土地	7,841,532,089.61	6,380,470,777.20
其他	14,255,562.95	19,685,123.05
存货合计	12,738,507,359.65	12,303,032,400.46
减：存货减值准备		
存货净值	12,738,507,359.65	12,303,032,400.46

(2) 期末用于债务担保的存货余额为 3,564,590,774.56 元。

7、合同资产

项目	期末余额		
	账面余额	减值准备	账面价值
货款保证金	14,915,049.76		14,915,049.76

项 目	期末余额		
	账面余额	减值准备	账面价值
施工成本	1,198,795,003.65		1,198,795,003.65
合 计	1,213,710,053.41		1,213,710,053.41

8、其他流动资产

项目	期末余额	上年年末余额
预交税费	34,346,707.22	37,184,584.95
理财产品	10,000,000.00	10,000,000.00
资金拆借	1,327,785,800.00	841,361,406.62
合 计	1,372,132,507.22	888,545,991.57

9、可供出售金融资产

项目	上年年末余额		
	账面余额	减值准备	账面价值
可供出售债务工具			
可供出售权益工具	149,794,560.58		149,794,560.58
其中：按公允价值计量的	68,421,400.58		68,421,400.58
按成本计量的	81,373,160.00		81,373,160.00
其他			
合 计	149,794,560.58		149,794,560.58

10、长期股权投资

被投资单位	上年年末余额	本期增减变动				
		追加投资	减少投资	权益法下确认的投资损益	其他综合收益调整	其他权益变动
一、合营企业						
小 计						
二、联营企业						
泰兴市兴园融资担保有限公司	66,144,186.05		66,144,186.05			
江苏馨陶酒店管理有限公司	7,594,065.34			-726,068.81		
小 计	73,738,251.39		66,144,186.05	-726,068.81		
合 计	73,738,251.39		66,144,186.05	-726,068.81		

(续)

被投资单位	本期增减变动			期末余额	减值准备期末余额
	宣告发放现金股利或利润	计提减值准备	其他		
一、合营企业					
小 计					
二、联营企业					
泰兴市兴园融资担保有限公司				6,867,996.53	

被投资单位	本期增减变动			期末余额	减值准备期末余额
	宣告发放现金股利或利润	计提减值准备	其他		
江苏馨陶酒店管理有限公司					
小 计				6,867,996.53	

11、其他权益工具投资

(1) 其他权益工具投资情况

项目	期末余额
非交易性权益工具投资	318,373,324.27
合 计	318,373,324.27

(2) 非交易性权益工具投资情况

项目	年初余额	本年增减变动	期末余额
交通银行股份有限公司	1,200,000.00		1,200,000.00
江苏泰兴农村商业银行股份有限公司	56,750,000.00	2,848,000.00	59,598,000.00
江苏华建联盟投资管理有限公司	5,000,000.00		5,000,000.00
江苏省华建建设股份有限公司	18,423,160.00		18,423,160.00
江苏省广电有线信息网络股份有限公司	68,421,400.58	-413,422.36	68,007,978.22
泰兴市润泰融资担保有限公司		100,000,000.00	100,000,000.00
泰兴市兴园融资担保有限公司		66,144,186.05	66,144,186.05
合 计	149,794,560.58	168,578,763.69	318,373,324.27

注：出于长期战略投资的考虑，本公司选择将该股权投资指定为以公允价值计量且其变动计入其他综合收益的金融资产，列报为其他权益工具投资。

12、投资性房地产

(1) 采用成本计量模式的投资性房地产

项目	房屋及建筑物	土地使用权	合 计
一、账面原值			
1、年初余额	109,135,242.99	19,164,809.78	128,300,052.77
2、本期增加金额	15,604,320.00	5,208,489.00	20,812,809.00
（1）固定资产、在建工程及无形资产转入	15,604,320.00	5,208,489.00	20,812,809.00
3、本期减少金额			
4、期末余额	124,739,562.99	24,373,298.78	149,112,861.77
二、累计折旧和累计摊销			
1、年初余额	17,861,348.67	1,855,396.50	19,716,745.17
2、本期增加金额	6,002,038.35	668,847.22	6,670,885.57

项目	房屋及建筑物	土地使用权	合计
(1)固定资产及无形资产转入	339,719.05	98,961.29	438,680.34
(2)计提或摊销	5,662,319.30	569,885.93	6,232,205.23
3、本期减少金额			
4、期末余额	23,863,387.02	2,524,243.72	26,387,630.74
三、减值准备			
四、账面价值			
1、期末账面价值	100,876,175.97	21,849,055.06	122,725,231.03
2、年初账面价值	91,273,894.32	17,309,413.28	108,583,307.60

(2) 本公司期末投资性房地产中用于抵押的净值为 102,820,666.26 元。

13、固定资产

项目	期末余额	上年年末余额
固定资产	725,298,964.83	649,148,973.26
固定资产清理		
合计	725,298,964.83	649,148,973.26

(1) 固定资产增减变动情况

项目	房屋建筑物	机器设备	运输工具	电子设备	其他设备	合计
一、账面原值						
1.年初余额	610,384,156.03	172,904,237.05	42,572,352.72	9,145,277.90	5,104,540.83	840,110,564.53
2.本期增加	111,930,897.69	19,879,957.90	2,503,556.33	9,903,880.71	834,565.13	145,052,857.76
(1) 外购	111,930,897.69	19,879,957.90	2,503,556.33	9,903,880.71	834,565.13	145,052,857.76
(2) 合并增加						
3.本期减少	21,143,822.37	7,498,837.46	594,741.00	244,000.00	356,093.40	29,837,494.23
(1) 转入投资性房地产	15,604,320.00					15,604,320.00
(2) 处置或报废	5,539,502.37	7,498,837.46	594,741.00	244,000.00	356,093.40	14,233,174.23
4.期末余额	701,171,231.35	185,285,357.49	44,481,168.05	18,805,158.61	5,583,012.56	955,325,928.06
二、累计折旧						
1.年初余额	64,191,043.63	88,728,109.88	29,026,633.41	6,786,742.71	2,229,061.64	190,961,591.27
2.本期增加	26,169,984.44	14,408,001.52	4,070,622.30	3,564,489.88	1,886,303.93	50,099,402.07
(1) 计提	26,169,984.44	14,408,001.52	4,070,622.30	3,564,489.88	1,886,303.93	50,099,402.07
(2) 合并增加						
3.本期减少	2,763,367.46	7,162,492.65	508,076.60	244,000.00	356,093.40	11,034,030.11
(1) 转入投资性房地产	339,719.05					339,719.05
(2) 处置或报废	2,423,648.41	7,162,492.65	508,076.60	244,000.00	356,093.40	10,694,311.06
4.期末余额	87,597,660.61	95,973,618.75	32,589,179.11	10,107,232.59	3,759,272.17	230,026,963.23
三、减值准备						
四、账面价值						

项目	房屋建筑物	机器设备	运输工具	电子设备	其他设备	合计
1.期末账面价值	613,573,570.74	89,311,738.74	11,891,988.94	8,697,926.02	1,823,740.39	725,298,964.83
2.期初账面价值	546,193,112.40	84,176,127.17	13,545,719.31	2,358,535.19	2,875,479.19	649,148,973.26

(2) 期末固定资产中用于抵押的房屋账面净值为 27,476,949.82 元。

14、在建工程

项目	期末余额	上年期末余额
在建工程	38,149,770.50	4,698,818.00
工程物资		
合计	38,149,770.50	4,698,818.00

(1) 在建工程情况

工程项目	上年年末余额	本年增加	本年减少	期末余额
驾驶训考场工程	3,194,658.00	426,025.00	3,549,283.00	71,400.00
传媒集团大楼改造	1,504,160.00	36,574,210.50		38,078,370.50
小计	4,698,818.00	37,000,235.50	3,549,283.00	38,149,770.50
减：在建工程减值准备				
账面价值	4,698,818.00	37,000,235.50	3,549,283.00	38,149,770.50

15、无形资产

(1) 无形资产情况

项目	土地使用权	合计
一、账面原值		
1.年初余额	1,305,714,478.00	1,305,714,478.00
2.本年增加金额		
3.本年减少金额	5,208,489.00	5,208,489.00
(1) 转入投资性房地产	5,208,489.00	5,208,489.00
4.年末余额	1,300,505,989.00	1,300,505,989.00
二、累计摊销		
1.年初余额	53,789,196.64	53,789,196.64
2.本年增加金额	32,426,888.89	32,426,888.89
(1) 计提	32,426,888.89	32,426,888.89
3.本年减少金额	98,961.29	98,961.29
(1) 转入投资性房地产	98,961.29	98,961.29
4.年末余额	86,117,124.24	86,117,124.24
三、减值准备		
四、账面价值		
1.期末账面价值	1,214,388,864.76	1,214,388,864.76
2.期初账面价值	1,251,925,281.36	1,251,925,281.36

(2) 期末无形资产中用于抵押的账面净值为 36,755,289.16 元。

16、递延所得税资产

(1) 递延所得税资产明细

项 目	期末余额		上年年末余额	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
资产减值准备			31,062,993.68	124,251,974.72
信用减值准备	38,613,066.17	154,452,264.63		
合 计	38,613,066.17	154,452,264.63	31,062,993.68	124,251,974.72

(2) 未确认的递延所得税资产

项 目	期末余额	上年年末余额
可抵扣暂时性差异	197,902.72	76,418,099.11
合 计	197,902.72	76,418,099.11

17、短期借款

(1) 短期借款分类

借款类别	期末余额	上年年末余额
信用借款	860,000,000.00	300,000,000.00
抵押借款	384,095,735.38	70,000,000.00
保证借款	1,216,628,268.69	988,067,110.00
质押借款		855,000,000.00
计提利息	3,103,409.66	
合 计	2,463,827,413.73	2,213,067,110.00

(2) 无已逾期未偿还的短期借款。

18、应付票据

项 目	期末余额	上年年末余额
商业承兑汇票		
银行承兑汇票	28,400,000.00	500,000.00
合 计	28,400,000.00	500,000.00

19、应付账款

(1) 应付账款按账龄列示

项 目	期末余额	上年年末余额
1 年以内	1,651,631,159.64	1,682,078,684.01
1 至 2 年	325,621,420.05	228,646,036.28
2 至 3 年	81,104,121.44	81,367,003.18
3 至以上	42,344,045.64	45,465,825.44
合 计	2,100,700,746.77	2,037,557,548.91

(2) 期末主要应付账款单位明细

债权单位名称	金额	账龄	款项性质
天津智创旺达科技发展有限公司	37,820,118.36	1 年以内	工程款
山东恒建建材有限公司	30,361,601.50	1 年以内	工程款
深圳市金鑫混凝土有限公司	29,195,539.48	1 年以内	工程款
合肥丰强建材有限公司	25,873,187.39	1 年以内	工程款
成都市吉平建材有限公司	17,337,426.67	1 年以内	工程款
合 计	140,587,873.40		

20、预收款项

项目	期末余额	上年年末余额
1 年以内	210,000.00	427,083,745.41
1 至 2 年		126,038,837.38
2 至 3 年		56,781,391.99
3 至以上		12,536,148.77
合 计	210,000.00	622,440,123.55

21、合同负债

项目	期末余额
1 年以内	259,692,105.82
1 至 2 年	79,715,690.44
2 至 3 年	21,596,526.49
3 至以上	8,194,588.17
合 计	369,198,910.92

22、应交税费

项目	期末余额	上年年末余额
增值税	119,528,684.41	116,525,172.78
城市维护建设税	8,364,876.89	8,287,973.83
教育费附加	5,889,671.12	5,750,947.06
房产税	759,116.76	759,206.66
企业所得税	334,815,599.62	351,577,792.66
印花税	1,266.66	1,962.78
土地使用税	10,937,323.32	11,010,865.82
其他	422,244.95	383,985.42
合 计	480,718,783.73	494,297,907.01

23、其他应付款

项目	期末余额	上年年末余额
其他应付款	2,452,580,539.41	3,441,443,350.65
应付利息		38,943,197.10
应付股利		
合 计	2,452,580,539.41	3,480,386,547.75

(1) 其他应付款

①按款项性质列示

款项性质	期末余额	上年年末余额
押金、保证金	52,140,833.28	61,891,262.14
代收款	9,950,297.77	9,362,305.86
往来款	1,886,039,408.36	2,827,388,745.30
暂借款	504,450,000.00	542,801,037.35
合计	2,452,580,539.41	3,441,443,350.65

②期末余额前五名的其他应付款

单位名称	期末余额	占其他应付款期末余额合计数的比例(%)
泰兴中学	301,000,000.00	12.27
泰兴市中鑫新农村建设发展有限公司	238,597,541.67	9.73
泰兴市慈善总会	100,000,000.00	4.08
泰兴市中泰国投资产经营有限公司	98,438,313.16	4.01
泰兴市润才教育发展有限公司	68,250,000.00	2.78
合计	806,285,854.83	32.88

(2) 应付利息

项目	期末余额	上年年末余额
债券利息		38,943,197.10
合计		38,943,197.10

24、一年内到期的非流动负债

项目	期末余额	上年年末余额
一年内到期的长期借款	944,500,000.00	1,244,750,000.00
一年内到期的应付债券	499,098,613.44	399,974,341.63
计提借款利息	6,044,207.38	
计提债券利息	29,195,751.79	
合计	1,478,838,572.61	1,644,724,341.63

25、其他流动负债

项目	期末余额	上年年末余额
待转销项税	23,054,765.69	
合计	23,054,765.69	

26、长期借款

(1) 长期借款分类

项目	期末余额	上年年末余额
质押借款	720,000,000.00	800,000,000.00
抵押借款	795,000,000.00	925,000,000.00

项 目	期末余额	上年年末余额
保证借款	2,913,000,000.00	3,963,750,000.00
信用借款		
合 计	4,428,000,000.00	5,688,750,000.00
减：一年内到期的长期借款	944,500,000.00	1,244,750,000.00
合 计	3,483,500,000.00	4,444,000,000.00

(2) 无已到期未偿还的长期借款。

27、应付债券

1、应付债券分类

项目	期末余额	上年年末余额
民生银行 PPN		399,974,341.63
19 中兴国资 MTN001	499,098,613.44	497,570,213.55
20 中兴国资 PPN001	428,522,357.64	427,724,930.00
境外美元债	1,275,140,000.00	1,304,980,000.00
21 中兴国资 PPN001	200,000,000.00	
21 中兴国资 PPN002	370,000,000.00	
合 计	2,772,760,971.08	2,630,249,485.18
减：一年内到期应付债券	499,098,613.44	399,974,341.63
合 计	2,273,662,357.64	2,230,275,143.55

2、应付债券的增减变动（不包括划分为金融负债的优先股、永续债等其他金融工具）

债券名称	面值总额	发行日期	债券期限	上年年末余额	本期发行	本期偿还	溢折价摊销	汇兑差异	期末余额
民生银行 PPN	4 亿	2018 年 1 月 22 日	3 年	399,974,341.63		400,000,000.00	25,658.37		
19 中兴国资 MTN001	5 亿	2019 年 8 月 6 日	3 年	497,570,213.55			1,528,399.89		499,098,613.44
20 中兴国资 PPN001	4.3 亿	2020 年 9 月 24 日	3 年	427,724,930.00			797,427.64		428,522,357.64
21 中兴国资 PPN001	2 亿	2021 年 1 月 15 日	3 年		200,000,000.00				200,000,000.00
21 中兴国资 PPN002	3.7 亿	2021 年 12 月 24 日	3 年		370,000,000.00				370,000,000.00
境外美元债	2 亿美元	2019 年 12 月 9 日	3 年	1,304,980,000.00				-29,840,000.00	1,275,140,000.00
合计				2,630,249,485.18	570,000,000.00	400,000,000.00	2,351,485.90	-29,840,000.00	2,772,760,971.08
其中：一年内到期的应付债券									
									499,098,613.44

28、长期应付款

项目	期末余额	上年年末余额
长期应付款	118,273,416.65	
专项应付款	1,783,055,058.80	
合计	1,901,328,475.45	

(1) 长期应付款

项目	期末余额	上年年末余额
电影院改制经费	30,814,000.00	
融资租赁款	87,459,416.65	
合计	118,273,416.65	

(2) 专项应付款

项目	上年年末余额	本期增加	本期减少	期末余额
拆迁款		12,817,896.80		12,817,896.80
市财政局专项资金		1,770,237,162.00		1,770,237,162.00
合计		1,783,055,058.80		1,783,055,058.80

29、实收资本

投资者名称	年初余额	本期增加	本期减少	期末余额
泰兴市城市投资发展集团有限公司	3,000,000,000.00			3,000,000,000.00
合计	3,000,000,000.00			3,000,000,000.00

30、资本公积

项目	年初余额	本期增加	本期减少	期末余额
资本溢价	4,312,258,271.45			4,312,258,271.45
其他资本公积	6,164,750,310.22	319,894,000.00	349,263,228.01	6,135,381,082.21
合计	10,477,008,581.67	319,894,000.00	349,263,228.01	10,447,639,353.66

注：本期增加财政拨款 319,894,000.00 元，以前年度的土地被无偿收回减少资本公积 349,263,228.01 元。

31、其他综合收益

项目	年初余额	本期发生金额					期末余额
		本期所得税前发生额	减：前期计入其他综合收益当期转入损益	减：所得税费用	税后归属于母	税后归属于少数股东	
一、不能重分类进损益的其他综合收益							
二、将重分类进损益的其他综合收益	-71,003,863.18	-413,422.36					-71,417,285.54
其中：金融资产重分类计入其他综合收益的金额	-71,578,599.42	-413,422.36					-71,992,021.78
外币资本折算差额	574,736.24						574,736.24

32、盈余公积

项 目	上年年末余额	本期增加	本期减少	期末余额
法定盈余公积金	158,111,717.60	2,467,573.73		160,579,291.33
任意盈余公积金				
合 计	158,111,717.60	2,467,573.73		160,579,291.33

33、未分配利润

项目	本 期	上 期
调整前上年末未分配利润	2,223,358,526.39	2,062,897,010.07
调整年初未分配利润合计数（调增+，调减-）		
调整后年初未分配利润	2,223,358,526.39	2,062,897,010.07
加：本期归属于母公司股东的净利润	156,691,388.47	186,713,609.21
减：提取法定盈余公积	2,467,573.73	2,302,092.89
应付普通股股利	2,700,000.00	23,950,000.00
期末未分配利润	2,374,882,341.13	2,223,358,526.39

34、营业收入、营业成本

项目	本期金额		上期金额	
	收入	成本	收入	成本
施工结算收入	8,954,285,289.13	8,523,873,003.63	7,563,971,910.33	7,198,282,983.51
考试服务费	6,262,582.59	5,064,007.42	6,549,854.46	3,168,387.04
房屋出租收入	7,579,311.22	6,232,205.23	1,516,219.04	5,762,641.34
广告宣传	11,850,014.09	6,892,195.70	13,883,556.13	19,387,786.44
教育培训	4,854,825.98	3,318,633.33	3,191,524.99	2,832,238.75
旅游收入	2,920,460.39	2,683,609.54	1,728,034.01	1,361,394.42
保安服务押运收入	102,711,533.11	78,295,951.46		
其他	24,956,557.63	10,619,337.96	27,743,769.58	1,426,939.06
合 计	9,115,420,574.14	8,636,978,944.27	7,618,584,868.54	7,232,222,370.56

35、财务费用

项目	本期金额	上期金额
利息支出	285,695,745.55	301,091,874.94
减：利息收入	42,039,388.31	70,023,738.42
加：汇兑损失	-721,955.25	298.24
加：其他支出	16,485,310.63	23,616,387.83
合 计	259,419,712.62	254,684,822.59

36、其他收益

项 目	本期金额	上期金额
财政经营补贴	97,700,000.00	72,980,000.00

项 目	本期金额	上期金额
财政拨款	100,985,316.00	100,331,559.00
中央专项资金		7,230,000.00
增值税加计扣除	131,507.01	355.08
稳岗补贴等	158,747.45	110,364.31
合 计	198,975,570.46	180,652,278.39

37、投资收益

产生投资收益的来源	本期金额	上期金额
权益法核算的长期股权投资收益	-726,068.81	-1,201,011.68
可供出售金融资产等取得的投资收益		38,401,821.54
资金拆借产生的投资收益	52,073,331.83	85,530,630.50
其他		-2,037,839.56
权益工具投资持有期间取得的投资收益	38,481,813.16	
合 计	89,829,076.18	120,693,600.80

38、营业外收入

项目	本期金额	上期金额
无需支付的往来	960,111.38	
废品回收	208,019.39	369,046.72
非经营性政府补助	8,423,833.91	10,519,683.85
赔款	55,239.79	28,450.00
其他收入	188,369.70	630,498.82
合 计	9,835,574.17	11,547,679.39

39、营业外支出

项目	本期金额	上期金额
罚款及滞纳金	5,837,177.36	621,764.96
捐赠支出	461,750.00	10,495,000.00
其他支出	235,353.81	76,832.99
赞助费	2,030,000.00	
合 计	8,564,281.17	11,193,597.95

40、所得税费用

项 目	本期金额	上期金额
当期所得税费用	57,690,438.50	65,299,936.54
递延所得税调整	-7,550,072.49	814,243.03
合 计	50,140,366.01	66,114,179.57

41、现金流量表补充资料

(1) 净利润调节为经营活动现金流量的信息

项 目	本期金额	上期金额
净利润	151,980,186.88	186,181,864.27
加：资产减值准备		-3,426,153.59
信用减值损失	25,558,692.96	
投资性房地产、固定资产折旧	557,61,721.37	48,818,277.41
无形资产摊销	32,996,774.82	33,030,198.76
长期待摊费用摊销	377,945.00	2,000,000.00
处置固定资产、无形资产和其他长期资产的损失	-4,073,673.44	
固定资产报废损失（收益以“-”号填列）		
公允价值变动损失（收益以“-”号填列）		
财务费用（收益以“-”号填列）	284,973,790.30	301,092,173.18
投资损失（收益以“-”号填列）	-89,829,076.18	-120,693,600.80
递延所得税资产减少（增加以“-”号填列）	-7,550,072.49	814,243.03
递延所得税负债增加（减少以“-”号填列）		
存货的减少（增加以“-”号填列）	-1,981,058,385.73	-1,830,361,625.30
经营性应收项目的减少（增加以“-”号填列）	2,115,102,829.17	2,601,367,201.66
经营性应付项目的增加（减少以“-”号填列）	623,209,171.68	-3,540,921,760.10
其他		1,259,564.72
经营活动产生的现金流量净额	1,207,449,904.34	-2,326,844,035.36
2.不涉及现金收支的重大投资和筹资活动		
3.现金及现金等价物净变动情况		
现金的年末余额	2,489,859,647.33	1,773,409,200.57
减：现金的期初余额	1,773,409,200.57	3,343,549,132.78
现金及现金等价物净增加额	716,450,446.76	-1,570,139,932.21

(2) 现金和现金等价物

项 目	本期金额	上期金额
现金	2,489,859,647.33	1,773,409,200.57
其中：库存现金	2,679,026.07	6,004,503.55
可随时用于支付的银行存款	2,487,180,621.26	1,767,404,697.02
可随时用于支付的其他货币资金		
现金等价物		
期末现金及现金等价物余额	2,489,859,647.33	1,773,409,200.57

42、所有权或使用权受限制的资产

项 目	期末账面价值	受限原因
其他货币资金	28,400,000.00	质押借款
存货	3,564,590,774.56	抵押借款
投资性房地产	102,820,666.26	抵押借款

项 目	期末账面价值	受限原因
固定资产	27,476,949.82	抵押借款
无形资产	36,755,289.16	抵押借款
合 计	3,760,043,679.80	

九、关联方及关联交易

(一) 关联方关系

1、本公司的母公司情况

母公司名称	注册地	业务性质	持股比例 (%)	表决权比例 (%)
泰兴市城市投资发展集团有限公司	泰兴市	商业服务	100.00	100.00

注：本公司的最终控制方为泰兴市人民政府国有资产监督管理办公室。

2、本公司的子公司情况

本公司子企业有关信息详见本附注七（一）合并范围披露相关信息。

3、合营企业及联营企业

本公司的合营企业、联营企业有关信息详见本附注八、10 长期股权投资披露的相关信息。

4、其他关联方

关联方名称	关联关系类型
泰兴市中鑫新农村建设发展有限公司	受同一母公司控制
泰兴市祥泰环境投资有限公司	受同一母公司控制
江苏鑫济环保科技有限公司	受同一母公司控制
泰兴市润城置业有限公司	受同一母公司控制
江苏城投国兴建设工程有限公司	受同一母公司控制
泰兴市泰建管网工程有限公司	受同一母公司控制
泰兴市民生建设投资集团有限公司及其子公司	受同一母公司控制
泰兴市安泰水务集团有限公司及其子公司	受同一母公司控制
泰兴市房地产综合开发有限公司	受同一母公司控制
泰兴市宏源建设有限公司	高管关联
泰兴市恒源建设有限公司	高管关联
泰兴市中泰国投资产经营有限公司	高管关联
泰兴市鑫泰新农村建设发展有限公司	高管关联
泰兴市中泰养老产业投资有限公司	高管关联
江苏馨陶酒店管理有限公司	投资关联

(二) 关联方往来余额

1、其他应收款

往来单位	本期金额	上期金额
泰兴市鑫泰新农村建设发展有限公司	604,605,337.62	604,105,337.62

往来单位	本期金额	上期金额
泰兴市中泰养老产业投资有限公司	1,356,548,587.52	2,436,548,587.52
泰兴市恒源建设有限公司	1,008,051,526.84	1,363,590,695.49
泰兴市宏源建设有限公司	726,496,994.73	626,506,994.73
泰兴市民生建设投资集团有限公司	33,166,400.00	33,166,400.00
泰兴市房地产综合开发有限公司	28,918,000.00	28,918,000.00
泰兴市人民政府国有资产监督管理办公室	1,100,000,000.00	1,100,000,000.00
合 计	4,857,786,846.71	6,192,836,015.36

2、其他应付款

往来单位	本期金额	上期金额
泰兴市中鑫新农村建设发展有限公司	238,597,541.67	1,280,100,000.00
泰兴市中泰国投资产经营有限公司	98,438,313.16	94,278,313.16
合 计	337,035,854.83	1,374,378,313.16

十、承诺及或有事项

(一) 重要承诺事项

截止 2021 年 12 月 31 日，本公司不存在需要披露的重要承诺事项。

(二) 重要或有事项

1、截止 2021 年 12 月 31 日，本公司为其他单位提供担保情况：

单位：（万元）

被担保单位	担保类型	担保金额
江苏中丹集团股份有限公司	保证	30,000.00
江苏中慧化学有限公司	保证	3,000.00
泰兴瑞泰化工有限公司	保证	2,000.00
江苏江天农业科技发展有限公司	保证	30,000.00
泰兴市兴虹城镇建设综合开发有限公司	保证	46,800.00
泰兴市双越投资有限公司	保证	2,000.00
泰兴市成兴国有资产经营投资有限公司	保证	204,000.00
泰兴市润才教育发展有限公司	保证	18,900.00
泰兴市泰通投资发展有限公司	保证	40,810.00
泰兴市畅达交通产业投资有限公司	保证	30,600.00
泰兴市天星洲开发投资有限公司	保证	33,312.50
泰兴市港口集团有限公司	保证	21,000.00
泰兴市中医院	保证	38,000.00
泰兴市兴业标房建设有限公司	保证	29,900.00
泰兴市江桥投资建设发展有限公司	保证	28,000.00
泰兴市兴黄综合投资开发有限公司	保证	62,000.00

被担保单位	担保类型	担保金额
泰兴市智光环保科技有限公司	保证	44,420.00
江苏古银杏公园建设投资有限公司	保证	2,400.00
泰兴市中鑫新农村建设发展有限公司	保证	154,000.00
泰兴市祥泰环境投资有限公司	保证	17,000.00
泰兴市民生建设投资集团有限公司	保证	76,750.00
泰兴市自来水有限公司	保证	30,216.06
泰兴市安泰水务集团有限公司	保证	42,537.82
泰兴市鑫泰新农村建设有限公司	抵押	8,000.00
泰兴市恒源建设有限公司	抵押	40,000.00
合 计		1,035,646.38

十一、资产负债表日后事项

截至审计报告日，本公司无重要的资产负债表日后事项。

十二、其他重要事项

公司无需要对外披露的其他重大事项。

十三、母公司财务报表主要项目注释

1、其他应收款

项目	期末余额	上年年末余额
应收利息		35,422,500.00
应收股利		
其他应收款	10,485,446,976.86	7,382,523,973.13
合 计	10,485,446,976.86	7,417,946,473.13

(1) 按款项性质分类情况

款项性质	期末账面余额	上年年末账面余额
账龄组合	41,680,907.67	41,782,007.67
政府单位组合	801,946,489.67	815,703,313.75
关联方组合	9,683,460,387.19	6,566,779,609.38
合 计	10,527,087,784.53	7,424,264,930.80
减：坏账准备	41,640,807.67	41,740,957.67
合 计	10,485,446,976.86	7,382,523,973.13

(2) 坏账准备计提情况

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失（未发生信用减值）	整个存续期预期信用损失（已发生信用减值）	
年初余额	10,050.00	41,730,907.67		41,740,957.67
年初其他应收款账面余额在本期：				

坏账准备	第一阶段	第二阶段	第三阶段	合计
	未来 12 个月预期信用损失	整个存续期预期信用损失（未发生信用减值）	整个存续期预期信用损失（已发生信用减值）	
——转入第二阶段				
——转入第三阶段				
——转回第二阶段				
——转回第一阶段				
本期计提	-50.00	-100,100.00		-100,150.00
本期转回				
本期转销				
本期核销				
其他变动				
期末余额	10,000.00	41,630,807.67		41,640,807.67

(3) 按欠款方归集的期末余额前五名的其他应收款情况

债务人名称	款项性质	期末余额	占其他应收款余额的比例(%)
泰兴市中泰城市建设投资有限公司	往来款	2,883,507,480.79	27.39
泰兴市恒源建设有限公司	往来款	2,058,251,490.62	19.55
泰兴市汇源投资经营开发有限公司	往来款	1,398,177,641.21	13.28
泰兴市盛泰城镇化建设有限公司	往来款	1,336,340,563.88	12.69
泰兴市财政局	往来款	626,727,187.27	5.95
合 计		8,303,004,363.77	78.86

2、长期股权投资

(1) 长期股权投资分类

项目	年初余额	本年增加	本年减少	期末余额
对子公司的投资	4,892,097,558.05	1,380,278.00		4,893,477,836.05
对合营企业投资				
对联营企业投资	66,144,186.05		66,144,186.05	
小计	4,958,241,744.1	1,380,278.00	66,144,186.05	4,893,477,836.05
减：长期股权投资减值准备				
合 计	4,958,241,744.10	1,380,278.00	66,144,186.05	4,893,477,836.05

(2) 长期股权投资明细

被投资单位	投资比例 (%)	年初余额	本年增加	本年减少	期末余额
一、子公司					
泰兴市中泰城市建设投资有限公司	97.50	390,000,000.00			390,000,000.00
泰兴一建建设集团有限公司	100.00	258,000,000.00			258,000,000.00

被投资单位	投资比例 (%)	年初余额	本年增加	本年减少	期末余额
泰兴市汇源投资经营开发有限公司	100.00	540,276,400.00			540,276,400.00
泰兴市兴泰机动车检测服务有限公司	100.00	25,500,000.00			25,500,000.00
泰兴市清源水利建设有限公司	100.00	2,350,982,693.61			2,350,982,693.61
江苏兴盛水务建设开发有限公司	100.00	100,000,000.00			100,000,000.00
江苏兴源市政工程有限公司	100.00	100,000,000.00			100,000,000.00
泰兴市振泰市政工程有限公司	100.00	100,000,000.00			100,000,000.00
泰兴市祥泰水务建设开发有限公司	100.00	100,000,000.00			100,000,000.00
泰兴市襟江文旅有限公司	100.00	30,000,000.00			30,000,000.00
泰兴市传媒集团有限公司	100.00	13,008,015.66	1,380,278.00		14,388,293.66
泰兴市盛泰城镇化建设有限公司	100.00	500,000,000.00			500,000,000.00
泰兴市惠泰水务建设有限公司	100.00	300,000,000.00			300,000,000.00
泰兴市保安服务有限公司	100.00	84,330,448.78			84,330,448.78
小 计		4,892,097,558.05	1,380,278.00		4,893,477,836.05
二、联营企业					
泰兴市兴园融资担保有限公司	62.50	66,144,186.05		66,144,186.05	
合 计		4,958,241,744.10	1,380,278.00	66,144,186.05	4,893,477,836.05

3、投资收益

产生投资收益的来源	本期金额	上期金额
权益法核算的长期股权投资收益		-295,077.02
可供出售金融资产等取得的投资收益		800,000.00
资金拆借产生的投资收益	52,073,331.83	76,566,242.68
权益工具投资持有期间取得的投资收益	800,000.00	
合 计	52,873,331.83	77,071,165.66

泰兴市中兴国有资产经营投资有限公司

2022年4月10日





营业执照

(副本) (5-1)

统一社会信用代码

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名称 中兴会计师事务所 (普通合伙)

类型 特殊普通合伙

法定代表人 李尊农

成立日期 2013年11月04日

合伙期限 2013年11月04日 至 长期

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层

经营范围 审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）



登记机关

2022年03月04日



证书序号: 0014686

说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

会计师事务所

执业证书



名称: 中兴特君会计师事务所(特殊普通合伙)

首席合伙人: 李尊农

主任会计师:

经营场所: 北京市丰台区丽泽路20号院1号楼南楼20层

组织形式: 特殊普通合伙

执业证书编号: 11000167

批准执业文号: 京财会许可〔2013〕0066号

批准执业日期: 2013年10月25日

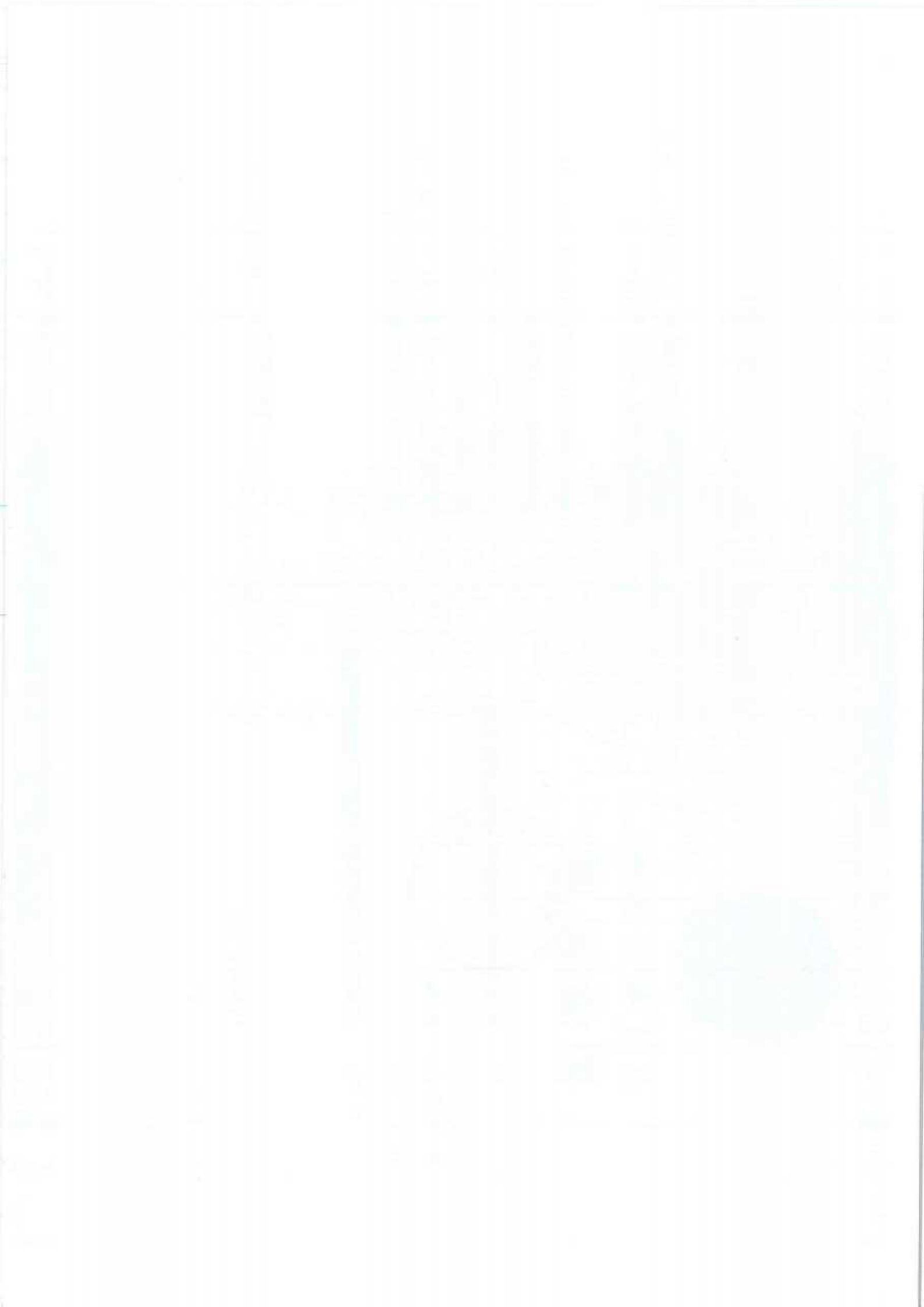


发证机关:

北京市财政局

二〇一三年八月十七日

中华人民共和国财政部制



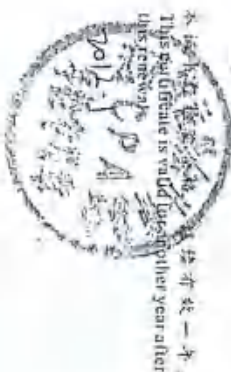


姓名: 褚九喜
 Full name: 褚九喜
 性别: 男
 Sex: 男
 出生日期: 1967-12-19
 Date of birth: 1967-12-19
 工作单位: 江苏天华大彭会计师事务所有限公司
 Working Unit: 江苏天华大彭会计师事务所有限公司
 身份证号码: 420106196712194931
 Identity card No.: 420106196712194931



证书编号: 320000270115
 No. of Certificate: 320000270115
 批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs: 江苏省注册会计师协会
 发证日期: 一月三十日
 Date of Issuance: 一月三十日

年度检验登记
 Annual Renewal Registration



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.



注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
 Agree the holder to be transferred from
 江苏天华大彭会计师事务所
 Jiangsu Tianhua Dapeng Accounting Firm
 杨世华
 Yang Shihua
 主任会计师
 Chief Accountant
 2017年12月6日
 2017.12.6

同意调入
 Agree the holder to be transferred to
 江苏天华大彭会计师事务所
 Jiangsu Tianhua Dapeng Accounting Firm
 褚九喜
 Chu Jiuxi
 注册会计师
 CPA
 2017年12月6日
 2017.12.6

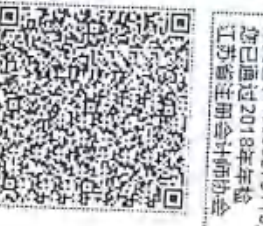
注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

同意调出
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 江苏天华大彭会计师事务所
 Jiangsu Tianhua Dapeng Accounting Firm
 杨世华
 Yang Shihua
 主任会计师
 Chief Accountant
 2017年12月22日
 2017.12.22

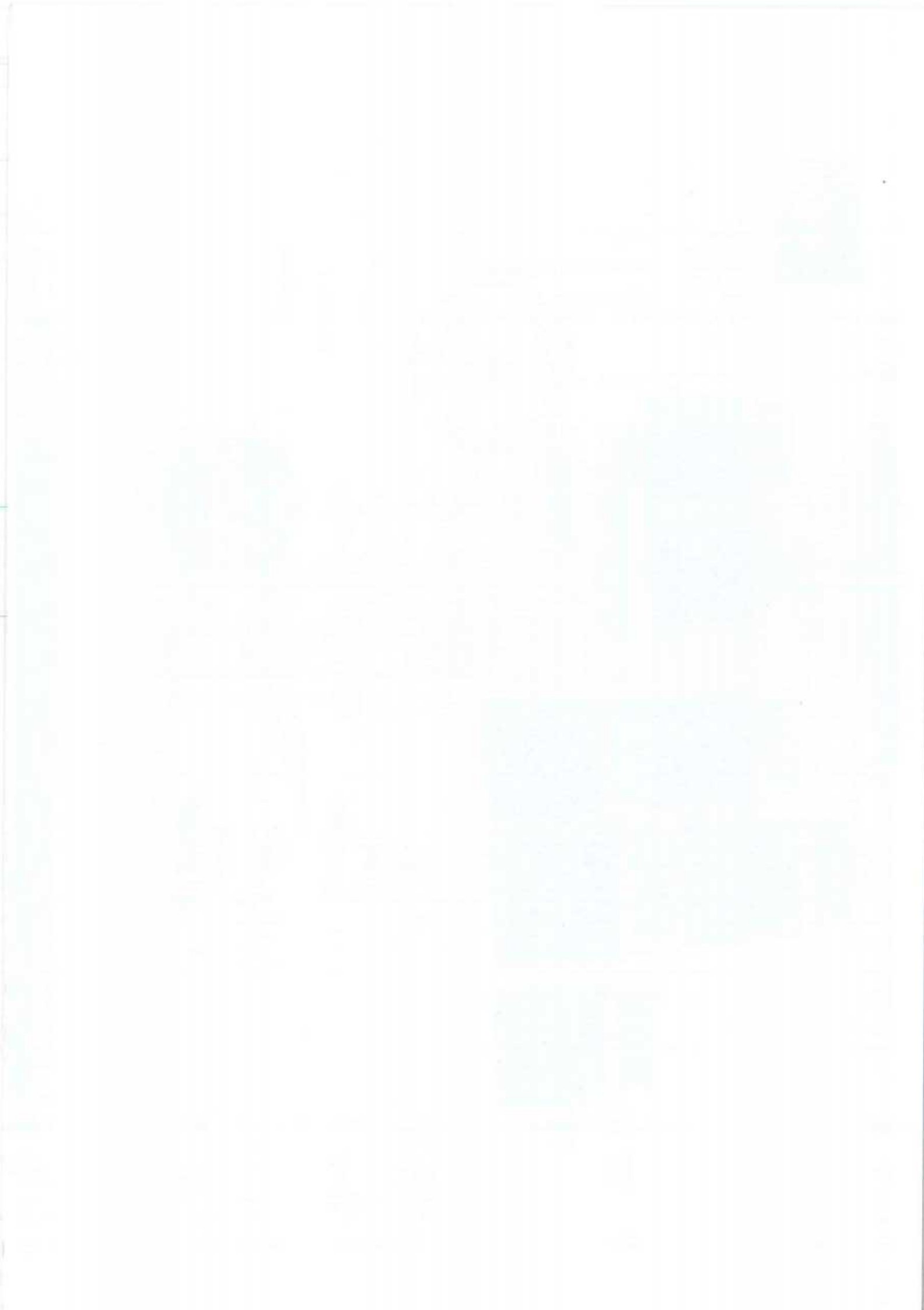
同意调入
 Agree the holder to be transferred to
 江苏天华大彭会计师事务所
 Jiangsu Tianhua Dapeng Accounting Firm
 褚九喜
 Chu Jiuxi
 注册会计师
 CPA
 2017年12月22日
 2017.12.22

登记
 Registration

本证书经检验合格，继续有效一年。
 is valid for another year after



年 月 日



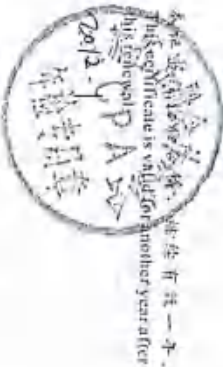
证书编号:
No. of Certificate: 320000270124

批准注册协会:
Authorized Institute of CPAs 江苏注册会计师协会
发证日期:
Date of Issuance: 二〇一一年 十一月 二十九日

姓名:
Full name: 李俊
性别:
Sex: 男
出生日期:
Date of birth: 1971-12-25
工作单位:
Working unit: 江苏天大会计师事务所有限公司
身份证号码:
Identity card No.: 320221197112253804



年度检验登记



年度检验登记

Annual Renewal Registration
本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



注册会计师工作单位变更事项登记

Registration of the Change of Working Unit by a CPA
同意调出
Agree the holder to be transferred from

江苏天大会计师事务所
Jiangsu Tian Da
CPAs

同意调入
Agree the holder to be transferred to

江苏天大会计师事务所
Jiangsu Tian Da
CPAs

2013年元月6日
Stamp of the transferor and transferee of CPAs

年度检验登记

Annual Renewal Registration
本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



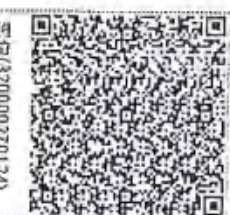
注册会计师工作单位变更事项登记

Registration of the Change of Working Unit by a CPA
同意调出
Agree the holder to be transferred from

江苏天大会计师事务所
Jiangsu Tian Da
CPAs

同意调入
Agree the holder to be transferred to

江苏天大会计师事务所
Jiangsu Tian Da
CPAs



Huai'an Development Holdings Co.,Ltd.



Audit Report

00002022040059478134

报告文号：中兴华审字[2022]第020970号

中兴华
报

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP



Audit Report

Zhongxinghua Audit (2022) No.020970

To the shareholders of HUAI'AN DEVELOPMENT HOLDINGS CO.,LTD:

I. Audit opinions

We have audited the financial statements of HUAI'AN DEVELOPMENT HOLDINGS CO.,LTD (the "Huai'an Development Holdings Company"), including the consolidated and parent company's balance sheet as of 31 December 2021, the 2021 consolidated and the parent company's income statement, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the attached financial statements give a true and fair view of the financial position of the Huai'an Development Holdings Company as of 31 December 2021, and of its financial performance and its cash flows for 2020 then ended in accordance with Accounting Standards for Business Enterprises in all material respects.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. The part of "CPA's responsibilities for financial statement audit" in the audit report further elaborates on our responsibilities under the Standards. We are independent of the Huai'an Development Holdings Company in accordance with China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe the audit evidence we obtained is sufficient and appropriate, and provides the foundation for our audit opinions.

III. Liabilities of the management and those charged with governance for financial statement

The management of the Huai'an Development Holdings Company (hereinafter referred to as "the management") is responsible for the preparation of financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to enable them to achieve fair reflection, and design, implementation, and maintenance of necessary internal controls so that material misstatements due to fraud or mistakes do not exist in the financial statements.

In preparing the financial statements, the management are responsible for assessing the Huai'an Development Holdings Company's ability to continue as a going concern and using the going concern basis unless the management intend to liquidate the Huai'an Development Holdings Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Huai'an Development Holdings Company's financial reporting process.

IV. CPA's responsibilities for auditing financial statements



Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee the audit performed in accordance with auditing standards can surely find a certain existing material misstatement. Misstatement may be caused by fraud or error; if a reasonably expected misstatement alone or aggregated may affect financial statement user's economic decision made based on financial statement, it is generally considered to be material misstatement.

In the course of performing audit work according to the audit standards, we exercise professional judgment and maintained professional skepticism. Meanwhile, we also perform the following tasks:

(1) Identify and assess material misstatement risks of financial statements due to fraud or error, design and implement audit process to address these risks, and obtain sufficient and appropriate audit evidences as the basis for giving audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statement or overriding internal controls, the risk of failing to detect material misstatement due to fraud is higher than that due to error.

(2) Understand audit-related internal controls, to design appropriate audit process, but the purpose is not to give opinions on the effectiveness of internal controls.

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

(4) Draw conclusions on the appropriateness of sustainable operation assumption by the management. Based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that cast significant doubt on the Huai'an Development Holdings Company's ability to continue as a going concern. If we conclude that there are significant uncertainties, the auditing standards require us to notify the users about relevant disclosures of the financial statement in the audit report; if the disclosures are insufficient, we should express opinions without reservations. Our conclusions are based on the information available as of the audit report date. However, future events or conditions may cause the Huai'an Development Holdings Company to cease to continue as a going concern.

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

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the Huai'an Development Holdings Company or its business activities to express an opinion on the financial statements. We are responsible for guiding, supervising and executing group audit. We hold full responsibilities for the audit opinions.

We communicate with those charged with governance about planned audit scope, schedule, major audit findings and other matters, including the noteworthy internal control flaws that we have identified during the audit.



(No text on this page, as the signature and seal page for the 2021 financial statement Audit Report of Huai'an Development Holdings Co., Ltd (Zhongxinghua Audit (2022) No.020970)

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP



Chinese CPA:



Chinese CPA:



25 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021

Prepared by: Hual'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand	VI. 1	8,508,638,276.65	9,568,916,254.55	9,568,916,254.55
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable	VI. 2		660,000.00	660,000.00
Accounts receivable	VI. 3	8,122,824,064.69	6,121,354,661.88	6,121,354,661.88
Receivables financing				Inapplicable
Advances to suppliers	VI. 4	2,709,483,655.01	1,662,312,949.67	1,662,312,949.67
Other receivables	VI. 5	38,951,226,781.58	48,461,599,276.33	48,461,599,276.33
Inventory	VI. 6	33,743,527,781.65	25,454,237,761.15	25,454,237,761.15
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year	VI. 7	38,480,608.39		
Other current assets	VI. 8	78,227,540.61	108,004,140.75	108,004,140.75
Total current assets		92,152,408,708.58	91,377,085,044.33	91,377,085,044.33
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets	VI. 9	Inapplicable	Inapplicable	513,257,958.15
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables	VI. 10	265,523,156.51	99,332,098.96	99,332,098.96
Long-term equity investments	VI. 11	402,238,606.70	287,648,018.99	287,648,018.99
Other equity instrument investments	VI. 12	279,589,010.87	300,178,802.13	Inapplicable
Other non-current financial assets	VI. 13	222,539,865.15	213,079,156.02	Inapplicable
Investment properties	VI. 14	4,222,871,619.81	2,214,232,525.64	2,214,232,525.64
Fixed assets	VI. 15	2,568,836,576.31	2,973,783,053.22	2,973,783,053.22
Construction in progress	VI. 16	134,586,530.33	284,121,382.12	284,121,382.12
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets	VI. 17	469,656,324.71	1,020,746,558.03	1,020,746,558.03
Development expenditure				
Goodwill				
Long-term prepaid expense	VI. 18	106,799,500.63	1,705,676.00	1,705,676.00
Deferred tax assets	VI. 19	12,562,613.24	9,761,284.53	9,761,284.53
Other non-current assets	VI. 20	665,566,579.88	700,930,175.03	700,930,175.03
Total non-current assets		9,350,770,384.14	8,105,518,730.67	8,105,518,730.67
Total assets		101,503,179,092.72	99,482,603,775.00	99,482,603,775.00

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative



Accounting director:



Accounting firm director:



Consolidated Balance Sheet (Continued)

31 December 2021

Prepared by: Hual'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

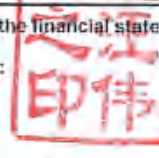
Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	VI. 21	4,221,962,010.94	3,600,804,430.00	3,600,804,430.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable	VI. 22	1,253,906,777.00	958,600,000.00	958,600,000.00
Trade payables	VI. 23	525,127,974.29	1,003,750,113.21	1,003,750,113.21
Advances from customers	VI. 24			876,680,854.40
Employee benefits payable		2,164,203.51	1,714,051.24	1,714,051.24
Contract liabilities	VI. 25	372,481,079.71	834,934,147.05	Inapplicable
Taxes payable	VI. 26	840,190,409.23	524,285,814.88	524,285,814.88
Other payables	VI. 27	3,649,025,284.91	4,619,610,299.93	4,619,610,299.93
Liabilities held for sale				
Non-current liabilities due within one year	VI. 28	14,888,097,991.20	16,336,555,127.59	16,336,555,127.59
Other current liabilities	VI. 29	2,397,376,178.67	1,577,079,003.92	1,535,332,296.57
Total current liabilities		28,350,331,909.46	29,457,332,987.82	29,457,332,987.82
Non-current liabilities:				
Long-term borrowing	VI. 30	11,417,203,270.10	11,641,200,190.12	11,641,200,190.12
Bonds payable	VI. 31	15,794,888,053.62	12,661,766,327.16	12,661,766,327.16
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables	VI. 32	2,341,511,386.07	3,303,779,624.52	3,303,779,624.52
Long-term employee remuneration payable				
Provisions				
Deferred incomes	VI. 33	-302,539,069.25	-359,613,982.68	-359,613,982.68
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		29,251,063,640.54	27,247,132,159.12	27,247,132,159.12
Total liabilities		57,601,395,550.00	56,704,465,146.94	56,704,465,146.94
Owner's equity:				
Paid-in capital	VI. 34	14,245,000,000.00	14,245,000,000.00	14,245,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve	VI. 35	24,780,206,726.22	24,193,499,709.33	24,193,499,709.33
Less: treasury stock				
Other comprehensive income	VI. 36	49,650,794.85	50,648,305.60	50,648,305.60
Special reserve				
Surplus reserve	VI. 37	442,027,080.87	393,413,023.59	393,413,023.59
General risk reserve				
Undistributed profits	VI. 38	3,471,940,967.15	2,980,601,594.27	2,980,601,594.27
Total owners' equity attributable to the parent		42,988,825,569.08	41,863,162,632.79	41,863,162,632.79
Minority shareholder's equity		912,957,973.63	914,975,995.27	914,975,995.27
Total owners' equity		43,901,783,542.72	42,778,138,628.06	42,778,138,628.06
Total liabilities and owners' equity		101,503,179,092.72	99,482,603,775.00	99,482,603,775.00

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



CONSOLIDATED INCOME STATEMENT

the year 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		3,941,336,732.30	1,863,988,647.90
Of which: Operating revenue	VI. 39	3,941,336,732.30	1,863,988,647.90
II. Total operating costs		3,668,669,933.34	1,904,092,569.37
Of which: Operating costs	VI. 39	3,061,394,920.99	1,472,129,620.09
Taxes and surcharges		122,943,197.20	102,522,706.52
Selling expenses		56,799,037.14	44,357,416.21
Administrative expenses		222,005,654.72	139,704,005.04
R&D expenses			
Financial expenses	VI. 40	205,527,123.29	145,378,821.51
Including: Interest expense		212,296,456.07	188,570,125.21
Interest incomes		22,155,775.60	65,242,589.27
Add: other incomes	VI. 41	446,863,733.49	125,009,529.46
Investment income (losses expressed with "-")	VI. 42	507,426.25	217,797,791.75
Of which: Investment income from associates and joint ventures		-5,800,063.90	-29,633.13
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")	VI. 43	-10,174,148.72	
Asset impairment losses (losses marked with "-")			-1,036,338.27
Gains on disposal of assets (losses expressed with "-")	VI. 44	212,379.99	6,702,938.99
III. Operating profits (losses marked with "-")		710,076,189.97	308,370,000.46
Add: non-operating income	VI. 45	1,979,571.43	655,518.17
Less: Non-operating expenses	VI. 46	4,545,334.43	4,853,695.87
IV. Total profits (total losses marked with "-")		707,510,426.97	304,171,822.76
Less: Income tax expenses	VI. 47	153,075,018.45	9,357,479.56
V. Net profits (net losses marked with "-")		554,435,408.52	294,814,343.20
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		554,435,408.52	294,814,343.20
2. Net profits from discontinued operation (net losses marked with "-")			
(II) Classified by ownership:			
1. Net profits attributable to parent company shareholders (net losses marked with "-")		556,453,430.16	301,567,639.65
2. Minority shareholders' profits and losses (net losses marked with "-")		-2,018,021.64	-6,753,296.45
VI. After-tax net amount of other comprehensive incomes		-897,510.75	132,748,270.63
(I) Net other comprehensive incomes after tax attributable to owners of parent company		-997,510.75	132,748,270.63
1. Other comprehensive incomes not to be reclassified into profits and losses			
(1) Changes from re-measuring defined benefit plan			
(2) Other comprehensive incomes unable to transfer to profits and losses under the equity method			
(3) Fair value changes of other equity instrument investments			Inapplicable
(4) Fair value changes of corporate credit risks			Inapplicable
(5) Others			
2. Other comprehensive incomes to be reclassified into profits and losses		-997,510.75	132,748,270.63
(1) Other comprehensive incomes able to transfer to profits and losses under the equity method			
(2) Fair value changes of other debt investments			Inapplicable
(3) Fair value changes of available-for-sale financial asset investments		Inapplicable	
(4) Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
(5) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets		Inapplicable	
(6) Other debt investment credit impairment provisions			Inapplicable
(7) Cash flow hedge reserve			
(8) Converted difference in foreign currency statements		-997,510.75	132,748,270.63
(9) Others			
(ii) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		553,437,897.77	427,562,613.83
(i) Total comprehensive incomes attributable to owners of parent company		555,455,919.41	434,315,910.26
(ii) Total comprehensive incomes attributable to minority shareholders		-2,018,021.64	-6,753,296.45

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Consolidated Cash Flow Statement

the year 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		2,405,270,368.88	1,322,187,392.62
Tax refunds received		2,939,092.81	
Other cash received related to operating activities		10,324,954,971.33	5,806,934,119.21
Subtotal cash inflow from operating activities		12,733,164,433.02	7,129,121,511.83
Cash paid to buy goods and receive labor service		4,877,291,042.70	1,381,556,404.89
Cash paid to and for employees		45,157,019.85	36,319,654.16
Taxes paid		131,998,166.46	184,056,073.23
Other cash paid to operating-related activities		8,647,730,613.78	5,517,628,597.59
Subtotal cash outflow from operating activities		13,702,176,842.79	7,119,560,729.87
Net cash flow from operating activities		-969,012,409.77	9,560,781.96
II. Cash flow from investing activities			
Cash received from investment withdrawal		2,331,122,415.80	126,030,780.00
Cash received from investment income		7,803,297.01	5,265,248.31
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		225,286.19	173,199,273.72
Net cash received from disposal of subsidiaries and other business units		177,839.98	925,265,070.00
Other cash received from investing activities			182,870,080.32
Subtotal cash inflow from investing activities		2,339,328,835.98	1,412,630,452.35
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		145,585,249.59	208,154,264.40
Cash paid for investment		1,862,544,288.20	790,704,919.73
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			3,197,872,634.13
Subtotal cash outflow from investing activities		2,008,129,537.79	4,196,731,818.26
Net cash flow from investment activities		331,199,298.19	-2,784,101,365.91
III. Cash flow from financing activities:			
Cash received from absorbing investments		506,459,935.40	53,759,040.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			
Cash received from borrowings		26,694,464,585.00	23,853,125,065.75
Other cash received from financing-related activities		334,774,760.26	731,916,900.00
Subtotal of cash inflow from financing activities		27,535,699,280.66	24,638,801,005.75
Cash paid for repayment of debt		24,593,270,373.06	16,266,304,202.81
Cash paid for distributing dividends, profits or settling interests		3,185,897,419.61	484,143,387.91
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		513,593,470.07	2,073,782,295.33
Subtotal cash outflow from financing activities		28,292,761,262.74	18,824,229,886.05
Net cash flow from financing activities		-757,061,982.08	5,814,571,119.70
IV. Influence of exchange rate changes to cash and cash equivalents		37,752,659.85	30,766,410.73
V. Net increase in cash and cash equivalents		-1,357,122,433.81	3,070,796,946.48
Add: opening balance of cash and cash equivalents		6,288,308,279.64	3,217,511,333.16
VI. Closing balance of cash and cash equivalents		4,931,185,845.83	6,288,308,279.64

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Consolidated Owner's Equity Change Statement

the year 2021

Prepared by: Huelian Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Current amount												
	Owner's equity attributable to the parent company										Total owners' equity		
	Paid-in capital	Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits		Subtotal	Minority shareholder's equity
Preferential shares	Perpetual debt	Other	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	
I. Balance at the end of last year	14,245,000,000.00			24,193,499,709.33		50,048,305.60		393,413,023.59		2,980,801,584.27	41,863,162,632.79	914,875,985.27	42,778,138,628.06
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00			24,193,499,709.33		50,048,305.60		393,413,023.59		2,980,801,584.27	41,863,162,632.79	914,875,985.27	42,778,138,628.06
III. Increased or decreased amount in the current period (decrease marked with "-")				586,707,016.89		-987,510.75		48,614,057.28		481,339,372.86	1,125,662,836.30	-2,018,021.84	1,123,644,814.66
(I) Total comprehensive incomes						-987,510.75				586,453,430.16	585,465,919.41	-2,018,021.84	583,437,897.77
(II) Capital increase or decrease from the owner				586,707,016.89							586,707,016.89		586,707,016.89
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others				586,707,016.89							586,707,016.89		586,707,016.89
(III) Profit distribution								48,614,057.28		-65,114,057.28	-16,500,000.00		-16,500,000.00
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others								48,614,057.28		-49,614,057.28	-16,500,000.00		-16,500,000.00
(IV) Internal transfer of shareholders' equity													
1. Capital reserve to increase capital													
2. Surplus reserve to increase capital													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00			24,780,206,726.22		49,060,794.85		442,027,080.87		3,471,940,987.16	42,988,835,669.09	912,857,973.63	43,901,783,642.72



Accounting firm director:



Accounting leader:



Legal representative

(The attached Financial Statements are an integral part of the financial statements)

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Hualan Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Previous amount												
	Paid-up capital	Reserve for foreign currencies	Other equity instruments	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Subtotal	Minority shareholder's equity	Total owners' equity
I. Balance at the end of last year	14,245,000,000.00	500,000,000.00	500,000,000.00	18,317,249,054.13		-82,099,965.03		344,871,173.53		2,744,275,804.86	36,089,096,067.31	867,970,251.72	38,937,066,319.03
Acct. accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00	500,000,000.00	500,000,000.00	18,317,249,054.13		-82,099,965.03		344,871,173.53		2,744,275,804.86	36,089,096,067.31	867,970,251.72	38,937,066,319.03
III. Increased or decreased amount in the current period (decrease marked with "-")			-500,000,000.00	5,876,250,655.20		132,748,270.63		48,741,850.06		239,325,769.59	5,784,066,555.48	47,006,743.55	5,841,072,309.03
(I) Total comprehensive income						132,748,270.63				301,587,839.85	434,315,910.28	-6,753,296.45	427,562,613.83
(II) Capital increase or decrease from the owner			-500,000,000.00	5,876,250,655.20							5,376,250,655.20	53,759,040.00	5,430,009,695.20
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others			-500,000,000.00	5,876,250,655.20									
(III) Profit distribution													
1. Withdrawal of the surplus reserves								48,741,850.06		-65,241,850.06	5,376,250,655.20	53,759,040.00	5,430,009,695.20
2. Withdrawal of the general risk reserves								48,741,850.06		-48,741,850.06	-16,500,000.00		-16,500,000.00
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity													
1. Capital reserve to increase capital													
2. Surplus reserve to increase capital													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00			24,193,499,709.33		50,648,305.60		393,413,023.59		2,980,601,594.27	41,663,162,632.79	914,375,995.27	42,778,139,628.06







Accounting firm director:

Accounting leader:

(The attached Financial Statement is an integral part of the financial statements)



Balance Sheet

31 December 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand		4,759,330,168.22	4,249,215,325.46	4,249,215,325.46
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				
Accounts receivable	XI. 1	4,752,122,024.96	4,020,708,470.36	4,020,708,470.36
Receivables financing				Inapplicable
Advances to suppliers		2,096,724,980.53	1,507,970,649.29	1,507,970,649.29
Other receivables	XI. 2	32,175,218,672.01	39,938,602,595.10	39,938,602,595.10
Inventory		26,481,195,302.35	18,810,436,340.48	18,810,436,340.48
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets		281,658.73	247,984.68	247,984.68
Total current assets		70,264,872,806.80	68,527,181,365.37	68,527,181,365.37
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	96,616,453.39
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables				
Long-term equity investments	XI. 3	12,607,031,519.20	13,057,031,519.20	13,057,031,519.20
Other equity instrument investments		87,875,785.39	87,875,785.39	Inapplicable
Other non-current financial assets		8,014,285.00	8,740,668.00	Inapplicable
Investment properties		1,758,277,259.60	1,297,664,336.10	1,297,664,336.10
Fixed assets		853,376,318.56	932,603,895.69	932,603,895.69
Construction in progress		17,841,358.54	17,438,214.91	17,438,214.91
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets		25,674,710.08	26,790,707.68	26,790,707.68
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets		615,068.74	762,380.83	762,380.83
Other non-current assets				
Total non-current assets		15,358,706,305.11	15,428,907,507.80	15,428,907,507.80
Total assets		85,623,579,111.91	83,956,088,873.17	83,956,088,873.17

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Balance Sheet (Continued)

31 December 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings		1,172,600,000.00	1,347,500,000.00	1,347,500,000.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable		150,000,000.00	281,000,000.00	281,000,000.00
Trade payables		561,698,422.82	557,431,622.30	557,431,622.30
Advances from customers				825,448,699.17
Contract liabilities		326,729,899.64	786,141,618.26	Inapplicable
Employee benefits payable				
Taxes payable		444,307,219.96	244,367,823.83	244,367,823.83
Other payables		10,217,523,363.15	7,921,597,712.73	7,921,597,712.73
Liabilities held for sale				
Non-current liabilities due within one year		11,654,950,635.80	15,575,854,402.52	15,575,854,402.52
Other current liabilities		2,316,336,494.98	1,539,307,080.91	1,500,000,000.00
Total current liabilities		26,844,146,036.35	28,253,200,260.55	28,253,200,260.55
Non-current liabilities:				
Long-term borrowing		6,249,100,005.37	8,018,530,000.00	8,018,530,000.00
Bonds payable		15,794,888,053.62	10,717,775,650.08	10,717,775,650.08
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables		603,361,495.56	807,093,802.81	807,093,802.81
Long-term employee remuneration payable				
Provisions				
Deferred incomes		-302,539,069.25	-359,613,982.68	-359,613,982.68
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		22,344,810,485.30	19,183,785,470.20	19,183,785,470.20
Total liabilities		49,188,956,521.65	47,436,985,730.76	47,436,985,730.76
Owner's equity:				
Paid-in capital		14,245,000,000.00	14,245,000,000.00	14,245,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve		17,761,652,085.27	18,315,773,210.26	18,315,773,210.26
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve		442,027,080.87	393,413,023.59	393,413,023.59
Undistributed profits		3,985,943,424.12	3,564,916,908.56	3,564,916,908.56
Total owners' equity		36,434,622,590.26	36,519,103,142.41	36,519,103,142.41
Total liabilities and owners' equity		85,623,579,111.91	83,956,088,873.17	83,956,088,873.17

The attached Financial Statement Notes are an integral part of the financial statements.

Legal representative:



Accounting director:



Accounting firm director:



Income Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

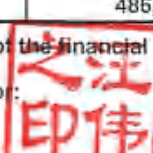
Items	Note	Current amount	Previous amount
I. Operating income	XI. 4	2,013,882,695.83	1,435,723,493.96
Less: operating costs	XI. 4	1,326,241,097.51	1,172,858,262.43
Taxes and surcharges		68,795,782.58	68,609,010.06
Selling expenses		11,629,595.97	9,912,424.94
Administrative expenses		77,062,182.53	33,062,474.03
R&D expenses			
Financial expenses		58,636,546.07	-21,492,118.56
Including: Interest expense		58,519,776.95	12,590,172.99
Interest incomes			34,467,564.44
Add: other incomes		132,000,000.00	100,000,000.00
Investment income (losses expressed with "-")			216,198,333.07
Of which: Investment income from associates and joint ventures			
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")		589,248.38	
Asset impairment losses (losses marked with "-")			-385,207.12
Gains on disposal of assets (losses expressed with "-")			
II. Operating profits (losses marked with "-")		604,106,739.55	488,586,567.01
Add: non-operating income		557,394.87	98,777.98
Less: Non-operating expenses		280,500.00	1,363,146.15
III. Total profits (total losses marked with "-")		604,383,634.42	487,322,198.84
Less: Income tax expenses		118,243,061.58	96,801.78
IV. Net profits (net losses marked with "-")		486,140,572.84	487,418,500.62
(I) Net profits from sustainable operation (net losses marked with "-")		486,140,572.84	487,418,500.62
(II) Net profits from discontinued operation (net losses marked with "-")			
V. After-tax net amount of other comprehensive incomes			
(I) Other comprehensive incomes not to be reclassified into profits and losses			
1. Re-measured defined benefit plan changes			
2. Other comprehensive incomes unable to transfer to profits and losses under the equity method			
3. Fair value changes of other equity instrument investments			Inapplicable
4. Fair value changes of corporate own credit risks			Inapplicable
5. Others			
(II) Other comprehensive incomes to be reclassified into profits and losses			
1. Other comprehensive incomes able to transfer to profits and losses under the equity method			
2. Fair value changes of other debt investments			Inapplicable
3. Fair value changes of available-for-sale financial asset investments		Inapplicable	
4. Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets		Inapplicable	
6. Other debt investment credit impairment provisions			inapplicable
7. Cash flow hedge reserve			
8. Converted difference in foreign currency statements			
9. Others			
VI. Total comprehensive incomes		486,140,572.84	487,418,500.62

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Cash Flow Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		886,279,921.26	837,095,851.42
Tax refunds received			
Other cash received related to operating activities		4,958,598,020.70	1,146,548,977.29
Subtotal cash inflow from operating activities		5,844,877,941.96	1,983,644,828.71
Cash paid to buy goods and receive labor service		2,275,508,641.71	280,005,100.34
Cash paid to and for employees		4,491,154.52	5,415,524.00
Taxes paid		60,696,120.83	124,874,021.70
Other cash paid to operating-related activities		88,960,971.50	5,411,454,876.58
Subtotal cash outflow from operating activities		2,429,656,888.56	5,821,749,522.62
Net cash flow from operating activities		3,415,221,053.40	-3,838,104,693.91
II. Cash flow from investing activities			
Cash received from investment withdrawal		604,198,083.00	
Cash received from investment income			2,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			
Net cash received from disposal of subsidiaries and other business units			884,626,500.00
Other cash received from investing activities			
Subtotal cash inflow from investing activities		604,198,083.00	886,626,500.00
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		6,276,329.07	31,627,248.04
Cash paid for investment		888,471,700.00	551,628,800.00
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		894,748,029.07	583,254,048.04
Net cash flow from investment activities		-290,549,946.07	303,372,456.96
III. Cash flow from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings		19,802,239,100.00	19,279,742,880.34
Other cash received from financing-related activities		7,890,000.00	365,616,900.00
Subtotal of cash inflow from financing activities		19,810,129,100.00	19,645,359,780.34
Cash paid for repayment of debt		19,994,092,765.06	13,841,761,388.11
Cash paid for distributing dividends, profits or settling interests		2,456,216,229.76	170,594,695.21
Other cash paid to financing-related activities		128,728,709.81	1,322,480,894.91
Subtotal cash outflow from financing activities		22,579,037,704.63	15,334,836,978.23
Net cash flow from financing activities		-2,768,908,604.63	4,310,522,802.11
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents			
Add: opening balance of cash and cash equivalents		1,916,461,330.55	1,140,670,765.39
VI. Closing balance of cash and cash equivalents			
		2,272,223,833.25	1,916,461,330.55

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director



Accounting firm director:



Owner's Equity Change Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Items	Paid-in capital				Other equity instruments		Capital reserve	Less: treasury stock	Current amount				Total owners' equity		
	Paid-in capital	Preferred shares	Perpetual debts	Other	Other equity instruments	Other			Surplus reserve	Special reserve	Other comprehensive income	Undistributed profits			
I. Balance at the end of last year	14,245,000,000.00						18,315,773,210.26					363,413,023.59		3,564,916,908.56	36,519,103,142.41
Add: accounting policy changes															
Correction of previous-period accounting errors															
Other															
II. Balance at the beginning of this year	14,245,000,000.00						18,315,773,210.26					363,413,023.59		3,564,916,908.56	36,519,103,142.41
III. Increased or decreased amount in the current period (decrease marked with "-")							-554,121,124.99					48,614,057.28		421,026,515.56	-84,480,552.15
(I) Total comprehensive incomes															
(II) Capital increase or decrease from the owner															
1. Invested capital by the owner							-554,121,124.99								-554,121,124.99
2. Other equity instruments owner invested capital															
3. Amount of stock payment included in owner's equity															
4. Others							-554,121,124.99								-554,121,124.99
(III) Profit distribution															
1. Withdrawal of the surplus reserves												48,614,057.28			-48,614,057.28
2. Withdrawal of the general risk reserves												48,614,057.28			-48,614,057.28
3. Distribution to owners															
4. Others															
(IV) Internal transfer of shareholders' equity															
1. Capital reserve to increase capital															
2. Surplus reserve to increase capital															
3. Cover losses with surplus reserve															
4. Set the benefit plan variation to be carried out into retained earnings															
5. Retained earnings carried forward by other comprehensive incomes															
6. Others															
(V) Special reserve															
1. Withdrawal in this period															
2. Used in this period															
(VI) Others															
IV. Balance at the end of current year	14,245,000,000.00						17,761,652,085.27					442,027,080.87		3,965,943,424.12	36,434,622,590.26

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative

徐铁印

Accounting leader:

汪伟印

Accounting firm director:

赵翔

审计报告
报告编号：特审字[2021]第011号

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Hui'an Development Holdings Co., Ltd.

Items	Paid-in capital				Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
	Preference shares	Perpetual debts	Other										
I. Balance at the end of last year	14,245,000,000.00				500,000,000.00		18,153,773,210.26				344,671,173.53	3,142,740,258.00	36,386,184,641.79
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00				500,000,000.00		18,153,773,210.26				344,671,173.53	3,142,740,258.00	36,386,184,641.79
III. Increased or decreased amount in the current period (decrease marked with "-")					-500,000,000.00		162,000,000.00				48,741,850.06	422,176,650.56	132,918,500.62
(I) Total comprehensive incomes													
(II) Capital increase or decrease from the owner					-500,000,000.00		162,000,000.00						487,418,500.62
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					-500,000,000.00		162,000,000.00						-338,000,000.00
(III) Profit distribution													
1. Withdrawal of the surplus reserves											48,741,850.06		-16,500,000.00
2. Withdrawal of the general risk reserves											48,741,850.06		
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity													
1. Capital (or stock) increase from capital reserves													
2. Capital (or stock) increase from surplus reserves													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00						18,315,773,210.26				353,413,023.59	3,564,916,908.56	36,519,103,142.41

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative



Accounting leader



Accounting firm director



兴华会计师事务所(特殊普通合伙)
 报告编号: 兴会审字[2022]第0101号

Huai'an Development Holdings Co., Ltd.

2021 Financial Statement Notes

(Unless otherwise specified, the amount unit is RMB)

I. Company profile

1. Registered location, organization form and headquarter address of the company

Huai'an Development Holdings Co., Ltd. (hereinafter referred to as "the company", collectively referred to as "the group" when subsidiaries are included) is a limited liability company registered by the Jiangsu Province Huai'an Municipal Administration for Industry and Commerce, established in April 2005, with unified social credit code of 9132080077377346XE, enterprise category of limited liability company (wholly state-owned), domicile at No.3 Yufu Road, Huai'an Economic and Technological Development Zone, legal representative: Xu Tie. Corporate business period is from 22 April 2005 to *****, with current registered capital of RMB 14,300,000,000 and paid-in capital of RMB 14,245,000,000.

2. Business nature and main operating activities of the company

Corporate business scope: various engineering construction activities; real estate development operation; general contracting for house, building and municipal infrastructure project engineering (for items subject to approval according to laws, business activities may be implemented after approval by relevant departments, and specific operation items are subject to the approval results) General items: land consolidation service; land use right lease; real estate consultation; property management; housing lease; non-residential real estate lease; daily necessity sales (except the items subject to approval according to laws, business activities are implemented independently according to laws with business license).

3. Approval of financial report

The financial statement was reported upon the approval of the corporate board of directors on 26 April 2022.

1. Scope of consolidated statement

The company had a total of 15 subsidiaries in the consolidation scope in 2021; please refer to Note VIII "Equity in other entities". The company had no change in consolidation scope in 2021.

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statement pursuant to the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, the Application Guidelines, the Interpretations and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), based on sustainable operation, actual transaction and event.

According to relevant provisions of the accounting standards for enterprises, accounting in the company is conducted based on the accrual system. Apart from certain financial instruments and investment real estate, the financial statements should be measured on the basis of historic cost. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2. Sustainable operations

The financial statement is presented based on sustainable operation, and the company has the ability of sustainable operation within at least 12 months from the end of reporting period.

III. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements formulated by the company were in accordance with the requirements of accounting standards for enterprises, and they truly and completely reflected the company's consolidation and its parent company's financial status on 31 December 2021, as well as its consolidation and its parent company's operation results, consolidation, cash flow and other relevant information in 2021.

IV. Significant accounting policies and accounting estimate

1. Accounting period

The company's accounting period is divided into annual and medium-term periods. The latter is shorter than the reporting period of a complete accounting year. Fiscal year of the company follows the Gregorian calendar year, namely from January 1 to December 31 every year.

2. Operating cycle

The normal operating cycle refers to the period from purchasing assets for processing to realizing retrieval of cash or cash equivalents. With 12 months as an operating cycle, the company also uses this as a dividing standard for the liquidity of assets and liabilities.

3. Functional currency

RMB serves as the functional currency of the company.

4. Accounting treatment method for business combination under the same and different control

Business combination refers to the transactions or events of combining two or more than two separate businesses into one reporting entity. Business combination includes business combination under the same control and business combination under different control.

(1) Business combination under the same control

The enterprises involved in combination are ultimately controlled by the same party or parties before and after the combination. The control is not temporary, and the combination is under the same control. For business combination under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. Combination date refers to the date on which the combining party actually obtains control to the combined party.

The company measures the assets and liabilities obtained from consolidation of enterprises, according to the book value of consolidated party's assets and liabilities (including the goodwill arising from ultimate controller's acquisition of the consolidated party) in the ultimate controller's consolidated financial statement on the consolidation date; adjusts the capital premium in capital reserve, by the difference between obtained net asset book value and paid consolidated consideration book value (or total par value of shares issued), and adjusts retained earnings, if the capital premium in capital reserve is insufficient to offset.

The direct expenses generated by the acquirer for the purpose of business combinations shall be

recorded into the profits and losses for the current period.

(2) Business combination under different control

If the enterprises participating in the merger are not ultimately controlled by the same party or parties before and after the combination, the business combination is facilitated under different controls. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date refers to the date when acquirer actually obtains control over acquiree.

For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and

Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 13 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the book value of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5. Consolidated financial statement preparation method

(1) The principle of determining the scope of consolidated financial statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the company and all its subsidiaries. Subsidiaries are those that are controlled by the company.

The company will conduct a reassessment once the relevant facts and changes in circumstances have caused changes in the relevant elements involved in the above control definition.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results

and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the purchase date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority shareholders interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 13 "Long-term equity investment" or Note IV. 9 "Financial Instruments".

If the company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in

the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are signed simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not the package deal, for each transaction, accounting treatment is conducted according to the applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control right" (see Note IV 13 (2) ④) and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the company only has rights to the net assets of the arrangement.

Corporate investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 13 (2) ② "Long-term equity investment accounting by the equity method".

The company operates jointly as a joint venture, confirming the assets held by the company alone, the liabilities the company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the company; confirming the income generated from the sale of the company's joint operating output share; the income generated from the sales of joint operations according to the company's share; confirming the expenses incurred by the company alone, and confirming the cost of joint operations according to the company's share.

When the company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the "Accounting Standards for Enterprises No. 8 - Asset Impairment", etc., for the case of the assets invested or sold by the company to the joint operations, the company fully confirms the losses; Where the company purchases assets from a joint operation, the company confirms

the loss according to its share of commitments.

7. Determination standards of cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign currency transactions and conversion of foreign currency statements

(1) Conversion of foreign currency transactions

When the company initially recognizes the foreign currency transaction, it is converted to accounting standard currency amount at the spot exchange rate on the transaction date (it generally refers to the central parity rate of exchange rate on the current day published by the People's Bank of China), whereas the foreign currency exchange business of the company or foreign currency exchange-related transaction matters are converted to accounting standard currency amount at the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; and ② for the available-for-sale foreign currency monetary items, the exchange difference arising from book balance change other than the amortized cost is included in other comprehensive income.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.

(3) Conversion method of foreign currency financial statements

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be confirmed to be other comprehensive income as a "foreign currency conversion difference"; When disposing of overseas operations, included in disposal of current profit and loss.

The foreign currency financial statement of overseas operation is converted into RMB statement as follows: items of 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 owner's equity items are converted at the spot exchange rate at the time of incurrence. Income and expense items in the income statement are converted by the spot exchange rate on the transaction date. The opening undistributed profit is the undistributed profit at the end of last year after the conversion; the undistributed profits at the

end of the year are calculated according to the profit distribution of the items after the conversion; the difference between the total count of asset class items and liabilities items and shareholder equity items after conversion is count as a foreign currency statement conversion difference, confirmed as other comprehensive income. When disposal foreign operations and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the owners' equity items in the balance sheet is transferred to the current profit or loss, either in whole or in proportion to the disposal of the foreign operations.

Foreign currency cash flows are translated at the spot exchange rate on the date of cash flow. The impact of exchange rate changes on cash is treated as a reconciliation item and presented separately in the cash flow statement.

The opening balance and actual amount in the previous period are presented in the amount converted from the previous period's financial statements.

When disposing of the entire owner's equity of the company's overseas operations or the loss of overseas operations control rights due to the disposal of part of the equity investment or other reasons, the ownership of the company's equity in the balance sheet and the operations related to the overseas operations are attributed to the difference in conversion of foreign currency statements of owners' equity of the parent company and is transferred to the disposal of current profit or loss.

When disposing of part of the equity investment or other reasons that result in a reduction in the proportion of overseas operating equity but not losing control over overseas operations, the foreign exchange statement conversion differences related to the foreign operations disposal part will be attributed to minority shareholders' equity and will not be transferred to the current profits and losses. When disposing of partial equity in an overseas operation is an associate or a joint venture, the foreign currency conversion difference related to the overseas operation is transferred to the disposal of current profit or loss in proportion to the disposal of the foreign operation.

9. Financial instruments

The following financial instrument accounting policy is applicable to 2021 and beyond:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the company regards the amount of consideration expected to charge as the initial recognition amount.

① Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

② Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

③ Financial liabilities measured at fair value with changes included in current profit and loss

The company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses contain transactional financial liabilities (including derivatives that belong to financial liabilities) and

financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the company's own credit risk changes, with fair value changes included in other comprehensive incomes, and when the liabilities are derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

② Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part

that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(4) De-recognition of financial liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the company derecognizes such financial liabilities (or a part thereof). If the company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the company makes substantial modification to the contractual clauses of original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the company determines their fair value by using quotation on active market. Quoted market prices in an active market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc., and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the company determines their fair value by using valuation

techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

(7) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The company does not recognize the fair value changes of equity instruments.

If dividends for corporate equity instruments are distributed during the existence period (including "interests" generated by instruments classified as equity instruments), they shall be treated as profit distribution.

The following financial instrument accounting policy was applicable to 2020:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability. Financial assets and financial liabilities are measured at fair value on initial confirmation. For the financial assets and financial liabilities measured at fair value and the changes therein are recognized into current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss, and for other categories of financial assets and financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

(1) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. The Company measures fair values of financial assets and financial liabilities at the price in the major market. If no major market, the price best favorable to the market should be used to measure the fair values of financial assets and financial liabilities and current applicable valuation technique with sufficient applicable data and other information support is used. Input value for measurement of fair value can be divided into three levels, i.e. the first-level input value is unadjusted quotation on same assets or liabilities obtained in the active market at the date of measurement; the second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; the third-level input value is non-observable input value of related assets or liabilities. The company prefers to use the first-level input value, and use the third-level input value finally. Level of the measurement result of fair value is decided according to the lowest level of input value with great significance for whole measurement of fair value.

(2) Classification, confirmation and measurement of financial assets

The financial instruments traded in a conventional manner shall be conducted accounting recognition and de-recognition at the date of transaction. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss

Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong to a part of recognizable financial instruments of centralized management, with objective evidence to show the company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

(3) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the company checks the book value of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the company should make the provision for impairment.

The company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an objective evidence that the value of the financial asset has been recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The book value of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.

(4) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference

between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract

Financial guarantee contracts that are not classified as financial liabilities measured at fair value to

the current profit or loss are initially recognized at fair value, and then, it should be subsequently measured the larger balance, one of them is determined in accordance with Accounting Standards for Enterprises No. 13 - Contingencies and the other is initial confirmation amount after deducting the accumulated amount of amortization determined in accordance with the principle of "Accounting Standards for Enterprises No. 14 - Revenue".

(6) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(7) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Changes to fair value of derivatives are included in the current profits and losses.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(8) Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(9) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are

deducted from equity.

The company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The company does not recognize the changes in fair value of equity instruments.

10. Impairment of financial assets

The following financial asset impairment accounting policy is applicable to 2021 and beyond.

The financial assets that the company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

1. Method for recognizing impairment provision

Based on expected credit losses, the company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and well-grounded information, including forward-looking information.

Assuming that the credit risk of the financial instruments with low credit risks on the balance sheet date has not increased significantly since the initial recognition, the Company chooses to measure the loss provision based on the expected credit loss within the next 12 months, and depending on whether their credit risk has increased significantly since the initial recognition, the Company measures the loss provision based on the expected credit loss within the next 12 months or the entire term of its existence.

2. Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have

increased significantly. Except in special circumstances, the company adopts the default risk changes that occur within the next 12 months as reasonable estimate of default risk changes that occur throughout the existence period, to determine whether credit risks have increased significantly since initial recognition.

In general, if overdue for more than 30 days, the company believes credit risk of this financial instrument has increased significantly, unless conclusive evidences prove credit risk of this financial instrument has not increased significantly since initial recognition.

The company will consider the following factors when assessing whether credit risk is increased significantly:

(1) Whether the actual or expected operating results of the debtor have changed significantly;

(2) Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes;

(3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;

(4) Whether expected performance and repayment behavior of the debtor has changed significantly;

(5) Whether corporate credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the company judges financial instrument only has relatively low credit risk, the company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

3. Criteria for judging financial assets with credit impaired

When one or more events with an adverse impact on the expected future cash flow of financial asset occur, such financial asset becomes a credit-impaired financial asset. Evidence for credit impairment of financial assets includes the following observable information:

(1) The issuer or debtor has major financial difficulties;

(2) The debtor breaches the contract, such as defaulting or overdue payment of interest or principal;

(3) Considering relevant economic or contract of debtor's financial difficulties, the creditor gives the debtor concession that would never be made under any other circumstances;

(4) The debtor is likely to go bankrupt or undergo other financial restructuring;

(5) The issuer or debtor is in financial difficulties, causing active market for such financial assets disappeared;

(6) A financial asset is purchased or derived at a huge discount which indicates the fact of credit loss occurrence.

Credit impairment of financial assets may be caused by joint action of multiple events, and not necessarily separately identifiable event.

4. Portfolio method for evaluating expected credit risks based on portfolio

The company evaluates individual credit risks of financial assets with significantly different credit risks, such as: accounts receivable in dispute with the other party or involved in litigation and arbitration; accounts receivable with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

Apart from financial assets with single assessment of credit risk, the company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the company include: financial instrument type, credit risk rating, aging portfolio, overdue account aging portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk based on portfolio.

5. Accounting treatment method of financial asset impairment

At the end of period, the company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

6. Method for recognizing credit losses of various financial assets

(1) Notes receivable

The company generally does not consider the provision for bad debts for bank acceptance bills with good reputation.

(2) Accounts receivable and contract assets

With regard to accounts receivable and contract assets excluding major financing components, the company measures loss reserve at the amount equivalent to the expected credit loss throughout the duration.

With regard to accounts receivable and contract assets including major financing components, the company chooses to always measure loss reserve at the amount equivalent to the expected credit loss throughout the duration.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Portfolio classified with aging of accounts receivable and contract assets as credit risk characteristics
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

(3) Other receivables

The company measures impairment losses based on whether the credit risks of other receivables have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period.

In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Make optimal estimate on the accrual ratio of other receivables based on previous historical experience, and conduct credit risk portfolio classification with reference to aging of accounts receivable
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

11. Inventory

(1) Classification of inventory

Inventory mainly includes inventory goods, turnover materials, raw materials, low-value consumables, engineering construction, and development costs, etc.

(2) Pricing method to obtain and issue inventory

Inventories are valued at the actual cost when acquired, and inventory costs include purchase costs, processing costs, and other costs.

(3) Confirmation of the net realizable value of inventories and withdrawal method for falling prices

Net realizable value refers to the estimated sold price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. When determining the net realizable value of inventories, based on obtaining conclusive evidence, consider the purpose to hold the inventory and the influence of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower between the cost and net realizable value. When the net realizable value is lower than the cost, inventory depreciation reserve is withdrawn. The provision for inventory devaluation is usually based on the difference between the higher cost of a single inventory item and its net realizable value. As for inventories with large quantity and low unit price, the provision for inventory depreciation reserve is made based on the category of inventories; as for inventories related to serial products manufactured and sold in the same region, with the same or similar ultimate application or purpose, and difficult to measure separately from other items, the provision for inventory depreciation reserve may be combined. After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount transferred back is included in the current profit or loss.

After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount

transferred back is included in the current profit or loss.

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

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

Low-value consumables should be amortized at one-off amortization method when they are received; and the packages should be amortized at one-off amortization method when they are received.

12. Contract assets

For the rights that customers have not yet paid contract consideration, but the company has fulfilled performance obligations in accordance with the contract, not attributable to unconditional (i.e. only depending on time lapse) payment collection from customers, the company presents them as contract assets in balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to Note IV 10 Financial asset impairment.

13. Long-term equity investments

The long-term equity investment 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 long-term equity investment of which the company does not have control, joint control or significant impact on the investee company is measured at fair value or as available-for-sale financial assets with the changes charged to current losses and profits, and the accounting policy is shown in "Note IV. 9 Financial instruments".

Joint control means that the company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retained earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the book value of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily. Where the original equity investment is an available-for-sale financial asset, the difference between the fair value and the book value, and the accumulated fair value changes previous recognized in other comprehensive income are transferred to the current profit or loss.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the book value of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the book value of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the company and the investment income and other comprehensive income should be also confirmed. For transactions between the company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. When the net losses incurred by the invested entity are confirmed, the book value of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the book value and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has be accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder' s equity recognized because of other change in invested entity' s equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss.

14. Investment properties

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. Including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, buildings that have been leased, etc.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate should be included in the cost of investment real estate if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures are included in the current profits and losses when occurring.

15. Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the company and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost and taken into account the impact of the estimated cost of disposal.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Asset category	Service life	Residual value rate (%)	Yearly depreciation rate (%)
Houses and buildings	20-40	5	2.375-4.75
Production equipment	5-10	5	9.50-19.00
Transportation	4-5	5	19.00-23.75
Office equipments	3-5	5	19.00-31.67
Other	3-5	5	19.00-31.67

The expected net residual value is the amount that the company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment test method and withdrawal method of impairment provision of fixed assets

For the details of impairment test method and withdrawal method of impairment provision of fixed assets, please refer to Note IV. 20 "Long-term Asset Impairment".

(4) Recognition basis and valuation method for fixed assets acquired under financing lease (applicable in 2020, not applicable for the implementation of new lease standards in 2021)

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. Fixed assets leased by financial leases are depreciated by the same policy as that of self-owned fixed assets. If it is reasonably certain that the ownership of the leased asset should be obtained when the lease expires, depreciation should be made within the useful life of the leased asset; if it cannot reasonably be determined that the leased asset can be acquired after the expiration of the lease term, the shorter period of the lease term and the useful life of the leased asset is used for the depreciation.

(5) Other instructions

For the subsequent expenditures related to fixed assets, if the economic benefits associated with the fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of fixed assets and the recognition of the book value of the replaced part is terminated. The other subsequent expenses are included in the current profit or loss when incurred.

The fixed assets are derecognized when the fixed assets are disposed or if no economic benefits are expected to generate from the use or disposal. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting their book value and related tax fees is included in the current profit or loss.

The company reviews the use life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year, and if any change, it is recorded as a change in accounting estimates.

16. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including various engineering expenditures incurred during construction period and other relevant expenses.

Construction in progress is carried over to the fixed assets after it reaches its intended usable condition.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 20 "Long-term Asset Impairment".

17. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

18. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and

buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- ④ Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- ⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note IV. 20 "Long-term asset impairment".

19. Long-term prepaid expense

Long-term expenses to be apportioned are various expenses that have already occurred, but they should be burdened by the reporting period and subsequent periods with a time limit of more than one year. The long-term deferred expenses of the company mainly include long-term financing expense amortization. Long-term expenses to be apportioned are amortized on a straight-line basis over the

expected benefit period.

20. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, right-of-use asset, investment real estate measured in cost mode, and long-term equity investments in subsidiaries, associated enterprises, joint ventures, etc., the company should determine whether there are signs of impairment on the balance sheet date. If there is any sign of impairment, its recoverable amount is estimated and the impairment test is conducted. For goodwill, intangible assets with an indefinite useful life, and intangible assets that have not yet reached their usable status are tested for impairment annually, irrespective of whether there is any sign of impairment.

If the impairment test results indicate that the recoverable amount of the asset is less than its book value, the difference should be withdrawn and accounted as impairment loss. The recoverable amount is the higher of the fair value of the assets minus the disposal expenses and the present value of the estimated future cash flow of the assets. The fair value of the asset is determined on the basis of the price of the sales agreement in an arm's length transaction. If there is no sales agreement but there is an active market for assets, the fair value is determined on the basis of the buyer's bid for the asset; if there is no sales agreement and active asset market, the most available good information is based to estimate the fair value of asset. Disposal expenses include legal fees related to the disposition of assets, related taxes, handling expenses, and direct expenses incurred in bringing assets into a saleable state. The present value of the expected future cash flow of the assets is determined by the amount of discounted cash flow selected in accordance with the estimated future cash flow generated during the continuous use and final disposal of the assets. The impairment provision of assets is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of a single asset, the asset group to which the asset belongs should be used to determine the recoverable amount of the asset group. Asset groups are the smallest portfolio of assets that can generate cash inflows independently.

For the goodwill separate listed in the financial statements, the book value of goodwill is amortized to the asset group or combination of asset groups that are expected to benefit from the synergies of the business combination when assessing impairment. If the test result shows that the recoverable amount of an asset group or a combination of asset groups which includes the goodwill that have been apportioned to is lower than its book value, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss shall first charge against the book value of the goodwill which are apportioned to the asset group or combination of asset groups, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the goodwill excluded.

Once any loss of the above asset impairment is recognized, the value recoverable shall not be switched back in the future accounting periods.

21. Contract liabilities

Accounting policy of contract liabilities is applicable to 2021 and beyond.

Contract liabilities refer to corporate obligation of transferring commodities to customers for

customer consideration received or receivable. If customers have paid contract consideration or the company has obtained unconditional right of receiving payment before the company transfers commodities to customers, the company presents such received amount or receivables as contract liabilities at the time of actual payment amount or payable in due time by customers, whichever is earlier. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

22. Employee remuneration

The company's employee remuneration mainly includes short-term employee remuneration, post-employment welfare and dismissal welfare. Of which:

Short-term remuneration mainly includes wage, bonus, allowance and subsidy, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing reserve fund, labor union fund and staff education fund, non-monetary welfare, etc. The company recognizes actual short-term staff remuneration incurred during accounting period when the employee provides service for the company as liabilities, and charges to current profits and losses or related asset costs. Of which non-monetary welfare is measured at fair value.

Post-employment welfare mainly includes basic pension insurance, unemployment insurance and annuity, etc. Post-dismissal welfare plan includes defined contribution plan. For defined contribution plan, the corresponding payable amount shall be included in relevant asset cost or current profits and losses when incurred.

Prior to the expiration of the labor contract, terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. When the bank cannot unilaterally withdraw the termination benefits due to termination of labor relation plans or the layoff proposal provided, confirm with the bank regarding the earlier date of costs relates to the restructure of paying resignation welfare associated, confirm the employee remuneration liabilities generated from termination of benefits, and included in the current profits and losses. Nevertheless, if the dismissal welfare is expected not to be fully paid within twelve months after end of the annual reporting period, it shall be handled as per other long-term employee remuneration.

Internal retirement plan of employee can be handled by the same principle as the above dismissal welfare. The company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

For other long-term staff welfare offered by the company to the employee, in case of compliance with the defined contribution plan, it shall be accounted for as per the defined contribution plan, or otherwise accounted for as per the defined benefit plan.

23. Provisions

When the obligation related to contingencies simultaneously meets the following conditions, it is recognized as estimated liability: (1) such obligation is the current obligation assumed by the Group; (2) the performance of such obligation is likely to cause outflow of economic benefits; (3) the amount of such

obligation can be reliably measured.

On the balance sheet date, the estimated liabilities are measured according to the best estimate of expenditures required for performing relevant current obligations, considering such factors as relevant risks of contingent event, uncertainties and currency time value, etc.

If all or part of expenditures required for liquidation of estimated liabilities are expected to be compensated by the third party, when the compensation amount is basically determined to be receivable, it is recognized separately as asset, and the recognized compensation amount does not exceed book value of the estimated liabilities.

(1) Loss contract

Loss contract refers to the contract of costs inevitably exceeding estimated economic benefits when performing contractual obligations. If the contract to be executed becomes a loss contract, and the obligations arising from such loss contract meet the recognition conditions of above estimated liabilities, the part of contractual estimated losses that exceeds the recognized impairment losses (if any) of contractual underlying assets is recognized as estimated liabilities.

(2) Reorganization obligations

If reorganization plan has been formally and externally announced in details, when meeting the aforesaid criteria of recognizing estimated liabilities, the amount of estimated liabilities is determined as per the direct expenditure related to reorganization.

24. Incomes

The following accounting policy of income is applicable to 2021 and beyond:

When the contract between the company and customers meets the following conditions simultaneously, income is recognized when customers obtain relevant control right of commodity: all parties to the contract have approved this contract and promised to perform their respective obligations; the contract has clarified the rights and obligations of all parties to the contract pertaining to the transferred commodity or provided labor; the contract has clear payment terms regarding the transferred commodity; the contract has commercial substance, namely the performance of this contract will change the company's future cash flow risk, time distribution or amount; the consideration obtained by the company due to transferring commodity to customers is likely to be recovered.

On the contract start date, the company identifies each individual performance obligation in the contract, and apportions the transaction price to each individual performance obligation as per the relative proportion of separate selling price for the commodity promised by each individual performance obligation. When determining transaction price, the impact of factors are considered, such as variable consideration, major financing component in the contract, non-cash consideration and consideration payable to customers.

For each individual performance obligation in the contract, if one of the following conditions is met, the company recognizes the transaction price apportioned to this individual performance obligation as income during relevant performance period according to the performance progress: customers obtain and consume the economic benefits brought by the company's performance while the company is performing contract; customers can control the commodities in progress during performance of the

company; the commodities produced during performance of the company have irreplaceable application, and the company has the right to charge funds on the part that has completed performance so far during the entire contract period. The performance progress is determined by input method or output method according to the nature of the transferred commodity. When the performance progress cannot be reasonably determined, if corporate costs incurred are expected to be compensated, income is recognized according to the amount of costs incurred until performance progress can be reasonably determined.

If one of the above conditions is not met, the company recognizes income for the transaction price apportioned to this individual performance obligation at the time when customers obtain relevant control right of commodity. When judging whether customers have obtained commodity control right, the company considers the following signs: the company is entitled to current charging right for such commodity, which means customers have current payment obligation for such commodity; the company has transferred legal ownership of such commodity to customers, which means customers have held legal ownership of such commodity; the company has transferred such commodity in kind to customers, which means customers have occupied such commodity in kind; the company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The following income accounting policy is applicable to 2020 and before:

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant economic benefits are likely to flow into the company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

Commodity sales income is recognized when the commodity is delivered to customer at the agreed time according to sales contract, the receipt proof is received and the commodity is confirmed by the customer as received.

Real estate sales income is recognized on an accrual basis, when the housing completion settlement cost can be reliably measured, housing sales income has been able to flow into the enterprise, housing ownership-related risk, remuneration and housing management right and control right have been transferred simultaneously.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor transaction completion is determined by the proportion of completed work measurement/provided labor to the total labor service that shall be provided.

The result of labor provision transaction can be reliably measured meaning to simultaneously satisfy:

① income amount can be measured reliably; ② relevant economic benefits are likely to flow into the

company; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the incurred labor cost is expected not to be compensated, the income is not recognized.

When the contract or agreement signed between the company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance sheet date. The progress of contract completion is determined by the proportion of cumulative contract cost actually incurred to the estimated total contract cost.

The result of construction contract can be reliably measured meaning to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; ④ contract completion progress and the cost to be incurred for completing the contract can be reliably measured.

If the result of construction contract cannot be reliably estimated, but the contract cost can be recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance receipts.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

(5) Interest incomes

It is determined based on the time for other's use of the company monetary assets and actual interest rate.

25. Contract costs

The accounting policies about contract cost apply in 2021 and beyond.

The incremental costs incurred by the company for the acquisition of the contract that is expected to be recovered are recognized as an asset as the contract acquisition costs. However, if the asset amortization period does not exceed one year, it is included in current profits and losses at the time of occurrence.

Where the cost incurred for contract performance falls beyond the scope of accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) and simultaneously meets the following conditions, it is recognized an asset as contract performance cost: 1. such cost is directly associated with a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers and other costs incurred simply due to such contract; 2. such cost increases future resources of the Group for performance obligation; 3. such cost is expected to be recovered.

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

26. Government Grants

Government grants refer to monetary assets and non-monetary assets obtained by the company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. If government grants are monetary assets, measure according to received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

Asset-related government grants are recognized as deferred income and included in current profits and losses within the service life of relevant asset in a reasonable and systematic manner. If the income-related government grant is used to compensate for relevant costs or losses after the compensation period, it is recognized as deferred income and included in current profits and losses in the period of recognizing relevant costs or losses; if it is used for compensating the incurred relevant costs or losses, it is directly included in current profits and losses.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

In case the recognized government grants need to be returned, the related deferred income balance shall write down the relevant deferred income book balance and the exceeding part is included in the current profits and losses; and shall be directly charged to the current profits and losses.

27. 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 current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. The taxable income on which the calculation of current income tax expenses is based is calculated after corresponding adjustment to the pre-tax accounting profit in the reporting period pursuant to relevant tax laws.

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

For the gap between book value of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between book value of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely

not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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

Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust book value of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

28. Leasing

The following lease accounting policy is applicable to 2021 and beyond:

Lease means that the company has transferred or obtained the control of one or more identified asset use rights within a certain period to exchange for or pay the consideration contract. On the start date of a contract, the company assesses whether the contract is for lease or contains lease.

(1) The company acts as a lessee

The company has no leasing assets.

① Initial Measurement

On the lease start date, the company recognizes its right to use the lease assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as lease liabilities (except short-term lease and lease of low-value assets). When calculating the present value of lease payment amount, the company adopts interest rate implicit in lease as discount rate; if the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing interest rate is regarded as discount rate.

② Subsequent measurement

The company accrues depreciation for the right-of-use assets from the current month of starting lease term. If leased asset ownership can be properly determined upon expiration of lease term, the company accrues depreciation within the remaining service life of leased assets. If the ownership of

lease assets cannot be reasonably determined at the expiration of lease term, the company makes depreciation provision during the period of lease term or remaining service life of lease assets, whichever is shorter.

As to lease liabilities, the company calculates their interest expense during each period of lease term according to fixed periodic rate, and records them in current profits and losses or relevant asset costs. Variable lease payment amount excluded from the measurement of lease liabilities is recorded in current profits and losses or relevant asset costs when it actually occurs.

After the lease start date, when actual fixed payment amount changes, the expected amount payable of guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation result of purchase option right, lease renewal option right or termination option right or actual exercise situation changes, the company re-measures lease liabilities according to the present value of lease payment amount after change, and adjusts book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the company records remaining amount in current profits and losses.

③ Short-term lease and low-value asset lease

For short-term lease (lease of which lease term does not exceed 12 months on the lease start date) and low-value asset lease, the company leverages a simplified treatment method, rather than recognize the right-of-use assets and lease liabilities, but to record lease payment amount in relevant asset cost or current profits and losses by the straight-line method or other systematic reasonable methods during each period of lease term.

④ Lease change

If the lease is changed and the following conditions are met simultaneously, the company conducts accounting treatment of this lease change as a separate lease:

- Lease scope is expanded for this lease change by adding one or more lease asset use right;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted on lease change as a separate lease (except that the contract change directly caused by COVID-19 epidemic is subject to simplified method,) on the effective date of lease change, the company re-allocates the consideration of contract after change, re-determines the lease term, and re-measures lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate.

If lease change causes reduced lease scope or shortened lease term, the company decreases the book value of right-of-use assets accordingly, and includes relevant gains or losses on partially or entirely terminated lease into current profits and losses. If other lease changes cause re-measurement of lease liabilities, the company adjusts the book value of right-of-use assets accordingly.

(2) The company acts as a lessor

Based on transaction nature, the company divides lease into financial lease and operating lease on the lease start date. Financial lease refers to the lease of which almost all risks and rewards pertaining to the ownership of lease assets have been substantially transferred. The term "operating lease" shall refer

to a lease other than a financing lease.

① Operating leasing

The company adopts the straight-line method to recognize lease receipts from operating lease as the rental income for each period of the lease term. Variable lease payment amount related to operating lease and excluded from the lease receipt amount is recorded in current profits and losses when it actually occurs.

② Financial leasing

On the lease start date, the company recognizes financial lease receivables, and de-recognizes financial lease assets. Financial lease receivables are initially measured by net lease investment (the sum of unguaranteed residual value and present value of lease payment amount not yet received on the lease start date discounted at the interest rate implicit in lease), and interest income during the lease term is calculated and recognized as per fixed periodic rate. Variable lease payment amount obtained by the company and excluded from the measurement of net lease investment is recorded in current profits and losses when it actually occurs.

③ Lease change

If operating lease is changed, the company regards it as a new lease for accounting treatment from the effective date of change, and deems as the new lease receipt amount of advance receipts or lease receivables related to the lease before change.

Where financial lease changes and meets the following conditions, the company conducts accounting treatment for this change as a separate lease:

- This change expands lease scope by increasing the right of use for one or more leased assets;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted for financial lease change as a separate lease, the company treats the changed lease under the following circumstances:

- Where the change takes effect on the lease start date, and this lease is classified as operating lease, the company conducts accounting treatment on it as a new lease from the effective date of lease change, and regards net lease investment amount before the effective date of lease change as the book value of leased assets;
- Where the change takes effect on the lease start date, and this lease is classified as financial lease, the company conducts accounting treatment in accordance with the provisions concerning contract amendment or re-negotiation in the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments.

The company acts as a lessee:

Continually calculate interest expense of lease liabilities at the same discount rate as before reduction and include in current profits and losses, and continually accrue depreciation and make other subsequent measurement of right-of-use assets according to the same method as before reduction. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee payment obligation, relevant asset costs or

expenses are offset according to discounted amount at discount rate before non-discount/reduction, while adjusting leasing liabilities accordingly; in case of delayed payment of rental fee, leasing liabilities recognized in the previous period are offset when actually paid. Regarding short-term lease and low-value asset lease subject to simplified treatment, the company continually includes the original contract rental fee in relevant asset costs and expenses according to the same method as before reduction, and regards the reduced and exempted rental fee as variable lease payment amount, to offset relevant asset costs or expenses during the reduction and exemption period; in case of delayed payment of rental fee, the rental fee payable during original payment period is recognized as payables, and payables recognized in the previous period are offset when actually paid.

The company acts as a lessor

① If the lease is operating lease, the company continually recognizes original contract rental fee as lease income according to the same method as before reduction. It regards the reduced and exempted rental fee as variable lease payment amount, to offset lease income during the reduction and exemption period; in case of delayed receipt of rental fee, the rental fee receivable during original receipt period is recognized as receivables, and receivables recognized in the previous period are offset when actually received.

② If the lease is financing lease, the company continually calculates interest at the same discount rate as before reduction and recognizes lease income. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee receipt right, lease income originally recognized is offset according to undiscounted amount, the portion insufficient for offset is included in investment income, and financing lease receivables are adjusted accordingly; in case of delayed receipt of rental fee, financing lease receivables recognized in the previous period are offset when actually received.

The following lease accounting policy is applicable to 2020 and before:

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. The other lease in addition to financing lease is operating lease.

(1) The company records the operating lease business as a lessee

Rental expenses of operating leasing shall be recorded into related asset cost or current profit and loss using straight line method in each period during lease. Initial direct expenses are charged to current profits and losses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(2) The company records the operating lease business as a lessor

Rental income of operating leasing shall be recognized as current profit and loss using straight line method in each period during lease. The initial direct costs with large amounts shall be capitalized upon occurrence and shall be recorded into current profit and loss by stages in same base as the recognized rental income in the whole lease period; other initial direct costs with small amounts shall be recorded into current profit and loss upon occurrence. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(3) The company records the financing lease business as a lessee

On the lease start date, the lower between fair value of leased asset on the lease start date and current value of minimum lease payment is deemed as recorded value of leased asset, the minimum lease payment is deemed as recorded value of long-term payables, and the difference is deemed as unrecognized financing expense. In addition, the initial direct expenses incurred during lease negotiation and signing of lease contract, and attributable to the lease project are also included in the value of leased asset. The balances of minimum lease payment after deducting unrecognized financing expense are listed as long-term liabilities and long-term liabilities due within one year respectively.

Unrecognized financing expenses are calculated by the actual interest rate method during the lease period to recognize current financing expenses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(4) The company records the financing lease business as a lessor

On the lease start date, the sum of minimum lease receipt amount on the lease start date and initial direct expense is deemed as recorded value of financing lease receivables, and the unguaranteed residual value is recorded simultaneously; the difference between the minimum lease receipt amount, initial direct expense and unguaranteed residual value sum and the present value sum is recognized as unrealized financing revenues. The balances of financial lease receivables after deducting unrealized financing revenues are listed as long-term claims and long-term claims due within one year respectively.

Unrealized financing revenues are calculated by the actual interest rate method during the lease period to recognize current financing incomes. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

29. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policies caused by implementing new income standards

On 5 July 2017, Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) (Accounting [2017] No.22) (hereinafter referred to as "new income standards"). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new income standards from 1 January 2021.

For the retained earnings at the beginning of current period of initial execution from adjustment of cumulative impact amount of first execution (i.e. 1 January 2021), as well as other relevant item amounts of financial statements, the comparable period information is not adjusted.

The new income standards established a new income recognition model for the income generated by the contracts with customers. In order to implement the new income standards, the company reassessed the main contract income recognition, measurement, accounting and presentation, etc. According to the provisions of new income standards, the Group chose to adjust only the cumulative impact number of contracts uncompleted on 1 January 2021, and conducted simplified treatment of the contract change occurred before the beginning of earliest comparable period or before 1 January 2021, namely to identify the fulfilled and unfulfilled performance obligation according to final arrangement of the contract, determine transaction price and share transaction price between the fulfilled and unfulfilled

performance obligations.

Main changes and impacts for the implementation of new income standards are as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Contract liabilities		834,934,147.05		786,141,618.26
Other current liabilities		41,746,707.35		39,307,080.91
Deposit received in advance	876,680,854.40		825,448,699.17	

② Accounting policy changes due to implementation of new financial instrument standards

Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22—Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), Accounting Standards for Business Enterprises No.23—Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), Accounting Standards for Business Enterprises No.24—Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated Accounting Standards for Business Enterprises No.37—Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards are collectively referred to as “new financial instrument standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new financial instrument standards from 1 January 2021.

The company applies new financial instrument standards retrospectively, whereas if the classification and measurement (including impairment) involving previous comparison of financial statement data are inconsistent with new financial instrument standards, the company chooses not to restate. Therefore, for the cumulative impact figure under the first implementation of such standard, the company adjusts retained earnings or other comprehensive incomes and amounts of other related items in financial statement at the beginning of 2021, and the 2020 financial statement is not restated.

The impact under the first implementation of new financial instrument standards to financial statement on 1 January 2021 is as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	1 January 2021	31 December 2020	1 January 2021	31 December 2020
Available for sale financial assets		513,257,958.15		96,616,453.39
Other equity instrument investments	300,178,802.13		87,875,785.39	
Other non-current financial assets	213,079,156.02		8,740,668.00	

③ Accounting policy change caused by the implementation of new lease standards

Ministry of Finance promulgated the Accounting Standard for Business Enterprises No.21—Lease (2018 Amendment) (Accounting [2018] No.35) (hereinafter referred to as “new lease standards”). Upon resolutions of corporate board of directors, and changes of relevant accounting policies according to the new lease standards, the company began to implement the aforesaid new lease standards from 1 January 2021.

On the first implementation date, the company chose not to reevaluate whether previous contracts were lease or contained lease, and applied this method consistently to all contracts, and therefore only the contracts identified as lease under the original lease standards followed linking provisions of such standards.

Additionally, the company adopted simplified retrospective adjustment method for linking accounting treatment on the above lease contracts, namely adjusting the amount of retained earnings at the beginning of the year when such standards were first implemented, as well as other relevant items in financial statement, rather than adjust the information of comparable period, chose the right-of-use asset measurement method as per each lease and adopted relevant simplified treatment on the operating lease, as follows:

Corporate accounting policy for low-value asset leases was unrecognizing right-of-use assets and lease liabilities. According to linking provisions of new lease standards, corporate low-value asset lease before the first implementation date was accounted as per new lease standards since the first implementation date, rather than make retrospective adjustment to low-value asset lease.

The implementation of new lease standards had no impact on financial statement on 1 January 2021.

(2) Accounting estimate change

The company has no change in accounting estimates for disclosure.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	Applicable tax rate
Urban maintenance and construction tax	Calculated as per 7% of turnover tax actually paid.
Education surcharge	Calculated as per 3% of turnover tax actually paid.
Local education surcharge	Calculated as per 2% of turnover tax actually paid.
Corporate income tax	Calculation and payment is made at 25% of the taxable income.
Housing tax	70% of self-use real estate original value, property rental income (Note 1)

Note 1:

A. Ad valorem levy: the self-use property is calculated and levied at the tax rate of 1.2% as per the balance after original property value deducting 30% at one time;

B. Rental-based levy: the rent property is calculated and levied at the tax rate of 12% as per the rental income of property.

2. Tax benefit and approval document

The Group has no tax preference.

VI. Notes on consolidated financial statement items

Unless otherwise specified, in the following items of notes (including notes on main items of corporate financial statement), "beginning of year" refers to 1 January 2021, "end of period" refers to 31 December 2021, "end of last year" refers to 31 December 2020, "current period" refers to 2021, and "last period" refers to 2020.

1. Cash at bank and on hand

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
Cash on hand	187,420.06	130,947.58
Bank savings	4,930,252,297.68	6,035,979,253.79
Other monetary funds	3,578,198,558.91	3,532,806,053.18
Total	8,508,638,276.65	9,568,916,254.55

Note: As of 31 December 2021, the restricted funds RMB 3,577,452,430.82 in other monetary funds were margin deposits in the bank for issuing bank acceptance bills, pledge certificates of deposit, etc. There was no funds with restricted use or potential recoverability risks due to mortgage, pledge or freezing and the like, except other monetary assets.

2. Notes receivable

(1) Classification of notes receivable

Items	Closing balance	Previous year ending balance
Bank acceptance bill		660,000.00
Commercial acceptance bill		
Total		660,000.00

Note: There was no endorsed or discounted and undue notes receivable at the end of period.

3. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	3,822,473,731.25	2,160,754,263.02
1-2 years	704,188,898.90	1,918,429,201.93
2-3 years	1,914,653,650.82	209,241,644.67
Over 3 years	1,682,009,641.63	1,833,378,430.04
Subtotal	8,123,325,922.60	6,121,803,539.66
Less: bad debt provision	501,857.91	448,877.78
Total	8,122,824,064.69	6,121,354,661.88

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Accounts receivable for which bad debt provision has been assessed by portfolios	8,123,325,922.60	100.00	501,857.91	0.01	8,122,824,064.69
Of which:					
Aging analysis method portfolio	224,051,973.33	2.76	501,857.91	0.22	223,550,115.42
Other combinations	7,899,273,949.27	97.24			7,899,273,949.27
Total	8,123,325,922.60	100.00	501,857.91	0.01	8,122,824,064.69

(Continued)

Category	Previous year ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Account receivables with bad debt provision as per credit risk characteristic combinations	6,121,803,539.66	100.00	448,877.78	0.01	6,121,354,661.88
Account receivables with single insignificant amount but separate bad debt provision					
Total	6,121,803,539.66	100.00	448,877.78	0.01	6,121,354,661.88

(Continued)

① In the portfolio, accounts receivable with bad debt provision according to the aging analysis method

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	214,014,815.13		0.00
1-2 years	10,037,158.20	501,857.91	5.00
Total	224,051,973.33	501,857.91	0.22

Note: The provision for bad debts is made according to the aging analysis method.

② In the portfolio, accounts receivable with bad debt provision by other portfolios

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Other combinations	7,899,273,949.27		
Total	7,899,273,949.27		

Note: other combinations without withdrawal of bad debts which is determined according to its relationship with trading object and reputation of trading object, i.e. characteristics of credit risks.

(3) Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of account receivables	448,877.78	52,980.13			501,857.91
Total	448,877.78	52,980.13			501,857.91

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Administration of Finance and	3,611,038,271.46	44.45	

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
State-Owned Assets of China Huai'an Economic & Technological Development Zone			
Huai'an Dongcheng Industrial Investment Co., Ltd.	1,085,060,519.68	13.36	
Huai'an Keyu High-tech Co., Ltd	972,078,997.00	11.97	
Jiangsu Xuyi Economic Development Zone Management Committee	819,895,187.81	10.09	
Huai'an Economic and Technological Development Zone Science and Education Industry Development Office	526,596,490.46	6.48	
Total	7,014,669,466.41	86.35	

4. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,065,170,460.14	39.31	234,466,067.89	14.10
1-2 years	221,110,521.37	8.16	45,383,379.70	2.73
2-3 years	41,094,323.53	1.52	3,685,172.76	0.22
Over 3 years	1,382,108,349.97	51.01	1,378,778,329.32	82.95
Total	2,709,483,655.01	100.00	1,662,312,949.67	100.00

(2) Large advance payments classified by advance payment objects as of 31 December 2021:

Name of entity	Closing balance	Proportion to the total closing balance of advance payments (%)
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	1,245,559,812.38	45.97
Jiangsu Zhongjiao Lan'an Real Estate Development Co., Ltd	606,751,500.00	22.39
Huai'an Jingshi Property Co., Ltd	320,000,000.00	11.81
Huai'an Zhishun Technology Industry Development Co., Ltd	171,242,504.35	6.32
Huai'an Jinhui Run'an Property Co., Ltd	82,003,696.00	3.03
Total	2,425,557,512.73	89.52

5. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	38,951,226,781.58	48,461,599,276.33
Interests receivable		
Dividends receivable		
Total	38,951,226,781.58	48,461,599,276.33

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	15,883,919,405.22	11,346,006,396.38
1-2 years	8,159,292,647.80	12,834,111,952.22
2-3 years	3,905,002,723.28	7,061,330,896.85
Over 3 years	11,051,900,420.41	17,258,746,291.17
Subtotal	39,000,115,196.71	48,500,195,536.62
Less: bad debt provision	48,888,415.13	38,596,260.29
Total	38,951,226,781.58	48,461,599,276.33

② Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				
Book balance of other receivables at the beginning of year in the current period:	38,596,260.29			38,596,260.290
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period	10,292,154.84			10,292,154.84
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	48,888,415.13			48,888,415.130

③ Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of other receivables	38,596,260.290	10,292,154.84			48,888,415.130
Total	38,596,260.290	10,292,154.84			48,888,415.130

④ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	Transaction accounts	18,830,904,702.39	Within 1 year: 4,516,827,056.37; 1-2 years: 1,917,746,686.61; 2-3 years: 2,344,430,539.00; more than 3 years: 10,051,900,420.41	48.29	
Huai'an Dongcheng Industrial Investment Co., Ltd.	Transaction accounts	5,402,131,000.92	362,237,572.73 in one year; 4,539,902,831.09 in 1-2 years; 499,990,597.10 in 2-3 years	13.85	
Huai'an New City Investment Holding Co., Ltd.	Transaction accounts	4,431,074,418.41	2,861,103,865.57 in one year; 1,109,388,965.66 in 1-2 years; 460,581,587.18 in 2-3 years	11.36	
Huai'an Chengyida Business Planning Co., Ltd.	Transaction accounts	2,198,922,583.62	2,028,080,000.00 in one year; 170,842,583.62 in 1-2 years	5.64	
Huai'an Kechuang Industry Holdings Co., Ltd	Transaction accounts	1,388,287,578.42	Within 1 year	3.56	
Total		32,251,320,283.76		82.70	

6. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Inventory depreciation reserve/contract performance cost impairment reserve	Book value
Commodity stocks	315,092,658.31		315,092,658.31
Low-value consumables	14,097.21		14,097.21
Cost of land to be developed	8,471,830,333.09		8,471,830,333.09
Raw materials	506,826.58		506,826.58
Development cost	24,595,651,380.11		24,595,651,380.11
Construction consignment project	360,432,486.35		360,432,486.35
Total	33,743,527,781.65		33,743,527,781.65

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Commodity stocks	66,803,339.85		66,803,339.85
Low-value consumables	492,103.18		492,103.18
Cost of land to be developed	6,095,930,141.09		6,095,930,141.09
Raw materials	618,368.99		618,368.99
Development cost	18,890,693,579.46		18,890,693,579.46

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Construction consignment project	399,700,228.58		399,700,228.58
Total	25,454,237,761.15		25,454,237,761.15

7. Non-current assets due within one year

Items	Closing balance	Previous year ending balance
Long-term receivables due within one year	38,480,608.39	
Total	38,480,608.39	

8. Other current assets

Items	Closing balance	Previous year ending balance
Prepaid taxes	78,227,540.61	92,997,605.28
Finance products		15,006,535.47
Total	78,227,540.61	108,004,140.75

9. Available for sale financial assets

Items	Previous year ending balance		
	Book balance	Provision for impairment	Book value
Available-for-sale equity tool	514,257,958.15	1,000,000.00	513,257,958.15
Including: Measured at fair value			
Measured by costs	514,257,958.15	1,000,000.00	513,257,958.15
Total	514,257,958.15	1,000,000.00	513,257,958.15

10. Long-term receivables**(1) Long-term receivables**

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Financing lease fund	281,204,736.72	2,179,136.65	279,025,600.07	99,754,367.49		99,754,367.49
Of which: unrealized financing income	-13,502,443.56		-13,502,443.56	-422,268.53		-422,268.53
Total	267,702,293.16	2,179,136.65	265,523,156.51	99,332,098.96		99,332,098.96

(2) Provision for impairment reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Book balance of long-term receivables at the beginning of year in the current period:				
——Transfer in Phase II				
——Transfer in Phase III				
——Transfer back to Phase II				
——Transfer back to Phase I				
Provision in the current period	2,179,136.65			2,179,136.65
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	2,179,136.65			2,179,136.65

11. Long-term equity investments

Investee	Opening balance	Increases and decreases in current period				
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Associated enterprises						
Huai'an Huaiwei Software Technology Co., Ltd.	730,351.89	63,056.50		-265,596.66		
Huai'an Service Outsourcing Talent Training Center	510,000.00					
Huai'an Jinshiyuan Coffee Culture Co., Ltd.	100,000.00		100,000.00			
Huai'an Gangxin Property Service Co., Ltd.	50,000,000.00		50,000,000.00			
Huai'an Yongxiang Industrial Co., Ltd.	65,000,000.00		65,000,000.00			
Huai'an Local Amount Development Research Society	30,000.00					
Huai'an Wisdom Valley Supply Chain Management Co., Ltd	300,000.00		300,000.00			

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Investee	Opening balance	Increases and decreases in current period				Other equity change
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	
Xinjiang Jianghuai Real Estate Development Co., Ltd	20,676,237.10	19,649,000.00		-791,145.11		
Jiangsu Gaolu Composite Material Co., Ltd	9,000,000.00			-2,036,192.84		
Huai'an Zhishun Technology Industry Development Co., Ltd	141,301,430.00		83,921,404.89	-2,707,129.29		
Huai'an Xinfangda Industrial Co., Ltd.		300,000,000.00				
Total	287,648,018.99	319,712,056.50	199,321,404.89	-5,800,063.90		

(Continued)

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other		
Associated enterprises					
Huai'an Huaiwei Software Technology Co., Ltd.				527,811.73	
Huai'an Service Outsourcing Talent Training Center				510,000.00	
Huai'an Jinshiyuan Coffee Culture Co., Ltd.					
Huai'an Gangxin Property Service Co., Ltd.					
Huai'an Yongxiang Industrial Co., Ltd.					
Huai'an Local Amount Development Research Society				30,000.00	
Huai'an Wisdom Valley Supply Chain Management Co., Ltd					
Xinjiang Jianghuai Real Estate Development Co., Ltd				39,534,091.99	
Jiangsu Gaolu Composite Material Co., Ltd				6,963,807.16	
Huai'an Zhishun Technology Industry Development Co., Ltd				54,672,895.82	
Huai'an Xinfangda Industrial Co., Ltd.				300,000,000.00	
Total				402,238,606.70	

12. Other equity instrument investments**(1) Investment of other equity instruments**

Items	Closing balance
Huai'an Municipal Second-hand Vehicle Trading Market Co., Ltd.	7,600,000.00
Huai'an New City Investment Holding Co., Ltd.	38,275,785.39
Huai'an Huaiyang Cuisine Group Holding Co., Ltd.	15,000,000.00
Huai'an Liuchuanguyuan Entrepreneurial Investment Co., Ltd.	6,000,000.00
Huai'an Modern Tramway Operation Co., Ltd.	7,000,000.00
EGuan Asia Pacific Technology Huai'an Co., Ltd.	500,000.00
Suhua Entertainment Power Media Technology Co., Ltd.	500,000.00
Huai'an Kechuang Industry Investment Co., Ltd.	40,000,000.00
Huai'an Credit Re-guarantee Co., Ltd.	50,000,000.00
Liaoning Anling Economic Development Co., Ltd	15,000,000.00
Huai'an Qinghe Xingfu Community Bank Co., Ltd	5,650,000.00
Jiangsu Xuyi Yuanming Environmental Protection Technology Co., Ltd	1,569,590.00
Xuxing Biological (Xuyi) Co., Ltd	7,211,320.00
Jiangsu Xuyi Haner Technology Co., Ltd	350,000.00
Jiangsu Zhongjing Aerospace Semiconductor Industry Development Co., Ltd	4,113,267.35
Jiangsu Lekesi Technology Co., Ltd	38,801,574.77
Jiangsu Oumaiwei Turbocharging System Co., Ltd	1,350,273.36
Jiangsu Xuyi Sanli Technology Co., Ltd	250,000.00
Jiangsu Xuyi Wangdefu Technology Co., Ltd	16,732,300.00
Jiangsu Fangang Green Building Technology Co., Ltd	23,684,900.00
Total	279,589,010.87

13. Other non-current financial assets

Items	Closing balance
Financial assets classified as measuring at fair value with change recorded in current profits and losses	222,539,865.15
Of which: equity instrument investment	222,539,865.15
Total	222,539,865.15

14. Investment properties**(1) Investment real estate with the model of cost measurement**

Items	Houses, buildings	Total
I. Original book value		
1. Opening balance	2,720,414,195.12	2,720,414,195.12
2. Increased amount in current period	2,165,285,464.46	2,165,285,464.46
(1) Outsourcing		
(2) Inventory/fixed assets/construction in progress transfer-in	2,165,285,464.46	2,165,285,464.46
(3) Increase in business combination		
3. Decreased amount in current period		

Items	Houses, buildings	Total
4. Closing balance	4,885,699,659.58	4,885,699,659.58
II. Cumulative depreciation and amortization		
1. Opening balance	506,181,669.48	506,181,669.48
2. Increased amount in current period	156,646,370.29	156,646,370.29
(1) Provision or amortization	156,646,370.29	156,646,370.29
(2) Increase in business combination		
3. Decreased amount in current period		
4. Closing balance	662,828,039.77	662,828,039.77
III. Provision for impairment		
1. Opening balance		
2. Increased amount in current period		
3. Decreased amount in current period		
4. Closing balance		
IV. Book value		
1. Period-end book value	4,222,871,619.81	4,222,871,619.81
2. Book value at the beginning of year	2,214,232,525.64	2,214,232,525.64

Note: houses and buildings include the value of houses and land.

15. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	2,568,836,576.31	2,973,783,053.22
Fixed asset liquidation		
Total	2,568,836,576.31	2,973,783,053.22

(1) Fixed assets

① Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
I. Original book value						
1. Opening balance	2,738,855,137.34	10,792,807.32	3,367,565.58	29,065,677.02	1,209,855,274.19	3,991,936,461.45
2. Increased amount in current period		813,466.41	2,140,656.45	1,020,746.92		3,974,869.78
(1) Purchase		813,466.41	2,140,656.45	1,020,746.92		3,974,869.78
3. Decreased amount in current period	339,530,557.39		1,591,345.61			341,121,903.00
(1) Transfer in of intangible assets	39,663,304.53					39,663,304.53
(2) Transfer	3,648,811.76					3,648,811.76

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Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
in of long-term deferred expenses						
(3) Disposal	296,218,441.10		1,591,345.61			297,809,786.71
4. Closing balance	2,399,324,579.95	11,606,273.73	3,916,876.42	30,086,423.94	1,209,855,274.19	3,654,789,428.23
II. Cumulative depreciation						
1. Opening balance	488,869,304.35	4,187,862.28	1,062,574.56	21,196,534.54	502,837,132.50	1,018,153,408.23
2. Increased amount in current period	90,804,106.87	794,643.79	940,496.43	1,624,198.95	58,778,141.78	152,941,587.82
(1) Provision	90,804,106.87	794,643.79	940,496.43	1,624,198.95	58,778,141.78	152,941,587.82
3. Decreased amount in current period	84,601,692.93		540,451.20			85,142,144.13
(1) Transfer in of intangible assets	1,863,425.43					1,863,425.43
(2) Transfer in of long-term deferred expenses	98,301.79					98,301.79
(3) Disposal	82,639,965.71		540,451.20			83,180,416.91
4. Closing balance	495,071,718.29	4,982,506.07	1,462,619.79	22,820,733.49	561,615,274.28	1,085,952,851.92
III. Provision for impairment						
1. Opening balance						
2. Increased amount in current period						
3. Decreased amount in current period						
4. Closing balance						
IV. Book value						
1. Period-ended book value	1,904,252,861.66	6,623,767.66	2,454,256.63	7,265,690.45	648,239,999.91	2,568,836,576.31

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
2. Book value at the beginning of year	2,249,985,832.99	6,604,945.04	2,304,991.02	7,869,142.48	707,018,141.69	2,973,783,053.22

16. Construction in progress

(1) Construction in process

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
New Factory of Fulin Electronics	17,841,358.54		17,841,358.54	17,438,214.91		17,438,214.91
NJU Institute	21,864,429.66		21,864,429.66	21,864,429.66		21,864,429.66
Innovation and Entrepreneurship Park				114,507,654.83		114,507,654.83
Other sporadic projects				2,403.50		2,403.50
Dongcheng Xinrui Garden				2,186,290.03		2,186,290.03
Dajianghu spring project				77,151,223.78		77,151,223.78
Nanfeng factory building at 255 Shuidukou Avenue	551,901.17		551,901.17	519,815.67		519,815.67
Jinkong Building (beside the Management Committee)	46,485,858.16		46,485,858.16	46,485,858.16		46,485,858.16
229 Shuidukou Avenue, Huairong Pioneer Park (Yongzhong Steel Pipe)	365,233.26		365,233.26			
Huairong Pioneer Park (65 Fushikang Road)	3,580,182.12		3,580,182.12			
130 Honghengsheng Road, Development Zone (Make Jiyuan)	949,257.58		949,257.58	949,257.58		949,257.58
Tianrun Pawn Shop Facade	59,591.20		59,591.20	59,591.20		59,591.20
128 Shenzhen East Road (Yutian)	230,010.48		230,010.48	89,039.17		89,039.17
92 Feiyao South Road (former Tongxin Electronics)	1,206,359.90		1,206,359.90			
227 Shuidukou Avenue (Domino)	18,839,937.99		18,839,937.99	11,610.00		11,610.00
2 Chaimi Road (former Venom Auto)	6,845,841.88		6,845,841.88	2,855,993.63		2,855,993.63
Huairong Pioneer Park (78 Fushikang Road)	3,260,824.36		3,260,824.36			
Spraying Center Environmental Protection Project	11,127,237.68		11,127,237.68			
Jinkong Building (46 Shenzhen Road)	54,847.52		54,847.52			

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangsu Xuyi Economic Development Zone 5G Logistics Industrial Park Project	1,323,658.83		1,323,658.83			
Total	134,586,530.33		134,586,530.33	284,121,382.12		284,121,382.12

17. Intangible assets**(1) Intangible assets**

Items	Land use right	Software	Franchise rights	Total
I. Original book value				
1. Opening balance	1,080,096,378.28	10,084,596.44	943,396.20	1,091,124,370.92
2. Increased amount in current period	53,172,460.40	9,444,057.54	39,663,304.53	102,279,822.47
3. Decreased amount in current period	635,943,152.56	9,349,929.00		645,293,081.56
4. Closing balance	497,325,686.12	10,178,724.98	40,606,700.73	548,111,111.83
II. Accumulated amortization				
1. Opening balance	60,550,394.25	9,560,123.05	267,295.59	70,377,812.89
2. Increased amount in current period	17,090,159.27	3,522,059.78	8,057,108.06	28,669,327.11
(1) Provision	17,090,159.27	3,522,059.78	8,057,108.06	28,669,327.11
3. Decreased amount in current period	11,242,423.88	9,349,929.00		20,592,352.88
4. Closing balance	66,398,129.64	3,732,253.83	8,324,403.65	78,454,787.12
III. Provision for impairment				
1. Opening balance				
2. Increased amount in current period				
3. Decreased amount in current period				
4. Closing balance				
IV. Book value				
1. Period-end book value	430,927,556.48	6,446,471.15	32,282,297.08	469,656,324.71
2. Book value at the beginning of year	1,019,545,984.03	524,473.39	676,100.61	1,020,746,558.03

18. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Decoration fees	142,898.23		59,540.10		83,358.13
Rental fee of	1,562,777.77		886,871.05		675,906.72

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Xuyi Jinning Colored Steel Factory					
Dajianghu decoration		117,192,327.66	11,152,091.88		106,040,235.78
Total	1,705,676.00	117,192,327.66	12,098,503.03		106,799,500.63

19. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax asset details

Items	Closing balance		Previous year ending balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Assets impairment reserve	50,248,037.94	12,562,613.240	39,045,138.07	9,761,284.53
Total	50,248,037.94	12,562,613.240	39,045,138.07	9,761,284.53

20. Other non-current assets

Items	Closing balance	Previous year ending balance
Trust products	20,000,000.00	60,000,000.00
Prepaid asset acquisition funds	619,597,579.88	615,277,871.68
Advance payments of equity acquisition funds	25,969,000.00	25,652,303.35
Total	665,566,579.88	700,930,175.03

21. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Pledge borrowings	1,781,098,290.00	1,238,151,715.00
Security borrowings	2,070,500,000.00	2,150,120,000.00
Credit borrowings	265,000,000.00	212,532,715.00
Mortgage borrowings	101,300,000.00	
Interest on short-term borrowings	4,063,720.94	
Total	4,221,962,010.94	3,600,804,430.00

22. Notes payable

Category	Closing balance	Previous year ending balance
Commercial acceptance bill	804,960,000.00	337,600,000.00
Bank acceptance bill	448,946,777.00	621,000,000.00
Total	1,253,906,777.00	958,600,000.00

Note: As of 31 December 2021, there was no due and unpaid notes payable.

23. Trade payables

(1) List of payables

Aging	Closing balance	Previous year ending balance
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2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Aging	Closing balance	Previous year ending balance
Within 1 year	186,398,567.95	417,084,376.02
1-2 years	90,905,776.32	58,365,352.36
2-3 years	13,686,245.03	25,119,372.47
Over 3 years	234,137,384.99	503,181,012.36
Total	525,127,974.29	1,003,750,113.21

(2) Accounts payable with large balance as of 31 December 2021 are as follows

Items	Closing balance	Reasons for outstanding or carrying over
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	175,934,600.60	Not yet settled
Huai'an Zhongyin Real Estate Co., Ltd.	128,264,329.68	Not yet settled
Huai'an New City Investment Holding Co., Ltd.	47,028,683.16	Not yet settled
Nanjing Construction Design Research Institute Co., Ltd	35,312,552.09	Not yet settled
Jiangsu Wentong Construction Co., Ltd. Huaian Branch	18,595,915.29	Not yet settled
Total	405,136,080.82	

24. Advances from customers

(1) List of advance receipts

Items	Previous year ending balance
Within 1 year	646,870,752.36
1-2 years	126,456,333.78
2-3 years	44,163,475.81
Over 3 years	59,190,292.45
Total	876,680,854.40

25. Contract liabilities

(1) Contract liabilities

Aging	Closing balance
Advance receipts of sales funds	372,481,079.71
Total	372,481,079.71

26. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	400,895,798.89	262,508,648.50
Urban maintenance and construction tax	25,146,758.82	17,129,656.61
Education surcharge	22,078,481.76	16,002,499.84
Housing tax	187,233,683.56	144,505,030.72
Increment tax on land value	17,200,350.67	17,200,350.67
Land use tax	1,174,557.65	12,041.27
Corporate income tax	185,719,478.65	66,234,502.78

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
Individual income tax	18,464.48	7,485.54
Stamp duty		275,558.09
Other taxes	722,834.75	410,040.86
Total	840,190,409.23	524,285,814.88

27. Other payables

Items	Closing balance	Previous year ending balance
Other payables	3,849,025,284.910	4,421,257,929.77
Interest payable		198,352,370.16
Dividends payable		
Total	3,849,025,284.910	4,619,610,299.93

(1) Other payables

① List of other payables by age

Items	Closing balance	Previous year ending balance
Within 1 year	1,768,089,660.80	864,676,479.60
1-2 years	532,567,345.10	110,917,871.60
2-3 years	108,234,858.12	261,770,154.53
Over 3 years	1,440,133,420.89	3,183,893,424.04
Total	3,849,025,284.910	4,421,257,929.77

② Other account payable with large ending balance

Items	Closing balance	Reasons for outstanding or carrying over
Huai'an Economic and Technological Development Zone Science and Education Industry Development Office	786,177,274.68	Not yet settled
Huai'an Economic Development Zone State-owned Asset Management Co., Ltd.	518,824,644.10	Not yet settled
Huai'an Software Industry Development Office	203,740,796.11	Not yet settled
Huai'an Yongxiang Industrial Co., Ltd.	100,000,000.00	
Huai'an Huairun Trading Co., Ltd	100,000,000.00	Not yet settled
Total	1,708,742,714.89	

28. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year (Note VI. 27)	6,016,487,570.00	6,174,911,005.37
Bonds payable due within 1 year (Note VI. 28)	7,620,771,823.93	9,303,340,532.50
Long-term payables due within 1 year (Note VI. 29)	1,047,784,127.20	858,303,589.72
Interests payable on long-term borrowings	13,804,639.34	
Interest payable on bonds payable	183,006,385.99	
Interest payable on long-term payable	6,243,444.74	
Total	14,888,097,991.20	16,336,555,127.59

29. Other current liabilities

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
Short-term bonds payable	2,300,000,000.00	1,500,000,000.00
Interest payable of short-term bonds payable	35,967,808.22	
Guarantee compensation reserve	21,401,000.00	18,307,189.69
Loan loss reserves	1,499,818.09	1,993,154.15
Undue liability reserve	19,883,498.37	15,031,952.73
Output tax to be transferred for contract liabilities	18,624,053.99	
Total	2,397,376,178.67	1,535,332,296.57

Including: increases and decreases of short-term bonds payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
20 Huai'an Development SCP003	200,000,000.00	2020/08/12	9 months	200,000,000.00	200,000,000.00
20 Huai'an Development SCP004	500,000,000.00	2020/10/30	9 months	500,000,000.00	500,000,000.00
20 Huai'an Development SCP005	300,000,000.00	2020/11/24	9 months	300,000,000.00	300,000,000.00
20 Huai'an Development SCP006	500,000,000.00	2020/12/10	9 months	500,000,000.00	500,000,000.00
21 Su Huai'an Holding ZR001	200,000,000.00	2021/01/18	6 months	200,000,000.00	
21 Huai'an Development SCP001	500,000,000.00	2021/01/07	9 months	500,000,000.00	
21 Huai'an Development SCP002	300,000,000.00	2021/4/29	9 months	300,000,000.00	
21 Su Huai'an Holding ZR003	200,000,000.00	2021/6/29	6 months	200,000,000.00	
21 Su Huai'an Holding ZR004	300,000,000.00	2021/8/26	6 months	300,000,000.00	
21 Huai'an Development SCP003	700,000,000.00	2021/7/12	6 months	700,000,000.00	
21 Huai'an Development SCP004	500,000,000.00	2021/8/31	6 months	500,000,000.00	
21 Huai'an Development SCP005	500,000,000.00	2021/12/15	8 months	500,000,000.00	
	4,700,000,000.00			4,700,000,000.00	1,500,000,000.00

(Continued)

Bond name	Issue in current period	Repayment in the current period	Closing balance
20 Huai'an Development SCP003		200,000,000.00	
20 Huai'an Development SCP004		500,000,000.00	
20 Huai'an Development SCP005		300,000,000.00	
20 Huai'an Development SCP006		500,000,000.00	
21 Su Huai'an Holding ZR001	200,000,000.00	200,000,000.00	
21 Huai'an Development	500,000,000.00	500,000,000.00	

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Bond name	Issue in current period	Repayment in the current period	Closing balance
SCP001			
21 Huai'an Development SCP002	300,000,000.00		300,000,000.00
21 Su Huai'an Holding ZR003	200,000,000.00	200,000,000.00	
21 Su Huai'an Holding ZR004	300,000,000.00		300,000,000.00
21 Huai'an Development SCP003	700,000,000.00		700,000,000.00
21 Huai'an Development SCP004	500,000,000.00		500,000,000.00
21 Huai'an Development SCP005	500,000,000.00		500,000,000.00
	3,200,000,000.00	2,400,000,000.00	2,300,000,000.00

30. Long-term borrowing

Items	Closing balance	Previous year ending balance
Security borrowings	10,324,992,635.10	11,965,361,005.37
Mortgage borrowings	3,198,300,000.00	3,750,747,475.12
Pledge borrowings	2,166,698,205.00	1,255,602,715.00
Credit borrowings	1,743,700,000.00	844,400,000.00
Less: long-term borrowings due within 1 year (Notes VI. 25)	6,016,487,570.00	6,174,911,005.37
Total	11,417,203,270.10	11,641,200,190.12

31. Bonds payable

1. Bonds payable

Items	Closing balance	Previous year ending balance
14 Huai'an Development Holdings Debt		260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)--Minsheng		600,000,000.00
2016 Phase II Medium-Term Notes (MTN002)--CCB		500,000,000.00
17 Huai'an Development MTN001	999,926,694.75	999,716,132.05
Medium-Term Notes (CMB)	794,613,784.73	792,911,004.03
Medium-Term Notes (ABC)	698,100,895.37	695,877,666.23
18 Su Huai'an Holding ZR001		199,893,361.89
18 Huai'an Development MTN002		496,444,657.03
18 Huai'an Development MTN003		399,619,643.87
18 Huai'an Development MTN005		596,666,772.48
18 Huai'an Development MTN006	119,758,658.54	594,778,086.12
19 Huai'an Development MTN001	499,866,043.03	498,267,725.42
19 Su Huai'an Holding ZR001	499,550,226.20	494,186,902.52
19 Huai'an Development PPN001		489,001,564.89
19 Huai'an Development PPN002	199,341,816.10	197,171,381.25
19 Su Huai'an Holding ZR002		300,000,000.00

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
19 Huai Development 01, 19 Huai Development 02	1,298,948,185.58	1,298,510,845.11
19 Huai Development 03	499,165,173.11	498,166,688.25
19 Huai Development 04, 19 Huai Development 05		1,347,427,166.00
2019 overseas bonds	1,908,343,958.05	1,943,990,677.08
20 Su Huai'an Holding ZR002	699,175,026.41	697,583,463.66
20 Su Huai'an Holding ZR001	497,344,247.83	494,847,417.84
20 Huai Development 02	997,395,900.97	995,422,933.17
20 Huai'an Development PPN001	498,172,541.48	496,940,166.40
20 Su Huai'an Holding ZR003	194,384,223.57	193,810,589.92
20 Huai'an Development PPN002	499,223,806.14	498,737,017.45
20 Huai Development D1		1,100,000,000.00
20 Huai'an Development PPN003	299,560,448.05	299,315,180.31
20 Su Huai'an Holding ZR004	99,768,737.54	99,472,912.51
20 Huai Development 03	199,397,918.34	198,629,306.11
20 Huai Development 04	299,193,878.52	299,006,231.83
20 Huai'an Development PPN004	299,457,860.23	299,170,735.66
20 Huai Development 06	1,075,116,993.21	1,072,535,692.90
20 Huai Development 05		350,000,000.00
20 Huai Development 07	407,969,549.08	407,004,937.68
20 Huai Development D2		960,000,000.00
20 Su Huai'an Holding ZR005		300,000,000.00
21 Huai Development 01	1,203,531,048.22	
21 Huai'an Development MTN001	748,341,204.46	
21 Huai'an Development PPN002	198,622,643.37	
21 Su Huai'an Holding ZR002	188,238,454.55	
21 Huai Development 02	606,380,391.71	
21 Huai'an Development MTN002	699,115,627.88	
21 Huai'an 01	298,483,606.44	
21 Huai'an 02	656,456,161.08	
21 Huai Development 03	821,308,232.96	
21 Huai Development 04	595,699,658.87	
21 Huai'an Development MTN003	874,896,464.50	
21 Huai Development 05	845,861,261.39	
21 Huai'an Development PPN003	499,198,555.29	
21 Huai'an Development PPN004	998,750,000.00	
21 Huai'an Development MTN004	597,000,000.00	
Subtotal	23,415,659,877.55	21,965,106,859.66
Less: partial ending balance due within one year (Note VI. 25)		
14 Huai'an Development Holdings Debt		260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)–Minsheng		600,000,000.00

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
2016 Phase II Medium-Term Notes (MTN002)--CCB		500,000,000.00
17 Huai'an Development MTN001	999,926,694.75	
Medium-Term Notes (CMB)		
Medium-Term Notes (ABC)	698,100,895.37	
18 Su Huai'an Holding ZR001		199,893,361.89
18 Huai'an Development MTN002		496,444,657.03
18 Huai'an Development MTN003		399,619,643.87
18 Huai'an Development MTN005		596,666,772.48
18 Huai'an Development MTN006		594,778,086.12
19 Huai'an Development MTN001	499,866,043.03	
19 Su Huai'an Holding ZR001	499,550,226.20	
19 Huai'an Development PPN002	199,341,816.10	
19 Su Huai'an Holding ZR002		300,000,000.00
19 Huai Development 01, 19 Huai Development 02	1,298,948,185.58	1,298,510,845.11
19 Huai Development 03	499,165,173.11	
19 Huai Development 04, 19 Huai Development 05		1,347,427,166.00
20 Huai Development D1		1,100,000,000.00
20 Huai Development 03	199,397,918.34	
20 Huai Development 05		350,000,000.00
20 Huai Development D2		960,000,000.00
20 Su Huai'an Holding ZR004	99,768,737.54	
20 Su Huai'an Holding ZR005		300,000,000.00
21 Su Huai'an Holding ZR002	19,187,149.45	
20 Su Huai'an Holding ZR002	699,175,026.41	
19 Overseas Bonds	1,908,343,958.05	
Subtotal	7,620,771,823.93	9,303,340,532.50
Total	15,794,888,053.62	12,661,766,327.16

(2) Increase and decrease of bond payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
14 Huai'an Development Holdings Debt	1,300,000,000.00	2014-3-10	7 years	1,300,000,000.00	260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)--Minsheng	600,000,000.00	2016-1-28	5 years	600,000,000.00	600,000,000.00
2016 Phase II Medium-Term Notes (MTN002)--CCB	500,000,000.00	2016-11-28	5 years	500,000,000.00	500,000,000.00
17 Huai'an Development MTN001	1,000,000,000.00	2017-2-28	5 years	1,000,000,000.00	999,716,132.05
Medium-Term Notes (CMB)	800,000,000.00	2017-9-27	7 years	800,000,000.00	792,911,004.03
Medium-Term Notes	700,000,000.00	2017-9-6	5 years	700,000,000.00	695,877,666.23

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
(ABC)					
18 Su Huai'an Holding ZR001	200,000,000.00	2018-2-13	3 years	200,000,000.00	199,893,361.89
18 Huai'an Development MTN002	500,000,000.00	2018-4-20	5 years	500,000,000.00	496,444,657.03
18 Huai'an Development MTN003	400,000,000.00	2018-3-30	3 years	400,000,000.00	399,619,643.87
18 Huai'an Development MTN005	600,000,000.00	2018-7-13	3 years	600,000,000.00	596,666,772.48
18 Huai'an Development MTN006	600,000,000.00	2018-8-7	5 years	600,000,000.00	594,778,086.12
19 Huai'an Development MTN001	500,000,000.00	2019-1-18	3 years	500,000,000.00	498,267,725.42
19 Su Huai'an Holding ZR001	500,000,000.00	2019-1-24	3 years	500,000,000.00	494,186,902.52
19 Huai'an Development PPN001	500,000,000.00	2019-1-23	5 years	500,000,000.00	489,001,564.89
19 Huai'an Development PPN002	200,000,000.00	2019-3-28	3 years	200,000,000.00	197,171,381.25
19 Su Huai'an Holding ZR002	300,000,000.00	2019-6-27	1 year	300,000,000.00	300,000,000.00
19 Huai Development 01, 19 Huai Development 02	1,300,000,000.00	2019-8-21	3 years	1,300,000,000.00	1,298,510,845.11
19 Huai Development 03	500,000,000.00	2019-9-27	3 years	500,000,000.00	498,166,688.25
19 Huai Development 04, 19 Huai Development 05	1,350,000,000.00	2019-11-14	2 years	1,350,000,000.00	1,347,427,166.00
2019 overseas bonds	2,064,983,104.80	2019-6-25	3 years	2,064,983,104.80	1,943,990,677.08
20 Su Huai'an Holding ZR002	700,000,000.00	2020-1-9	3 years	700,000,000.00	697,583,463.66
20 Su Huai'an Holding ZR001	500,000,000.00	2020-1-8	3 years	500,000,000.00	494,847,417.84
20 Huai Development 02	1,000,000,000.00	2020-3-16	3 years	1,000,000,000.00	995,422,933.17
20 Huai'an Development PPN001	500,000,000.00	2020-5-14	3 years	500,000,000.00	496,940,166.40
20 Su Huai'an Holding ZR003	195,200,000.00	2020-4-29	3 years	195,200,000.00	193,810,589.92
20 Huai'an Development PPN002	500,000,000.00	2020-6-2	3 years	500,000,000.00	498,737,017.45
20 Huai Development D1	1,100,000,000.00	2020-7-28	1 year	1,100,000,000.00	1,100,000,000.00
20 Huai'an Development PPN003	300,000,000.00	2020-8-21	3 years	300,000,000.00	299,315,180.31
20 Su Huai'an Holding ZR004	100,000,000.00	2020-9-17	2 years	100,000,000.00	99,472,912.51
20 Huai Development 03	200,000,000.00	2020-9-10	2 years	200,000,000.00	198,629,306.11

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Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
20 Huai Development 04	300,000,000.00	2020-9-10	5 years	300,000,000.00	299,006,231.83
20 Huai'an Development PPN004	300,000,000.00	2020-9-14	3 years	300,000,000.00	299,170,735.66
20 Huai Development 06	1,080,000,000.00	2020-10-21	3 years	1,080,000,000.00	1,072,535,692.90
20 Huai Development 05	350,000,000.00	2020-10-23	1 year	350,000,000.00	350,000,000.00
20 Huai Development 07	410,000,000.00	2020-11-26	3 years	410,000,000.00	407,004,937.68
20 Huai Development D2	960,000,000.00	2020-12-4	1 year	960,000,000.00	960,000,000.00
20 Su Huai'an Holding ZR005	300,000,000.00	2020-10-10	1 year	300,000,000.00	300,000,000.00
21 Huai Development 01	1,210,000,000.00	2021-1-26	3 years	1,210,000,000.00	
21 Huai'an Development MTN001	750,000,000.00	2021-2-9	4 years	750,000,000.00	
21 Huai'an Development PPN002	200,000,000.00	2021-3-15	5 years	200,000,000.00	
21 Su Huai'an Holding ZR002	200,000,000.00	2021-4-2	3 years	200,000,000.00	
21 Huai Development 02	610,000,000.00	2021-4-23	3 years	610,000,000.00	
21 Huai'an Development MTN002	700,000,000.00	2021-6-11	3 years	700,000,000.00	
21 Huai'an 01	300,000,000.00	2021-6-21	3 years	300,000,000.00	
21 Huai'an 02	660,000,000.00	2021-8-12	3 years	660,000,000.00	
21 Huai Development 03	825,000,000.00	2021-8-30	3 years	825,000,000.00	
21 Huai Development 04	600,000,000.00	2021-9-17	5 years	600,000,000.00	
21 Huai'an Development MTN003	880,000,000.00	2021-8-5	3 years	880,000,000.00	
21 Huai Development 05	850,000,000.00	2021-11-30	3 years	850,000,000.00	
21 Huai'an Development PPN003	500,000,000.00	2021-11-26	3 years	500,000,000.00	
21 Huai'an Development PPN004	1,000,000,000.00	2021-12-17	3 years	1,000,000,000.00	
21 Huai'an Development MTN004	600,000,000.00	2021-12-24	2 years	600,000,000.00	
Total	33,095,183,104.80			33,095,183,104.80	21,965,106,859.66

(Continued)

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
14 Huai'an Development Holdings Debt			260,000,000.00		
2016 Phase I Medium-Term Notes (MTN001)--Minsheng			600,000,000.00		
2016 Phase II Medium-Term Notes (MTN002)--CCB			500,000,000.00		
17 Huai'an Development MTN001		210,562.70			999,926,694.75
Medium-Term Notes (CMB)		1,702,780.70			794,613,784.73
Medium-Term Notes (ABC)		2,223,229.14			698,100,895.37
18 Su Huai'an Holding ZR001		106,638.11	200,000,000.00		
18 Huai'an Development MTN002		3,555,342.97	500,000,000.00		
18 Huai'an Development MTN003		380,356.13	400,000,000.00		
18 Huai'an Development MTN005		3,333,227.52	600,000,000.00		
18 Huai'an Development MTN006		4,980,572.42	480,000,000.00		119,758,658.54
19 Huai'an Development MTN001		1,598,317.61			499,866,043.03
19 Su Huai'an Holding ZR001		5,363,323.68			499,550,226.20
19 Huai'an Development PPN001		10,998,435.11	500,000,000.00		
19 Huai'an Development PPN002		2,170,434.85			199,341,816.10
19 Su Huai'an Holding ZR002			300,000,000.00		

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
19 Huai Development 01, 19 Huai Development 02		437,340.47			1,298,948,185.58
19 Huai Development 03		998,484.86			499,165,173.11
19 Huai Development 04, 19 Huai Development 05		2,572,834.00	1,350,000,000.00		
2019 overseas bonds		-35,646,719.03			1,908,343,958.05
20 Su Huai'an Holding ZR002		1,591,562.75			699,175,026.41
20 Su Huai'an Holding ZR001		2,496,829.99			497,344,247.83
20 Huai Development 02		1,972,967.80			997,395,900.97
20 Huai'an Development PPN001		1,232,375.08			498,172,541.48
20 Su Huai'an Holding ZR003		573,633.65			194,384,223.57
20 Huai'an Development PPN002		486,788.69			499,223,806.14
20 Huai Development D1			1,100,000,000.00		
20 Huai'an Development PPN003		245,267.74			299,560,448.05
20 Su Huai'an Holding ZR004		295,825.03			99,768,737.54
20 Huai Development 03		768,612.23			199,397,918.34
20 Huai Development 04		187,646.69			299,193,878.52
20 Huai'an Development PPN004		.287,124.57			299,457,860.23
20 Huai Development 06		2,581,300.31			1,075,116,993.21
20 Huai Development 05			350,000,000.00		
20 Huai Development 07		964,611.40			407,969,549.08
20 Huai Development D2			960,000,000.00		

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
20 Su Huai'an Holding ZR005			300,000,000.00		
21 Huai Development 01	1,200,925,000.00	2,606,048.22			1,203,531,048.22
21 Huai'an Development MTN001	747,750,000.00	591,204.46			748,341,204.46
21 Huai'an Development PPN002	198,200,000.00	422,643.37			198,622,643.37
21 Su Huai'an Holding ZR002	197,600,000.00	638,454.55	10,000,000.00		188,238,454.55
21 Huai Development 02	605,425,000.00	955,391.71			606,380,391.71
21 Huai'an Development MTN002	698,950,000.00	165,627.88			699,115,627.88
21 Huai'an 01	298,200,000.00	283,606.44			298,483,606.44
21 Huai'an 02	656,040,000.00	416,161.08			656,456,161.08
21 Huai Development 03	820,875,000.00	433,232.96			821,308,232.96
21 Huai Development 04	595,500,000.00	199,658.87			595,699,658.87
21 Huai'an Development MTN003	874,124,000.00	772,464.50			874,896,464.50
21 Huai Development 05	845,750,000.00	111,261.39			845,861,261.39
21 Huai'an Development PPN003	499,125,000.00	73,555.29			499,198,555.29
21 Huai'an Development PPN004	998,750,000.00				998,750,000.00
21 Huai'an Development MTN004	597,000,000.00				597,000,000.00
Total	9,834,214,000.00	26,339,017.89	8,410,000,000.00		23,415,659,877.55

32. Long-term payables

Items	Closing balance	Previous year ending balance
Financing lease fund	3,361,737,842.68	4,136,306,343.65
Special accounts payable	27,557,670.59	25,776,870.59
Less: the portion due within 1 year (Notes VI. 25)	1,047,784,127.20	858,303,589.72
Total	2,341,511,386.07	3,303,779,624.52

Among them, conditions of special account payable are as follows:

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Advanced Vocational and Technical College Program	279,615.59			279,615.59
Support Fund	25,497,255.00	1,780,800.00		27,278,055.00
Total	25,776,870.59	1,780,800.00		27,557,670.59

33. Deferred incomes

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Unrealized after-sales leaseback profits and losses	-359,613,982.68	57,074,913.43		-302,539,069.250	Financial leasing
Total	-359,613,982.68	57,074,913.43		-302,539,069.250	

34. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Huai'an Municipal People's Government (authorized and entrusted Huai'an Economic and Technological Development Zone Management Committee to perform the responsibilities of investor)	14,245,000,000.00			14,245,000,000.00
Total	14,245,000,000.00			14,245,000,000.00

35. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium	16,435,200.00			16,435,200.00
Other capital reserves	24,177,064,509.33	1,140,865,579.33	554,158,562.44	24,763,771,526.22
Total	24,193,499,709.33	1,140,865,579.33	554,158,562.44	24,780,206,726.22

36. Other comprehensive income

Items	Balance at the	Amount incurred in current period	Closing balance
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	end of last year		Less: transferred profit or loss for the current period taken into the other comprehens ive income in the previous period	Less: incom e tax expen ses	After-tax parent compan y's attributa ble share	After-tax minority sharehol ders' attributa ble share	
Converted difference in foreign currency statements	50,648,305.60	-997,510.75					49,650,794.85
Total	50,648,305.60	-997,510.75					49,650,794.85

37. Surplus reserve

Items	Previous year ending balance	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	393,413,023.59	393,413,023.59	48,614,057.28		442,027,080.87
Total	393,413,023.59	393,413,023.59	48,614,057.28		442,027,080.87

Note: According to provisions of the Company Law and the Articles of Association, the company draws statutory surplus reserve fund as per 10% of net profits. If the cumulative statutory surplus reserve is more than 50% of registered capital of the company, it may not be withdrawn.

38. Undistributed profits

Items	The current period	Last period
Undistributed profit at the end of the prior year before adjustment	2,980,601,594.27	2,744,275,804.68
Total beginning undistributed profits adjusted (increase +, decrease -)		
Undistributed profits after adjustment at the beginning of period	2,980,601,594.27	2,744,275,804.68
Add: Net profit attributable to shareholders of parent company in current period	556,453,430.16	301,567,639.65
Less: withdrawal of statutory surplus reserve	48,614,057.28	48,741,850.06
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Common stock dividends payable	16,500,000.000	16,500,000.00
Common stock dividends converted into capital stock		
Undistributed profits at the end of period	3,471,940,967.15	2,980,601,594.27

39. Operating incomes and operating costs

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	3,859,022,111.40	2,945,664,913.51	1,835,653,012.71	1,459,751,296.93
Other businesses	82,314,620.90	115,730,007.48	28,335,635.19	12,378,323.16

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Total	3,941,336,732.30	3,061,394,920.99	1,863,988,647.90	1,472,129,620.09

(1) Operating income and operating cost are broken down by category as follows:

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Engineering construction	1,872,798,260.62	1,678,722,146.37	851,825,605.15	789,198,049.66
Land development	683,557,905.30	426,370,757.21	198,394,688.50	149,411,404.60
Real estate sales	580,737,770.03	412,295,470.93	291,242,032.48	250,781,706.29
Hotel services	10,786,366.83	6,788,633.65	12,768,704.26	7,008,491.94
Property management	44,567,021.07	14,029,282.00	18,089,882.32	16,790,976.34
Asset leasing	368,892,796.57	182,758,840.65	325,879,388.42	183,068,306.77
Financial service	74,880,222.33	9,053,095.16	98,635,135.03	34,514,356.61
Sales service	137,101,527.55	127,673,412.32		
Other	85,700,241.10	87,973,275.22	38,817,576.55	28,978,004.72
Total	3,859,022,111.40	2,945,664,913.51	1,835,653,012.71	1,459,751,296.93

40. Financial expenses

Items	Current amount	Previous amount
Interest expenses	212,298,456.07	188,570,125.21
Less: interest income	22,155,775.60	65,242,589.27
Net foreign exchange losses/(net gains)	3,006,877.65	18,566,277.76
Handling fee	2,792,409.00	2,312,256.56
Other	9,585,156.17	1,172,751.25
Total	205,527,123.29	145,378,821.51

41. Other revenues

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Government grants related to daily business activities	446,863,733.49	125,009,529.46	446,863,733.49
Total	446,863,733.49	125,009,529.46	446,863,733.49

Among them, government grants are as follows:

Subsidy item	Current amount	Asset-related/income-related
Subsidy funds	439,110,000.00	Income-related
Input tax addition deduction	4,118.10	Income-related
Subsidies for keeping employment stable	2,931.16	Income-related
Development guidance funds	7,239,813.62	Income-related
Tax rebate	476,870.61	Income-related
Other	30,000.00	Income-related

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Subsidy item	Current amount	Asset-related/income-related
Total	446,863,733.49	

42. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	-5,800,063.90	-1,707,196.03
Investment incomes generated by the disposal of long-term equity investments	177,836.98	215,030,781.08
Investment income gained during holding the available-for-sale financial assets		2,000,000.00
Investment income obtained when holding other equity instrument investments	5,027,300.00	
Financial products investment income	1,102,353.17	2,474,206.70
Total	507,426.25	217,797,791.75

43. Credit impairment losses

Items	Current amount
Bad debt losses	-10,174,148.72
Total	-10,174,148.72

44. Asset disposal gains

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Fixed asset disposal gains or losses	212,379.99	6,702,938.99	212,379.99
Total	212,379.99	6,702,938.99	212,379.99

45. Non-operating income

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Liquidated damages		435,554.84	
Fine income	1,339,274.49		1,339,274.49
Other	640,296.94	219,963.33	640,296.94
Total	1,979,571.43	655,518.17	1,979,571.43

46. Non-operating expenses

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Public welfare donation expenses	10,000.00	25,000.00	10,000.00
Late fee and fine expenditures	4,447,803.33	4,555,420.81	4,447,803.33
Other	87,531.10	273,275.06	87,531.10
Total	4,545,334.43	4,853,695.87	4,545,334.43

47. Income tax expenses

(1) Income Tax Expense Statement

Items	Current amount	Previous amount
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2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Current amount	Previous amount
Current income tax expense	152,326,440.61	9,542,654.91
Deferred income tax expenses	748,577.84	-185,175.35
Total	153,075,018.45	9,357,479.56

48. Supplementary information of Cash Flow Statement

(1) Supplementary information on cash flow statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	554,435,408.52	294,814,343.20
Add: provision for impairment of assets		1,036,338.27
Credit impairment reserve	10,174,148.72	
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	309,587,958.11	498,529,153.61
Amortization of intangible assets	28,669,327.11	36,125,852.51
Amortization of long-term prepaid expenses	12,098,503.03	973,867.20
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	-212,379.99	-6,702,938.99
Losses of fixed asset scrapping (revenues marked with "-")		
Fair value change losses (revenues marked with "-")		
Financial costs (revenues marked with "-")	224,890,489.89	208,309,154.22
Investment losses (revenues marked with "-")	-507,426.25	-217,797,791.75
Decrease of deferred income tax assets (increase marked with "-")	-2,801,328.71	-185,175.35
Increase of deferred income tax liabilities (decrease marked with "-")		
Decrease of inventory (increase marked with "-")	-2,209,265,359.10	-44,383,729.76
Decrease of operational receivables (increase marked with "-")	-5,537,097,547.75	-1,695,866,724.50
Increase of operational payables (decrease marked with "-")	5,641,015,796.65	934,708,433.30
Other		
Net cash flow from operating activities	-969,012,409.77	9,560,781.96
2. Major investing and financing activities uninvolved cash receipts and expenditures:		
Debt conversion to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance lease		
3. Net change of cash and cash equivalents:		
Closing balance of cash	4,931,185,845.83	6,288,308,279.64
Less: opening cash balance	6,288,308,279.64	3,217,511,333.16
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	-1,357,122,433.81	3,070,796,946.48

(2) Cash and cash equivalents

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Opening balance
I. Cash	4,931,185,845.83	6,288,308,279.64
Of which: cash on hand	187,420.06	130,947.58
Bank deposits for payment at any time	4,930,252,297.68	6,035,979,253.79
Other monetary assets for payment at any time	746,128.09	252,198,078.27
Funds deposited in central bank that can be used for payment		
Inter-bank deposits		
Inter-bank offers		
II. Cash equivalents		
Of which: bond investments due within three months		
III. Closing balance of cash and cash equivalents	4,931,185,845.83	6,288,308,279.64
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries		

VII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Huai'an Higher Education Park Investment Industrial Co., Ltd.	40,000.00	Wang Wei	98.75%	Asset operation of park land allocated by the municipal government; operation of real estate development business and roadside garden greening in urban south district; paid transfer of owned park road bridge name, traffic route and other intangible assets; development and construction of Higher Education Park transit to quarter; construction of municipal public infrastructure in the park; real estate sales, sales agency, intermediary agency, lease; providing consulting services for investment attraction projects, education information, financial management, investment, etc; property management; construction, earthwork, pipeline engineering construction; hydropower equipment installation and maintenance; building decoration design and construction; metal materials (excluding precious metals); wholesale and retail of auto parts, building materials, electrical appliance products, general merchandises (excluding food)	Huai'an Jiangsu	Limited liability company

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Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Huai'an Anlan International Hotel Co., Ltd.	20,000.00	Tang Guowei	99.50%	Chinese cuisine services, tobacco retail, pre-packaged food sales, hotel services.	Huai'an Jiangsu	Limited liability company
Huai'an New District Property Management Co., Ltd.	2,000.00	Ji Huai	99.75%	Property management; property management bidding, bidding agency; interior and exterior decoration, decoration engineering construction; water and electricity installation and maintenance; electromechanical equipment maintenance and repair; road marking; house repair, green conservation, cleaning services; daily merchandise sales; catering services; pre-packaged food sales; tobacco retail; chess and card services, tea bars (limited to branch operations).	Huai'an Jiangsu	Limited liability company
Hong Kong Xiangyu Investment Group Co., Limited	849.81		100.00%		Hong Kong, China	Limited liability company
Huai'an Science and Education Industry Investment Holding Co., Ltd.	114,500.00	Dong Haitao	99.00%	Industrial park construction and operation, old city transformation construction and operation, infrastructure construction and operation; real estate development; own house rental; forestry planting and sales; flower lease, garden greening engineering, garden landscaping and green facility engineering, ancient garden building engineering, earthwork engineering construction; development construction and investment management of cultural and creative industry projects; training, education assistance and other education consulting (excluding academic and labor skills); technological achievement promotion, application and technical consulting; intellectual property right services, technological achievement incubation; technical investment attraction services, high-tech entrepreneurship services, project investment; government-authorized operating asset management; providing land transfer, development, recycling, repurchasing, sorting, storage,	Huai'an Jiangsu	Limited liability company

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
				IPO operation and development services as entrusted by government; property services; building construction, municipal engineering, earthwork engineering, pipeline engineering construction; building decoration design and construction; hydropower equipment installation and maintenance; wholesale and retail of metal materials, auto parts, building materials, electrical appliance products, general merchandises. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)		
Huai'an Urban Development Construction Co., Ltd	200.00	Han Yulei	100.00%	House and building engineering construction; construction engineering project management, engineering supervision, engineering technology consultation, engineering cost consultation, engineering design; engineering bidding agency; government procurement bidding agency; real estate marketing planning and sales agency. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Financial Development Holding Group Co., Ltd.	117,758.34	Zhou Xuebing	100.00%	Non-securities equity investment activities and relevant consultation business for financial institutions; investment and asset management; corporate management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Development Logistics Co., Ltd.	1,000,000.00	Tang Guowei	95.00%	General freight, special cargo transportation (container), special cargo transportation (refrigeration preservation). Cargo warehousing, stowage, loading and unloading; freight forwarding; logistics information consultation service; warehouse lease; construction machinery lease; providing supervision service	Huai'an Jiangsu	Limited liability company

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
				for pledged and mortgaged physical assets according to entrustment contract; building material, decoration material, plumbing equipment, firefighting equipment, electromechanical equipment purchasing agency service; logistics park road and standardized warehouse engineering construction. (For those involving special national approval in business scope, operation may be implemented after obtaining special approval)		
Huai'an Langdong Real Estate Development Co., Ltd		Zhang Wei	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Huiding Real Estate Co., Ltd		Li Hong	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Yichen Real Estate Development Co., Ltd		Li Min	100.00%	Real estate development operation; property management; real estate leasing operation. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Boxian Real Estate Development Co., Ltd		Li Min	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Pengsheng Real Estate Development		Yuan Jincheng	100.00%	Real estate development operation (for items subject to approval according to laws, business activities may be	Huai'an Jiangsu	Limited liability company (sole

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Co., Ltd				implemented after approval by relevant departments, and specific operation items are subject to the approval results)		proprietorship of non-natural person investment or holding)
Xuyi Jingfa Municipal Construction Co., Ltd	16,000.00	He Dongze	100.00%	Urban infrastructure construction; road facility construction and maintenance management; civil engineering construction; greening engineering and maintenance; architectural decoration; building material and decoration material (excluding hazardous chemical) sales. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Jingkai Industrial Investment Development Co., Ltd		Yin Yan	100.00%	Equity investment; venture capital (limited to investment in unlisted enterprises); investment activities with proprietary funds; asset management service of proprietary fund investment; information consultation service (excluding license-category information consultation service); consulting and planning service; social and economic consultation service	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)

Note: Huai'an Langdong Real Estate Development Co., Ltd, Huai'an Huiding Real Estate Co., Ltd, Huai'an Yichen Real Estate Development Co., Ltd, Huai'an Boxian Real Estate Development Co., Ltd, Huai'an Pengsheng Real Estate Development Co., Ltd and Huai'an Jingkai Industrial Investment Development Co., Ltd have no actual capital contribution.

2. Equity in joint ventures or associated enterprises

(1) Major joint ventures or associated enterprises

Name of joint ventures or associated enterprises	Main business place	Registered place	Business nature	Shareholding ratio (%)		Accounting method for investment of joint ventures or associated enterprises
				Direct	Indirect	
Huai'an	Huai'an	Huai'an	Sales of furniture, agricultural sideline products, food,		40.00	Equity

Name of joint ventures or associated enterprises	Main business place	Registered place	Business nature	Shareholding ratio (%)		Accounting method for investment of joint ventures or associated enterprises
				Direct	Indirect	
Chuangxin Business Co., Ltd.	Jiangsu	Jiangsu	fitness equipments, hardware, daily necessities, kitwear textiles, detergents, cosmetics, home appliances, electronic products, toys, sanitary ware, packaging materials, rubber and plastic products, ceramic products, handicrafts, paper products, beddings, machinery accessories, building materials, garments, shoes and hats, computer hardware, software and consumables, communication equipments, leather products, office supplies, stainless steel products, aluminum alloy products, chemical raw materials and chemical products (except for hazardous chemicals and precursor chemicals), waterproof and thermal insulation materials, cement products, pipes, kitchen utensils, timepieces, glasses, crystal glass products, electric wires and cables, hotel facilities, audio equipments, fire fighting equipments, electromechanical products, sport goods, metallurgical equipments, environmental protection equipments, metal materials, photographic equipments, electroplating equipments, engineering machinery equipments and accessories, flowers, seedlings, motorcycles, paper products, home decorations, hardware tools, beauty tools; design, planning, production, installation, agency and launch of domestic outdoor advertisements; etiquette services, event planning, public relation activity planning, exhibition and demonstration services, wedding etiquette services, catering management services; self-operation and agency of commodity and technology import and export businesses.			method

VIII. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Registered place	Business nature	Registered capital	Shareholding ratio of parent company to the company (%)	Voting right ratio of parent company to the company (%)
Huai'an People's Government	Huai'an Jiangsu	Government department	No	100.00	100.00

Note: Ultimate controller of the company is Huai'an Municipal People's Government.

2. Subsidiaries of the Company

See Note VII. 1. Equity in subsidiaries.

3. Joint ventures and associated enterprises of the company

For major joint ventures and associated enterprises of the company, see Note VII.2 Equities in joint ventures or associated enterprises. Other joint ventures or associated enterprises forming balance from associated party trade with the company in current period or previous period are as follows:

Name of joint ventures or associated enterprises	Relationship with the company
Huai'an Chuangxin Business Co., Ltd.	Associated enterprises
Huai'an Yongxiang Industrial Co., Ltd.	Associated enterprises

4. Other associated parties

Name of other associated parties	Relationships between other associated parties and the company
Huai'an Municipal Second-hand Vehicle Trading Market Co., Ltd.	Shareholding corporation
Huai'an New City Investment Holding Co., Ltd.	Shareholding corporation
Huai'an Modern Tramway Operation Co., Ltd.	Shareholding corporation
Huai'an Huaiyang Cuisine Group Holding Co., Ltd.	Shareholding corporation
Huai'an Liuchuangyuan Entrepreneurial Investment Co., Ltd.	Shareholding corporation
Huai'an Kechuang Industry Investment Co., Ltd.	Shareholding corporation
Huai'an Huairong Entrepreneurial Investment Fund (Limited Partnership)	Shareholding corporation
EGuan Asia Pacific Technology Huai'an Co., Ltd.	Shareholding corporation
Suhua Entertainment Power Media Technology Co., Ltd.	Shareholding corporation
Huai'an Credit Re-guarantee Co., Ltd.	Shareholding corporation
Huai'an Jinmao Kechuang Venture Capital Partnership Enterprise (Limited Partnership)	Shareholding corporation
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)	Shareholding corporation
Liaoning Anling Economic Development Co., Ltd	Shareholding corporation
Huai'an Qinghe Xingfu Community Bank Co., Ltd	Shareholding corporation
Huai'an Huaishang Yingcai Equity Investment Fund Phase I Center (Limited Partnership)	Shareholding corporation
Jiangsu Xuyi Yuanming Environmental Protection Technology Co., Ltd	Shareholding corporation
Xuxing Biological (Xuyi) Co., Ltd	Shareholding corporation
Jiangsu Xuyi Haner Technology Co., Ltd	Shareholding corporation
Jiangsu Zhongjing Aerospace Semiconductor Industry Development Co., Ltd	Shareholding corporation
Jiaying Yinglong No.5 Investment Partnership Enterprise (Limited Partnership)	Shareholding corporation
Jiangsu Lekesi Technology Co., Ltd	Shareholding corporation
Jiangsu Oumaiwei Turbocharging System Co., Ltd	Shareholding corporation
Jiangsu Xuyi Sanli Technology Co., Ltd	Shareholding corporation
Jiangsu Xuyi Wangdefu Technology Co., Ltd	Shareholding corporation
Jiangsu Fangang Green Building Technology Co., Ltd	Shareholding corporation

5. Conditions of associated party transactions

Associated guarantee

① The Company as the guarantor

Guaranteed party	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/4/29	2022/4/26	No
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/11/25	2022/11/25	No
Huai'an Kechuang Industry Investment Co., Ltd.	28,000.00	2020/6/2	2025/12/20	No
Huai'an Kechuang Industry Investment Co., Ltd.	20,250.00	2021/1/29	2022/1/28	No
Huai'an Kechuang Industry Investment Co., Ltd.	4,000.00	2021/1/20	2022/1/19	No
Huai'an Kechuang Industry Investment Co., Ltd.	1,722.00	2021/1/29	2022/1/29	No
Huai'an New City Investment Holding Co., Ltd.	9,500.00	2020/1/21	2022/1/21	No
Huai'an New City Investment Holding Co., Ltd.	2,000.00	2020/8/14	2024/7/14	No
Huai'an New City Investment Holding Co., Ltd.	18,333.00	2021/7/9	2024/7/9	No
Huai'an New City Investment Holding Co., Ltd.	8,500.00	2021/7/2	2024/7/1	No
Huai'an New City Investment Holding Co., Ltd.	14,266.00	2021/12/17	2023/12/17	No
Huai'an New City Investment Holding Co., Ltd.	15,000.00	2021/11/24	2022/11/24	No
Huai'an Xinfangda Industrial Co., Ltd.	4,000.00	2021/11/9	2022/11/5	No
Total	127,571.00			

6. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance	
	Book balance	Bad debt provision
Other receivables:		
Huai'an New City Investment Holding Co., Ltd.	4,431,074,418.41	
Huai'an Chuangxin Business Co., Ltd.	1,217,249,053.58	
Huai'an Kechuang Industry Investment Co., Ltd.	1,388,287,578.42	

(2) Payables

Name of projects	Closing balance
Other payables:	
Huai'an Yongxiang Industrial Co., Ltd.	100,000,000.00

IX. Commitments and contingencies

1. Major commitments

As of 31 December 2021, the company had no significant commitment for disclosure.

2. Contingencies

(1) Contingent liabilities formed by provision of debt guarantee for other entities and its financial impact

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Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/4/29	2022/4/26	No
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/11/25	2022/11/25	No
Huai'an Kechuang Industry Investment Co., Ltd.	28,000.00	2020/6/2	2025/12/20	No
Huai'an Kechuang Industry Investment Co., Ltd.	20,250.00	2021/1/29	2022/1/28	No
Huai'an Kechuang Industry Investment Co., Ltd.	4,000.00	2021/1/20	2022/1/19	No
Huai'an Kechuang Industry Investment Co., Ltd.	1,722.00	2021/1/29	2022/1/29	No
Huai'an New City Investment Holding Co., Ltd.	9,500.00	2020/1/21	2022/1/21	No
Huai'an New City Investment Holding Co., Ltd.	2,000.00	2020/8/14	2024/7/14	No
Huai'an New City Investment Holding Co., Ltd.	18,333.00	2021/7/9	2024/7/9	No
Huai'an New City Investment Holding Co., Ltd.	8,500.00	2021/7/2	2024/7/1	No
Huai'an New City Investment Holding Co., Ltd.	14,266.00	2021/12/17	2023/12/17	No
Huai'an New City Investment Holding Co., Ltd.	15,000.00	2021/11/24	2022/11/24	No
Huai'an Xinfangda Industrial Co., Ltd.	4,000.00	2021/11/9	2022/11/5	No
Huai'an Chengyida Business Planning Co., Ltd.	5,000.00	2021/5/28	2022/5/27	No
Huai'an Chengyida Business Planning Co., Ltd.	1,000.00	2021/11/24	2022/11/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	7,500.00	2020/6/10	2028/12/10	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	8,000.00	2017/9/30	2024/9/29	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	10,000.00	2016/11/24	2028/6/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	4,250.00	2021/4/9	2023/4/8	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	12,614.00	2021/7/23	2024/7/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	4,500.00	2021/7/16	2022/7/15	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	16,000.00	2021/12/27	2022/12/26	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	8,990.00	2021/10/25	2022/10/24	No
Huai'an Economic and Technological Development Zone State-owned Asset Management Co., Ltd.	3,000.00	2021/6/21	2022/6/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2021/3/31	2022/3/28	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	18,000.00	2017/1/4	2025/1/2	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,000.00	2020/1/8	2023/1/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	1,375.00	2016/2/25	2022/2/19	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	70,000.00	2020/3/10	2025/3/10	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2020/6/22	2023/6/22	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	61,000.00	2020/12/2	2025/12/2	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2020/5/29	2025/5/29	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	22,000.00	2021/3/31	2022/3/28	No

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Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	20,000.00	2021/1/15	2022/1/15	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	16,000.00	2021/2/10	2022/2/9	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	1,800.00	2021/3/30	2026/3/30	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2021/5/14	2023/5/17	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,454.55	2021/6/7	2026/6/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	2,700.00	2021/5/7	2026/5/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	4,000.00	2021/7/14	2026/7/14	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,000.00	2021/9/1	2026/9/1	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	49,000.00	2021/12/17	2023/12/21	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	8,990.00	2021/12/9	2022/12/9	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	70,000.00	2021/9/3	2022/9/3	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2021/7/21	2022/7/26	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	80,000.00	2021/5/14	2022/5/14	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	39,000.00	2021/3/1	2026/3/1	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2021/12/28	2026/12/28	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	20,000.00	2021/12/10	2024/12/10	No
Huai'an Airport Industrial Park Development Co., Ltd.	16,000.00	2020/1/15	2022/1/12	No
Huai'an Airport Industrial Park Development Co., Ltd.	8,000.00	2015/5/29	2025/5/28	No
Huai'an Airport Industrial Park Development Co., Ltd.	995.00	2020/6/22	2023/6/21	No
Huai'an Airport Industrial Park Development Co., Ltd.	5,000.00	2021/1/4	2022/1/4	No
Huai'an Airport Industrial Park Development Co., Ltd.	3,000.00	2021/1/4	2022/1/3	No
Huai'an Airport Industrial Park Development Co., Ltd.	4,000.00	2021/5/7	2022/5/6	No
Huai'an Konggang New District Industrial Co., Ltd	26,000.00	2018/1/1	2027/12/29	No
Huai'an Konggang New District Industrial Co., Ltd	2,500.00	2020/12/8	2027/11/25	No
Huai'an Konggang New District Industrial Co., Ltd	200,000.00	2017/4/11	2025/4/11	No

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Konggang New District Industrial Co., Ltd	20,000.00	2019/12/23	2024/12/23	No
Huai'an Konggang New District Industrial Co., Ltd	533.00	2021/1/19	2022/1/20	No
Huai'an Konggang New District Industrial Co., Ltd	4,000.00	2021/6/9	2022/3/13	No
Huai'an Konggang New District Industrial Co., Ltd	2,100.00	2021/4/9	2022/4/9	No
Huai'an Konggang New District Industrial Co., Ltd	2,000.00	2021/5/31	2022/5/30	No
Huai'an Konggang New District Industrial Co., Ltd	9,000.00	2021/9/10	2022/11/10	No
Huai'an Konggang New District Industrial Co., Ltd	5,000.00	2021/7/30	2022/7/29	No
Huai'an Konggang New District Industrial Co., Ltd	4,900.00	2021/12/23	2022/12/23	No
Huai'an Dragon Palace White Whale Water World Co., Ltd.	5,000.00	2020/4/30	2023/4/29	No
Huai'an Dragon Palace White Whale Water World Co., Ltd.	4,800.00	2021/1/15	2023/1/15	No
Huai'an Dongcheng Garden Greening Construction Co., Ltd.	4,000.00	2019/12/24	2022/12/23	No
Huai'an Dongcheng Garden Greening Construction Co., Ltd.	1,000.00	2021/6/3	2022/6/2	No
Huai'an Traffic Holdings Co., Ltd.	14,800.00	2019/2/3	2022/2/2	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2020/3/20	2023/3/17	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2021/4/2	2022/4/1	No
Huai'an Traffic Holdings Co., Ltd.	7,500.00	2021/6/29	2022/6/24	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2021/8/12	2022/8/11	No
Huai'an Traffic Holdings Co., Ltd.	37,500.00	2021/11/25	2023/11/23	No
Huai'an Kangjia Industry Co., Ltd.	8,000.00	2020/2/28	2023/2/28	No
Huai'an Kangjia Industry Co., Ltd.	9,000.00	2019/12/9	2022/11/27	No
Huai'an Lionong Ecological Agriculture Co., Ltd.	8,000.00	2021/3/15	2022/3/12	No
Huai'an Lionong Ecological Agriculture Co., Ltd.	1,500.00	2021/6/24	2023/6/25	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	15,000.00	2019/12/11	2022/12/10	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	4,000.00	2019/12/25	2022/12/23	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	37,500.00	2020/6/23	2023/6/22	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	11,314.04	2020/6/2	2023/6/2	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	4,900.00	2021/7/13	2022/2/28	No
Huai'an West Tour Industry Group Co., Ltd.	5,000.00	2017/1/13	2022/12/21	No
Huai'an West Tour Industry Group Co., Ltd.	9,559.00	2021/4/16	2022/4/16	No
Huai'an West Tour Industry Group Co., Ltd.	5,000.00	2019/11/26	2022/11/24	No
Huai'an West Tour Industry Group Co., Ltd.	3,740.00	2021/3/29	2022/3/29	No
Huai'an West Tour Industry Group Co., Ltd.	4,900.00	2021/3/11	2024/3/10	No
Huai'an West Tour Industry Group Co., Ltd.	4,226.00	2021/5/31	2024/5/31	No
Huai'an West Tour Industry Group Co., Ltd.	4,000.00	2021/6/10	2022/3/9	No

Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an West Tour Industry Group Co., Ltd.	4,000.00	2021/6/3	2022/6/2	No
Huai'an West Tour Industry Group Co., Ltd.	3,000.00	2021/5/28	2024/5/23	No
Huai'an West Tour Industry Group Co., Ltd.	6,000.00	2021/12/28	2022/12/28	No
Huai'an New City Investment Development Co., Ltd.	15,000.00	2019/8/17	2022/8/16	No
Huai'an New City Investment Development Co., Ltd.	18,000.00	2019/5/31	2024/5/10	No
Huai'an New City Investment Development Co., Ltd.	10,000.00	2019/12/2	2022/12/2	No
Huai'an New City Investment Development Co., Ltd.	29,000.00	2020/10/9	2022/3/17	No
Huai'an New City Investment Development Co., Ltd.	49,900.00	2021/1/1	2025/1/1	No
Huai'an New City Investment Development Co., Ltd.	19,000.00	2021/1/4	2022/1/4	No
Huai'an New City Investment Development Co., Ltd.	11,000.00	2021/1/13	2022/1/12	No
Huai'an New City Investment Development Co., Ltd.	34,200.00	2021/1/1	2023/12/31	No
Huai'an New City Investment Development Co., Ltd.	20,000.00	2021/1/6	2022/1/6	No
Huai'an New City Investment Development Co., Ltd.	93,400.00	2021/1/1	2028/9/30	No
Huai'an Xingye Holding Co., Ltd.	2,000.00	2015/4/14	2023/4/10	No
Huai'an Salt Chemical Industrial Park Co., Ltd	4,000.00	2021/4/28	2022/4/27	No
Jiangsu Huai'an Salt Chemical Industrial Park Co., Ltd.	42,500.00	2019/6/19	2024/6/19	No
Total	1,802,011.59			

(2) As of 31 December 2021, asset mortgage of the company and its subsidiaries:

Name of mortgage assets	Mortgagee	Mortgage amount (ten thousand Yuan)
Real property certificate	Agricultural Development Bank of China, Huai'an Branch	11,393.90
Property ownership certificate	Agricultural Development Bank of China, Huai'an New District Sub-branch	1,700.00
Land use right	Agricultural Development Bank of China, Huai'an New District Sub-branch	8,000.00
Land use right	SPDB Huai'an Branch	4,700.00
Real property certificate	Shanghai international Trust Co., Ltd	50,000.00
Land use right	Bank of China, Huai'an Development Zone Sub-branch	13,100.00
Real estate certificate and land use right	China Minsheng Bank, Huai'an Branch	45,000.00
Real property certificate	China Development Bank Financial Leasing Co., Ltd	200,000.00
Real estate certificate and land	Bank of Communications International Trust Co., Ltd	60,000.00

Name of mortgage assets	Mortgagee	Mortgage amount (ten thousand Yuan)
use right		
Real property certificate	Shanghai International Trust Co., Ltd.	22,000.00
Land use right	Jiangsu Re-guarantee Group Co., Ltd.	20,302.00
Real property certificate	China Investment and Guarantee Corporation	100,000.00
Real property certificate	ICBC Huai'an Chuzhou Development Zone Sub-branch	1,180.84
Real property certificate	Industrial and Commercial Bank of China Limited Xuyi Sub-branch	79,500.00
Real property certificate	Bank of China Limited Xuyi Sub-branch	5,950.00
Real property certificate	Shanghai Pudong Development Bank Co., Ltd Huai'an Branch	13,000.00
Land use right	Bank of Jiangsu Qingpu Branch	4,500.00
Land use right	Jiangnan Rural Commercial Bank Co., Ltd Huai'an Branch	4,400.00
Land use right	Agricultural Bank of China New District Sub-branch	70,000.00
Total		730,026.74

X. Events after the balance sheet date

As of the approval date of this financial statement, the company had no event after balance sheet date to disclose.

XI. Notes on major items of parent company's financial statement

1. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	730,007,947.15	1,050,460,501.58
1-2 years	1,050,460,501.58	1,856,481,581.12
2-3 years	1,856,481,581.12	156,141,739.99
Over 3 years	1,115,171,996.30	957,624,648.86
Subtotal	4,752,122,026.15	4,020,708,471.55
Less: bad debt provision	1.19	1.19
Total	4,752,122,024.96	4,020,708,470.36

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Accounts receivable for which bad debt provision has been assessed by portfolios	4,752,122,026.15	100.00	1.19	<0.01	4,752,122,024.96
Of which:					
Aging analysis method portfolio	237.00	<0.01	1.19	0.5	235.81

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other combinations	4,752,121,789.15	100.00			4,752,121,789.15
Total	4,752,122,026.15	100.00	1.19	<0.01	4,752,122,024.96

(Continued)

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Account receivables with bad debt provision as per credit risk characteristic combinations	4,020,708,471.55	100.00	1.19	<0.01	4,020,708,470.36
Account receivables with single insignificant amount but separate bad debt provision					
Total	4,020,708,471.55	100.00	1.19	<0.01	4,020,708,470.36

(Continued)

① In the portfolio, accounts receivable with bad debt provision according to the aging analysis method

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	233.03		0.00
1-2 years			5.00
2-3 years			10.00
Over 3 years	3.97	1.19	30.00
Total	237.00	1.19	0.50

Note: The provision for bad debts is made according to the aging analysis method.

② In the portfolio, accounts receivable with bad debt provision by other portfolios

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Other combinations	4,752,121,789.15		
Total	4,752,121,789.15		

Note: other combinations without withdrawal of bad debts which is determined according to its relationship with trading object and reputation of trading object, i.e. characteristics of credit risks.

(3) Bad debt reserve status

Category	Opening balance	Amount of changes in current period	Closing balance
----------	-----------------	-------------------------------------	-----------------

		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of account receivables	1.19				1.19
Total	1.19				1.19

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	2,902,031,101.85	61.06	
Huai'an Keyu High-tech Co., Ltd	972,078,997.00	20.46	
Huai'an Xinli Electric Power Construction Development Co., Ltd	450,000,000.00	9.47	
Huai'an Anlan Corporate Management Development Co., Ltd	211,950,663.75	4.46	
Huai'an Software Park Management Development Co., Ltd.	200,905,419.10	4.23	
Total	4,736,966,181.70	99.68	

2. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	32,175,218,672.01	39,938,602,595.10
Interests receivable		
Dividends receivable		
Total	32,175,218,672.01	39,938,602,595.10

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	4,574,300,423.11	10,213,135,654.73
1-2 years	6,841,742,100.17	10,553,335,939.76
2-3 years	4,722,625,540.41	6,961,454,095.90
Over 3 years	16,039,010,882.08	12,213,726,426.85
Subtotal	32,177,678,945.77	39,941,652,117.24
Less: bad debt provision	2,460,273.76	3,049,522.14
Total	32,175,218,672.01	39,938,602,595.10

② Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total

	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance	3,049,522.14			3,049,522.14
Book balance of other receivables at the beginning of year in the current period:				
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period				
Reversal in the current period	589,248.38			589,248.38
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	2,460,273.76			2,460,273.76

③ Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of other receivables	3,049,522.14		589,248.38		2,460,273.76
Total	3,049,522.14		589,248.38		2,460,273.76

④ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	Transaction accounts	12,950,864,049.25	Within 1 year: 497,325,133.45; 1-2 years: 84,030,928.89; 2-3 years: 44,430,539.00; more than 3 years: 12,325,077,447.91	40.24	
Huai'an Dongcheng Industrial Investment Co., Ltd.	Transaction accounts	6,917,715,496.95	96,152,906.12 in one year; 3,675,150,554.33 in 1-2 years; 3,146,412,036.50 in 2-3 years	21.50	
Huai'an Higher Education Park Investment Industrial Co., Ltd.	Transaction accounts	4,825,263,375.82	Within 1 year: 1,129,820,071.42; 1-2 years: 1,363,858,666.74; 2-3 years: 1,186,417,733.03; more than 3 years:	15.00	

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
			1,224,731,728.55		
Huai'an New City Investment Holding Co., Ltd.	Transaction accounts	2,470,477,643.87	1,392,192,465.57 in one year; 807,200,365.66 in 1-2 years; 271,084,812.64 in 2-3 years	7.68	
Huai'an Financial Development Holding Group Co., Ltd.	Borrowings	2,000,329,684.00	1-2 years 14,667,684.00; 2-3 years 325,000.00; more than 3 years 1,985,337,000.00	6.22	
Total		29,164,650,249.89		90.64	

3. Long-term equity investments

(1) Classification of long-term equity investment

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	12,607,031,519.20		12,607,031,519.20	13,057,031,519.20		13,057,031,519.20
Total	12,607,031,519.20		12,607,031,519.20	13,057,031,519.20		13,057,031,519.20

(2) Investment in subsidiaries

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Huai'an Anlan International Hotel Co., Ltd.	199,000,000.00			199,000,000.00		
Huai'an Higher Education Park Investment Industrial Co., Ltd.	395,000,000.00			395,000,000.00		
Huai'an New District Property Management Co., Ltd.	19,950,000.00			19,950,000.00		
Hong Kong Xiangyu Investment Co., Ltd.	8,498,119.20			8,498,119.20		
Huai'an Science and Education Industry Investment Holdings Co., Ltd	1,145,000,000.00			1,145,000,000.00		

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Huai'an Software Park Management Development Co., Ltd.	450,000,000.00		450,000,000.00			
Huai'an Financial Development Holding Group Co., Ltd.	1,177,583,400.00			1,177,583,400.00		
Huai'an Development Logistics Co., Ltd.	9,500,000,000.00			9,500,000,000.00		
Xuyi Jingfa Municipal Construction Co., Ltd	160,000,000.00			160,000,000.00		
Huai'an Urban Development Construction Co., Ltd	2,000,000.00			2,000,000.00		
Total	13,057,031,519.20		450,000,000.00	12,607,031,519.20		

4. Operating income, operating cost

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	1,949,205,397.38	1,306,734,538.12	1,414,011,030.08	1,163,248,751.43
Other businesses	64,677,298.45	19,506,559.39	21,712,463.88	9,609,511.00
Total	2,013,882,695.83	1,326,241,097.51	1,435,723,493.96	1,172,858,262.43

Huai'an Development Holdings Co., Ltd.

Legal representative: Accounting director:



Accounting firm director:





营业执照

统一社会信用代码

91110102082881146K



(副本)

(5-5)

名称 中兴华会计师事务所(特殊普通合伙)
 类型 特殊普通合伙企业
 执行事务合伙人 李尊农, 乔久华
 经营范围 审查企业会计报表、出具审计报告; 验证企业资本, 出具验资报告; 办理企业合并、分立、清算等审计业务; 出具有关报告; 基本建设年度财务决算审计; 代理记账; 会计咨询、税务咨询、管理咨询、会计培训; 法律、法规规定的其他业务。(市场主体依法自主选择经营项目, 开展经营活动; 依法须经批准的项目, 经相关部门批准后依批准的内容开展经营活动; 不得从事国家和本市产业政策禁止和限制类项目的经营活动。)

成立日期 2013年11月04日

合伙期限 2013年11月04日至 长期

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



登记机关

2022 04 20

国家企业信用信息公示系统网址:

<http://www.gsxt.gov.cn>

市场主体应当于每年1月1日至6月30日通过
国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制



仅作为会计师事务所 报告附件使用 执业证书

中兴华会计师事务所(特殊普通合伙)

报告附件(1)

名称：中兴华会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。



发证机关：

北京市财政局

二〇一三年八月十七日

中华人民共和国财政部制





当前位置: 首页 > 政务公开 > 政府信息公示 > 主动公开目录 > 按主题查看 > 证券服务机构监管 > 审计与评估机构

索引号	bm56000001/2022-00000491	分类	审计与评估机构监管对象
发布机构		发布日期	2022年01月11日
名称	从事证券服务业务会计师事务所名录 (截至2021.12.31)		
文号		主题词	

从事证券服务业务会计师事务所名录 (截至2021.12.31)

从事证券服务业务会计师事务所名录 (截至2021.12.31)



从事证券服务业务会计师事务所名录¹

序号	会计师事务所名称	通讯地址	联系电话
72 ¹	中审亚太会计师事务所(特殊普通合伙) ¹	北京市海淀区复兴路47号天行建高总大厦20层2206 ¹	010-51716767 ¹
73 ¹	中审众环会计师事务所(特殊普通合伙) ¹	武汉市武昌区东湖路169号2-9层 ¹	027-86781250 ¹
74 ¹	中天运会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门大街9号院五栋大楼B1座1七、八层 ¹	010-88395676 ¹
75 ¹	中审会计师事务所(特殊普通合伙) ¹	北京市东城区崇文门外大街11号新成文化大厦A座11层 ¹	010-67088759 ¹
76 ¹	中兴财光华会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门外大街2号22层A24 ¹	0311-85927137 ¹
77 ¹	中兴华会计师事务所(特殊普通合伙) ¹	北京市西城区阜外大街1号东塔楼15层 ¹	010-51423818 ¹
78 ¹	中证天通会计师事务所(特殊普通合伙) ¹	北京市海淀区西直门北大街甲43号1号楼13层1316-1326 ¹	010-82212990 ¹
79 ¹	中准会计师事务所(特殊普通合伙) ¹	北京市海淀区真武庙路22号国兴大厦4层 ¹	010-88356126 ¹
80 ¹	众华会计师事务所(特殊普通合伙) ¹	嘉定工业区沪宜路叶城路1630号5楼1088室 ¹	021-63525500 ¹



赵紫娟

姓名 女
Full name _____

性别
Sex 1990-12-27

出生日期 兴华会计师事务所(特殊普通合伙)
Date of birth (合伙) 江苏分所

工作单位
Working unit 410402199012275549

身份证号码
Identity card No _____



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal



证书编号: 110001673877
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2016 年 05 月 06 日
Date of Issuance /y /m /d

赵紫娟(110001673877)
您已通过2021年年检
江苏省注册会计师协会

年 月 日
/y /m /d



姓 名 朱烨
 Full name _____
 性 别 女
 Sex _____
 出生日期 1988-09-05
 Date of birth _____
 工作单位 中兴华会计师事务所（特殊普通合伙）江苏分所
 Working unit _____
 身份证号码 321302198809058823
 Identity card No. _____



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: 110001670517
 No. of Certificate

批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs

发证日期: 2022 01 27 日
 Date of Issuance /y /m /d

Huai'an Development Holdings Co.,Ltd.



Audit Report

00002022040059478134

报告文号：中兴华审字[2022]第020970号

中兴华
报

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP



Audit Report

Zhongxinghua Audit (2022) No.020970

To the shareholders of HUAI'AN DEVELOPMENT HOLDINGS CO.,LTD:

I. Audit opinions

We have audited the financial statements of HUAI'AN DEVELOPMENT HOLDINGS CO.,LTD (the "Huai'an Development Holdings Company"), including the consolidated and parent company's balance sheet as of 31 December 2021, the 2021 consolidated and the parent company's income statement, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the attached financial statements give a true and fair view of the financial position of the Huai'an Development Holdings Company as of 31 December 2021, and of its financial performance and its cash flows for 2020 then ended in accordance with Accounting Standards for Business Enterprises in all material respects.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. The part of "CPA's responsibilities for financial statement audit" in the audit report further elaborates on our responsibilities under the Standards. We are independent of the Huai'an Development Holdings Company in accordance with China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe the audit evidence we obtained is sufficient and appropriate, and provides the foundation for our audit opinions.

III. Liabilities of the management and those charged with governance for financial statement

The management of the Huai'an Development Holdings Company (hereinafter referred to as "the management") is responsible for the preparation of financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to enable them to achieve fair reflection, and design, implementation, and maintenance of necessary internal controls so that material misstatements due to fraud or mistakes do not exist in the financial statements.

In preparing the financial statements, the management are responsible for assessing the Huai'an Development Holdings Company's ability to continue as a going concern and using the going concern basis unless the management intend to liquidate the Huai'an Development Holdings Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Huai'an Development Holdings Company's financial reporting process.

IV. CPA's responsibilities for auditing financial statements



Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee the audit performed in accordance with auditing standards can surely find a certain existing material misstatement. Misstatement may be caused by fraud or error; if a reasonably expected misstatement alone or aggregated may affect financial statement user's economic decision made based on financial statement, it is generally considered to be material misstatement.

In the course of performing audit work according to the audit standards, we exercise professional judgment and maintained professional skepticism. Meanwhile, we also perform the following tasks:

(1) Identify and assess material misstatement risks of financial statements due to fraud or error, design and implement audit process to address these risks, and obtain sufficient and appropriate audit evidences as the basis for giving audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statement or overriding internal controls, the risk of failing to detect material misstatement due to fraud is higher than that due to error.

(2) Understand audit-related internal controls, to design appropriate audit process, but the purpose is not to give opinions on the effectiveness of internal controls.

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

(4) Draw conclusions on the appropriateness of sustainable operation assumption by the management. Based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that cast significant doubt on the Huai'an Development Holdings Company's ability to continue as a going concern. If we conclude that there are significant uncertainties, the auditing standards require us to notify the users about relevant disclosures of the financial statement in the audit report; if the disclosures are insufficient, we should express opinions without reservations. Our conclusions are based on the information available as of the audit report date. However, future events or conditions may cause the Huai'an Development Holdings Company to cease to continue as a going concern.

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

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the Huai'an Development Holdings Company or its business activities to express an opinion on the financial statements. We are responsible for guiding, supervising and executing group audit. We hold full responsibilities for the audit opinions.

We communicate with those charged with governance about planned audit scope, schedule, major audit findings and other matters, including the noteworthy internal control flaws that we have identified during the audit.



(No text on this page, as the signature and seal page for the 2021 financial statement Audit Report of Huai'an Development Holdings Co., Ltd (Zhongxinghua Audit (2022) No.020970)

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Chinese CPA:



Chinese CPA:



25 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021


Prepared by: Hual'an Development Holdings Co., Ltd.


Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand	VI. 1	8,508,638,276.65	9,568,916,254.55	9,568,916,254.55
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable	VI. 2		660,000.00	660,000.00
Accounts receivable	VI. 3	8,122,824,064.69	6,121,354,661.88	6,121,354,661.88
Receivables financing				Inapplicable
Advances to suppliers	VI. 4	2,709,483,655.01	1,662,312,949.67	1,662,312,949.67
Other receivables	VI. 5	38,951,226,781.58	48,461,599,276.33	48,461,599,276.33
Inventory	VI. 6	33,743,527,781.65	25,454,237,761.15	25,454,237,761.15
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year	VI. 7	38,480,608.39		
Other current assets	VI. 8	78,227,540.61	108,004,140.75	108,004,140.75
Total current assets		92,152,408,708.58	91,377,085,044.33	91,377,085,044.33
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets	VI. 9	Inapplicable	Inapplicable	513,257,958.15
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables	VI. 10	265,523,156.51	99,332,098.96	99,332,098.96
Long-term equity investments	VI. 11	402,238,606.70	287,648,018.99	287,648,018.99
Other equity instrument investments	VI. 12	279,589,010.87	300,178,802.13	Inapplicable
Other non-current financial assets	VI. 13	222,539,865.15	213,079,156.02	Inapplicable
Investment properties	VI. 14	4,222,871,619.81	2,214,232,525.64	2,214,232,525.64
Fixed assets	VI. 15	2,568,836,576.31	2,973,783,053.22	2,973,783,053.22
Construction in progress	VI. 16	134,586,530.33	284,121,382.12	284,121,382.12
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets	VI. 17	469,656,324.71	1,020,746,558.03	1,020,746,558.03
Development expenditure				
Goodwill				
Long-term prepaid expense	VI. 18	106,799,500.63	1,705,676.00	1,705,676.00
Deferred tax assets	VI. 19	12,562,613.24	9,761,284.53	9,761,284.53
Other non-current assets	VI. 20	665,566,579.88	700,930,175.03	700,930,175.03
Total non-current assets		9,350,770,384.14	8,105,518,730.67	8,105,518,730.67
Total assets		101,503,179,092.72	99,482,603,775.00	99,482,603,775.00

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: 

Accounting director: 

Accounting firm director: 

Consolidated Balance Sheet (Continued)

31 December 2021

Prepared by: Hual'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

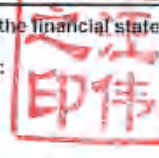
Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	VI. 21	4,221,962,010.94	3,600,804,430.00	3,600,804,430.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable	VI. 22	1,253,906,777.00	958,600,000.00	958,600,000.00
Trade payables	VI. 23	525,127,974.29	1,003,750,113.21	1,003,750,113.21
Advances from customers	VI. 24			876,680,854.40
Employee benefits payable		2,164,203.51	1,714,051.24	1,714,051.24
Contract liabilities	VI. 25	372,481,079.71	834,934,147.05	Inapplicable
Taxes payable	VI. 26	840,190,409.23	524,285,814.88	524,285,814.88
Other payables	VI. 27	3,649,025,284.91	4,619,610,299.93	4,619,610,299.93
Liabilities held for sale				
Non-current liabilities due within one year	VI. 28	14,888,097,991.20	16,336,555,127.59	16,336,555,127.59
Other current liabilities	VI. 29	2,397,376,178.67	1,577,079,003.92	1,535,332,296.57
Total current liabilities		28,350,331,909.46	29,457,332,987.82	29,457,332,987.82
Non-current liabilities:				
Long-term borrowing	VI. 30	11,417,203,270.10	11,641,200,190.12	11,641,200,190.12
Bonds payable	VI. 31	15,794,888,053.62	12,661,766,327.16	12,661,766,327.16
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables	VI. 32	2,341,511,386.07	3,303,779,624.52	3,303,779,624.52
Long-term employee remuneration payable				
Provisions				
Deferred incomes	VI. 33	-302,539,069.25	-359,613,982.68	-359,613,982.68
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		29,251,063,640.54	27,247,132,159.12	27,247,132,159.12
Total liabilities		57,601,395,550.00	56,704,465,146.94	56,704,465,146.94
Owner's equity:				
Paid-in capital	VI. 34	14,245,000,000.00	14,245,000,000.00	14,245,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve	VI. 35	24,780,206,726.22	24,193,499,709.33	24,193,499,709.33
Less: treasury stock				
Other comprehensive income	VI. 36	49,650,794.85	50,648,305.60	50,648,305.60
Special reserve				
Surplus reserve	VI. 37	442,027,080.87	393,413,023.59	393,413,023.59
General risk reserve				
Undistributed profits	VI. 38	3,471,940,967.15	2,980,601,594.27	2,980,601,594.27
Total owners' equity attributable to the parent		42,988,825,569.09	41,863,162,632.79	41,863,162,632.79
Minority shareholder's equity		912,957,973.63	914,975,995.27	914,975,995.27
Total owners' equity		43,901,783,542.72	42,778,138,628.06	42,778,138,628.06
Total liabilities and owners' equity		101,503,179,092.72	99,482,603,775.00	99,482,603,775.00

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



CONSOLIDATED INCOME STATEMENT

the year 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		3,941,336,732.30	1,863,988,647.90
Of which: Operating revenue	VI. 39	3,941,336,732.30	1,863,988,647.90
II. Total operating costs		3,668,669,933.34	1,904,092,569.37
Of which: Operating costs	VI. 39	3,061,394,920.99	1,472,129,620.09
Taxes and surcharges		122,943,197.20	102,522,706.52
Selling expenses		56,799,037.14	44,357,416.21
Administrative expenses		222,005,654.72	139,704,005.04
R&D expenses			
Financial expenses	VI. 40	205,527,123.29	145,378,821.51
Including: Interest expense		212,296,456.07	188,570,125.21
Interest incomes		22,155,775.60	65,242,589.27
Add: other incomes	VI. 41	446,863,733.49	125,009,529.46
Investment income (losses expressed with "-")	VI. 42	507,426.25	217,797,791.75
Of which: Investment income from associates and joint ventures		-5,800,063.90	-29,633.13
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")	VI. 43	-10,174,148.72	
Asset impairment losses (losses marked with "-")			-1,036,338.27
Gains on disposal of assets (losses expressed with "-")	VI. 44	212,379.99	6,702,938.99
III. Operating profits (losses marked with "-")		710,076,189.97	308,370,000.46
Add: non-operating income	VI. 45	1,979,571.43	655,518.17
Less: Non-operating expenses	VI. 46	4,545,334.43	4,853,695.87
IV. Total profits (total losses marked with "-")		707,510,426.97	304,171,822.76
Less: Income tax expenses	VI. 47	153,075,018.45	9,357,479.56
V. Net profits (net losses marked with "-")		554,435,408.52	294,814,343.20
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		554,435,408.52	294,814,343.20
2. Net profits from discontinued operation (net losses marked with "-")			
(II) Classified by ownership:			
1. Net profits attributable to parent company shareholders (net losses marked with "-")		556,453,430.16	301,567,639.65
2. Minority shareholders' profits and losses (net losses marked with "-")		-2,018,021.64	-6,753,296.45
VI. After-tax net amount of other comprehensive incomes		-897,510.75	132,748,270.63
(I) Net other comprehensive incomes after tax attributable to owners of parent company		-997,510.75	132,748,270.63
1. Other comprehensive incomes not to be reclassified into profits and losses			
(1) Changes from re-measuring defined benefit plan			
(2) Other comprehensive incomes unable to transfer to profits and losses under the equity method			
(3) Fair value changes of other equity instrument investments			Inapplicable
(4) Fair value changes of corporate credit risks			Inapplicable
(5) Others			
2. Other comprehensive incomes to be reclassified into profits and losses		-997,510.75	132,748,270.63
(1) Other comprehensive incomes able to transfer to profits and losses under the equity method			
(2) Fair value changes of other debt investments			Inapplicable
(3) Fair value changes of available-for-sale financial asset investments		Inapplicable	
(4) Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
(5) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets		Inapplicable	
(6) Other debt investment credit impairment provisions			Inapplicable
(7) Cash flow hedge reserve			
(8) Converted difference in foreign currency statements		-997,510.75	132,748,270.63
(9) Others			
(ii) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		553,437,897.77	427,562,613.83
(i) Total comprehensive incomes attributable to owners of parent company		555,455,919.41	434,315,910.26
(ii) Total comprehensive incomes attributable to minority shareholders		-2,018,021.64	-6,753,296.45

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Consolidated Cash Flow Statement

the year 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		2,405,270,368.88	1,322,187,392.62
Tax refunds received		2,939,092.81	
Other cash received related to operating activities		10,324,954,971.33	5,806,934,119.21
Subtotal cash inflow from operating activities		12,733,164,433.02	7,129,121,511.83
Cash paid to buy goods and receive labor service		4,877,291,042.70	1,381,556,404.89
Cash paid to and for employees		45,157,019.85	36,319,654.16
Taxes paid		131,998,166.46	184,056,073.23
Other cash paid to operating-related activities		8,647,730,613.78	5,517,628,597.59
Subtotal cash outflow from operating activities		13,702,176,842.79	7,119,560,729.87
Net cash flow from operating activities		-969,012,409.77	9,560,781.96
II. Cash flow from investing activities			
Cash received from investment withdrawal		2,331,122,415.80	126,030,780.00
Cash received from investment income		7,803,297.01	5,265,248.31
Net cash received from disposal of fixed assets, intangible assets and other long-term investments		225,286.19	173,199,273.72
Net cash received from disposal of subsidiaries and other business units		177,839.98	925,265,070.00
Other cash received from investing activities			182,870,080.32
Subtotal cash inflow from investing activities		2,339,328,835.98	1,412,630,452.35
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		145,585,249.59	208,154,264.40
Cash paid for investment		1,862,544,288.20	790,704,919.73
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			3,197,872,634.13
Subtotal cash outflow from investing activities		2,008,129,537.79	4,196,731,818.26
Net cash flow from investment activities		331,199,298.19	-2,784,101,365.91
III. Cash flow from financing activities:			
Cash received from absorbing investments		506,459,935.40	53,759,040.00
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			
Cash received from borrowings		26,694,464,585.00	23,853,125,065.75
Other cash received from financing-related activities		334,774,760.26	731,916,900.00
Subtotal of cash inflow from financing activities		27,535,699,280.66	24,638,801,005.75
Cash paid for repayment of debt		24,593,270,373.06	16,266,304,202.81
Cash paid for distributing dividends, profits or settling interests		3,185,897,419.61	484,143,387.91
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities		513,593,470.07	2,073,782,295.33
Subtotal cash outflow from financing activities		28,292,761,262.74	18,824,229,886.05
Net cash flow from financing activities		-757,061,982.08	5,814,571,119.70
IV. Influence of exchange rate changes to cash and cash equivalents		37,752,659.85	30,766,410.73
V. Net increase in cash and cash equivalents		-1,357,122,433.81	3,070,796,946.48
Add: opening balance of cash and cash equivalents		6,288,308,279.64	3,217,511,333.16
VI. Closing balance of cash and cash equivalents		4,931,185,845.83	6,288,308,279.64

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Consolidated Owner's Equity Change Statement

the year 2021

Prepared by: Huelian Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Current amount												
	Owner's equity attributable to the parent company										Total owners' equity		
	Paid-in capital	Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits		Subtotal	Minority shareholder's equity
Preferential shares	Perpetual debt	Other	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	Reserve for contingencies	
I. Balance at the end of last year	14,245,000,000.00			24,193,499,709.33		50,048,305.60		393,413,023.59		2,980,801,584.27	41,863,162,632.79	914,875,985.27	42,778,138,628.06
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00			24,193,499,709.33		50,048,305.60		393,413,023.59		2,980,801,584.27	41,863,162,632.79	914,875,985.27	42,778,138,628.06
III. Increased or decreased amount in the current period (decrease marked with "-")				586,707,016.89		-987,510.75		48,614,057.28		481,339,372.86	1,125,662,836.30	-2,018,021.84	1,123,644,814.66
(I) Total comprehensive incomes						-987,510.75				586,453,430.16	585,465,919.41	-2,018,021.84	583,437,897.77
(II) Capital increase or decrease from the owner				586,707,016.89							586,707,016.89		586,707,016.89
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others				586,707,016.89							586,707,016.89		586,707,016.89
(III) Profit distribution								48,614,057.28		-65,114,057.28	-16,500,000.00		-16,500,000.00
1. Withdrawal of the surplus reserves													
2. Withdrawal of the general risk reserves													
3. Distribution to owners													
4. Others								48,614,057.28		-49,614,057.28	-16,500,000.00		-16,500,000.00
(IV) Internal transfer of shareholders' equity													
1. Capital reserve to increase capital													
2. Surplus reserve to increase capital													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00			24,780,206,726.22		49,060,794.85		442,027,080.87		3,471,940,987.16	42,988,835,669.09	912,857,973.63	43,901,793,642.72



Accounting firm director:



Accounting leader:



Legal representative

(The attached Financial Statements are an integral part of the financial statements)

Consolidated Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Hualan Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Previous amount												
	Paid-up capital	Reserve	Surplus	Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Subtotal	Minority shareholder's equity	Total owners' equity
I. Balance at the end of last year	14,245,000,000.00	500,000,000.00	500,000,000.00	18,317,249,054.13		-82,099,965.03		344,871,173.53		2,744,275,804.86	36,089,096,067.31	867,970,251.72	36,937,066,319.03
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00	500,000,000.00	500,000,000.00	18,317,249,054.13		-82,099,965.03		344,871,173.53		2,744,275,804.86	36,089,096,067.31	867,970,251.72	36,937,066,319.03
III. Increased or decreased amount in the current period (decrease marked with "-")			-500,000,000.00	5,876,250,655.20		132,748,270.63		48,741,850.06		239,325,769.59	5,784,066,555.48	47,006,743.55	5,841,072,309.03
(I) Total comprehensive income													
(II) Capital increase or decrease from the owner			-500,000,000.00	5,876,250,655.20		132,748,270.63				301,587,839.85	434,315,910.28	-6,753,296.45	427,562,613.83
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others			-500,000,000.00	5,876,250,655.20		132,748,270.63				301,587,839.85	434,315,910.28	-6,753,296.45	427,562,613.83
(III) Profit distribution													
1. Withdrawal of the surplus reserves								48,741,850.06		-65,241,850.00	5,376,250,655.20	53,759,040.00	5,430,006,695.20
2. Withdrawal of the general risk reserves								48,741,850.06		-48,741,850.06	-16,500,000.00		-16,500,000.00
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity													
1. Capital reserve to increase capital													
2. Surplus reserve to increase capital													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00			24,193,499,709.33		50,648,305.60		393,413,023.59		2,980,601,594.27	41,663,162,632.79	914,375,995.27	42,778,139,628.06

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Accounting firm director:

Accounting leader:

(The attached Financial Statement is an integral part of the financial statements)

Balance Sheet

31 December 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand		4,759,330,168.22	4,249,215,325.46	4,249,215,325.46
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				
Accounts receivable	XI. 1	4,752,122,024.96	4,020,708,470.36	4,020,708,470.36
Receivables financing				Inapplicable
Advances to suppliers		2,096,724,980.53	1,507,970,649.29	1,507,970,649.29
Other receivables	XI. 2	32,175,218,672.01	39,938,602,595.10	39,938,602,595.10
Inventory		26,481,195,302.35	18,810,436,340.48	18,810,436,340.48
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets		281,658.73	247,984.68	247,984.68
Total current assets		70,264,872,806.80	68,527,181,365.37	68,527,181,365.37
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	96,616,453.39
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables				
Long-term equity investments	XI. 3	12,607,031,519.20	13,057,031,519.20	13,057,031,519.20
Other equity instrument investments		87,875,785.39	87,875,785.39	Inapplicable
Other non-current financial assets		8,014,285.00	8,740,668.00	Inapplicable
Investment properties		1,758,277,259.60	1,297,664,336.10	1,297,664,336.10
Fixed assets		853,376,318.56	932,603,895.69	932,603,895.69
Construction in progress		17,841,358.54	17,438,214.91	17,438,214.91
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets		25,674,710.08	26,790,707.68	26,790,707.68
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets		615,068.74	762,380.83	762,380.83
Other non-current assets				
Total non-current assets		15,358,706,305.11	15,428,907,507.80	15,428,907,507.80
Total assets		85,623,579,111.91	83,956,088,873.17	83,956,088,873.17

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Balance Sheet (Continued)

31 December 2021

Prepared by: Hua'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings		1,172,600,000.00	1,347,500,000.00	1,347,500,000.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable		150,000,000.00	281,000,000.00	281,000,000.00
Trade payables		561,698,422.82	557,431,622.30	557,431,622.30
Advances from customers				825,448,699.17
Contract liabilities		326,729,899.64	786,141,618.26	Inapplicable
Employee benefits payable				
Taxes payable		444,307,219.96	244,367,823.83	244,367,823.83
Other payables		10,217,523,363.15	7,921,597,712.73	7,921,597,712.73
Liabilities held for sale				
Non-current liabilities due within one year		11,654,950,635.80	15,575,854,402.52	15,575,854,402.52
Other current liabilities		2,316,336,494.98	1,539,307,080.91	1,500,000,000.00
Total current liabilities		26,844,146,036.35	28,253,200,260.55	28,253,200,260.55
Non-current liabilities:				
Long-term borrowing		6,249,100,005.37	8,018,530,000.00	8,018,530,000.00
Bonds payable		15,794,888,053.62	10,717,775,650.08	10,717,775,650.08
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables		603,361,495.56	807,093,802.81	807,093,802.81
Long-term employee remuneration payable				
Provisions				
Deferred incomes		-302,539,069.25	-359,613,982.68	-359,613,982.68
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		22,344,810,485.30	19,183,785,470.20	19,183,785,470.20
Total liabilities		49,188,956,521.65	47,436,985,730.76	47,436,985,730.76
Owner's equity:				
Paid-in capital		14,245,000,000.00	14,245,000,000.00	14,245,000,000.00
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve		17,761,652,085.27	18,315,773,210.26	18,315,773,210.26
Less: treasury stock				
Other comprehensive income				
Special reserve				
Surplus reserve		442,027,080.87	393,413,023.59	393,413,023.59
Undistributed profits		3,985,943,424.12	3,564,916,908.56	3,564,916,908.56
Total owners' equity		36,434,622,590.26	36,519,103,142.41	36,519,103,142.41
Total liabilities and owners' equity		85,623,579,111.91	83,956,088,873.17	83,956,088,873.17

The attached Financial Statement Notes are an integral part of the financial statements.

Legal representative:



Accounting director:



Accounting firm director:



Income Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

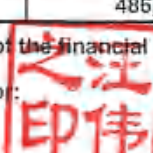
Items	Note	Current amount	Previous amount
I. Operating income	XI. 4	2,013,882,695.83	1,435,723,493.96
Less: operating costs	XI. 4	1,326,241,097.51	1,172,858,262.43
Taxes and surcharges		68,795,782.58	68,609,010.06
Selling expenses		11,629,595.97	9,912,424.94
Administrative expenses		77,062,182.53	33,062,474.03
R&D expenses			
Financial expenses		58,636,546.07	-21,492,118.56
Including: Interest expense		58,519,776.95	12,590,172.99
Interest incomes			34,467,564.44
Add: other incomes		132,000,000.00	100,000,000.00
Investment income (losses expressed with "-")			216,198,333.07
Of which: Investment income from associates and joint ventures			
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")		589,248.38	
Asset impairment losses (losses marked with "-")			-385,207.12
Gains on disposal of assets (losses expressed with "-")			
II. Operating profits (losses marked with "-")		604,106,739.55	488,586,567.01
Add: non-operating income		557,394.87	98,777.98
Less: Non-operating expenses		280,500.00	1,363,146.15
III. Total profits (total losses marked with "-")		604,383,634.42	487,322,198.84
Less: Income tax expenses		118,243,061.58	96,801.78
IV. Net profits (net losses marked with "-")		486,140,572.84	487,418,500.62
(I) Net profits from sustainable operation (net losses marked with "-")		486,140,572.84	487,418,500.62
(II) Net profits from discontinued operation (net losses marked with "-")			
V. After-tax net amount of other comprehensive incomes			
(I) Other comprehensive incomes not to be reclassified into profits and losses			
1. Re-measured defined benefit plan changes			
2. Other comprehensive incomes unable to transfer to profits and losses under the equity method			
3. Fair value changes of other equity instrument investments			Inapplicable
4. Fair value changes of corporate own credit risks			Inapplicable
5. Others			
(II) Other comprehensive incomes to be reclassified into profits and losses			
1. Other comprehensive incomes able to transfer to profits and losses under the equity method			
2. Fair value changes of other debt investments			Inapplicable
3. Fair value changes of available-for-sale financial asset investments		Inapplicable	
4. Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets		Inapplicable	
6. Other debt investment credit impairment provisions			inapplicable
7. Cash flow hedge reserve			
8. Converted difference in foreign currency statements			
9. Others			
VI. Total comprehensive incomes		486,140,572.84	487,418,500.62

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Cash Flow Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		886,279,921.26	837,095,851.42
Tax refunds received			
Other cash received related to operating activities		4,958,598,020.70	1,146,548,977.29
Subtotal cash inflow from operating activities		5,844,877,941.96	1,983,644,828.71
Cash paid to buy goods and receive labor service		2,275,508,641.71	280,005,100.34
Cash paid to and for employees		4,491,154.52	5,415,524.00
Taxes paid		60,696,120.83	124,874,021.70
Other cash paid to operating-related activities		88,960,971.50	5,411,454,876.58
Subtotal cash outflow from operating activities		2,429,656,888.56	5,821,749,522.62
Net cash flow from operating activities		3,415,221,053.40	-3,838,104,693.91
II. Cash flow from investing activities			
Cash received from investment withdrawal		604,198,083.00	
Cash received from investment income			2,000,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			
Net cash received from disposal of subsidiaries and other business units			884,626,500.00
Other cash received from investing activities			
Subtotal cash inflow from investing activities		604,198,083.00	886,626,500.00
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		6,276,329.07	31,627,248.04
Cash paid for investment		888,471,700.00	551,628,800.00
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		894,748,029.07	583,254,048.04
Net cash flow from investment activities		-290,549,946.07	303,372,456.96
III. Cash flow from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings		19,802,239,100.00	19,279,742,880.34
Other cash received from financing-related activities		7,890,000.00	365,616,900.00
Subtotal of cash inflow from financing activities		19,810,129,100.00	19,645,359,780.34
Cash paid for repayment of debt		19,994,092,765.06	13,841,761,388.11
Cash paid for distributing dividends, profits or settling interests		2,456,216,229.76	170,594,695.21
Other cash paid to financing-related activities		128,728,709.81	1,322,480,894.91
Subtotal cash outflow from financing activities		22,579,037,704.63	15,334,836,978.23
Net cash flow from financing activities		-2,768,908,604.63	4,310,522,802.11
IV. Influence of exchange rate changes to cash and cash equivalents			
V. Net increase in cash and cash equivalents			
Add: opening balance of cash and cash equivalents		1,916,461,330.55	1,140,670,765.39
VI. Closing balance of cash and cash equivalents			
		2,272,223,833.25	1,916,461,330.55

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director



Accounting firm director:



Owner's Equity Change Statement

the year 2021

Prepared by: Huai'an Development Holdings Co., Ltd.

Items	Paid-in capital				Other equity instruments			Capital reserve	Less: treasury stock	Current amount				Total owners' equity
	Paid-in capital	Preferred shares	Perpetual debts	Other	Other equity instruments	Other comprehensive income	Special reserve			Surplus reserve	Undistributed profits			
I. Balance at the end of last year	14,245,000,000.00						18,315,773,210.26					363,413,023.59	3,564,916,908.56	36,519,103,142.41
Add: accounting policy changes														
Correction of previous-period accounting errors														
Other														
II. Balance at the beginning of this year	14,245,000,000.00						18,315,773,210.26					363,413,023.59	3,564,916,908.56	36,519,103,142.41
III. Increased or decreased amount in the current period (decrease marked with "-")							-554,121,124.99					48,614,057.28	421,026,515.56	-84,480,552.15
(I) Total comprehensive incomes														
(II) Capital increase or decrease from the owner														
1. Invested capital by the owner							-554,121,124.99							486,140,572.84
2. Other equity instruments owner invested capital														-554,121,124.99
3. Amount of stock payment included in owner's equity														
4. Others							-554,121,124.99							-554,121,124.99
(III) Profit distribution														
1. Withdrawal of the surplus reserves												48,614,057.28		-65,114,057.28
2. Withdrawal of the general risk reserves												48,614,057.28		-48,614,057.28
3. Distribution to owners														
4. Others														
(IV) Internal transfer of shareholders' equity														
1. Capital reserve to increase capital														
2. Surplus reserve to increase capital														
3. Cover losses with surplus reserve														
4. Set the benefit plan variation to be carried out into retained earnings														
5. Retained earnings carried forward by other comprehensive incomes														
6. Others														
(V) Special reserve														
1. Withdrawal in this period														
2. Used in this period														
(VI) Others														
IV. Balance at the end of current year	14,245,000,000.00						17,761,652,085.27					442,027,080.87	3,965,943,424.12	36,434,622,590.26

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative

徐铁印

Accounting leader:

汪伟印

Accounting firm director:

赵翔

审计报告
报告编号：特审字[2021]第011号

Owner's Equity Change Statement (Continued)

the year 2021

Prepared by: Huailian Development Holdings Co., Ltd.

Items	Paid-in capital				Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
	Preference shares	Perpetual debts	Other										
I. Balance at the end of last year	14,245,000,000.00				500,000,000.00		18,153,773,210.26				344,671,173.53	3,142,740,258.00	36,386,184,641.79
Add: accounting policy changes													
Correction of previous-period accounting errors													
Other													
II. Balance at the beginning of this year	14,245,000,000.00				500,000,000.00		18,153,773,210.26				344,671,173.53	3,142,740,258.00	36,386,184,641.79
III. Increased or decreased amount in the current period (decrease marked with "-")					-500,000,000.00		162,000,000.00				48,741,850.06	422,176,650.56	132,918,500.62
(I) Total comprehensive incomes													
(II) Capital increase or decrease from the owner					-500,000,000.00		162,000,000.00						487,418,500.62
1. Invested capital by the owner													
2. Other equity instruments owner invested capital													
3. Amount of stock payment included in owner's equity													
4. Others					-500,000,000.00		162,000,000.00						-338,000,000.00
(III) Profit distribution													
1. Withdrawal of the surplus reserves											48,741,850.06	-65,241,850.06	-16,500,000.00
2. Withdrawal of the general risk reserves											48,741,850.06	-48,741,850.06	
3. Distribution to owners													
4. Others													
(IV) Internal transfer of shareholders' equity													
1. Capital (or stock) increase from capital reserves													
2. Capital (or stock) increase from surplus reserves													
3. Cover losses with surplus reserve													
4. Set the benefit plan variation to be carried out into retained earnings													
5. Retained earnings carried forward by other comprehensive incomes													
6. Others													
(V) Special reserve													
1. Withdrawal in this period													
2. Used in this period													
(VI) Others													
IV. Balance at the end of current year	14,245,000,000.00						18,315,773,210.26				353,413,023.59	3,564,916,908.56	36,519,103,142.41

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative



Accounting leader



Accounting firm director



兴华会计师事务所(特殊普通合伙)
 报告编号: 兴会审字(2022)第0101号

Huai'an Development Holdings Co., Ltd.

2021 Financial Statement Notes

(Unless otherwise specified, the amount unit is RMB)

I. Company profile

1. Registered location, organization form and headquarter address of the company

Huai'an Development Holdings Co., Ltd. (hereinafter referred to as "the company", collectively referred to as "the group" when subsidiaries are included) is a limited liability company registered by the Jiangsu Province Huai'an Municipal Administration for Industry and Commerce, established in April 2005, with unified social credit code of 9132080077377346XE, enterprise category of limited liability company (wholly state-owned), domicile at No.3 Yufu Road, Huai'an Economic and Technological Development Zone, legal representative: Xu Tie. Corporate business period is from 22 April 2005 to *****, with current registered capital of RMB 14,300,000,000 and paid-in capital of RMB 14,245,000,000.

2. Business nature and main operating activities of the company

Corporate business scope: various engineering construction activities; real estate development operation; general contracting for house, building and municipal infrastructure project engineering (for items subject to approval according to laws, business activities may be implemented after approval by relevant departments, and specific operation items are subject to the approval results) General items: land consolidation service; land use right lease; real estate consultation; property management; housing lease; non-residential real estate lease; daily necessity sales (except the items subject to approval according to laws, business activities are implemented independently according to laws with business license).

3. Approval of financial report

The financial statement was reported upon the approval of the corporate board of directors on 26 April 2022.

1. Scope of consolidated statement

The company had a total of 15 subsidiaries in the consolidation scope in 2021; please refer to Note VIII "Equity in other entities". The company had no change in consolidation scope in 2021.

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statement pursuant to the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, the Application Guidelines, the Interpretations and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), based on sustainable operation, actual transaction and event.

According to relevant provisions of the accounting standards for enterprises, accounting in the company is conducted based on the accrual system. Apart from certain financial instruments and investment real estate, the financial statements should be measured on the basis of historic cost. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2. Sustainable operations

The financial statement is presented based on sustainable operation, and the company has the ability of sustainable operation within at least 12 months from the end of reporting period.

III. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements formulated by the company were in accordance with the requirements of accounting standards for enterprises, and they truly and completely reflected the company's consolidation and its parent company's financial status on 31 December 2021, as well as its consolidation and its parent company's operation results, consolidation, cash flow and other relevant information in 2021.

IV. Significant accounting policies and accounting estimate

1. Accounting period

The company's accounting period is divided into annual and medium-term periods. The latter is shorter than the reporting period of a complete accounting year. Fiscal year of the company follows the Gregorian calendar year, namely from January 1 to December 31 every year.

2. Operating cycle

The normal operating cycle refers to the period from purchasing assets for processing to realizing retrieval of cash or cash equivalents. With 12 months as an operating cycle, the company also uses this as a dividing standard for the liquidity of assets and liabilities.

3. Functional currency

RMB serves as the functional currency of the company.

4. Accounting treatment method for business combination under the same and different control

Business combination refers to the transactions or events of combining two or more than two separate businesses into one reporting entity. Business combination includes business combination under the same control and business combination under different control.

(1) Business combination under the same control

The enterprises involved in combination are ultimately controlled by the same party or parties before and after the combination. The control is not temporary, and the combination is under the same control. For business combination under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. Combination date refers to the date on which the combining party actually obtains control to the combined party.

The company measures the assets and liabilities obtained from consolidation of enterprises, according to the book value of consolidated party's assets and liabilities (including the goodwill arising from ultimate controller's acquisition of the consolidated party) in the ultimate controller's consolidated financial statement on the consolidation date; adjusts the capital premium in capital reserve, by the difference between obtained net asset book value and paid consolidated consideration book value (or total par value of shares issued), and adjusts retained earnings, if the capital premium in capital reserve is insufficient to offset.

The direct expenses generated by the acquirer for the purpose of business combinations shall be

recorded into the profits and losses for the current period.

(2) Business combination under different control

If the enterprises participating in the merger are not ultimately controlled by the same party or parties before and after the combination, the business combination is facilitated under different controls. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date refers to the date when acquirer actually obtains control over acquiree.

For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and

Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 13 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the book value of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5. Consolidated financial statement preparation method

(1) The principle of determining the scope of consolidated financial statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the company and all its subsidiaries. Subsidiaries are those that are controlled by the company.

The company will conduct a reassessment once the relevant facts and changes in circumstances have caused changes in the relevant elements involved in the above control definition.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results

and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the purchase date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority shareholders interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 13 "Long-term equity investment" or Note IV. 9 "Financial Instruments".

If the company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in

the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are signed simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not the package deal, for each transaction, accounting treatment is conducted according to the applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control right" (see Note IV 13 (2) ④) and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the company only has rights to the net assets of the arrangement.

Corporate investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 13 (2) ② "Long-term equity investment accounting by the equity method".

The company operates jointly as a joint venture, confirming the assets held by the company alone, the liabilities the company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the company; confirming the income generated from the sale of the company's joint operating output share; the income generated from the sales of joint operations according to the company's share; confirming the expenses incurred by the company alone, and confirming the cost of joint operations according to the company's share.

When the company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the "Accounting Standards for Enterprises No. 8 - Asset Impairment", etc., for the case of the assets invested or sold by the company to the joint operations, the company fully confirms the losses; Where the company purchases assets from a joint operation, the company confirms

the loss according to its share of commitments.

7. Determination standards of cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign currency transactions and conversion of foreign currency statements

(1) Conversion of foreign currency transactions

When the company initially recognizes the foreign currency transaction, it is converted to accounting standard currency amount at the spot exchange rate on the transaction date (it generally refers to the central parity rate of exchange rate on the current day published by the People's Bank of China), whereas the foreign currency exchange business of the company or foreign currency exchange-related transaction matters are converted to accounting standard currency amount at the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; and ② for the available-for-sale foreign currency monetary items, the exchange difference arising from book balance change other than the amortized cost is included in other comprehensive income.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirming as other comprehensive income.

(3) Conversion method of foreign currency financial statements

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be confirmed to be other comprehensive income as a "foreign currency conversion difference"; When disposing of overseas operations, included in disposal of current profit and loss.

The foreign currency financial statement of overseas operation is converted into RMB statement as follows: items of 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 owner's equity items are converted at the spot exchange rate at the time of incurrence. Income and expense items in the income statement are converted by the spot exchange rate on the transaction date. The opening undistributed profit is the undistributed profit at the end of last year after the conversion; the undistributed profits at the

end of the year are calculated according to the profit distribution of the items after the conversion; the difference between the total count of asset class items and liabilities items and shareholder equity items after conversion is count as a foreign currency statement conversion difference, confirmed as other comprehensive income. When disposal foreign operations and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the owners' equity items in the balance sheet is transferred to the current profit or loss, either in whole or in proportion to the disposal of the foreign operations.

Foreign currency cash flows are translated at the spot exchange rate on the date of cash flow. The impact of exchange rate changes on cash is treated as a reconciliation item and presented separately in the cash flow statement.

The opening balance and actual amount in the previous period are presented in the amount converted from the previous period's financial statements.

When disposing of the entire owner's equity of the company's overseas operations or the loss of overseas operations control rights due to the disposal of part of the equity investment or other reasons, the ownership of the company's equity in the balance sheet and the operations related to the overseas operations are attributed to the difference in conversion of foreign currency statements of owners' equity of the parent company and is transferred to the disposal of current profit or loss.

When disposing of part of the equity investment or other reasons that result in a reduction in the proportion of overseas operating equity but not losing control over overseas operations, the foreign exchange statement conversion differences related to the foreign operations disposal part will be attributed to minority shareholders' equity and will not be transferred to the current profits and losses. When disposing of partial equity in an overseas operation is an associate or a joint venture, the foreign currency conversion difference related to the overseas operation is transferred to the disposal of current profit or loss in proportion to the disposal of the foreign operation.

9. Financial instruments

The following financial instrument accounting policy is applicable to 2021 and beyond:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the company regards the amount of consideration expected to charge as the initial recognition amount.

① Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

② Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

③ Financial liabilities measured at fair value with changes included in current profit and loss

The company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses contain transactional financial liabilities (including derivatives that belong to financial liabilities) and

financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the company's own credit risk changes, with fair value changes included in other comprehensive incomes, and when the liabilities are derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

② Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part

that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(4) De-recognition of financial liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the company derecognizes such financial liabilities (or a part thereof). If the company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the company makes substantial modification to the contractual clauses of original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the company determines their fair value by using quotation on active market. Quoted market prices in an active market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc., and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the company determines their fair value by using valuation

techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

(7) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The company does not recognize the fair value changes of equity instruments.

If dividends for corporate equity instruments are distributed during the existence period (including "interests" generated by instruments classified as equity instruments), they shall be treated as profit distribution.

The following financial instrument accounting policy was applicable to 2020:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability. Financial assets and financial liabilities are measured at fair value on initial confirmation. For the financial assets and financial liabilities measured at fair value and the changes therein are recognized into current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss, and for other categories of financial assets and financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

(1) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. The Company measures fair values of financial assets and financial liabilities at the price in the major market. If no major market, the price best favorable to the market should be used to measure the fair values of financial assets and financial liabilities and current applicable valuation technique with sufficient applicable data and other information support is used. Input value for measurement of fair value can be divided into three levels, i.e. the first-level input value is unadjusted quotation on same assets or liabilities obtained in the active market at the date of measurement; the second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; the third-level input value is non-observable input value of related assets or liabilities. The company prefers to use the first-level input value, and use the third-level input value finally. Level of the measurement result of fair value is decided according to the lowest level of input value with great significance for whole measurement of fair value.

(2) Classification, confirmation and measurement of financial assets

The financial instruments traded in a conventional manner shall be conducted accounting recognition and de-recognition at the date of transaction. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss

Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong to a part of recognizable financial instruments of centralized management, with objective evidence to show the company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

(3) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the company checks the book value of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the company should make the provision for impairment.

The company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an objective evidence that the value of the financial asset has been recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The book value of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.

(4) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference

between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract

Financial guarantee contracts that are not classified as financial liabilities measured at fair value to

the current profit or loss are initially recognized at fair value, and then, it should be subsequently measured the larger balance, one of them is determined in accordance with Accounting Standards for Enterprises No. 13 - Contingencies and the other is initial confirmation amount after deducting the accumulated amount of amortization determined in accordance with the principle of "Accounting Standards for Enterprises No. 14 - Revenue".

(6) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(7) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Changes to fair value of derivatives are included in the current profits and losses.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(8) Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(9) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are

deducted from equity.

The company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The company does not recognize the changes in fair value of equity instruments.

10. Impairment of financial assets

The following financial asset impairment accounting policy is applicable to 2021 and beyond.

The financial assets that the company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

1. Method for recognizing impairment provision

Based on expected credit losses, the company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and well-grounded information, including forward-looking information.

Assuming that the credit risk of the financial instruments with low credit risks on the balance sheet date has not increased significantly since the initial recognition, the Company chooses to measure the loss provision based on the expected credit loss within the next 12 months, and depending on whether their credit risk has increased significantly since the initial recognition, the Company measures the loss provision based on the expected credit loss within the next 12 months or the entire term of its existence.

2. Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have

increased significantly. Except in special circumstances, the company adopts the default risk changes that occur within the next 12 months as reasonable estimate of default risk changes that occur throughout the existence period, to determine whether credit risks have increased significantly since initial recognition.

In general, if overdue for more than 30 days, the company believes credit risk of this financial instrument has increased significantly, unless conclusive evidences prove credit risk of this financial instrument has not increased significantly since initial recognition.

The company will consider the following factors when assessing whether credit risk is increased significantly:

(1) Whether the actual or expected operating results of the debtor have changed significantly;

(2) Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes;

(3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;

(4) Whether expected performance and repayment behavior of the debtor has changed significantly;

(5) Whether corporate credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the company judges financial instrument only has relatively low credit risk, the company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

3. Criteria for judging financial assets with credit impaired

When one or more events with an adverse impact on the expected future cash flow of financial asset occur, such financial asset becomes a credit-impaired financial asset. Evidence for credit impairment of financial assets includes the following observable information:

(1) The issuer or debtor has major financial difficulties;

(2) The debtor breaches the contract, such as defaulting or overdue payment of interest or principal;

(3) Considering relevant economic or contract of debtor's financial difficulties, the creditor gives the debtor concession that would never be made under any other circumstances;

(4) The debtor is likely to go bankrupt or undergo other financial restructuring;

(5) The issuer or debtor is in financial difficulties, causing active market for such financial assets disappeared;

(6) A financial asset is purchased or derived at a huge discount which indicates the fact of credit loss occurrence.

Credit impairment of financial assets may be caused by joint action of multiple events, and not necessarily separately identifiable event.

4. Portfolio method for evaluating expected credit risks based on portfolio

The company evaluates individual credit risks of financial assets with significantly different credit risks, such as: accounts receivable in dispute with the other party or involved in litigation and arbitration; accounts receivable with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

Apart from financial assets with single assessment of credit risk, the company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the company include: financial instrument type, credit risk rating, aging portfolio, overdue account aging portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk based on portfolio.

5. Accounting treatment method of financial asset impairment

At the end of period, the company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

6. Method for recognizing credit losses of various financial assets

(1) Notes receivable

The company generally does not consider the provision for bad debts for bank acceptance bills with good reputation.

(2) Accounts receivable and contract assets

With regard to accounts receivable and contract assets excluding major financing components, the company measures loss reserve at the amount equivalent to the expected credit loss throughout the duration.

With regard to accounts receivable and contract assets including major financing components, the company chooses to always measure loss reserve at the amount equivalent to the expected credit loss throughout the duration.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Portfolio classified with aging of accounts receivable and contract assets as credit risk characteristics
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

(3) Other receivables

The company measures impairment losses based on whether the credit risks of other receivables have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period.

In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Make optimal estimate on the accrual ratio of other receivables based on previous historical experience, and conduct credit risk portfolio classification with reference to aging of accounts receivable
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

11. Inventory

(1) Classification of inventory

Inventory mainly includes inventory goods, turnover materials, raw materials, low-value consumables, engineering construction, and development costs, etc.

(2) Pricing method to obtain and issue inventory

Inventories are valued at the actual cost when acquired, and inventory costs include purchase costs, processing costs, and other costs.

(3) Confirmation of the net realizable value of inventories and withdrawal method for falling prices

Net realizable value refers to the estimated sold price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. When determining the net realizable value of inventories, based on obtaining conclusive evidence, consider the purpose to hold the inventory and the influence of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower between the cost and net realizable value. When the net realizable value is lower than the cost, inventory depreciation reserve is withdrawn. The provision for inventory devaluation is usually based on the difference between the higher cost of a single inventory item and its net realizable value. As for inventories with large quantity and low unit price, the provision for inventory depreciation reserve is made based on the category of inventories; as for inventories related to serial products manufactured and sold in the same region, with the same or similar ultimate application or purpose, and difficult to measure separately from other items, the provision for inventory depreciation reserve may be combined. After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount transferred back is included in the current profit or loss.

After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount

transferred back is included in the current profit or loss.

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

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

Low-value consumables should be amortized at one-off amortization method when they are received; and the packages should be amortized at one-off amortization method when they are received.

12. Contract assets

For the rights that customers have not yet paid contract consideration, but the company has fulfilled performance obligations in accordance with the contract, not attributable to unconditional (i.e. only depending on time lapse) payment collection from customers, the company presents them as contract assets in balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to Note IV 10 Financial asset impairment.

13. Long-term equity investments

The long-term equity investment 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 long-term equity investment of which the company does not have control, joint control or significant impact on the investee company is measured at fair value or as available-for-sale financial assets with the changes charged to current losses and profits, and the accounting policy is shown in "Note IV. 9 Financial instruments".

Joint control means that the company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retained earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the book value of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily. Where the original equity investment is an available-for-sale financial asset, the difference between the fair value and the book value, and the accumulated fair value changes previous recognized in other comprehensive income are transferred to the current profit or loss.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the book value of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the book value of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting periods of the company and the investment income and other comprehensive income should be also confirmed. For transactions between the company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset. When the net losses incurred by the invested entity are confirmed, the book value of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the book value and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has be accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss.

14. Investment properties

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. Including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, buildings that have been leased, etc.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate should be included in the cost of investment real estate if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures are included in the current profits and losses when occurring.

15. Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the company and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost and taken into account the impact of the estimated cost of disposal.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Asset category	Service life	Residual value rate (%)	Yearly depreciation rate (%)
Houses and buildings	20-40	5	2.375-4.75
Production equipment	5-10	5	9.50-19.00
Transportation	4-5	5	19.00-23.75
Office equipments	3-5	5	19.00-31.67
Other	3-5	5	19.00-31.67

The expected net residual value is the amount that the company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment test method and withdrawal method of impairment provision of fixed assets

For the details of impairment test method and withdrawal method of impairment provision of fixed assets, please refer to Note IV. 20 "Long-term Asset Impairment".

(4) Recognition basis and valuation method for fixed assets acquired under financing lease (applicable in 2020, not applicable for the implementation of new lease standards in 2021)

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. Fixed assets leased by financial leases are depreciated by the same policy as that of self-owned fixed assets. If it is reasonably certain that the ownership of the leased asset should be obtained when the lease expires, depreciation should be made within the useful life of the leased asset; if it cannot reasonably be determined that the leased asset can be acquired after the expiration of the lease term, the shorter period of the lease term and the useful life of the leased asset is used for the depreciation.

(5) Other instructions

For the subsequent expenditures related to fixed assets, if the economic benefits associated with the fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of fixed assets and the recognition of the book value of the replaced part is terminated. The other subsequent expenses are included in the current profit or loss when incurred.

The fixed assets are derecognized when the fixed assets are disposed or if no economic benefits are expected to generate from the use or disposal. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting their book value and related tax fees is included in the current profit or loss.

The company reviews the use life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year, and if any change, it is recorded as a change in accounting estimates.

16. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including various engineering expenditures incurred during construction period and other relevant expenses.

Construction in progress is carried over to the fixed assets after it reaches its intended usable condition.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 20 "Long-term Asset Impairment".

17. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

18. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and

buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ① It is feasible technically to finish intangible assets for use or sale;
- ② It is intended to finish and use or sell the intangible assets;
- ③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;
- ④ Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;
- ⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note IV. 20 "Long-term asset impairment".

19. Long-term prepaid expense

Long-term expenses to be apportioned are various expenses that have already occurred, but they should be burdened by the reporting period and subsequent periods with a time limit of more than one year. The long-term deferred expenses of the company mainly include long-term financing expense amortization. Long-term expenses to be apportioned are amortized on a straight-line basis over the

expected benefit period.

20. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, right-of-use asset, investment real estate measured in cost mode, and long-term equity investments in subsidiaries, associated enterprises, joint ventures, etc., the company should determine whether there are signs of impairment on the balance sheet date. If there is any sign of impairment, its recoverable amount is estimated and the impairment test is conducted. For goodwill, intangible assets with an indefinite useful life, and intangible assets that have not yet reached their usable status are tested for impairment annually, irrespective of whether there is any sign of impairment.

If the impairment test results indicate that the recoverable amount of the asset is less than its book value, the difference should be withdrawn and accounted as impairment loss. The recoverable amount is the higher of the fair value of the assets minus the disposal expenses and the present value of the estimated future cash flow of the assets. The fair value of the asset is determined on the basis of the price of the sales agreement in an arm's length transaction. If there is no sales agreement but there is an active market for assets, the fair value is determined on the basis of the buyer's bid for the asset; if there is no sales agreement and active asset market, the most available good information is based to estimate the fair value of asset. Disposal expenses include legal fees related to the disposition of assets, related taxes, handling expenses, and direct expenses incurred in bringing assets into a saleable state. The present value of the expected future cash flow of the assets is determined by the amount of discounted cash flow selected in accordance with the estimated future cash flow generated during the continuous use and final disposal of the assets. The impairment provision of assets is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of a single asset, the asset group to which the asset belongs should be used to determine the recoverable amount of the asset group. Asset groups are the smallest portfolio of assets that can generate cash inflows independently.

For the goodwill separate listed in the financial statements, the book value of goodwill is amortized to the asset group or combination of asset groups that are expected to benefit from the synergies of the business combination when assessing impairment. If the test result shows that the recoverable amount of an asset group or a combination of asset groups which includes the goodwill that have been apportioned to is lower than its book value, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss shall first charge against the book value of the goodwill which are apportioned to the asset group or combination of asset groups, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the goodwill excluded.

Once any loss of the above asset impairment is recognized, the value recoverable shall not be switched back in the future accounting periods.

21. Contract liabilities

Accounting policy of contract liabilities is applicable to 2021 and beyond.

Contract liabilities refer to corporate obligation of transferring commodities to customers for

customer consideration received or receivable. If customers have paid contract consideration or the company has obtained unconditional right of receiving payment before the company transfers commodities to customers, the company presents such received amount or receivables as contract liabilities at the time of actual payment amount or payable in due time by customers, whichever is earlier. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

22. Employee remuneration

The company's employee remuneration mainly includes short-term employee remuneration, post-employment welfare and dismissal welfare. Of which:

Short-term remuneration mainly includes wage, bonus, allowance and subsidy, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing reserve fund, labor union fund and staff education fund, non-monetary welfare, etc. The company recognizes actual short-term staff remuneration incurred during accounting period when the employee provides service for the company as liabilities, and charges to current profits and losses or related asset costs. Of which non-monetary welfare is measured at fair value.

Post-employment welfare mainly includes basic pension insurance, unemployment insurance and annuity, etc. Post-dismissal welfare plan includes defined contribution plan. For defined contribution plan, the corresponding payable amount shall be included in relevant asset cost or current profits and losses when incurred.

Prior to the expiration of the labor contract, terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. When the bank cannot unilaterally withdraw the termination benefits due to termination of labor relation plans or the layoff proposal provided, confirm with the bank regarding the earlier date of costs relates to the restructure of paying resignation welfare associated, confirm the employee remuneration liabilities generated from termination of benefits, and included in the current profits and losses. Nevertheless, if the dismissal welfare is expected not to be fully paid within twelve months after end of the annual reporting period, it shall be handled as per other long-term employee remuneration.

Internal retirement plan of employee can be handled by the same principle as the above dismissal welfare. The company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

For other long-term staff welfare offered by the company to the employee, in case of compliance with the defined contribution plan, it shall be accounted for as per the defined contribution plan, or otherwise accounted for as per the defined benefit plan.

23. Provisions

When the obligation related to contingencies simultaneously meets the following conditions, it is recognized as estimated liability: (1) such obligation is the current obligation assumed by the Group; (2) the performance of such obligation is likely to cause outflow of economic benefits; (3) the amount of such

obligation can be reliably measured.

On the balance sheet date, the estimated liabilities are measured according to the best estimate of expenditures required for performing relevant current obligations, considering such factors as relevant risks of contingent event, uncertainties and currency time value, etc.

If all or part of expenditures required for liquidation of estimated liabilities are expected to be compensated by the third party, when the compensation amount is basically determined to be receivable, it is recognized separately as asset, and the recognized compensation amount does not exceed book value of the estimated liabilities.

(1) Loss contract

Loss contract refers to the contract of costs inevitably exceeding estimated economic benefits when performing contractual obligations. If the contract to be executed becomes a loss contract, and the obligations arising from such loss contract meet the recognition conditions of above estimated liabilities, the part of contractual estimated losses that exceeds the recognized impairment losses (if any) of contractual underlying assets is recognized as estimated liabilities.

(2) Reorganization obligations

If reorganization plan has been formally and externally announced in details, when meeting the aforesaid criteria of recognizing estimated liabilities, the amount of estimated liabilities is determined as per the direct expenditure related to reorganization.

24. Incomes

The following accounting policy of income is applicable to 2021 and beyond:

When the contract between the company and customers meets the following conditions simultaneously, income is recognized when customers obtain relevant control right of commodity: all parties to the contract have approved this contract and promised to perform their respective obligations; the contract has clarified the rights and obligations of all parties to the contract pertaining to the transferred commodity or provided labor; the contract has clear payment terms regarding the transferred commodity; the contract has commercial substance, namely the performance of this contract will change the company's future cash flow risk, time distribution or amount; the consideration obtained by the company due to transferring commodity to customers is likely to be recovered.

On the contract start date, the company identifies each individual performance obligation in the contract, and apportions the transaction price to each individual performance obligation as per the relative proportion of separate selling price for the commodity promised by each individual performance obligation. When determining transaction price, the impact of factors are considered, such as variable consideration, major financing component in the contract, non-cash consideration and consideration payable to customers.

For each individual performance obligation in the contract, if one of the following conditions is met, the company recognizes the transaction price apportioned to this individual performance obligation as income during relevant performance period according to the performance progress: customers obtain and consume the economic benefits brought by the company's performance while the company is performing contract; customers can control the commodities in progress during performance of the

company; the commodities produced during performance of the company have irreplaceable application, and the company has the right to charge funds on the part that has completed performance so far during the entire contract period. The performance progress is determined by input method or output method according to the nature of the transferred commodity. When the performance progress cannot be reasonably determined, if corporate costs incurred are expected to be compensated, income is recognized according to the amount of costs incurred until performance progress can be reasonably determined.

If one of the above conditions is not met, the company recognizes income for the transaction price apportioned to this individual performance obligation at the time when customers obtain relevant control right of commodity. When judging whether customers have obtained commodity control right, the company considers the following signs: the company is entitled to current charging right for such commodity, which means customers have current payment obligation for such commodity; the company has transferred legal ownership of such commodity to customers, which means customers have held legal ownership of such commodity; the company has transferred such commodity in kind to customers, which means customers have occupied such commodity in kind; the company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The following income accounting policy is applicable to 2020 and before:

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant economic benefits are likely to flow into the company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

Commodity sales income is recognized when the commodity is delivered to customer at the agreed time according to sales contract, the receipt proof is received and the commodity is confirmed by the customer as received.

Real estate sales income is recognized on an accrual basis, when the housing completion settlement cost can be reliably measured, housing sales income has been able to flow into the enterprise, housing ownership-related risk, remuneration and housing management right and control right have been transferred simultaneously.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor transaction completion is determined by the proportion of completed work measurement/provided labor to the total labor service that shall be provided.

The result of labor provision transaction can be reliably measured meaning to simultaneously satisfy:

① income amount can be measured reliably; ② relevant economic benefits are likely to flow into the

company; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the incurred labor cost is expected not to be compensated, the income is not recognized.

When the contract or agreement signed between the company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance sheet date. The progress of contract completion is determined by the proportion of cumulative contract cost actually incurred to the estimated total contract cost.

The result of construction contract can be reliably measured meaning to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; ④ contract completion progress and the cost to be incurred for completing the contract can be reliably measured.

If the result of construction contract cannot be reliably estimated, but the contract cost can be recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance receipts.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

(5) Interest incomes

It is determined based on the time for other's use of the company monetary assets and actual interest rate.

25. Contract costs

The accounting policies about contract cost apply in 2021 and beyond.

The incremental costs incurred by the company for the acquisition of the contract that is expected to be recovered are recognized as an asset as the contract acquisition costs. However, if the asset amortization period does not exceed one year, it is included in current profits and losses at the time of occurrence.

Where the cost incurred for contract performance falls beyond the scope of accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) and simultaneously meets the following conditions, it is recognized an asset as contract performance cost: 1. such cost is directly associated with a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers and other costs incurred simply due to such contract; 2. such cost increases future resources of the Group for performance obligation; 3. such cost is expected to be recovered.

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

26. Government Grants

Government grants refer to monetary assets and non-monetary assets obtained by the company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. If government grants are monetary assets, measure according to received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

Asset-related government grants are recognized as deferred income and included in current profits and losses within the service life of relevant asset in a reasonable and systematic manner. If the income-related government grant is used to compensate for relevant costs or losses after the compensation period, it is recognized as deferred income and included in current profits and losses in the period of recognizing relevant costs or losses; if it is used for compensating the incurred relevant costs or losses, it is directly included in current profits and losses.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

In case the recognized government grants need to be returned, the related deferred income balance shall write down the relevant deferred income book balance and the exceeding part is included in the current profits and losses; and shall be directly charged to the current profits and losses.

27. 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 current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. The taxable income on which the calculation of current income tax expenses is based is calculated after corresponding adjustment to the pre-tax accounting profit in the reporting period pursuant to relevant tax laws.

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

For the gap between book value of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between book value of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely

not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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

Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust book value of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

28. Leasing

The following lease accounting policy is applicable to 2021 and beyond:

Lease means that the company has transferred or obtained the control of one or more identified asset use rights within a certain period to exchange for or pay the consideration contract. On the start date of a contract, the company assesses whether the contract is for lease or contains lease.

(1) The company acts as a lessee

The company has no leasing assets.

① Initial Measurement

On the lease start date, the company recognizes its right to use the lease assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as lease liabilities (except short-term lease and lease of low-value assets). When calculating the present value of lease payment amount, the company adopts interest rate implicit in lease as discount rate; if the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing interest rate is regarded as discount rate.

② Subsequent measurement

The company accrues depreciation for the right-of-use assets from the current month of starting lease term. If leased asset ownership can be properly determined upon expiration of lease term, the company accrues depreciation within the remaining service life of leased assets. If the ownership of

lease assets cannot be reasonably determined at the expiration of lease term, the company makes depreciation provision during the period of lease term or remaining service life of lease assets, whichever is shorter.

As to lease liabilities, the company calculates their interest expense during each period of lease term according to fixed periodic rate, and records them in current profits and losses or relevant asset costs. Variable lease payment amount excluded from the measurement of lease liabilities is recorded in current profits and losses or relevant asset costs when it actually occurs.

After the lease start date, when actual fixed payment amount changes, the expected amount payable of guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation result of purchase option right, lease renewal option right or termination option right or actual exercise situation changes, the company re-measures lease liabilities according to the present value of lease payment amount after change, and adjusts book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the company records remaining amount in current profits and losses.

③ Short-term lease and low-value asset lease

For short-term lease (lease of which lease term does not exceed 12 months on the lease start date) and low-value asset lease, the company leverages a simplified treatment method, rather than recognize the right-of-use assets and lease liabilities, but to record lease payment amount in relevant asset cost or current profits and losses by the straight-line method or other systematic reasonable methods during each period of lease term.

④ Lease change

If the lease is changed and the following conditions are met simultaneously, the company conducts accounting treatment of this lease change as a separate lease:

- Lease scope is expanded for this lease change by adding one or more lease asset use right;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted on lease change as a separate lease (except that the contract change directly caused by COVID-19 epidemic is subject to simplified method,) on the effective date of lease change, the company re-allocates the consideration of contract after change, re-determines the lease term, and re-measures lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate.

If lease change causes reduced lease scope or shortened lease term, the company decreases the book value of right-of-use assets accordingly, and includes relevant gains or losses on partially or entirely terminated lease into current profits and losses. If other lease changes cause re-measurement of lease liabilities, the company adjusts the book value of right-of-use assets accordingly.

(2) The company acts as a lessor

Based on transaction nature, the company divides lease into financial lease and operating lease on the lease start date. Financial lease refers to the lease of which almost all risks and rewards pertaining to the ownership of lease assets have been substantially transferred. The term "operating lease" shall refer

to a lease other than a financing lease.

① Operating leasing

The company adopts the straight-line method to recognize lease receipts from operating lease as the rental income for each period of the lease term. Variable lease payment amount related to operating lease and excluded from the lease receipt amount is recorded in current profits and losses when it actually occurs.

② Financial leasing

On the lease start date, the company recognizes financial lease receivables, and de-recognizes financial lease assets. Financial lease receivables are initially measured by net lease investment (the sum of unguaranteed residual value and present value of lease payment amount not yet received on the lease start date discounted at the interest rate implicit in lease), and interest income during the lease term is calculated and recognized as per fixed periodic rate. Variable lease payment amount obtained by the company and excluded from the measurement of net lease investment is recorded in current profits and losses when it actually occurs.

③ Lease change

If operating lease is changed, the company regards it as a new lease for accounting treatment from the effective date of change, and deems as the new lease receipt amount of advance receipts or lease receivables related to the lease before change.

Where financial lease changes and meets the following conditions, the company conducts accounting treatment for this change as a separate lease:

- This change expands lease scope by increasing the right of use for one or more leased assets;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted for financial lease change as a separate lease, the company treats the changed lease under the following circumstances:

- Where the change takes effect on the lease start date, and this lease is classified as operating lease, the company conducts accounting treatment on it as a new lease from the effective date of lease change, and regards net lease investment amount before the effective date of lease change as the book value of leased assets;
- Where the change takes effect on the lease start date, and this lease is classified as financial lease, the company conducts accounting treatment in accordance with the provisions concerning contract amendment or re-negotiation in the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments.

The company acts as a lessee:

Continually calculate interest expense of lease liabilities at the same discount rate as before reduction and include in current profits and losses, and continually accrue depreciation and make other subsequent measurement of right-of-use assets according to the same method as before reduction. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee payment obligation, relevant asset costs or

expenses are offset according to discounted amount at discount rate before non-discount/reduction, while adjusting leasing liabilities accordingly; in case of delayed payment of rental fee, leasing liabilities recognized in the previous period are offset when actually paid. Regarding short-term lease and low-value asset lease subject to simplified treatment, the company continually includes the original contract rental fee in relevant asset costs and expenses according to the same method as before reduction, and regards the reduced and exempted rental fee as variable lease payment amount, to offset relevant asset costs or expenses during the reduction and exemption period; in case of delayed payment of rental fee, the rental fee payable during original payment period is recognized as payables, and payables recognized in the previous period are offset when actually paid.

The company acts as a lessor

① If the lease is operating lease, the company continually recognizes original contract rental fee as lease income according to the same method as before reduction. It regards the reduced and exempted rental fee as variable lease payment amount, to offset lease income during the reduction and exemption period; in case of delayed receipt of rental fee, the rental fee receivable during original receipt period is recognized as receivables, and receivables recognized in the previous period are offset when actually received.

② If the lease is financing lease, the company continually calculates interest at the same discount rate as before reduction and recognizes lease income. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee receipt right, lease income originally recognized is offset according to undiscounted amount, the portion insufficient for offset is included in investment income, and financing lease receivables are adjusted accordingly; in case of delayed receipt of rental fee, financing lease receivables recognized in the previous period are offset when actually received.

The following lease accounting policy is applicable to 2020 and before:

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are transferred materially and its ownership may be finally transferred or not transferred. The other lease in addition to financing lease is operating lease.

(1) The company records the operating lease business as a lessee

Rental expenses of operating leasing shall be recorded into related asset cost or current profit and loss using straight line method in each period during lease. Initial direct expenses are charged to current profits and losses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(2) The company records the operating lease business as a lessor

Rental income of operating leasing shall be recognized as current profit and loss using straight line method in each period during lease. The initial direct costs with large amounts shall be capitalized upon occurrence and shall be recorded into current profit and loss by stages in same base as the recognized rental income in the whole lease period; other initial direct costs with small amounts shall be recorded into current profit and loss upon occurrence. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(3) The company records the financing lease business as a lessee

On the lease start date, the lower between fair value of leased asset on the lease start date and current value of minimum lease payment is deemed as recorded value of leased asset, the minimum lease payment is deemed as recorded value of long-term payables, and the difference is deemed as unrecognized financing expense. In addition, the initial direct expenses incurred during lease negotiation and signing of lease contract, and attributable to the lease project are also included in the value of leased asset. The balances of minimum lease payment after deducting unrecognized financing expense are listed as long-term liabilities and long-term liabilities due within one year respectively.

Unrecognized financing expenses are calculated by the actual interest rate method during the lease period to recognize current financing expenses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(4) The company records the financing lease business as a lessor

On the lease start date, the sum of minimum lease receipt amount on the lease start date and initial direct expense is deemed as recorded value of financing lease receivables, and the unguaranteed residual value is recorded simultaneously; the difference between the minimum lease receipt amount, initial direct expense and unguaranteed residual value sum and the present value sum is recognized as unrealized financing revenues. The balances of financial lease receivables after deducting unrealized financing revenues are listed as long-term claims and long-term claims due within one year respectively.

Unrealized financing revenues are calculated by the actual interest rate method during the lease period to recognize current financing incomes. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

29. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policies caused by implementing new income standards

On 5 July 2017, Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) (Accounting [2017] No.22) (hereinafter referred to as "new income standards"). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new income standards from 1 January 2021.

For the retained earnings at the beginning of current period of initial execution from adjustment of cumulative impact amount of first execution (i.e. 1 January 2021), as well as other relevant item amounts of financial statements, the comparable period information is not adjusted.

The new income standards established a new income recognition model for the income generated by the contracts with customers. In order to implement the new income standards, the company reassessed the main contract income recognition, measurement, accounting and presentation, etc. According to the provisions of new income standards, the Group chose to adjust only the cumulative impact number of contracts uncompleted on 1 January 2021, and conducted simplified treatment of the contract change occurred before the beginning of earliest comparable period or before 1 January 2021, namely to identify the fulfilled and unfulfilled performance obligation according to final arrangement of the contract, determine transaction price and share transaction price between the fulfilled and unfulfilled

performance obligations.

Main changes and impacts for the implementation of new income standards are as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Contract liabilities		834,934,147.05		786,141,618.26
Other current liabilities		41,746,707.35		39,307,080.91
Deposit received in advance	876,680,854.40		825,448,699.17	

② Accounting policy changes due to implementation of new financial instrument standards

Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22—Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), Accounting Standards for Business Enterprises No.23—Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), Accounting Standards for Business Enterprises No.24—Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated Accounting Standards for Business Enterprises No.37—Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards are collectively referred to as “new financial instrument standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new financial instrument standards from 1 January 2021.

The company applies new financial instrument standards retrospectively, whereas if the classification and measurement (including impairment) involving previous comparison of financial statement data are inconsistent with new financial instrument standards, the company chooses not to restate. Therefore, for the cumulative impact figure under the first implementation of such standard, the company adjusts retained earnings or other comprehensive incomes and amounts of other related items in financial statement at the beginning of 2021, and the 2020 financial statement is not restated.

The impact under the first implementation of new financial instrument standards to financial statement on 1 January 2021 is as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	1 January 2021	31 December 2020	1 January 2021	31 December 2020
Available for sale financial assets		513,257,958.15		96,616,453.39
Other equity instrument investments	300,178,802.13		87,875,785.39	
Other non-current financial assets	213,079,156.02		8,740,668.00	

③ Accounting policy change caused by the implementation of new lease standards

Ministry of Finance promulgated the Accounting Standard for Business Enterprises No.21—Lease (2018 Amendment) (Accounting [2018] No.35) (hereinafter referred to as “new lease standards”). Upon resolutions of corporate board of directors, and changes of relevant accounting policies according to the new lease standards, the company began to implement the aforesaid new lease standards from 1 January 2021.

On the first implementation date, the company chose not to reevaluate whether previous contracts were lease or contained lease, and applied this method consistently to all contracts, and therefore only the contracts identified as lease under the original lease standards followed linking provisions of such standards.

Additionally, the company adopted simplified retrospective adjustment method for linking accounting treatment on the above lease contracts, namely adjusting the amount of retained earnings at the beginning of the year when such standards were first implemented, as well as other relevant items in financial statement, rather than adjust the information of comparable period, chose the right-of-use asset measurement method as per each lease and adopted relevant simplified treatment on the operating lease, as follows:

Corporate accounting policy for low-value asset leases was unrecognizing right-of-use assets and lease liabilities. According to linking provisions of new lease standards, corporate low-value asset lease before the first implementation date was accounted as per new lease standards since the first implementation date, rather than make retrospective adjustment to low-value asset lease.

The implementation of new lease standards had no impact on financial statement on 1 January 2021.

(2) Accounting estimate change

The company has no change in accounting estimates for disclosure.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	Applicable tax rate
Urban maintenance and construction tax	Calculated as per 7% of turnover tax actually paid.
Education surcharge	Calculated as per 3% of turnover tax actually paid.
Local education surcharge	Calculated as per 2% of turnover tax actually paid.
Corporate income tax	Calculation and payment is made at 25% of the taxable income.
Housing tax	70% of self-use real estate original value, property rental income (Note 1)

Note 1:

A. Ad valorem levy: the self-use property is calculated and levied at the tax rate of 1.2% as per the balance after original property value deducting 30% at one time;

B. Rental-based levy: the rent property is calculated and levied at the tax rate of 12% as per the rental income of property.

2. Tax benefit and approval document

The Group has no tax preference.

VI. Notes on consolidated financial statement items

Unless otherwise specified, in the following items of notes (including notes on main items of corporate financial statement), "beginning of year" refers to 1 January 2021, "end of period" refers to 31 December 2021, "end of last year" refers to 31 December 2020, "current period" refers to 2021, and "last period" refers to 2020.

1. Cash at bank and on hand

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
Cash on hand	187,420.06	130,947.58
Bank savings	4,930,252,297.68	6,035,979,253.79
Other monetary funds	3,578,198,558.91	3,532,806,053.18
Total	8,508,638,276.65	9,568,916,254.55

Note: As of 31 December 2021, the restricted funds RMB 3,577,452,430.82 in other monetary funds were margin deposits in the bank for issuing bank acceptance bills, pledge certificates of deposit, etc. There was no funds with restricted use or potential recoverability risks due to mortgage, pledge or freezing and the like, except other monetary assets.

2. Notes receivable

(1) Classification of notes receivable

Items	Closing balance	Previous year ending balance
Bank acceptance bill		660,000.00
Commercial acceptance bill		
Total		660,000.00

Note: There was no endorsed or discounted and undue notes receivable at the end of period.

3. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	3,822,473,731.25	2,160,754,263.02
1-2 years	704,188,898.90	1,918,429,201.93
2-3 years	1,914,653,650.82	209,241,644.67
Over 3 years	1,682,009,641.63	1,833,378,430.04
Subtotal	8,123,325,922.60	6,121,803,539.66
Less: bad debt provision	501,857.91	448,877.78
Total	8,122,824,064.69	6,121,354,661.88

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Accounts receivable for which bad debt provision has been assessed by portfolios	8,123,325,922.60	100.00	501,857.91	0.01	8,122,824,064.69
Of which:					
Aging analysis method portfolio	224,051,973.33	2.76	501,857.91	0.22	223,550,115.42
Other combinations	7,899,273,949.27	97.24			7,899,273,949.27
Total	8,123,325,922.60	100.00	501,857.91	0.01	8,122,824,064.69

(Continued)

Category	Previous year ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Account receivables with bad debt provision as per credit risk characteristic combinations	6,121,803,539.66	100.00	448,877.78	0.01	6,121,354,661.88
Account receivables with single insignificant amount but separate bad debt provision					
Total	6,121,803,539.66	100.00	448,877.78	0.01	6,121,354,661.88

(Continued)

① In the portfolio, accounts receivable with bad debt provision according to the aging analysis method

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	214,014,815.13		0.00
1-2 years	10,037,158.20	501,857.91	5.00
Total	224,051,973.33	501,857.91	0.22

Note: The provision for bad debts is made according to the aging analysis method.

② In the portfolio, accounts receivable with bad debt provision by other portfolios

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Other combinations	7,899,273,949.27		
Total	7,899,273,949.27		

Note: other combinations without withdrawal of bad debts which is determined according to its relationship with trading object and reputation of trading object, i.e. characteristics of credit risks.

(3) Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of account receivables	448,877.78	52,980.13			501,857.91
Total	448,877.78	52,980.13			501,857.91

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Administration of Finance and	3,611,038,271.46	44.45	

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
State-Owned Assets of China Huai'an Economic & Technological Development Zone			
Huai'an Dongcheng Industrial Investment Co., Ltd.	1,085,060,519.68	13.36	
Huai'an Keyu High-tech Co., Ltd	972,078,997.00	11.97	
Jiangsu Xuyi Economic Development Zone Management Committee	819,895,187.81	10.09	
Huai'an Economic and Technological Development Zone Science and Education Industry Development Office	526,596,490.46	6.48	
Total	7,014,669,466.41	86.35	

4. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,065,170,460.14	39.31	234,466,067.89	14.10
1-2 years	221,110,521.37	8.16	45,383,379.70	2.73
2-3 years	41,094,323.53	1.52	3,685,172.76	0.22
Over 3 years	1,382,108,349.97	51.01	1,378,778,329.32	82.95
Total	2,709,483,655.01	100.00	1,662,312,949.67	100.00

(2) Large advance payments classified by advance payment objects as of 31 December 2021:

Name of entity	Closing balance	Proportion to the total closing balance of advance payments (%)
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	1,245,559,812.38	45.97
Jiangsu Zhongjiao Lan'an Real Estate Development Co., Ltd	606,751,500.00	22.39
Huai'an Jingshi Property Co., Ltd	320,000,000.00	11.81
Huai'an Zhishun Technology Industry Development Co., Ltd	171,242,504.35	6.32
Huai'an Jinhui Run'an Property Co., Ltd	82,003,696.00	3.03
Total	2,425,557,512.73	89.52

5. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	38,951,226,781.58	48,461,599,276.33
Interests receivable		
Dividends receivable		
Total	38,951,226,781.58	48,461,599,276.33

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	15,883,919,405.22	11,346,006,396.38
1-2 years	8,159,292,647.80	12,834,111,952.22
2-3 years	3,905,002,723.28	7,061,330,896.85
Over 3 years	11,051,900,420.41	17,258,746,291.17
Subtotal	39,000,115,196.71	48,500,195,536.62
Less: bad debt provision	48,888,415.13	38,596,260.29
Total	38,951,226,781.58	48,461,599,276.33

② Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				
Book balance of other receivables at the beginning of year in the current period:	38,596,260.29			38,596,260.290
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period	10,292,154.84			10,292,154.84
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	48,888,415.13			48,888,415.130

③ Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of other receivables	38,596,260.290	10,292,154.84			48,888,415.130
Total	38,596,260.290	10,292,154.84			48,888,415.130

④ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	Transaction accounts	18,830,904,702.39	Within 1 year: 4,516,827,056.37; 1-2 years: 1,917,746,686.61; 2-3 years: 2,344,430,539.00; more than 3 years: 10,051,900,420.41	48.29	
Huai'an Dongcheng Industrial Investment Co., Ltd.	Transaction accounts	5,402,131,000.92	362,237,572.73 in one year; 4,539,902,831.09 in 1-2 years; 499,990,597.10 in 2-3 years	13.85	
Huai'an New City Investment Holding Co., Ltd.	Transaction accounts	4,431,074,418.41	2,861,103,865.57 in one year; 1,109,388,965.66 in 1-2 years; 460,581,587.18 in 2-3 years	11.36	
Huai'an Chengyida Business Planning Co., Ltd.	Transaction accounts	2,198,922,583.62	2,028,080,000.00 in one year; 170,842,583.62 in 1-2 years	5.64	
Huai'an Kechuang Industry Holdings Co., Ltd	Transaction accounts	1,388,287,578.42	Within 1 year	3.56	
Total		32,251,320,283.76		82.70	

6. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Inventory depreciation reserve/contract performance cost impairment reserve	Book value
Commodity stocks	315,092,658.31		315,092,658.31
Low-value consumables	14,097.21		14,097.21
Cost of land to be developed	8,471,830,333.09		8,471,830,333.09
Raw materials	506,826.58		506,826.58
Development cost	24,595,651,380.11		24,595,651,380.11
Construction consignment project	360,432,486.35		360,432,486.35
Total	33,743,527,781.65		33,743,527,781.65

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Commodity stocks	66,803,339.85		66,803,339.85
Low-value consumables	492,103.18		492,103.18
Cost of land to be developed	6,095,930,141.09		6,095,930,141.09
Raw materials	618,368.99		618,368.99
Development cost	18,890,693,579.46		18,890,693,579.46

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Construction consignment project	399,700,228.58		399,700,228.58
Total	25,454,237,761.15		25,454,237,761.15

7. Non-current assets due within one year

Items	Closing balance	Previous year ending balance
Long-term receivables due within one year	38,480,608.39	
Total	38,480,608.39	

8. Other current assets

Items	Closing balance	Previous year ending balance
Prepaid taxes	78,227,540.61	92,997,605.28
Finance products		15,006,535.47
Total	78,227,540.61	108,004,140.75

9. Available for sale financial assets

Items	Previous year ending balance		
	Book balance	Provision for impairment	Book value
Available-for-sale equity tool	514,257,958.15	1,000,000.00	513,257,958.15
Including: Measured at fair value			
Measured by costs	514,257,958.15	1,000,000.00	513,257,958.15
Total	514,257,958.15	1,000,000.00	513,257,958.15

10. Long-term receivables

(1) Long-term receivables

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Financing lease fund	281,204,736.72	2,179,136.65	279,025,600.07	99,754,367.49		99,754,367.49
Of which: unrealized financing income	-13,502,443.56		-13,502,443.56	-422,268.53		-422,268.53
Total	267,702,293.16	2,179,136.65	265,523,156.51	99,332,098.96		99,332,098.96

(2) Provision for impairment reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Book balance of long-term receivables at the beginning of year in the current period:				
——Transfer in Phase II				
——Transfer in Phase III				
——Transfer back to Phase II				
——Transfer back to Phase I				
Provision in the current period	2,179,136.65			2,179,136.65
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	2,179,136.65			2,179,136.65

11. Long-term equity investments

Investee	Opening balance	Increases and decreases in current period				
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Associated enterprises						
Huai'an Huaiwei Software Technology Co., Ltd.	730,351.89	63,056.50		-265,596.66		
Huai'an Service Outsourcing Talent Training Center	510,000.00					
Huai'an Jinshiyuan Coffee Culture Co., Ltd.	100,000.00		100,000.00			
Huai'an Gangxin Property Service Co., Ltd.	50,000,000.00		50,000,000.00			
Huai'an Yongxiang Industrial Co., Ltd.	65,000,000.00		65,000,000.00			
Huai'an Local Amount Development Research Society	30,000.00					
Huai'an Wisdom Valley Supply Chain Management Co., Ltd	300,000.00		300,000.00			

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Investee	Opening balance	Increases and decreases in current period				Other equity change
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	
Xinjiang Jianghuai Real Estate Development Co., Ltd	20,676,237.10	19,649,000.00		-791,145.11		
Jiangsu Gaolu Composite Material Co., Ltd	9,000,000.00			-2,036,192.84		
Huai'an Zhishun Technology Industry Development Co., Ltd	141,301,430.00		83,921,404.89	-2,707,129.29		
Huai'an Xinfangda Industrial Co., Ltd.		300,000,000.00				
Total	287,648,018.99	319,712,056.50	199,321,404.89	-5,800,063.90		

(Continued)

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other		
Associated enterprises					
Huai'an Huaiwei Software Technology Co., Ltd.				527,811.73	
Huai'an Service Outsourcing Talent Training Center				510,000.00	
Huai'an Jinshiyuan Coffee Culture Co., Ltd.					
Huai'an Gangxin Property Service Co., Ltd.					
Huai'an Yongxiang Industrial Co., Ltd.					
Huai'an Local Amount Development Research Society				30,000.00	
Huai'an Wisdom Valley Supply Chain Management Co., Ltd					
Xinjiang Jianghuai Real Estate Development Co., Ltd				39,534,091.99	
Jiangsu Gaolu Composite Material Co., Ltd				6,963,807.16	
Huai'an Zhishun Technology Industry Development Co., Ltd				54,672,895.82	
Huai'an Xinfangda Industrial Co., Ltd.				300,000,000.00	
Total				402,238,606.70	

12. Other equity instrument investments**(1) Investment of other equity instruments**

Items	Closing balance
Huai'an Municipal Second-hand Vehicle Trading Market Co., Ltd.	7,600,000.00
Huai'an New City Investment Holding Co., Ltd.	38,275,785.39
Huai'an Huaiyang Cuisine Group Holding Co., Ltd.	15,000,000.00
Huai'an Liuchuanguyuan Entrepreneurial Investment Co., Ltd.	6,000,000.00
Huai'an Modern Tramway Operation Co., Ltd.	7,000,000.00
EGuan Asia Pacific Technology Huai'an Co., Ltd.	500,000.00
Suhua Entertainment Power Media Technology Co., Ltd.	500,000.00
Huai'an Kechuang Industry Investment Co., Ltd.	40,000,000.00
Huai'an Credit Re-guarantee Co., Ltd.	50,000,000.00
Liaoning Anling Economic Development Co., Ltd	15,000,000.00
Huai'an Qinghe Xingfu Community Bank Co., Ltd	5,650,000.00
Jiangsu Xuyi Yuanming Environmental Protection Technology Co., Ltd	1,569,590.00
Xuxing Biological (Xuyi) Co., Ltd	7,211,320.00
Jiangsu Xuyi Haner Technology Co., Ltd	350,000.00
Jiangsu Zhongjing Aerospace Semiconductor Industry Development Co., Ltd	4,113,267.35
Jiangsu Lekesi Technology Co., Ltd	38,801,574.77
Jiangsu Oumaiwei Turbocharging System Co., Ltd	1,350,273.36
Jiangsu Xuyi Sanli Technology Co., Ltd	250,000.00
Jiangsu Xuyi Wangdefu Technology Co., Ltd	16,732,300.00
Jiangsu Fangang Green Building Technology Co., Ltd	23,684,900.00
Total	279,589,010.87

13. Other non-current financial assets

Items	Closing balance
Financial assets classified as measuring at fair value with change recorded in current profits and losses	222,539,865.15
Of which: equity instrument investment	222,539,865.15
Total	222,539,865.15

14. Investment properties**(1) Investment real estate with the model of cost measurement**

Items	Houses, buildings	Total
I. Original book value		
1. Opening balance	2,720,414,195.12	2,720,414,195.12
2. Increased amount in current period	2,165,285,464.46	2,165,285,464.46
(1) Outsourcing		
(2) Inventory/fixed assets/construction in progress transfer-in	2,165,285,464.46	2,165,285,464.46
(3) Increase in business combination		
3. Decreased amount in current period		

Items	Houses, buildings	Total
4. Closing balance	4,885,699,659.58	4,885,699,659.58
II. Cumulative depreciation and amortization		
1. Opening balance	506,181,669.48	506,181,669.48
2. Increased amount in current period	156,646,370.29	156,646,370.29
(1) Provision or amortization	156,646,370.29	156,646,370.29
(2) Increase in business combination		
3. Decreased amount in current period		
4. Closing balance	662,828,039.77	662,828,039.77
III. Provision for impairment		
1. Opening balance		
2. Increased amount in current period		
3. Decreased amount in current period		
4. Closing balance		
IV. Book value		
1. Period-end book value	4,222,871,619.81	4,222,871,619.81
2. Book value at the beginning of year	2,214,232,525.64	2,214,232,525.64

Note: houses and buildings include the value of houses and land.

15. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	2,568,836,576.31	2,973,783,053.22
Fixed asset liquidation		
Total	2,568,836,576.31	2,973,783,053.22

(1) Fixed assets

① Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
I. Original book value						
1. Opening balance	2,738,855,137.34	10,792,807.32	3,367,565.58	29,065,677.02	1,209,855,274.19	3,991,936,461.45
2. Increased amount in current period		813,466.41	2,140,656.45	1,020,746.92		3,974,869.78
(1) Purchase		813,466.41	2,140,656.45	1,020,746.92		3,974,869.78
3. Decreased amount in current period	339,530,557.39		1,591,345.61			341,121,903.00
(1) Transfer in of intangible assets	39,663,304.53					39,663,304.53
(2) Transfer	3,648,811.76					3,648,811.76

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
in of long-term deferred expenses						
(3) Disposal	296,218,441.10		1,591,345.61			297,809,786.71
4. Closing balance	2,399,324,579.95	11,606,273.73	3,916,876.42	30,086,423.94	1,209,855,274.19	3,654,789,428.23
II. Cumulative depreciation						
1. Opening balance	488,869,304.35	4,187,862.28	1,062,574.56	21,196,534.54	502,837,132.50	1,018,153,408.23
2. Increased amount in current period	90,804,106.87	794,643.79	940,496.43	1,624,198.95	58,778,141.78	152,941,587.82
(1) Provision	90,804,106.87	794,643.79	940,496.43	1,624,198.95	58,778,141.78	152,941,587.82
3. Decreased amount in current period	84,601,692.93		540,451.20			85,142,144.13
(1) Transfer in of intangible assets	1,863,425.43					1,863,425.43
(2) Transfer in of long-term deferred expenses	98,301.79					98,301.79
(3) Disposal	82,639,965.71		540,451.20			83,180,416.91
4. Closing balance	495,071,718.29	4,982,506.07	1,462,619.79	22,820,733.49	561,615,274.28	1,085,952,851.92
III. Provision for impairment						
1. Opening balance						
2. Increased amount in current period						
3. Decreased amount in current period						
4. Closing balance						
IV. Book value						
1. Period-ended book value	1,904,252,861.66	6,623,767.66	2,454,256.63	7,265,690.45	648,239,999.91	2,568,836,576.31

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Pipe network equipment	Total
2. Book value at the beginning of year	2,249,985,832.99	6,604,945.04	2,304,991.02	7,869,142.48	707,018,141.69	2,973,783,053.22

16. Construction in progress

(1) Construction in process

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
New Factory of Fulin Electronics	17,841,358.54		17,841,358.54	17,438,214.91		17,438,214.91
NJU Institute	21,864,429.66		21,864,429.66	21,864,429.66		21,864,429.66
Innovation and Entrepreneurship Park				114,507,654.83		114,507,654.83
Other sporadic projects				2,403.50		2,403.50
Dongcheng Xinrui Garden				2,186,290.03		2,186,290.03
Dajianghu spring project				77,151,223.78		77,151,223.78
Nanfeng factory building at 255 Shuidukou Avenue	551,901.17		551,901.17	519,815.67		519,815.67
Jinkong Building (beside the Management Committee)	46,485,858.16		46,485,858.16	46,485,858.16		46,485,858.16
229 Shuidukou Avenue, Huairong Pioneer Park (Yongzhong Steel Pipe)	365,233.26		365,233.26			
Huairong Pioneer Park (65 Fushikang Road)	3,580,182.12		3,580,182.12			
130 Honghengsheng Road, Development Zone (Make Jiyuan)	949,257.58		949,257.58	949,257.58		949,257.58
Tianrun Pawn Shop Facade	59,591.20		59,591.20	59,591.20		59,591.20
128 Shenzhen East Road (Yutian)	230,010.48		230,010.48	89,039.17		89,039.17
92 Feiyao South Road (former Tongxin Electronics)	1,206,359.90		1,206,359.90			
227 Shuidukou Avenue (Domino)	18,839,937.99		18,839,937.99	11,610.00		11,610.00
2 Chaimi Road (former Venom Auto)	6,845,841.88		6,845,841.88	2,855,993.63		2,855,993.63
Huairong Pioneer Park (78 Fushikang Road)	3,260,824.36		3,260,824.36			
Spraying Center Environmental Protection Project	11,127,237.68		11,127,237.68			
Jinkong Building (46 Shenzhen Road)	54,847.52		54,847.52			

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jiangsu Xuyi Economic Development Zone 5G Logistics Industrial Park Project	1,323,658.83		1,323,658.83			
Total	134,586,530.33		134,586,530.33	284,121,382.12		284,121,382.12

17. Intangible assets**(1) Intangible assets**

Items	Land use right	Software	Franchise rights	Total
I. Original book value				
1. Opening balance	1,080,096,378.28	10,084,596.44	943,396.20	1,091,124,370.92
2. Increased amount in current period	53,172,460.40	9,444,057.54	39,663,304.53	102,279,822.47
3. Decreased amount in current period	635,943,152.56	9,349,929.00		645,293,081.56
4. Closing balance	497,325,686.12	10,178,724.98	40,606,700.73	548,111,111.83
II. Accumulated amortization				
1. Opening balance	60,550,394.25	9,560,123.05	267,295.59	70,377,812.89
2. Increased amount in current period	17,090,159.27	3,522,059.78	8,057,108.06	28,669,327.11
(1) Provision	17,090,159.27	3,522,059.78	8,057,108.06	28,669,327.11
3. Decreased amount in current period	11,242,423.88	9,349,929.00		20,592,352.88
4. Closing balance	66,398,129.64	3,732,253.83	8,324,403.65	78,454,787.12
III. Provision for impairment				
1. Opening balance				
2. Increased amount in current period				
3. Decreased amount in current period				
4. Closing balance				
IV. Book value				
1. Period-end book value	430,927,556.48	6,446,471.15	32,282,297.08	469,656,324.71
2. Book value at the beginning of year	1,019,545,984.03	524,473.39	676,100.61	1,020,746,558.03

18. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Decoration fees	142,898.23		59,540.10		83,358.13
Rental fee of	1,562,777.77		886,871.05		675,906.72

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Xuyi Jinning Colored Steel Factory					
Dajianghu decoration		117,192,327.66	11,152,091.88		106,040,235.78
Total	1,705,676.00	117,192,327.66	12,098,503.03		106,799,500.63

19. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax asset details

Items	Closing balance		Previous year ending balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Assets impairment reserve	50,248,037.94	12,562,613.240	39,045,138.07	9,761,284.53
Total	50,248,037.94	12,562,613.240	39,045,138.07	9,761,284.53

20. Other non-current assets

Items	Closing balance	Previous year ending balance
Trust products	20,000,000.00	60,000,000.00
Prepaid asset acquisition funds	619,597,579.88	615,277,871.68
Advance payments of equity acquisition funds	25,969,000.00	25,652,303.35
Total	665,566,579.88	700,930,175.03

21. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Pledge borrowings	1,781,098,290.00	1,238,151,715.00
Security borrowings	2,070,500,000.00	2,150,120,000.00
Credit borrowings	265,000,000.00	212,532,715.00
Mortgage borrowings	101,300,000.00	
Interest on short-term borrowings	4,063,720.94	
Total	4,221,962,010.94	3,600,804,430.00

22. Notes payable

Category	Closing balance	Previous year ending balance
Commercial acceptance bill	804,960,000.00	337,600,000.00
Bank acceptance bill	448,946,777.00	621,000,000.00
Total	1,253,906,777.00	958,600,000.00

Note: As of 31 December 2021, there was no due and unpaid notes payable.

23. Trade payables

(1) List of payables

Aging	Closing balance	Previous year ending balance
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Aging	Closing balance	Previous year ending balance
Within 1 year	186,398,567.95	417,084,376.02
1-2 years	90,905,776.32	58,365,352.36
2-3 years	13,686,245.03	25,119,372.47
Over 3 years	234,137,384.99	503,181,012.36
Total	525,127,974.29	1,003,750,113.21

(2) Accounts payable with large balance as of 31 December 2021 are as follows

Items	Closing balance	Reasons for outstanding or carrying over
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	175,934,600.60	Not yet settled
Huai'an Zhongyin Real Estate Co., Ltd.	128,264,329.68	Not yet settled
Huai'an New City Investment Holding Co., Ltd.	47,028,683.16	Not yet settled
Nanjing Construction Design Research Institute Co., Ltd	35,312,552.09	Not yet settled
Jiangsu Wentong Construction Co., Ltd. Huaian Branch	18,595,915.29	Not yet settled
Total	405,136,080.82	

24. Advances from customers

(1) List of advance receipts

Items	Previous year ending balance
Within 1 year	646,870,752.36
1-2 years	126,456,333.78
2-3 years	44,163,475.81
Over 3 years	59,190,292.45
Total	876,680,854.40

25. Contract liabilities

(1) Contract liabilities

Aging	Closing balance
Advance receipts of sales funds	372,481,079.71
Total	372,481,079.71

26. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	400,895,798.89	262,508,648.50
Urban maintenance and construction tax	25,146,758.82	17,129,656.61
Education surcharge	22,078,481.76	16,002,499.84
Housing tax	187,233,683.56	144,505,030.72
Increment tax on land value	17,200,350.67	17,200,350.67
Land use tax	1,174,557.65	12,041.27
Corporate income tax	185,719,478.65	66,234,502.78

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Items	Closing balance	Previous year ending balance
Individual income tax	18,464.48	7,485.54
Stamp duty		275,558.09
Other taxes	722,834.75	410,040.86
Total	840,190,409.23	524,285,814.88

27. Other payables

Items	Closing balance	Previous year ending balance
Other payables	3,849,025,284.910	4,421,257,929.77
Interest payable		198,352,370.16
Dividends payable		
Total	3,849,025,284.910	4,619,610,299.93

(1) Other payables

① List of other payables by age

Items	Closing balance	Previous year ending balance
Within 1 year	1,768,089,660.80	864,676,479.60
1-2 years	532,567,345.10	110,917,871.60
2-3 years	108,234,858.12	261,770,154.53
Over 3 years	1,440,133,420.89	3,183,893,424.04
Total	3,849,025,284.910	4,421,257,929.77

② Other account payable with large ending balance

Items	Closing balance	Reasons for outstanding or carrying over
Huai'an Economic and Technological Development Zone Science and Education Industry Development Office	786,177,274.68	Not yet settled
Huai'an Economic Development Zone State-owned Asset Management Co., Ltd.	518,824,644.10	Not yet settled
Huai'an Software Industry Development Office	203,740,796.11	Not yet settled
Huai'an Yongxiang Industrial Co., Ltd.	100,000,000.00	
Huai'an Huairun Trading Co., Ltd	100,000,000.00	Not yet settled
Total	1,708,742,714.89	

28. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year (Note VI. 27)	6,016,487,570.00	6,174,911,005.37
Bonds payable due within 1 year (Note VI. 28)	7,620,771,823.93	9,303,340,532.50
Long-term payables due within 1 year (Note VI. 29)	1,047,784,127.20	858,303,589.72
Interests payable on long-term borrowings	13,804,639.34	
Interest payable on bonds payable	183,006,385.99	
Interest payable on long-term payable	6,243,444.74	
Total	14,888,097,991.20	16,336,555,127.59

29. Other current liabilities

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
Short-term bonds payable	2,300,000,000.00	1,500,000,000.00
Interest payable of short-term bonds payable	35,967,808.22	
Guarantee compensation reserve	21,401,000.00	18,307,189.69
Loan loss reserves	1,499,818.09	1,993,154.15
Undue liability reserve	19,883,498.37	15,031,952.73
Output tax to be transferred for contract liabilities	18,624,053.99	
Total	2,397,376,178.67	1,535,332,296.57

Including: increases and decreases of short-term bonds payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
20 Huai'an Development SCP003	200,000,000.00	2020/08/12	9 months	200,000,000.00	200,000,000.00
20 Huai'an Development SCP004	500,000,000.00	2020/10/30	9 months	500,000,000.00	500,000,000.00
20 Huai'an Development SCP005	300,000,000.00	2020/11/24	9 months	300,000,000.00	300,000,000.00
20 Huai'an Development SCP006	500,000,000.00	2020/12/10	9 months	500,000,000.00	500,000,000.00
21 Su Huai'an Holding ZR001	200,000,000.00	2021/01/18	6 months	200,000,000.00	
21 Huai'an Development SCP001	500,000,000.00	2021/01/07	9 months	500,000,000.00	
21 Huai'an Development SCP002	300,000,000.00	2021/4/29	9 months	300,000,000.00	
21 Su Huai'an Holding ZR003	200,000,000.00	2021/6/29	6 months	200,000,000.00	
21 Su Huai'an Holding ZR004	300,000,000.00	2021/8/26	6 months	300,000,000.00	
21 Huai'an Development SCP003	700,000,000.00	2021/7/12	6 months	700,000,000.00	
21 Huai'an Development SCP004	500,000,000.00	2021/8/31	6 months	500,000,000.00	
21 Huai'an Development SCP005	500,000,000.00	2021/12/15	8 months	500,000,000.00	
	4,700,000,000.00			4,700,000,000.00	1,500,000,000.00

(Continued)

Bond name	Issue in current period	Repayment in the current period	Closing balance
20 Huai'an Development SCP003		200,000,000.00	
20 Huai'an Development SCP004		500,000,000.00	
20 Huai'an Development SCP005		300,000,000.00	
20 Huai'an Development SCP006		500,000,000.00	
21 Su Huai'an Holding ZR001	200,000,000.00	200,000,000.00	
21 Huai'an Development	500,000,000.00	500,000,000.00	

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Bond name	Issue in current period	Repayment in the current period	Closing balance
SCP001			
21 Huai'an Development SCP002	300,000,000.00		300,000,000.00
21 Su Huai'an Holding ZR003	200,000,000.00	200,000,000.00	
21 Su Huai'an Holding ZR004	300,000,000.00		300,000,000.00
21 Huai'an Development SCP003	700,000,000.00		700,000,000.00
21 Huai'an Development SCP004	500,000,000.00		500,000,000.00
21 Huai'an Development SCP005	500,000,000.00		500,000,000.00
	3,200,000,000.00	2,400,000,000.00	2,300,000,000.00

30. Long-term borrowing

Items	Closing balance	Previous year ending balance
Security borrowings	10,324,992,635.10	11,965,361,005.37
Mortgage borrowings	3,198,300,000.00	3,750,747,475.12
Pledge borrowings	2,166,698,205.00	1,255,602,715.00
Credit borrowings	1,743,700,000.00	844,400,000.00
Less: long-term borrowings due within 1 year (Notes VI. 25)	6,016,487,570.00	6,174,911,005.37
Total	11,417,203,270.10	11,641,200,190.12

31. Bonds payable

1. Bonds payable

Items	Closing balance	Previous year ending balance
14 Huai'an Development Holdings Debt		260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)--Minsheng		600,000,000.00
2016 Phase II Medium-Term Notes (MTN002)--CCB		500,000,000.00
17 Huai'an Development MTN001	999,926,694.75	999,716,132.05
Medium-Term Notes (CMB)	794,613,784.73	792,911,004.03
Medium-Term Notes (ABC)	698,100,895.37	695,877,666.23
18 Su Huai'an Holding ZR001		199,893,361.89
18 Huai'an Development MTN002		496,444,657.03
18 Huai'an Development MTN003		399,619,643.87
18 Huai'an Development MTN005		596,666,772.48
18 Huai'an Development MTN006	119,758,658.54	594,778,086.12
19 Huai'an Development MTN001	499,866,043.03	498,267,725.42
19 Su Huai'an Holding ZR001	499,550,226.20	494,186,902.52
19 Huai'an Development PPN001		489,001,564.89
19 Huai'an Development PPN002	199,341,816.10	197,171,381.25
19 Su Huai'an Holding ZR002		300,000,000.00

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
19 Huai Development 01, 19 Huai Development 02	1,298,948,185.58	1,298,510,845.11
19 Huai Development 03	499,165,173.11	498,166,688.25
19 Huai Development 04, 19 Huai Development 05		1,347,427,166.00
2019 overseas bonds	1,908,343,958.05	1,943,990,677.08
20 Su Huai'an Holding ZR002	699,175,026.41	697,583,463.66
20 Su Huai'an Holding ZR001	497,344,247.83	494,847,417.84
20 Huai Development 02	997,395,900.97	995,422,933.17
20 Huai'an Development PPN001	498,172,541.48	496,940,166.40
20 Su Huai'an Holding ZR003	194,384,223.57	193,810,589.92
20 Huai'an Development PPN002	499,223,806.14	498,737,017.45
20 Huai Development D1		1,100,000,000.00
20 Huai'an Development PPN003	299,560,448.05	299,315,180.31
20 Su Huai'an Holding ZR004	99,768,737.54	99,472,912.51
20 Huai Development 03	199,397,918.34	198,629,306.11
20 Huai Development 04	299,193,878.52	299,006,231.83
20 Huai'an Development PPN004	299,457,860.23	299,170,735.66
20 Huai Development 06	1,075,116,993.21	1,072,535,692.90
20 Huai Development 05		350,000,000.00
20 Huai Development 07	407,969,549.08	407,004,937.68
20 Huai Development D2		960,000,000.00
20 Su Huai'an Holding ZR005		300,000,000.00
21 Huai Development 01	1,203,531,048.22	
21 Huai'an Development MTN001	748,341,204.46	
21 Huai'an Development PPN002	198,622,643.37	
21 Su Huai'an Holding ZR002	188,238,454.55	
21 Huai Development 02	606,380,391.71	
21 Huai'an Development MTN002	699,115,627.88	
21 Huai'an 01	298,483,606.44	
21 Huai'an 02	656,456,161.08	
21 Huai Development 03	821,308,232.96	
21 Huai Development 04	595,699,658.87	
21 Huai'an Development MTN003	874,896,464.50	
21 Huai Development 05	845,861,261.39	
21 Huai'an Development PPN003	499,198,555.29	
21 Huai'an Development PPN004	998,750,000.00	
21 Huai'an Development MTN004	597,000,000.00	
Subtotal	23,415,659,877.55	21,965,106,859.66
Less: partial ending balance due within one year (Note VI. 25)		
14 Huai'an Development Holdings Debt		260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)–Minsheng		600,000,000.00

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Previous year ending balance
2016 Phase II Medium-Term Notes (MTN002)--CCB		500,000,000.00
17 Huai'an Development MTN001	999,926,694.75	
Medium-Term Notes (CMB)		
Medium-Term Notes (ABC)	698,100,895.37	
18 Su Huai'an Holding ZR001		199,893,361.89
18 Huai'an Development MTN002		496,444,657.03
18 Huai'an Development MTN003		399,619,643.87
18 Huai'an Development MTN005		596,666,772.48
18 Huai'an Development MTN006		594,778,086.12
19 Huai'an Development MTN001	499,866,043.03	
19 Su Huai'an Holding ZR001	499,550,226.20	
19 Huai'an Development PPN002	199,341,816.10	
19 Su Huai'an Holding ZR002		300,000,000.00
19 Huai Development 01, 19 Huai Development 02	1,298,948,185.58	1,298,510,845.11
19 Huai Development 03	499,165,173.11	
19 Huai Development 04, 19 Huai Development 05		1,347,427,166.00
20 Huai Development D1		1,100,000,000.00
20 Huai Development 03	199,397,918.34	
20 Huai Development 05		350,000,000.00
20 Huai Development D2		960,000,000.00
20 Su Huai'an Holding ZR004	99,768,737.54	
20 Su Huai'an Holding ZR005		300,000,000.00
21 Su Huai'an Holding ZR002	19,187,149.45	
20 Su Huai'an Holding ZR002	699,175,026.41	
19 Overseas Bonds	1,908,343,958.05	
Subtotal	7,620,771,823.93	9,303,340,532.50
Total	15,794,888,053.62	12,661,766,327.16

(2) Increase and decrease of bond payable

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
14 Huai'an Development Holdings Debt	1,300,000,000.00	2014-3-10	7 years	1,300,000,000.00	260,000,000.00
2016 Phase I Medium-Term Notes (MTN001)--Minsheng	600,000,000.00	2016-1-28	5 years	600,000,000.00	600,000,000.00
2016 Phase II Medium-Term Notes (MTN002)--CCB	500,000,000.00	2016-11-28	5 years	500,000,000.00	500,000,000.00
17 Huai'an Development MTN001	1,000,000,000.00	2017-2-28	5 years	1,000,000,000.00	999,716,132.05
Medium-Term Notes (CMB)	800,000,000.00	2017-9-27	7 years	800,000,000.00	792,911,004.03
Medium-Term Notes	700,000,000.00	2017-9-6	5 years	700,000,000.00	695,877,666.23

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
(ABC)					
18 Su Huai'an Holding ZR001	200,000,000.00	2018-2-13	3 years	200,000,000.00	199,893,361.89
18 Huai'an Development MTN002	500,000,000.00	2018-4-20	5 years	500,000,000.00	496,444,657.03
18 Huai'an Development MTN003	400,000,000.00	2018-3-30	3 years	400,000,000.00	399,619,643.87
18 Huai'an Development MTN005	600,000,000.00	2018-7-13	3 years	600,000,000.00	596,666,772.48
18 Huai'an Development MTN006	600,000,000.00	2018-8-7	5 years	600,000,000.00	594,778,086.12
19 Huai'an Development MTN001	500,000,000.00	2019-1-18	3 years	500,000,000.00	498,267,725.42
19 Su Huai'an Holding ZR001	500,000,000.00	2019-1-24	3 years	500,000,000.00	494,186,902.52
19 Huai'an Development PPN001	500,000,000.00	2019-1-23	5 years	500,000,000.00	489,001,564.89
19 Huai'an Development PPN002	200,000,000.00	2019-3-28	3 years	200,000,000.00	197,171,381.25
19 Su Huai'an Holding ZR002	300,000,000.00	2019-6-27	1 year	300,000,000.00	300,000,000.00
19 Huai Development 01, 19 Huai Development 02	1,300,000,000.00	2019-8-21	3 years	1,300,000,000.00	1,298,510,845.11
19 Huai Development 03	500,000,000.00	2019-9-27	3 years	500,000,000.00	498,166,688.25
19 Huai Development 04, 19 Huai Development 05	1,350,000,000.00	2019-11-14	2 years	1,350,000,000.00	1,347,427,166.00
2019 overseas bonds	2,064,983,104.80	2019-6-25	3 years	2,064,983,104.80	1,943,990,677.08
20 Su Huai'an Holding ZR002	700,000,000.00	2020-1-9	3 years	700,000,000.00	697,583,463.66
20 Su Huai'an Holding ZR001	500,000,000.00	2020-1-8	3 years	500,000,000.00	494,847,417.84
20 Huai Development 02	1,000,000,000.00	2020-3-16	3 years	1,000,000,000.00	995,422,933.17
20 Huai'an Development PPN001	500,000,000.00	2020-5-14	3 years	500,000,000.00	496,940,166.40
20 Su Huai'an Holding ZR003	195,200,000.00	2020-4-29	3 years	195,200,000.00	193,810,589.92
20 Huai'an Development PPN002	500,000,000.00	2020-6-2	3 years	500,000,000.00	498,737,017.45
20 Huai Development D1	1,100,000,000.00	2020-7-28	1 year	1,100,000,000.00	1,100,000,000.00
20 Huai'an Development PPN003	300,000,000.00	2020-8-21	3 years	300,000,000.00	299,315,180.31
20 Su Huai'an Holding ZR004	100,000,000.00	2020-9-17	2 years	100,000,000.00	99,472,912.51
20 Huai Development 03	200,000,000.00	2020-9-10	2 years	200,000,000.00	198,629,306.11

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
20 Huai Development 04	300,000,000.00	2020-9-10	5 years	300,000,000.00	299,006,231.83
20 Huai'an Development PPN004	300,000,000.00	2020-9-14	3 years	300,000,000.00	299,170,735.66
20 Huai Development 06	1,080,000,000.00	2020-10-21	3 years	1,080,000,000.00	1,072,535,692.90
20 Huai Development 05	350,000,000.00	2020-10-23	1 year	350,000,000.00	350,000,000.00
20 Huai Development 07	410,000,000.00	2020-11-26	3 years	410,000,000.00	407,004,937.68
20 Huai Development D2	960,000,000.00	2020-12-4	1 year	960,000,000.00	960,000,000.00
20 Su Huai'an Holding ZR005	300,000,000.00	2020-10-10	1 year	300,000,000.00	300,000,000.00
21 Huai Development 01	1,210,000,000.00	2021-1-26	3 years	1,210,000,000.00	
21 Huai'an Development MTN001	750,000,000.00	2021-2-9	4 years	750,000,000.00	
21 Huai'an Development PPN002	200,000,000.00	2021-3-15	5 years	200,000,000.00	
21 Su Huai'an Holding ZR002	200,000,000.00	2021-4-2	3 years	200,000,000.00	
21 Huai Development 02	610,000,000.00	2021-4-23	3 years	610,000,000.00	
21 Huai'an Development MTN002	700,000,000.00	2021-6-11	3 years	700,000,000.00	
21 Huai'an 01	300,000,000.00	2021-6-21	3 years	300,000,000.00	
21 Huai'an 02	660,000,000.00	2021-8-12	3 years	660,000,000.00	
21 Huai Development 03	825,000,000.00	2021-8-30	3 years	825,000,000.00	
21 Huai Development 04	600,000,000.00	2021-9-17	5 years	600,000,000.00	
21 Huai'an Development MTN003	880,000,000.00	2021-8-5	3 years	880,000,000.00	
21 Huai Development 05	850,000,000.00	2021-11-30	3 years	850,000,000.00	
21 Huai'an Development PPN003	500,000,000.00	2021-11-26	3 years	500,000,000.00	
21 Huai'an Development PPN004	1,000,000,000.00	2021-12-17	3 years	1,000,000,000.00	
21 Huai'an Development MTN004	600,000,000.00	2021-12-24	2 years	600,000,000.00	
Total	33,095,183,104.80			33,095,183,104.80	21,965,106,859.66

(Continued)

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
14 Huai'an Development Holdings Debt			260,000,000.00		
2016 Phase I Medium-Term Notes (MTN001)--Minsheng			600,000,000.00		
2016 Phase II Medium-Term Notes (MTN002)--CCB			500,000,000.00		
17 Huai'an Development MTN001		210,562.70			999,926,694.75
Medium-Term Notes (CMB)		1,702,780.70			794,613,784.73
Medium-Term Notes (ABC)		2,223,229.14			698,100,895.37
18 Su Huai'an Holding ZR001		106,638.11	200,000,000.00		
18 Huai'an Development MTN002		3,555,342.97	500,000,000.00		
18 Huai'an Development MTN003		380,356.13	400,000,000.00		
18 Huai'an Development MTN005		3,333,227.52	600,000,000.00		
18 Huai'an Development MTN006		4,980,572.42	480,000,000.00		119,758,658.54
19 Huai'an Development MTN001		1,598,317.61			499,866,043.03
19 Su Huai'an Holding ZR001		5,363,323.68			499,550,226.20
19 Huai'an Development PPN001		10,998,435.11	500,000,000.00		
19 Huai'an Development PPN002		2,170,434.85			199,341,816.10
19 Su Huai'an Holding ZR002			300,000,000.00		

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
19 Huai Development 01, 19 Huai Development 02		437,340.47			1,298,948,185.58
19 Huai Development 03		998,484.86			499,165,173.11
19 Huai Development 04, 19 Huai Development 05		2,572,834.00	1,350,000,000.00		
2019 overseas bonds		-35,646,719.03			1,908,343,958.05
20 Su Huai'an Holding ZR002		1,591,562.75			699,175,026.41
20 Su Huai'an Holding ZR001		2,496,829.99			497,344,247.83
20 Huai Development 02		1,972,967.80			997,395,900.97
20 Huai'an Development PPN001		1,232,375.08			498,172,541.48
20 Su Huai'an Holding ZR003		573,633.65			194,384,223.57
20 Huai'an Development PPN002		486,788.69			499,223,806.14
20 Huai Development D1			1,100,000,000.00		
20 Huai'an Development PPN003		245,267.74			299,560,448.05
20 Su Huai'an Holding ZR004		295,825.03			99,768,737.54
20 Huai Development 03		768,612.23			199,397,918.34
20 Huai Development 04		187,646.69			299,193,878.52
20 Huai'an Development PPN004		.287,124.57			299,457,860.23
20 Huai Development 06		2,581,300.31			1,075,116,993.21
20 Huai Development 05			350,000,000.00		
20 Huai Development 07		964,611.40			407,969,549.08
20 Huai Development D2			960,000,000.00		

Bond name	Issue in current period	Interest adjustment	Repayment in the current period	Other	Closing balance
20 Su Huai'an Holding ZR005			300,000,000.00		
21 Huai Development 01	1,200,925,000.00	2,606,048.22			1,203,531,048.22
21 Huai'an Development MTN001	747,750,000.00	591,204.46			748,341,204.46
21 Huai'an Development PPN002	198,200,000.00	422,643.37			198,622,643.37
21 Su Huai'an Holding ZR002	197,600,000.00	638,454.55	10,000,000.00		188,238,454.55
21 Huai Development 02	605,425,000.00	955,391.71			606,380,391.71
21 Huai'an Development MTN002	698,950,000.00	165,627.88			699,115,627.88
21 Huai'an 01	298,200,000.00	283,606.44			298,483,606.44
21 Huai'an 02	656,040,000.00	416,161.08			656,456,161.08
21 Huai Development 03	820,875,000.00	433,232.96			821,308,232.96
21 Huai Development 04	595,500,000.00	199,658.87			595,699,658.87
21 Huai'an Development MTN003	874,124,000.00	772,464.50			874,896,464.50
21 Huai Development 05	845,750,000.00	111,261.39			845,861,261.39
21 Huai'an Development PPN003	499,125,000.00	73,555.29			499,198,555.29
21 Huai'an Development PPN004	998,750,000.00				998,750,000.00
21 Huai'an Development MTN004	597,000,000.00				597,000,000.00
Total	9,834,214,000.00	26,339,017.89	8,410,000,000.00		23,415,659,877.55

32. Long-term payables

Items	Closing balance	Previous year ending balance
Financing lease fund	3,361,737,842.68	4,136,306,343.65
Special accounts payable	27,557,670.59	25,776,870.59
Less: the portion due within 1 year (Notes VI. 25)	1,047,784,127.20	858,303,589.72
Total	2,341,511,386.07	3,303,779,624.52

Among them, conditions of special account payable are as follows:

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Advanced Vocational and Technical College Program	279,615.59			279,615.59
Support Fund	25,497,255.00	1,780,800.00		27,278,055.00
Total	25,776,870.59	1,780,800.00		27,557,670.59

33. Deferred incomes

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance	Cause of formation
Unrealized after-sales leaseback profits and losses	-359,613,982.68	57,074,913.43		-302,539,069.250	Financial leasing
Total	-359,613,982.68	57,074,913.43		-302,539,069.250	

34. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Huai'an Municipal People's Government (authorized and entrusted Huai'an Economic and Technological Development Zone Management Committee to perform the responsibilities of investor)	14,245,000,000.00			14,245,000,000.00
Total	14,245,000,000.00			14,245,000,000.00

35. Capital reserve

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Capital premium	16,435,200.00			16,435,200.00
Other capital reserves	24,177,064,509.33	1,140,865,579.33	554,158,562.44	24,763,771,526.22
Total	24,193,499,709.33	1,140,865,579.33	554,158,562.44	24,780,206,726.22

36. Other comprehensive income

Items	Balance at the	Amount incurred in current period	Closing balance
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	end of last year	Actual amounts incurred before income tax for the current period	Less: transferred profit or loss for the current period taken into the other comprehensive income in the previous period	Less: income tax expenses	After-tax parent company's attributable share	After-tax minority shareholders' attributable share	
Converted difference in foreign currency statements	50,648,305.60	-997,510.75					49,650,794.85
Total	50,648,305.60	-997,510.75					49,650,794.85

37. Surplus reserve

Items	Previous year ending balance	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	393,413,023.59	393,413,023.59	48,614,057.28		442,027,080.87
Total	393,413,023.59	393,413,023.59	48,614,057.28		442,027,080.87

Note: According to provisions of the Company Law and the Articles of Association, the company draws statutory surplus reserve fund as per 10% of net profits. If the cumulative statutory surplus reserve is more than 50% of registered capital of the company, it may not be withdrawn.

38. Undistributed profits

Items	The current period	Last period
Undistributed profit at the end of the prior year before adjustment	2,980,601,594.27	2,744,275,804.68
Total beginning undistributed profits adjusted (increase +, decrease -)		
Undistributed profits after adjustment at the beginning of period	2,980,601,594.27	2,744,275,804.68
Add: Net profit attributable to shareholders of parent company in current period	556,453,430.16	301,567,639.65
Less: withdrawal of statutory surplus reserve	48,614,057.28	48,741,850.06
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Common stock dividends payable	16,500,000.000	16,500,000.00
Common stock dividends converted into capital stock		
Undistributed profits at the end of period	3,471,940,967.15	2,980,601,594.27

39. Operating incomes and operating costs

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Main business	3,859,022,111.40	2,945,664,913.51	1,835,653,012.71	1,459,751,296.93
Other businesses	82,314,620.90	115,730,007.48	28,335,635.19	12,378,323.16

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Total	3,941,336,732.30	3,061,394,920.99	1,863,988,647.90	1,472,129,620.09

(1) Operating income and operating cost are broken down by category as follows:

Items	Current amount		Amount last year	
	Incomes	Cost	Incomes	Cost
Engineering construction	1,872,798,260.62	1,678,722,146.37	851,825,605.15	789,198,049.66
Land development	683,557,905.30	426,370,757.21	198,394,688.50	149,411,404.60
Real estate sales	580,737,770.03	412,295,470.93	291,242,032.48	250,781,706.29
Hotel services	10,786,366.83	6,788,633.65	12,768,704.26	7,008,491.94
Property management	44,567,021.07	14,029,282.00	18,089,882.32	16,790,976.34
Asset leasing	368,892,796.57	182,758,840.65	325,879,388.42	183,068,306.77
Financial service	74,880,222.33	9,053,095.16	98,635,135.03	34,514,356.61
Sales service	137,101,527.55	127,673,412.32		
Other	85,700,241.10	87,973,275.22	38,817,576.55	28,978,004.72
Total	3,859,022,111.40	2,945,664,913.51	1,835,653,012.71	1,459,751,296.93

40. Financial expenses

Items	Current amount	Previous amount
Interest expenses	212,298,456.07	188,570,125.21
Less: interest income	22,155,775.60	65,242,589.27
Net foreign exchange losses/(net gains)	3,006,877.65	18,566,277.76
Handling fee	2,792,409.00	2,312,256.56
Other	9,585,156.17	1,172,751.25
Total	205,527,123.29	145,378,821.51

41. Other revenues

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Government grants related to daily business activities	446,863,733.49	125,009,529.46	446,863,733.49
Total	446,863,733.49	125,009,529.46	446,863,733.49

Among them, government grants are as follows:

Subsidy item	Current amount	Asset-related/income-related
Subsidy funds	439,110,000.00	Income-related
Input tax addition deduction	4,118.10	Income-related
Subsidies for keeping employment stable	2,931.16	Income-related
Development guidance funds	7,239,813.62	Income-related
Tax rebate	476,870.61	Income-related
Other	30,000.00	Income-related

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Subsidy item	Current amount	Asset-related/income-related
Total	446,863,733.49	

42. Investment income

Items	Current amount	Previous amount
Long-term equity investment incomes by equity methods	-5,800,063.90	-1,707,196.03
Investment incomes generated by the disposal of long-term equity investments	177,836.98	215,030,781.08
Investment income gained during holding the available-for-sale financial assets		2,000,000.00
Investment income obtained when holding other equity instrument investments	5,027,300.00	
Financial products investment income	1,102,353.17	2,474,206.70
Total	507,426.25	217,797,791.75

43. Credit impairment losses

Items	Current amount
Bad debt losses	-10,174,148.72
Total	-10,174,148.72

44. Asset disposal gains

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Fixed asset disposal gains or losses	212,379.99	6,702,938.99	212,379.99
Total	212,379.99	6,702,938.99	212,379.99

45. Non-operating income

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Liquidated damages		435,554.84	
Fine income	1,339,274.49		1,339,274.49
Other	640,296.94	219,963.33	640,296.94
Total	1,979,571.43	655,518.17	1,979,571.43

46. Non-operating expenses

Items	Current amount	Previous amount	Amount included in current non-recurring gains and losses
Public welfare donation expenses	10,000.00	25,000.00	10,000.00
Late fee and fine expenditures	4,447,803.33	4,555,420.81	4,447,803.33
Other	87,531.10	273,275.06	87,531.10
Total	4,545,334.43	4,853,695.87	4,545,334.43

47. Income tax expenses

(1) Income Tax Expense Statement

Items	Current amount	Previous amount
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2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Current amount	Previous amount
Current income tax expense	152,326,440.61	9,542,654.91
Deferred income tax expenses	748,577.84	-185,175.35
Total	153,075,018.45	9,357,479.56

48. Supplementary information of Cash Flow Statement

(1) Supplementary information on cash flow statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	554,435,408.52	294,814,343.20
Add: provision for impairment of assets		1,036,338.27
Credit impairment reserve	10,174,148.72	
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	309,587,958.11	498,529,153.61
Amortization of intangible assets	28,669,327.11	36,125,852.51
Amortization of long-term prepaid expenses	12,098,503.03	973,867.20
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")	-212,379.99	-6,702,938.99
Losses of fixed asset scrapping (revenues marked with "-")		
Fair value change losses (revenues marked with "-")		
Financial costs (revenues marked with "-")	224,890,489.89	208,309,154.22
Investment losses (revenues marked with "-")	-507,426.25	-217,797,791.75
Decrease of deferred income tax assets (increase marked with "-")	-2,801,328.71	-185,175.35
Increase of deferred income tax liabilities (decrease marked with "-")		
Decrease of inventory (increase marked with "-")	-2,209,265,359.10	-44,383,729.76
Decrease of operational receivables (increase marked with "-")	-5,537,097,547.75	-1,695,866,724.50
Increase of operational payables (decrease marked with "-")	5,641,015,796.65	934,708,433.30
Other		
Net cash flow from operating activities	-969,012,409.77	9,560,781.96
2. Major investing and financing activities uninvolved cash receipts and expenditures:		
Debt conversion to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance lease		
3. Net change of cash and cash equivalents:		
Closing balance of cash	4,931,185,845.83	6,288,308,279.64
Less: opening cash balance	6,288,308,279.64	3,217,511,333.16
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	-1,357,122,433.81	3,070,796,946.48

(2) Cash and cash equivalents

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Items	Closing balance	Opening balance
I. Cash	4,931,185,845.83	6,288,308,279.64
Of which: cash on hand	187,420.06	130,947.58
Bank deposits for payment at any time	4,930,252,297.68	6,035,979,253.79
Other monetary assets for payment at any time	746,128.09	252,198,078.27
Funds deposited in central bank that can be used for payment		
Inter-bank deposits		
Inter-bank offers		
II. Cash equivalents		
Of which: bond investments due within three months		
III. Closing balance of cash and cash equivalents	4,931,185,845.83	6,288,308,279.64
Of which: cash and cash equivalents with restricted use by the parent company or group subsidiaries		

VII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Huai'an Higher Education Park Investment Industrial Co., Ltd.	40,000.00	Wang Wei	98.75%	Asset operation of park land allocated by the municipal government; operation of real estate development business and roadside garden greening in urban south district; paid transfer of owned park road bridge name, traffic route and other intangible assets; development and construction of Higher Education Park transit to quarter; construction of municipal public infrastructure in the park; real estate sales, sales agency, intermediary agency, lease; providing consulting services for investment attraction projects, education information, financial management, investment, etc; property management; construction, earthwork, pipeline engineering construction; hydropower equipment installation and maintenance; building decoration design and construction; metal materials (excluding precious metals); wholesale and retail of auto parts, building materials, electrical appliance products, general merchandises (excluding food)	Huai'an Jiangsu	Limited liability company

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Huai'an Anlan International Hotel Co., Ltd.	20,000.00	Tang Guowei	99.50%	Chinese cuisine services, tobacco retail, pre-packaged food sales, hotel services.	Huai'an Jiangsu	Limited liability company
Huai'an New District Property Management Co., Ltd.	2,000.00	Ji Huai	99.75%	Property management; property management bidding, bidding agency; interior and exterior decoration, decoration engineering construction; water and electricity installation and maintenance; electromechanical equipment maintenance and repair; road marking; house repair, green conservation, cleaning services; daily merchandise sales; catering services; pre-packaged food sales; tobacco retail; chess and card services, tea bars (limited to branch operations).	Huai'an Jiangsu	Limited liability company
Hong Kong Xiangyu Investment Group Co., Limited	849.81		100.00%		Hong Kong, China	Limited liability company
Huai'an Science and Education Industry Investment Holding Co., Ltd.	114,500.00	Dong Haitao	99.00%	Industrial park construction and operation, old city transformation construction and operation, infrastructure construction and operation; real estate development; own house rental; forestry planting and sales; flower lease, garden greening engineering, garden landscaping and green facility engineering, ancient garden building engineering, earthwork engineering construction; development construction and investment management of cultural and creative industry projects; training, education assistance and other education consulting (excluding academic and labor skills); technological achievement promotion, application and technical consulting; intellectual property right services, technological achievement incubation; technical investment attraction services, high-tech entrepreneurship services, project investment; government-authorized operating asset management; providing land transfer, development, recycling, repurchasing, sorting, storage,	Huai'an Jiangsu	Limited liability company

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
				IPO operation and development services as entrusted by government; property services; building construction, municipal engineering, earthwork engineering, pipeline engineering construction; building decoration design and construction; hydropower equipment installation and maintenance; wholesale and retail of metal materials, auto parts, building materials, electrical appliance products, general merchandises. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)		
Huai'an Urban Development Construction Co., Ltd	200.00	Han Yulei	100.00%	House and building engineering construction; construction engineering project management, engineering supervision, engineering technology consultation, engineering cost consultation, engineering design; engineering bidding agency; government procurement bidding agency; real estate marketing planning and sales agency. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Financial Development Holding Group Co., Ltd.	117,758.34	Zhou Xuebing	100.00%	Non-securities equity investment activities and relevant consultation business for financial institutions; investment and asset management; corporate management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Development Logistics Co., Ltd.	1,000,000.00	Tang Guowei	95.00%	General freight, special cargo transportation (container), special cargo transportation (refrigeration preservation). Cargo warehousing, stowage, loading and unloading; freight forwarding; logistics information consultation service; warehouse lease; construction machinery lease; providing supervision service	Huai'an Jiangsu	Limited liability company

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
				for pledged and mortgaged physical assets according to entrustment contract; building material, decoration material, plumbing equipment, firefighting equipment, electromechanical equipment purchasing agency service; logistics park road and standardized warehouse engineering construction. (For those involving special national approval in business scope, operation may be implemented after obtaining special approval)		
Huai'an Langdong Real Estate Development Co., Ltd		Zhang Wei	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Huiding Real Estate Co., Ltd		Li Hong	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Yichen Real Estate Development Co., Ltd		Li Min	100.00%	Real estate development operation; property management; real estate leasing operation. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Boxian Real Estate Development Co., Ltd		Li Min	100.00%	Real estate development, operation and management. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Pengsheng Real Estate Development		Yuan Jincheng	100.00%	Real estate development operation (for items subject to approval according to laws, business activities may be	Huai'an Jiangsu	Limited liability company (sole

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Co., Ltd				implemented after approval by relevant departments, and specific operation items are subject to the approval results)		proprietorship of non-natural person investment or holding)
Xuyi Jingfa Municipal Construction Co., Ltd	16,000.00	He Dongze	100.00%	Urban infrastructure construction; road facility construction and maintenance management; civil engineering construction; greening engineering and maintenance; architectural decoration; building material and decoration material (excluding hazardous chemical) sales. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)
Huai'an Jingkai Industrial Investment Development Co., Ltd		Yin Yan	100.00%	Equity investment; venture capital (limited to investment in unlisted enterprises); investment activities with proprietary funds; asset management service of proprietary fund investment; information consultation service (excluding license-category information consultation service); consulting and planning service; social and economic consultation service	Huai'an Jiangsu	Limited liability company (sole proprietorship of non-natural person investment or holding)

Note: Huai'an Langdong Real Estate Development Co., Ltd, Huai'an Huiding Real Estate Co., Ltd, Huai'an Yichen Real Estate Development Co., Ltd, Huai'an Boxian Real Estate Development Co., Ltd, Huai'an Pengsheng Real Estate Development Co., Ltd and Huai'an Jingkai Industrial Investment Development Co., Ltd have no actual capital contribution.

2. Equity in joint ventures or associated enterprises

(1) Major joint ventures or associated enterprises

Name of joint ventures or associated enterprises	Main business place	Registered place	Business nature	Shareholding ratio (%)		Accounting method for investment of joint ventures or associated enterprises
				Direct	Indirect	
Huai'an	Huai'an	Huai'an	Sales of furniture, agricultural sideline products, food,		40.00	Equity

Name of joint ventures or associated enterprises	Main business place	Registered place	Business nature	Shareholding ratio (%)		Accounting method for investment of joint ventures or associated enterprises
				Direct	Indirect	
Chuangxin Business Co., Ltd.	Jiangsu	Jiangsu	fitness equipments, hardware, daily necessities, kitwear textiles, detergents, cosmetics, home appliances, electronic products, toys, sanitary ware, packaging materials, rubber and plastic products, ceramic products, handicrafts, paper products, beddings, machinery accessories, building materials, garments, shoes and hats, computer hardware, software and consumables, communication equipments, leather products, office supplies, stainless steel products, aluminum alloy products, chemical raw materials and chemical products (except for hazardous chemicals and precursor chemicals), waterproof and thermal insulation materials, cement products, pipes, kitchen utensils, timepieces, glasses, crystal glass products, electric wires and cables, hotel facilities, audio equipments, fire fighting equipments, electromechanical products, sport goods, metallurgical equipments, environmental protection equipments, metal materials, photographic equipments, electroplating equipments, engineering machinery equipments and accessories, flowers, seedlings, motorcycles, paper products, home decorations, hardware tools, beauty tools; design, planning, production, installation, agency and launch of domestic outdoor advertisements; etiquette services, event planning, public relation activity planning, exhibition and demonstration services, wedding etiquette services, catering management services; self-operation and agency of commodity and technology import and export businesses.			method

VIII. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Registered place	Business nature	Registered capital	Shareholding ratio of parent company to the company (%)	Voting right ratio of parent company to the company (%)
Huai'an People's Government	Huai'an Jiangsu	Government department	No	100.00	100.00

Note: Ultimate controller of the company is Huai'an Municipal People's Government.

2. Subsidiaries of the Company

See Note VII. 1. Equity in subsidiaries.

3. Joint ventures and associated enterprises of the company

For major joint ventures and associated enterprises of the company, see Note VII.2 Equities in joint ventures or associated enterprises. Other joint ventures or associated enterprises forming balance from associated party trade with the company in current period or previous period are as follows:

Name of joint ventures or associated enterprises	Relationship with the company
Huai'an Chuangxin Business Co., Ltd.	Associated enterprises
Huai'an Yongxiang Industrial Co., Ltd.	Associated enterprises

4. Other associated parties

Name of other associated parties	Relationships between other associated parties and the company
Huai'an Municipal Second-hand Vehicle Trading Market Co., Ltd.	Shareholding corporation
Huai'an New City Investment Holding Co., Ltd.	Shareholding corporation
Huai'an Modern Tramway Operation Co., Ltd.	Shareholding corporation
Huai'an Huaiyang Cuisine Group Holding Co., Ltd.	Shareholding corporation
Huai'an Liuchuangyuan Entrepreneurial Investment Co., Ltd.	Shareholding corporation
Huai'an Kechuang Industry Investment Co., Ltd.	Shareholding corporation
Huai'an Huairong Entrepreneurial Investment Fund (Limited Partnership)	Shareholding corporation
EGuan Asia Pacific Technology Huai'an Co., Ltd.	Shareholding corporation
Suhua Entertainment Power Media Technology Co., Ltd.	Shareholding corporation
Huai'an Credit Re-guarantee Co., Ltd.	Shareholding corporation
Huai'an Jinmao Kechuang Venture Capital Partnership Enterprise (Limited Partnership)	Shareholding corporation
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)	Shareholding corporation
Liaoning Anling Economic Development Co., Ltd	Shareholding corporation
Huai'an Qinghe Xingfu Community Bank Co., Ltd	Shareholding corporation
Huai'an Huaishang Yingcai Equity Investment Fund Phase I Center (Limited Partnership)	Shareholding corporation
Jiangsu Xuyi Yuanming Environmental Protection Technology Co., Ltd	Shareholding corporation
Xuxing Biological (Xuyi) Co., Ltd	Shareholding corporation
Jiangsu Xuyi Haner Technology Co., Ltd	Shareholding corporation
Jiangsu Zhongjing Aerospace Semiconductor Industry Development Co., Ltd	Shareholding corporation
Jiaying Yinglong No.5 Investment Partnership Enterprise (Limited Partnership)	Shareholding corporation
Jiangsu Lekesi Technology Co., Ltd	Shareholding corporation
Jiangsu Oumaiwei Turbocharging System Co., Ltd	Shareholding corporation
Jiangsu Xuyi Sanli Technology Co., Ltd	Shareholding corporation
Jiangsu Xuyi Wangdefu Technology Co., Ltd	Shareholding corporation
Jiangsu Fangang Green Building Technology Co., Ltd	Shareholding corporation

5. Conditions of associated party transactions

Associated guarantee

① The Company as the guarantor

Guaranteed party	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/4/29	2022/4/26	No
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/11/25	2022/11/25	No
Huai'an Kechuang Industry Investment Co., Ltd.	28,000.00	2020/6/2	2025/12/20	No
Huai'an Kechuang Industry Investment Co., Ltd.	20,250.00	2021/1/29	2022/1/28	No
Huai'an Kechuang Industry Investment Co., Ltd.	4,000.00	2021/1/20	2022/1/19	No
Huai'an Kechuang Industry Investment Co., Ltd.	1,722.00	2021/1/29	2022/1/29	No
Huai'an New City Investment Holding Co., Ltd.	9,500.00	2020/1/21	2022/1/21	No
Huai'an New City Investment Holding Co., Ltd.	2,000.00	2020/8/14	2024/7/14	No
Huai'an New City Investment Holding Co., Ltd.	18,333.00	2021/7/9	2024/7/9	No
Huai'an New City Investment Holding Co., Ltd.	8,500.00	2021/7/2	2024/7/1	No
Huai'an New City Investment Holding Co., Ltd.	14,266.00	2021/12/17	2023/12/17	No
Huai'an New City Investment Holding Co., Ltd.	15,000.00	2021/11/24	2022/11/24	No
Huai'an Xinfangda Industrial Co., Ltd.	4,000.00	2021/11/9	2022/11/5	No
Total	127,571.00			

6. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance	
	Book balance	Bad debt provision
Other receivables:		
Huai'an New City Investment Holding Co., Ltd.	4,431,074,418.41	
Huai'an Chuangxin Business Co., Ltd.	1,217,249,053.58	
Huai'an Kechuang Industry Investment Co., Ltd.	1,388,287,578.42	

(2) Payables

Name of projects	Closing balance
Other payables:	
Huai'an Yongxiang Industrial Co., Ltd.	100,000,000.00

IX. Commitments and contingencies

1. Major commitments

As of 31 December 2021, the company had no significant commitment for disclosure.

2. Contingencies

(1) Contingent liabilities formed by provision of debt guarantee for other entities and its financial impact

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Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/4/29	2022/4/26	No
Huai'an Chuangxin Business Co., Ltd.	1,000.00	2021/11/25	2022/11/25	No
Huai'an Kechuang Industry Investment Co., Ltd.	28,000.00	2020/6/2	2025/12/20	No
Huai'an Kechuang Industry Investment Co., Ltd.	20,250.00	2021/1/29	2022/1/28	No
Huai'an Kechuang Industry Investment Co., Ltd.	4,000.00	2021/1/20	2022/1/19	No
Huai'an Kechuang Industry Investment Co., Ltd.	1,722.00	2021/1/29	2022/1/29	No
Huai'an New City Investment Holding Co., Ltd.	9,500.00	2020/1/21	2022/1/21	No
Huai'an New City Investment Holding Co., Ltd.	2,000.00	2020/8/14	2024/7/14	No
Huai'an New City Investment Holding Co., Ltd.	18,333.00	2021/7/9	2024/7/9	No
Huai'an New City Investment Holding Co., Ltd.	8,500.00	2021/7/2	2024/7/1	No
Huai'an New City Investment Holding Co., Ltd.	14,266.00	2021/12/17	2023/12/17	No
Huai'an New City Investment Holding Co., Ltd.	15,000.00	2021/11/24	2022/11/24	No
Huai'an Xinfangda Industrial Co., Ltd.	4,000.00	2021/11/9	2022/11/5	No
Huai'an Chengyida Business Planning Co., Ltd.	5,000.00	2021/5/28	2022/5/27	No
Huai'an Chengyida Business Planning Co., Ltd.	1,000.00	2021/11/24	2022/11/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	7,500.00	2020/6/10	2028/12/10	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	8,000.00	2017/9/30	2024/9/29	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	10,000.00	2016/11/24	2028/6/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	4,250.00	2021/4/9	2023/4/8	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	12,614.00	2021/7/23	2024/7/23	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	4,500.00	2021/7/16	2022/7/15	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	16,000.00	2021/12/27	2022/12/26	No
Huai'an Dongcheng Industrial Investment Co., Ltd.	8,990.00	2021/10/25	2022/10/24	No
Huai'an Economic and Technological Development Zone State-owned Asset Management Co., Ltd.	3,000.00	2021/6/21	2022/6/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2021/3/31	2022/3/28	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	18,000.00	2017/1/4	2025/1/2	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,000.00	2020/1/8	2023/1/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	1,375.00	2016/2/25	2022/2/19	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	70,000.00	2020/3/10	2025/3/10	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2020/6/22	2023/6/22	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	61,000.00	2020/12/2	2025/12/2	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2020/5/29	2025/5/29	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	22,000.00	2021/3/31	2022/3/28	No

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Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	20,000.00	2021/1/15	2022/1/15	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	16,000.00	2021/2/10	2022/2/9	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	1,800.00	2021/3/30	2026/3/30	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	10,000.00	2021/5/14	2023/5/17	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,454.55	2021/6/7	2026/6/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	2,700.00	2021/5/7	2026/5/7	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	4,000.00	2021/7/14	2026/7/14	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	5,000.00	2021/9/1	2026/9/1	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	49,000.00	2021/12/17	2023/12/21	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	8,990.00	2021/12/9	2022/12/9	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	70,000.00	2021/9/3	2022/9/3	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2021/7/21	2022/7/26	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	80,000.00	2021/5/14	2022/5/14	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	39,000.00	2021/3/1	2026/3/1	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	50,000.00	2021/12/28	2026/12/28	No
Huai'an Economic Development Zone Economic Development Group Co., Ltd.	20,000.00	2021/12/10	2024/12/10	No
Huai'an Airport Industrial Park Development Co., Ltd.	16,000.00	2020/1/15	2022/1/12	No
Huai'an Airport Industrial Park Development Co., Ltd.	8,000.00	2015/5/29	2025/5/28	No
Huai'an Airport Industrial Park Development Co., Ltd.	995.00	2020/6/22	2023/6/21	No
Huai'an Airport Industrial Park Development Co., Ltd.	5,000.00	2021/1/4	2022/1/4	No
Huai'an Airport Industrial Park Development Co., Ltd.	3,000.00	2021/1/4	2022/1/3	No
Huai'an Airport Industrial Park Development Co., Ltd.	4,000.00	2021/5/7	2022/5/6	No
Huai'an Konggang New District Industrial Co., Ltd	26,000.00	2018/1/1	2027/12/29	No
Huai'an Konggang New District Industrial Co., Ltd	2,500.00	2020/12/8	2027/11/25	No
Huai'an Konggang New District Industrial Co., Ltd	200,000.00	2017/4/11	2025/4/11	No

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an Konggang New District Industrial Co., Ltd	20,000.00	2019/12/23	2024/12/23	No
Huai'an Konggang New District Industrial Co., Ltd	533.00	2021/1/19	2022/1/20	No
Huai'an Konggang New District Industrial Co., Ltd	4,000.00	2021/6/9	2022/3/13	No
Huai'an Konggang New District Industrial Co., Ltd	2,100.00	2021/4/9	2022/4/9	No
Huai'an Konggang New District Industrial Co., Ltd	2,000.00	2021/5/31	2022/5/30	No
Huai'an Konggang New District Industrial Co., Ltd	9,000.00	2021/9/10	2022/11/10	No
Huai'an Konggang New District Industrial Co., Ltd	5,000.00	2021/7/30	2022/7/29	No
Huai'an Konggang New District Industrial Co., Ltd	4,900.00	2021/12/23	2022/12/23	No
Huai'an Dragon Palace White Whale Water World Co., Ltd.	5,000.00	2020/4/30	2023/4/29	No
Huai'an Dragon Palace White Whale Water World Co., Ltd.	4,800.00	2021/1/15	2023/1/15	No
Huai'an Dongcheng Garden Greening Construction Co., Ltd.	4,000.00	2019/12/24	2022/12/23	No
Huai'an Dongcheng Garden Greening Construction Co., Ltd.	1,000.00	2021/6/3	2022/6/2	No
Huai'an Traffic Holdings Co., Ltd.	14,800.00	2019/2/3	2022/2/2	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2020/3/20	2023/3/17	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2021/4/2	2022/4/1	No
Huai'an Traffic Holdings Co., Ltd.	7,500.00	2021/6/29	2022/6/24	No
Huai'an Traffic Holdings Co., Ltd.	10,000.00	2021/8/12	2022/8/11	No
Huai'an Traffic Holdings Co., Ltd.	37,500.00	2021/11/25	2023/11/23	No
Huai'an Kangjia Industry Co., Ltd.	8,000.00	2020/2/28	2023/2/28	No
Huai'an Kangjia Industry Co., Ltd.	9,000.00	2019/12/9	2022/11/27	No
Huai'an Lionong Ecological Agriculture Co., Ltd.	8,000.00	2021/3/15	2022/3/12	No
Huai'an Lionong Ecological Agriculture Co., Ltd.	1,500.00	2021/6/24	2023/6/25	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	15,000.00	2019/12/11	2022/12/10	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	4,000.00	2019/12/25	2022/12/23	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	37,500.00	2020/6/23	2023/6/22	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	11,314.04	2020/6/2	2023/6/2	No
Huai'an Nanma Plant Ecological Agriculture Development Co., Ltd.	4,900.00	2021/7/13	2022/2/28	No
Huai'an West Tour Industry Group Co., Ltd.	5,000.00	2017/1/13	2022/12/21	No
Huai'an West Tour Industry Group Co., Ltd.	9,559.00	2021/4/16	2022/4/16	No
Huai'an West Tour Industry Group Co., Ltd.	5,000.00	2019/11/26	2022/11/24	No
Huai'an West Tour Industry Group Co., Ltd.	3,740.00	2021/3/29	2022/3/29	No
Huai'an West Tour Industry Group Co., Ltd.	4,900.00	2021/3/11	2024/3/10	No
Huai'an West Tour Industry Group Co., Ltd.	4,226.00	2021/5/31	2024/5/31	No
Huai'an West Tour Industry Group Co., Ltd.	4,000.00	2021/6/10	2022/3/9	No

Secured units	Amount guaranteed (RMB ten thousand)	Guarantee start date	Guarantee due date	Whether the guarantee has been fulfilled
Huai'an West Tour Industry Group Co., Ltd.	4,000.00	2021/6/3	2022/6/2	No
Huai'an West Tour Industry Group Co., Ltd.	3,000.00	2021/5/28	2024/5/23	No
Huai'an West Tour Industry Group Co., Ltd.	6,000.00	2021/12/28	2022/12/28	No
Huai'an New City Investment Development Co., Ltd.	15,000.00	2019/8/17	2022/8/16	No
Huai'an New City Investment Development Co., Ltd.	18,000.00	2019/5/31	2024/5/10	No
Huai'an New City Investment Development Co., Ltd.	10,000.00	2019/12/2	2022/12/2	No
Huai'an New City Investment Development Co., Ltd.	29,000.00	2020/10/9	2022/3/17	No
Huai'an New City Investment Development Co., Ltd.	49,900.00	2021/1/1	2025/1/1	No
Huai'an New City Investment Development Co., Ltd.	19,000.00	2021/1/4	2022/1/4	No
Huai'an New City Investment Development Co., Ltd.	11,000.00	2021/1/13	2022/1/12	No
Huai'an New City Investment Development Co., Ltd.	34,200.00	2021/1/1	2023/12/31	No
Huai'an New City Investment Development Co., Ltd.	20,000.00	2021/1/6	2022/1/6	No
Huai'an New City Investment Development Co., Ltd.	93,400.00	2021/1/1	2028/9/30	No
Huai'an Xingye Holding Co., Ltd.	2,000.00	2015/4/14	2023/4/10	No
Huai'an Salt Chemical Industrial Park Co., Ltd	4,000.00	2021/4/28	2022/4/27	No
Jiangsu Huai'an Salt Chemical Industrial Park Co., Ltd.	42,500.00	2019/6/19	2024/6/19	No
Total	1,802,011.59			

(2) As of 31 December 2021, asset mortgage of the company and its subsidiaries:

Name of mortgage assets	Mortgagee	Mortgage amount (ten thousand Yuan)
Real property certificate	Agricultural Development Bank of China, Huai'an Branch	11,393.90
Property ownership certificate	Agricultural Development Bank of China, Huai'an New District Sub-branch	1,700.00
Land use right	Agricultural Development Bank of China, Huai'an New District Sub-branch	8,000.00
Land use right	SPDB Huai'an Branch	4,700.00
Real property certificate	Shanghai international Trust Co., Ltd	50,000.00
Land use right	Bank of China, Huai'an Development Zone Sub-branch	13,100.00
Real estate certificate and land use right	China Minsheng Bank, Huai'an Branch	45,000.00
Real property certificate	China Development Bank Financial Leasing Co., Ltd	200,000.00
Real estate certificate and land	Bank of Communications International Trust Co., Ltd	60,000.00

Name of mortgage assets	Mortgagee	Mortgage amount (ten thousand Yuan)
use right		
Real property certificate	Shanghai International Trust Co., Ltd.	22,000.00
Land use right	Jiangsu Re-guarantee Group Co., Ltd.	20,302.00
Real property certificate	China Investment and Guarantee Corporation	100,000.00
Real property certificate	ICBC Huai'an Chuzhou Development Zone Sub-branch	1,180.84
Real property certificate	Industrial and Commercial Bank of China Limited Xuyi Sub-branch	79,500.00
Real property certificate	Bank of China Limited Xuyi Sub-branch	5,950.00
Real property certificate	Shanghai Pudong Development Bank Co., Ltd Huai'an Branch	13,000.00
Land use right	Bank of Jiangsu Qingpu Branch	4,500.00
Land use right	Jiangnan Rural Commercial Bank Co., Ltd Huai'an Branch	4,400.00
Land use right	Agricultural Bank of China New District Sub-branch	70,000.00
Total		730,026.74

X. Events after the balance sheet date

As of the approval date of this financial statement, the company had no event after balance sheet date to disclose.

XI. Notes on major items of parent company's financial statement

1. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	730,007,947.15	1,050,460,501.58
1-2 years	1,050,460,501.58	1,856,481,581.12
2-3 years	1,856,481,581.12	156,141,739.99
Over 3 years	1,115,171,996.30	957,624,648.86
Subtotal	4,752,122,026.15	4,020,708,471.55
Less: bad debt provision	1.19	1.19
Total	4,752,122,024.96	4,020,708,470.36

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Accounts receivable for which bad debt provision has been assessed by portfolios	4,752,122,026.15	100.00	1.19	<0.01	4,752,122,024.96
Of which:					
Aging analysis method portfolio	237.00	<0.01	1.19	0.5	235.81

Category	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Other combinations	4,752,121,789.15	100.00			4,752,121,789.15
Total	4,752,122,026.15	100.00	1.19	<0.01	4,752,122,024.96

(Continued)

Category	Previous year ending balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Account receivables with bad debt provision as per credit risk characteristic combinations	4,020,708,471.55	100.00	1.19	<0.01	4,020,708,470.36
Account receivables with single insignificant amount but separate bad debt provision					
Total	4,020,708,471.55	100.00	1.19	<0.01	4,020,708,470.36

(Continued)

① In the portfolio, accounts receivable with bad debt provision according to the aging analysis method

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	233.03		0.00
1-2 years			5.00
2-3 years			10.00
Over 3 years	3.97	1.19	30.00
Total	237.00	1.19	0.50

Note: The provision for bad debts is made according to the aging analysis method.

② In the portfolio, accounts receivable with bad debt provision by other portfolios

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Other combinations	4,752,121,789.15		
Total	4,752,121,789.15		

Note: other combinations without withdrawal of bad debts which is determined according to its relationship with trading object and reputation of trading object, i.e. characteristics of credit risks.

(3) Bad debt reserve status

Category	Opening balance	Amount of changes in current period	Closing balance
----------	-----------------	-------------------------------------	-----------------

		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of account receivables	1.19				1.19
Total	1.19				1.19

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	2,902,031,101.85	61.06	
Huai'an Keyu High-tech Co., Ltd	972,078,997.00	20.46	
Huai'an Xinli Electric Power Construction Development Co., Ltd	450,000,000.00	9.47	
Huai'an Anlan Corporate Management Development Co., Ltd	211,950,663.75	4.46	
Huai'an Software Park Management Development Co., Ltd.	200,905,419.10	4.23	
Total	4,736,966,181.70	99.68	

2. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	32,175,218,672.01	39,938,602,595.10
Interests receivable		
Dividends receivable		
Total	32,175,218,672.01	39,938,602,595.10

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	4,574,300,423.11	10,213,135,654.73
1-2 years	6,841,742,100.17	10,553,335,939.76
2-3 years	4,722,625,540.41	6,961,454,095.90
Over 3 years	16,039,010,882.08	12,213,726,426.85
Subtotal	32,177,678,945.77	39,941,652,117.24
Less: bad debt provision	2,460,273.76	3,049,522.14
Total	32,175,218,672.01	39,938,602,595.10

② Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total

	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance	3,049,522.14			3,049,522.14
Book balance of other receivables at the beginning of year in the current period:				
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period				
Reversal in the current period	589,248.38			589,248.38
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	2,460,273.76			2,460,273.76

③ Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of other receivables	3,049,522.14		589,248.38		2,460,273.76
Total	3,049,522.14		589,248.38		2,460,273.76

④ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Administration of Finance and State-Owned Assets of China Huai'an Economic & Technological Development Zone	Transaction accounts	12,950,864,049.25	Within 1 year: 497,325,133.45; 1-2 years: 84,030,928.89; 2-3 years: 44,430,539.00; more than 3 years: 12,325,077,447.91	40.24	
Huai'an Dongcheng Industrial Investment Co., Ltd.	Transaction accounts	6,917,715,496.95	96,152,906.12 in one year; 3,675,150,554.33 in 1-2 years; 3,146,412,036.50 in 2-3 years	21.50	
Huai'an Higher Education Park Investment Industrial Co., Ltd.	Transaction accounts	4,825,263,375.82	Within 1 year: 1,129,820,071.42; 1-2 years: 1,363,858,666.74; 2-3 years: 1,186,417,733.03; more than 3 years:	15.00	

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
			1,224,731,728.55		
Huai'an New City Investment Holding Co., Ltd.	Transaction accounts	2,470,477,643.87	1,392,192,465.57 in one year; 807,200,365.66 in 1-2 years; 271,084,812.64 in 2-3 years	7.68	
Huai'an Financial Development Holding Group Co., Ltd.	Borrowings	2,000,329,684.00	1-2 years 14,667,684.00; 2-3 years 325,000.00; more than 3 years 1,985,337,000.00	6.22	
Total		29,164,650,249.89		90.64	

3. Long-term equity investments

(1) Classification of long-term equity investment

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	12,607,031,519.20		12,607,031,519.20	13,057,031,519.20		13,057,031,519.20
Total	12,607,031,519.20		12,607,031,519.20	13,057,031,519.20		13,057,031,519.20

(2) Investment in subsidiaries

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Huai'an Anlan International Hotel Co., Ltd.	199,000,000.00			199,000,000.00		
Huai'an Higher Education Park Investment Industrial Co., Ltd.	395,000,000.00			395,000,000.00		
Huai'an New District Property Management Co., Ltd.	19,950,000.00			19,950,000.00		
Hong Kong Xiangyu Investment Co., Ltd.	8,498,119.20			8,498,119.20		
Huai'an Science and Education Industry Investment Holdings Co., Ltd	1,145,000,000.00			1,145,000,000.00		

2021 Financial Statement Notes of Huai'an Development Holdings Co., Ltd.

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Huai'an Software Park Management Development Co., Ltd.	450,000,000.00		450,000,000.00			
Huai'an Financial Development Holding Group Co., Ltd.	1,177,583,400.00			1,177,583,400.00		
Huai'an Development Logistics Co., Ltd.	9,500,000,000.00			9,500,000,000.00		
Xuyi Jingfa Municipal Construction Co., Ltd	160,000,000.00			160,000,000.00		
Huai'an Urban Development Construction Co., Ltd	2,000,000.00			2,000,000.00		
Total	13,057,031,519.20		450,000,000.00	12,607,031,519.20		

4. Operating income, operating cost

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	1,949,205,397.38	1,306,734,538.12	1,414,011,030.08	1,163,248,751.43
Other businesses	64,677,298.45	19,506,559.39	21,712,463.88	9,609,511.00
Total	2,013,882,695.83	1,326,241,097.51	1,435,723,493.96	1,172,858,262.43

Huai'an Development Holdings Co., Ltd.

Legal representative: Accounting director:



Accounting firm director:





营业执照

统一社会信用代码

91110102082881146K



(副本)

(5-5)

名称 中兴会计师事务所(特殊普通合伙)
 类型 特殊普通合伙企业
 执行事务合伙人 李尊农, 乔久华
 经营范围 审查企业会计报表、出具审计报告; 验证企业资本, 出具验资报告; 办理企业合并、分立、清算等事务并出具审计报告; 办理企业合并、分立、清算等事务并出具审计报告; 出具具有关报告; 基本建设年度财务决算审计; 代理记账; 会计咨询、税务咨询、管理咨询、会计培训; 法律、法规规定的其他业务。(市场主体依法自主选择经营项目, 开展经营活动; 依法须经批准的项目, 经相关部门批准后依批准的内容开展经营活动; 不得从事国家和本市产业政策禁止和限制类项目的经营活动。)

成立日期 2013年11月04日

合伙期限 2013年11月04日至 长期

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



登记机关

2022 04 20

国家企业信用信息公示系统网址:

<http://www.gsxt.gov.cn>

市场主体应当于每年1月1日至6月30日通过
国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制



仅作为会计师事务所 报告附件使用

执业证书

中兴华会计师事务所(特殊普通合伙)

报告附件(1)

名称：中兴华会计师事务所（特殊普通合伙）

首席合伙人：李尊农

主任会计师：

经营场所：北京市丰台区丽泽路20号院1号楼南楼20层

组织形式：特殊普通合伙

执业证书编号：11000167

批准执业文号：京财会许可〔2013〕0066号

批准执业日期：2013年10月25日

证书序号：0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，

应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出
租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财
政部门交回《会计师事务所执业证书》。



发证机关：

北京市财政局

二〇一三年八月十七日

中华人民共和国财政部制





当前位置: 首页 > 政务公开 > 政府信息公示 > 主动公开目录 > 按主题查看 > 证券服务机构监管 > 审计与评估机构

索引号	bm56000001/2022-00000491	分类	审计与评估机构监管对象
发布机构		发布日期	2022年01月11日
名称	从事证券服务业务会计师事务所名录 (截至2021.12.31)		
文号		主题词	

从事证券服务业务会计师事务所名录 (截至2021.12.31)

从事证券服务业务会计师事务所名录 (截至2021.12.31)



从事证券服务业务会计师事务所名录¹

序号	会计师事务所名称	通讯地址	联系电话
72 ¹	中审亚太会计师事务所(特殊普通合伙) ¹	北京市海淀区复兴路47号天行建高总大厦20层2206 ¹	010-51716767 ¹
73 ¹	中审众环会计师事务所(特殊普通合伙) ¹	武汉市武昌区东湖路169号2-9层 ¹	027-86781250 ¹
74 ¹	中天运会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门大街9号院五栋大楼B1座1七、八层 ¹	010-88395676 ¹
75 ¹	中审会计师事务所(特殊普通合伙) ¹	北京市东城区崇文门外大街11号新成文化大厦A座11层 ¹	010-67088759 ¹
76 ¹	中兴财光华会计师事务所(特殊普通合伙) ¹	北京市西城区阜成门外大街2号22层A24 ¹	0311-85927137 ¹
77 ¹	中兴华会计师事务所(特殊普通合伙) ¹	北京市西城区阜外大街1号东塔楼15层 ¹	010-51423818 ¹
78 ¹	中证天通会计师事务所(特殊普通合伙) ¹	北京市海淀区西直门北大街甲43号1号楼13层1316-1326 ¹	010-82212990 ¹
79 ¹	中准会计师事务所(特殊普通合伙) ¹	北京市海淀区真武庙路22号国兴大厦4层 ¹	010-88356126 ¹
80 ¹	众华会计师事务所(特殊普通合伙) ¹	嘉定工业区沪宜路叶城路1630号5楼1088室 ¹	021-63525500 ¹



赵紫娟

姓名 女
Full name _____

性别
Sex 1990-12-27

出生日期 兴华会计师事务所(特殊普通合伙)
Date of birth (合伙) 江苏分所

工作单位
Working unit 410402199012275549

身份证号码
Identity card No _____



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal



证书编号: 110001673877
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2016 年 05 月 06 日
Date of Issuance /y /m /d

赵紫娟(110001673877)
您已通过2021年年检
江苏省注册会计师协会

年 月 日
/y /m /d



姓 名 朱烨
 Full name _____
 性 别 女
 Sex _____
 出生日期 1988-09-05
 Date of birth _____
 工作单位 中兴华会计师事务所（特殊普通合伙）江苏分所
 Working unit _____
 身份证号码 321302198809058823
 Identity card No. _____



年度检验登记
 Annual Renewal Registration

本证书经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: 110001670517
 No. of Certificate

批准注册协会: 江苏省注册会计师协会
 Authorized Institute of CPAs

发证日期: 2022 01 27 日
 Date of Issuance /y /m /d

Hong Kong Xiangyu Investment Group Co.,Ltd.



Audit Report

00002022040063452268

报告文号：中兴华审字[2022]第021024号

中兴华会计师
报告

ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP



Audit Report

Zhongxinghua Audit (2022) No.021024

All shareholders of Hong Kong Xiangyu Investment Group Co., Limited:

I. Audit opinions

We have audited financial statements of Hong Kong Xiangyu Investment Group Co., Limited (hereinafter referred to as "Hong Kong Xiangyu Company"), including consolidated balance sheet and balance sheet of parent company as at 31 December 2021, consolidated financial statement and financial statement of parent company, consolidated cash flow statement and cash flow statement of parent company, consolidated statement of changes in owners' equity and statement of changes in owner's equity of the parent company, and relevant notes to financial statements in 2021.

We consider that attached financial statements are prepared according to accounting standards for enterprises in all major aspects and fairly reflect consolidated financial conditions of Hong Kong Xiangyu Company as at 31 December 2021, and financial conditions of parent company, and consolidated operating results and cash flow in 2021 and operating results and cash flow of parent company.

II. Foundation of audit opinions

We conducted the audit work as per provisions of the Chinese Certified Public Accountant Auditing Standards. The part of "CPA's responsibilities for financial statement audit" in the audit report further elaborates on our responsibilities under the Standards. In compliance with the code of ethics for Chinese Certified Public Accountant, we are independent of HONG KONG XIANGYU Company, and fulfill other responsibilities of professional ethics. We believe the audit evidence we obtained is sufficient and appropriate, and provides the foundation for our audit opinions.

III. Liabilities of the management and those charged with governance for financial statement

The management of Hong Kong Xiangyu Company (hereinafter referred to as "the management") is responsible for the preparation of financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to enable them to achieve fair reflection, and design, implementation, and maintenance of necessary internal



controls so that material misstatements due to fraud or mistakes do not exist in the financial statements.

When preparing the financial statement, the management level is responsible for assessing HONG KONG XIANGYU Company's capabilities of sustainable operation, and adopting the assumption of sustainable operation, unless the management level plans to liquidate HONG KONG XIANGYU Company, terminate the operation, or there is no other practical option.

The governance level is responsible for supervising the financial report process of HONG KONG XIANGYU Company.

IV. CPA's responsibilities for auditing financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error, and issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee the audit performed in accordance with auditing standards can surely find a certain existing material misstatement. Misstatement may be caused by fraud or error; if a reasonably expected misstatement alone or aggregated may affect financial statement user's economic decision made based on financial statement, it is generally considered to be material misstatement.

In the course of performing audit work according to the audit standards, we exercise professional judgment and maintained professional skepticism. Meanwhile, we also perform the following tasks:

(1) Identify and assess material misstatement risks of financial statements due to fraud or error, design and implement audit process to address these risks, and obtain sufficient and appropriate audit evidences as the basis for giving audit opinions. Since fraud may involve collusion, forgery, intentional omission, false statement or overriding internal controls, the risk of failing to detect material misstatement due to fraud is higher than that due to error.

(2) Understand audit-related internal controls, to design appropriate audit process, but the purpose is not to give opinions on the effectiveness of internal controls.

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

(4) Draw conclusions on the appropriateness of sustainable operation assumption by the management. Meanwhile, based on the audit evidence acquired, draw conclusions on whether there are significant uncertainties in the matters or circumstances causing major



doubts about the capabilities of HONG KONG XIANGYU Company's sustainable operation. If we conclude that there are significant uncertainties, the auditing standards require us to notify the users about relevant disclosures of the financial statement in the audit report; if the disclosures are insufficient, we should express opinions without reservations. Our conclusions are based on the information available as of the audit report date. Nevertheless, future matters or circumstances may lead to the inability of HONG KONG XIANGYU Company for sustainable operation.

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

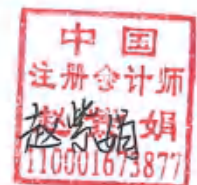
(6) Sufficient and appropriate audit evidence on the financial information of HONG KONG XIANGYU Company's entity or business activities are acquired, to express opinions on the financial statement. We are responsible for guiding, supervising and executing group audit. We hold full responsibilities for the audit opinions.

We communicate with those charged with governance about planned audit scope, schedule, major audit findings and other matters, including the noteworthy internal control flaws that we have identified during the audit.

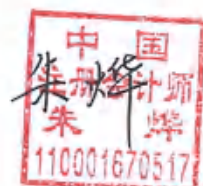
ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Chinese CPA:



Chinese CPA:



25 April 2022

CONSOLIDATED BALANCE SHEET

31 December 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand	VI. 1	974,696,790.17	659,301,303.17	659,301,303.17
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				
Accounts receivable	VI. 2	501,391.60	4,931,907.23	4,931,907.23
Receivables financing				Inapplicable
Advances to suppliers	VI. 3	319,333.30	419,966.99	419,966.99
Other receivables	VI. 4	2,404,169,490.38	2,348,192,268.03	2,348,192,268.03
Inventory	VI. 5	572,688.01	553,249.05	553,249.05
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets	VI. 6	3,817,143.44	5,820,410.61	5,820,410.61
Total current assets		3,384,076,836.90	3,019,219,105.08	3,019,219,105.08
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables	VI. 7	215,734,528.15		
Long-term equity investments	VI. 8	15,785,360.00	15,785,360.00	15,785,360.00
Other equity instrument investments				Inapplicable
Other non-current financial assets				Inapplicable
Investment properties				
Fixed assets	VI. 9	46,883,271.38	90,573,593.16	90,573,593.16
Construction in progress	VI. 10		77,151,223.78	77,151,223.78
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets	VI. 11	32,332,739.57	743,357.26	743,357.26
Development expenditure				
Goodwill				
Long-term prepaid expense	VI. 12	106,040,235.78		
Deferred tax assets	VI. 13	545,387.89	4,936.10	4,936.10
Other non-current assets				
Total non-current assets		417,321,522.77	184,258,470.30	184,258,470.30
Total assets		3,801,398,359.67	3,203,477,575.38	3,203,477,575.38

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



(Cont.)

Consolidated Balance Sheet (Continued)

31 December 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings	VI. 14	642,470,470.28	260,314,430.00	260,314,430.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable	VI. 15	209,980,000.00	4,000,000.00	4,000,000.00
Trade payables	VI. 16	39,889,282.48	4,566,758.56	4,566,758.56
Advances from customers	VI. 17			941,950.61
Employee benefits payable				
Contract liabilities	VI. 18	903,273.58	888,632.65	Inapplicable
Taxes payable	VI. 19	14,153,223.75	14,423,241.00	14,423,241.00
Other payables	VI. 20	192,511,750.97	179,653,212.27	179,653,212.27
Liabilities held for sale				
Non-current liabilities due within one year	VI. 21	1,909,160,833.73		
Other current liabilities	VI. 22	54,196.42	53,317.96	
Total current liabilities		3,009,123,031.21	463,899,592.44	463,899,592.44
Non-current liabilities:				
Long-term borrowing	VI. 23	187,560,635.00	162,532,715.00	162,532,715.00
Bonds payable	VI. 24		1,943,990,677.08	1,943,990,677.08
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables				
Provisions				
Deferred incomes				
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		187,560,635.00	2,106,523,392.08	2,106,523,392.08
Total liabilities		3,196,683,666.21	2,570,422,984.52	2,570,422,984.52
Owner's equity:				
Paid-in capital	VI. 25	8,498,119.20	8,498,119.20	8,498,119.20
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve		332,721,526.96	332,721,526.96	332,721,526.96
Less: treasury stock				
Other comprehensive income		49,650,794.85	50,648,305.60	50,648,305.60
Special reserve				
Surplus reserve				
Undistributed profits	VI. 26	-441,818.85	24,628,139.52	24,628,139.52
Total owners' equity attributable to the parent		391,312,259.86	416,496,091.28	416,496,091.28
Minority shareholder's equity		213,402,433.60	216,558,499.58	216,558,499.58
Total owners' equity		604,714,693.46	633,054,590.86	633,054,590.86
Total liabilities and owners' equity		3,801,398,359.67	3,203,477,575.38	3,203,477,575.38

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



CONSOLIDATED INCOME STATEMENT

the year 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Total operating incomes		33,649,443.85	57,180,030.77
Of which: Operating revenue	VI. 27	33,649,443.85	57,180,030.77
II. Total operating costs		61,890,715.12	63,619,714.01
Of which: Operating costs	VI. 27	8,098,951.93	29,063,296.80
Taxes and surcharges		489,118.84	301,408.00
Selling expenses		13,431,894.22	13,256,146.56
Administrative expenses		20,652,529.55	5,548,373.13
R&D expenses			
Financial expenses	VI. 28	19,218,220.58	15,430,489.52
Including: Interest expense		16,383,410.10	5,193,043.00
Interest incomes		182,325.18	7,274,334.23
Add: other incomes			
Investment income (losses expressed with "-")	VI. 29	2,196,853.33	
Of which: Investment income from associates and joint ventures			
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")	VI. 30	2,797,997.18	
Asset impairment losses (losses marked with "-")			-4,605.76
Gains on disposal of assets (losses expressed with "-")			
III. Operating profits (losses marked with "-")		-28,206,225.12	-6,444,289.00
Add: non-operating income	VI. 31	1,788.37	47,341.70
Less: Non-operating expenses	VI. 32	20,279.74	2,115.79
IV. Total profits (total losses marked with "-")		-28,224,716.49	-6,399,063.09
Less: Income tax expenses	VI. 33	-882,329.84	1,164,486.55
V. Net profits (net losses marked with "-")		-27,342,386.65	-7,563,549.64
(I) Classified by business continuity:			
1. Net profits from sustainable operation (net losses marked with "-")		-27,342,386.65	-7,563,549.64
2. Net profits from discontinued operation (net losses marked with "-")			
(II) Classified by ownership:			
1. Net profits attributable to parent company shareholders (net losses marked with "-")		-24,186,320.67	-8,504,702.35
2. Minorly shareholders' profits and losses (net losses marked with "-")		-3,156,065.98	-1,058,847.29
VI. After-tax net amount of other comprehensive incomes		-897,510.75	132,748,270.63
(I) Net other comprehensive incomes after tax attributable to owners of parent company		-897,510.75	132,748,270.63
1. Other comprehensive incomes not to be reclassified into profits and losses			
(1) Changes from re-measuring defined benefit plan			
(2) Other comprehensive incomes unable to transfer to profits and losses under the equity method			
(3) Fair value changes of other equity instrument investments			Inapplicable
(4) Fair value changes of corporate credit risks			Inapplicable
(5) Others			
2. Other comprehensive incomes to be reclassified into profits and losses		-897,510.75	132,748,270.63
(1) Other comprehensive incomes able to transfer to profits and losses under the equity method			
(2) Fair value changes of other debt investments			Inapplicable
(3) Fair value changes of available-for-sale financial asset investments		Inapplicable	
(4) Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
(5) Profits and losses from held-to-maturity investments reclassified into available-for-sale financial assets		Inapplicable	
(6) Other debt investment credit impairment provisions			Inapplicable
(7) Cash flow hedge reserve			
(8) Converted difference in foreign currency statements		-897,510.75	132,748,270.63
(9) Others			
(II) Net other comprehensive incomes after tax attributable to minority shareholders			
VII. Total comprehensive incomes		-28,339,897.40	126,184,720.99
(I) Total comprehensive incomes attributable to owners of parent company		-25,183,831.42	126,243,568.28
(II) Total comprehensive incomes attributable to minority shareholders		-3,156,065.98	-1,058,847.29

(The attached Financial Statement Notes are an integral part of the financial statements)

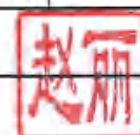
Legal representative:



Accounting director:



Accounting firm director:



Consolidated Cash Flow Statement

the year 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

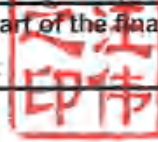
Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services		39,660,688.36	69,567,709.29
Tax refunds received			
Other cash received related to operating activities		710,167,703.17	121,206,881.96
Subtotal cash inflow from operating activities		749,828,391.53	190,774,591.25
Cash paid to buy goods and receive labor service		11,415,648.75	28,619,873.42
Cash paid to and for employees		5,390,243.35	4,411,460.15
Taxes paid		1,080,071.64	415,639.63
Other cash paid to operating-related activities		644,512,850.22	279,501,309.64
Subtotal cash outflow from operating activities		662,398,813.96	312,948,282.84
Net cash flow from operating activities		87,429,577.57	-122,173,691.59
II. Cash flow from investing activities			
Cash received from investment withdrawal		63,757,000.00	
Cash received from investment income		2,196,853.33	
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			
Net cash received from disposal of subsidiaries and other business units			
Other cash received from investing activities			
Subtotal cash inflow from investing activities		65,953,853.33	
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		2,003,983.82	33,179,008.76
Cash paid for investment		210,000,000.00	
Net cash paid by subsidiaries and other business units			
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		212,003,983.82	33,179,008.76
Net cash flow from investment activities		-146,050,130.49	-33,179,008.76
III. Cash flow from financing activities:			
Cash received from absorbing investments			
Of which: cash received from absorbing investments from minority shareholders by the subsidiary			
Cash received from borrowings		695,465,485.00	355,314,430.00
Other cash received from financing-related activities			
Subtotal of cash inflow from financing activities		695,465,485.00	355,314,430.00
Cash paid for repayment of debt		283,717,895.00	5,000,000.00
Cash paid for distributing dividends, profits or settling interests		220,289,573.30	6,211,356.63
Of which: dividends and profits paid to minority shareholders by the subsidiary			
Other cash paid to financing-related activities			66,553,980.00
Subtotal cash outflow from financing activities		504,007,468.30	77,765,336.63
Net cash flow from financing activities		191,458,016.70	277,549,093.37
IV. Influence of exchange rate changes to cash and cash equivalents			
		37,836,863.22	30,766,410.73
V. Net increase in cash and cash equivalents			
		170,674,327.00	152,962,803.75
Add: opening balance of cash and cash equivalents		592,747,323.17	439,784,519.42
VI. Closing balance of cash and cash equivalents			
		763,421,650.17	592,747,323.17

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:

Accounting director:

Accounting firm director:



Consolidated Owner's Equity Change Statement

the year 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Current amount										Total owners' equity			
	Owner's equity attributable to the parent company													
	Paid-in capital	Preference shares	Perpetual debits	Other	Capital reserve	Treasury stock	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profits	Subtotal	Minority shareholder's equity
I. Balance at the end of last year	8,498,119.20				332,721,525.96			50,648,305.60			24,828,139.52	416,496,091.28	216,558,499.58	633,054,590.86
Add: accounting policy changes														
Correction of previous-period accounting errors														
Other														
II. Balance at the beginning of this year	8,498,119.20				332,721,525.96			50,648,305.60			24,828,139.52	416,496,091.28	216,558,499.58	633,054,590.86
III. Increased or decreased amount in the current period (decrease marked with "-")							-987,510.75			-24,186,320.67	-25,183,831.42	-25,183,831.42	-3,156,065.98	-28,339,897.40
(I) Total comprehensive incomes							-987,510.75			-24,186,320.67	-25,183,831.42	-25,183,831.42	-3,156,065.98	-28,339,897.40
(II) Capital increase or decrease from the owner														
1. Invested capital by the owner														
2. Other equity instruments owner invested capital														
3. Amount of stock payment included in owner's equity														
4. Others														
(III) Profit distribution														
1. Withdrawal of the surplus reserves														
2. Withdrawal of the general risk reserves														
3. Distribution to owners														
4. Others														
(IV) Internal transfer of shareholders' equity														
1. Capital reserve to increase capital														
2. Surplus reserve to increase capital														
3. Cover losses with surplus reserve														
4. Set the benefit plan variation to be carried out into retained earnings														
5. Retained earnings carried forward by other comprehensive incomes														
6. Others														
(V) Special reserve														
1. Withdrawal in this period														
2. Used in this period														
(VI) Others														
IV. Balance at the end of current year	8,498,119.20				332,721,525.96			49,660,794.85			441,818.85	391,312,259.86	213,402,433.60	604,714,693.46

Legal representative

徐铁印

Accounting leader:

汪印伟

Accounting firm director:

刘刚

2022年半年度财务报告附注
报告截止日 (1)

Consolidated Owner's Equity Change Statement (Continued)

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

the year 2021


Amount Unit: RMB yuan

Items	Previous amount											
	Owner's equity attributable to the parent company											
	Paid-in capital	Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal	Minority shareholder's equity	Total owners' equity
	Preference shares	Perpetual debits	Other									
I. Balance at the end of last year	8,498,119.20				332,721,526.96	-82,089,965.03			31,132,841.87	290,252,523.00	217,617,346.87	507,869,869.87
Add: accounting policy changes												
Correction of previous-period accounting errors												
Other												
II. Balance at the beginning of this year	8,498,119.20				332,721,526.96	-82,089,965.03			31,132,841.87	290,252,523.00	217,617,346.87	507,869,869.87
III. Increased or decreased amount in the current period (decrease marked with "-")						132,748,270.63			-6,504,702.35	126,243,568.28	-1,058,847.29	125,184,720.99
(I) Total comprehensive incomes						132,748,270.63			-6,504,702.35	126,243,568.28	-1,058,847.29	125,184,720.99
(II) Capital increase or decrease from the owner												
1. Invested capital by the owner												
2. Other equity instruments owner invested capital												
3. Amount of stock payment included in owner's equity												
4. Others												
(III) Profit distribution												
1. Withdrawal of the surplus reserves												
2. Withdrawal of the general risk reserves												
3. Distribution to owners												
4. Others												
(IV) Internal transfer of shareholders' equity												
1. Capital reserve to increase capital												
2. Surplus reserve to increase capital												
3. Cover losses with surplus reserve												
4. Set the benefit plan variation to be carried out into retained earnings												
5. Retained earnings carried forward by other comprehensive incomes												
6. Others												
(V) Special reserve												
1. Withdrawal in this period												
2. Used in this period												
(VI) Others												
IV. Balance at the end of current year	8,498,119.20				332,721,526.96	50,648,305.60			24,628,139.52	416,496,091.28	216,558,499.58	633,054,590.86

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: 

Accounting leader: 

Accounting firm director: 

中兴华会计师事务所(特殊普通合伙)
报告附注(一)

Balance Sheet

31 December 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

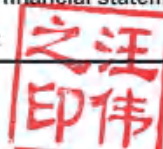
Items	Note	Closing balance	Opening balance	Previous year ending balance
Current assets:				
Cash at bank and on hand		20,469,046.13	200,105,271.32	200,105,271.32
Financial assets held for trading				Inapplicable
Financial liabilities measured at fair value with changes included in current profit and loss		Inapplicable	Inapplicable	
Derivative financial assets				
Notes receivable				
Accounts receivable				
Receivables financing				Inapplicable
Advances to suppliers				
Other receivables	XII. 1	686,458,518.89	481,867,993.43	481,867,993.43
Inventory				
Contract assets				Inapplicable
Assets held for sale				
Non-current assets due within one year				
Other current assets				
Total current assets		706,927,565.02	681,973,264.75	681,973,264.75
Non-current assets				
Creditor's rights investment				Inapplicable
Available for sale financial assets		Inapplicable	Inapplicable	
Other debt investments				Inapplicable
Held to maturity investments		Inapplicable	Inapplicable	
Long-term receivables				
Long-term equity investments	XII. 2	1,611,270,360.15	1,513,604,360.00	1,513,604,360.00
Other equity instrument investments				Inapplicable
Other non-current financial assets				Inapplicable
Investment properties				
Fixed assets				
Construction in progress				
Bearer biological assets				
Oil and gas assets				
Right-of-use assets				Inapplicable
Intangible assets				
Development expenditure				
Goodwill				
Long-term prepaid expense				
Deferred tax assets				
Other non-current assets				
Total non-current assets		1,611,270,360.15	1,513,604,360.00	1,513,604,360.00
Total assets		2,318,197,925.17	2,195,577,624.75	2,195,577,624.75

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



(Cont.)

Balance Sheet (Continued)

31 December 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Note	Closing balance	Opening balance	Previous year ending balance
Current liabilities:				
Short-term borrowings		189,358,290.00	132,781,715.00	132,781,715.00
Transactional financial liabilities				Inapplicable
Financial liabilities measured at fair value with changes charged to current profits and losses		Inapplicable	Inapplicable	
Derivative financial liabilities				
Notes payable				
Trade payables				
Advances from customers				
Contract liabilities				Inapplicable
Employee benefits payable				
Taxes payable				
Other payables		-		-
Liabilities held for sale				
Non-current liabilities due within one year		1,908,981,528.05		
Other current liabilities				
Total current liabilities		2,098,339,818.05	132,781,715.00	132,781,715.00
Non-current liabilities:				
Long-term borrowing		132,560,635.00	67,532,715.00	67,532,715.00
Bonds payable			1,943,990,677.08	1,943,990,677.08
Of which: Preferred Stock				
Perpetual debts				
Lease liabilities				Inapplicable
Long-term payables				
Long-term employee remuneration payable				
Provisions				
Deferred incomes				
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities		132,560,635.00	2,011,523,392.08	2,011,523,392.08
Total liabilities		2,230,900,453.05	2,144,305,107.08	2,144,305,107.08
Owner's equity:				
Paid-in capital		8,498,119.20	8,498,119.20	8,498,119.20
Other equity instruments				
Of which: Preferred Stock				
Perpetual debts				
Capital reserve				
Less: treasury stock				
Other comprehensive income		77,362,792.38	37,363,320.08	37,363,320.08
Special reserve				
Surplus reserve				
Undistributed profits		1,436,560.54	5,411,078.39	5,411,078.39
Total owners' equity		87,297,472.12	51,272,517.67	51,272,517.67
Total liabilities and owners' equity		2,318,197,925.17	2,195,577,624.75	2,195,577,624.75

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm direct



Income Statement


the year 2021


Prepared by: Hong Kong Xiangyu Investment Group Co., Limited


Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Operating income			
Less: operating costs			
Taxes and surcharges			
Selling expenses			
Administrative expenses		44,970.62	115,987.93
R&D expenses			
Financial expenses		3,929,233.82	-4,206,521.50
Including: Interest expense		3,968,784.56	10,543.00
Interest incomes		50,732.59	4,222,865.96
Add: other incomes			
Investment income (losses expressed with "-")			
Of which: Investment income from associates and joint ventures			
Net exposure hedging gains (losses marked with "-")			
Fair value change incomes (losses marked with "-")			
Credit impairment losses (losses marked with "-")			
Asset impairment losses (losses marked with "-")			
Gains on disposal of assets (losses expressed with "-")			
II. Operating profits (losses marked with "-")		-3,974,204.44	4,090,533.57
Add: non-operating income			
Less: Non-operating expenses			
III. Total profits (total losses marked with "-")		-3,974,204.44	4,090,533.57
Less: Income tax expenses		313.41	101,771.03
IV. Net profits (net losses marked with "-")		-3,974,517.85	3,988,762.54
(I) Net profits from sustainable operation (net losses marked with "-")		-3,974,517.85	3,988,762.54
(II) Net profits from discontinued operation (net losses marked with "-")			
V. After-tax net amount of other comprehensive incomes		39,999,472.30	132,748,270.63
(I) Other comprehensive incomes not to be reclassified into profits and losses			
1. Re-measured defined benefit plan changes			
2. Other comprehensive incomes unable to transfer to profits and losses under the equity method			
3. Fair value changes of other equity instrument			Inapplicable
4. Fair value changes of corporate own credit risks			Inapplicable
5. Others			
(II) Other comprehensive incomes to be reclassified into		39,999,472.30	132,748,270.63
1. Other comprehensive incomes able to transfer to profits and losses under the equity method			
2. Fair value changes of other debt investments			Inapplicable
3. Fair value changes of available-for-sale financial asset investments		Inapplicable	
4. Amount of financial assets reclassified into other comprehensive incomes			Inapplicable
5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets		Inapplicable	
6. Other debt investment credit impairment provisions			Inapplicable
7. Cash flow hedge reserve			
8. Converted difference in foreign currency statements		39,999,472.30	132,748,270.63
9. Others			
VI. Total comprehensive incomes		36,024,954.45	136,737,033.17

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative: 

Accounting director: 

Accounting firm director: 

Cash Flow Statement

the year 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Note	Current amount	Previous amount
I. Cash flow from operating activities:			
Cash received from selling goods and providing services			
Tax refunds received			
Other cash received related to operating activities		50,732.59	4,222,865.96
Subtotal cash inflow from operating activities		50,732.59	4,222,865.96
Cash paid to buy goods and receive labor service			
Cash paid to and for employees			
Taxes paid		313.41	
Other cash paid to operating-related activities		40,987,599.88	178,519,300.67
Subtotal cash outflow from operating activities		40,987,913.29	178,519,300.67
Net cash flow from operating activities		-40,937,180.70	-174,296,434.71
II. Cash flow from investing activities			
Cash received from investment withdrawal		63,757,000.00	
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term investments			
Other cash received from investing activities			
Subtotal cash inflow from investing activities		63,757,000.00	
Cash paid for purchasing fixed assets, intangible assets and other long-term assets			
Cash paid for investment		97,666,000.15	69,808,000.00
Other cash paid to investing-related activities			
Subtotal cash outflow from investing activities		97,666,000.15	69,808,000.00
Net cash flow from investment activities		-33,909,000.15	-69,808,000.00
III. Cash flow from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings		197,965,485.00	200,314,430.00
Other cash received from financing-related activities			
Subtotal of cash inflow from financing activities		197,965,485.00	200,314,430.00
Cash paid for repayment of debt		72,729,400.00	
Cash paid for distributing dividends, profits or settling interests		204,746,761.64	10,543.00
Other cash paid to financing-related activities			66,553,980.00
Subtotal cash outflow from financing activities		277,476,161.64	66,564,523.00
Net cash flow from financing activities		-79,510,676.64	133,749,907.00
IV. Influence of exchange rate changes to cash and cash equivalents			
		39,999,472.30	30,766,410.73
V. Net increase in cash and cash equivalents			
		-114,357,385.19	-79,588,116.98
Add: opening balance of cash and cash equivalents		133,551,291.32	213,139,408.30
VI. Closing balance of cash and cash equivalents			
		19,193,906.13	133,551,291.32

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative:



Accounting director:



Accounting firm director:



Owner's Equity Change Statement

the year 2021

Prepared by: Hong Kong Xiangyu Investment Group Co., Limited

Amount Unit: RMB yuan

Items	Current amount						Total owners' equity				
	Paid-in capital	Other equity instruments		Capital reserve	Less: treasury stock	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profits	
	Preference shares	Perpetual debts	Other								
I. Balance at the end of last year	8,498,119.20									5,411,078.39	51,272,517.67
Add: accounting policy changes											
Correction of previous-period accounting errors											
Other											
II. Balance at the beginning of this year	8,498,119.20										
III. Increased or decreased amount in the current period (decrease marked with "-")											
(I) Total comprehensive incomes											
(II) Capital increase or decrease from the owner											
1. Invested capital by the owner											
2. Other equity instruments owner invested capital											
3. Amount of stock payment included in owner's equity											
4. Others											
(III) Profit distribution											
1. Withdrawal of the surplus reserves											
2. Withdrawal of the general risk reserves											
3. Distribution to owners											
4. Others											
(IV) Internal transfer of shareholders' equity											
1. Capital reserve to increase capital											
2. Surplus reserve to increase capital											
3. Cover losses with surplus reserve											
4. Set the benefit plan variation to be carried out into retained earnings											
5. Retained earnings carried forward by other comprehensive incomes											
6. Others											
(V) Special reserve											
1. Withdrawal in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the end of current year	8,498,119.20						77,362,792.38			1,436,560.54	87,297,472.12

(The attached Financial Statement Notes are an integral part of the financial statements)

Legal representative

Accounting leader:

Accounting firm director:



报告单吃墙 (1)

中关公司 赵册 印伟 印铁

Hong Kong Xiangyu Investment Group Co., Limited

2021 Financial Statement Notes

(Unless otherwise specified, the amount unit is RMB)

I. Company profile

(I) Registered location, organization form and headquarter address of the company

Hong Kong Xiangyu Investment Group Co., Limited (hereinafter referred to as "the Company") was funded by Huai'an Development Holdings Co., Ltd. and it was registered at the Hong Kong special administrative region companies registry on 30 March 2016. The shareholder is Huai'an Development Holdings Co., Ltd. Registration number: 2353574, registered capital: 1289 thousand dollars, legal representative: Xu Tie. Company type: limited company.

(II) Approval of financial report

The financial statements were approved and reported by the shareholders' meeting of the Company on 25 April 2022.

(III) Scope of consolidated statement

A total of 3 subsidiaries were included in the consolidation scope in 2021; see Note VIII "Equities in Other Entities".

II. Preparation basis of the financial statements

1. Preparation basis

The company prepares financial statement pursuant to the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, the Application Guidelines, the Interpretations and other relevant regulations (collectively referred to as the "Accounting Standards for Business Enterprises"), based on sustainable operation, actual transaction and event.

According to relevant provisions of the accounting standards for enterprises, accounting in the company is conducted based on the accrual system. Apart from certain financial instruments and investment real estate, the financial statements should be measured on the basis of historic cost. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant provisions.

2. Sustainable operations

The financial statement is presented based on sustainable operation, and the company has the ability of sustainable operation within at least 12 months from the end of reporting period.

III. Statement on compliance with Accounting Standards for Business Enterprises

The financial statements formulated by the company were in accordance with the requirements of accounting standards for enterprises, and they truly and completely reflected the company's consolidation and its parent company's financial status on 31 December 2021, as well as its consolidation and its parent company's operation results, consolidation, cash flow and other relevant information in 2021.

IV. Significant accounting policies and accounting estimate

1. Accounting period

The company's accounting period is divided into annual and medium-term periods. The latter is

shorter than the reporting period of a complete accounting year. Fiscal year of the company follows the Gregorian calendar year, namely from January 1 to December 31 every year.

2. Operating cycle

The normal operating cycle refers to the period from purchasing assets for processing to realizing retrieval of cash or cash equivalents. With 12 months as an operating cycle, the company also uses this as a dividing standard for the liquidity of assets and liabilities.

3. Functional currency

RMB serves as the functional currency of the company.

4. Accounting treatment method for business combination under the same and different control

Business combination refers to the transactions or events of combining two or more than two separate businesses into one reporting entity. Business combination includes business combination under the same control and business combination under different control.

(1) Business combination under the same control

The enterprises involved in combination are ultimately controlled by the same party or parties before and after the combination. The control is not temporary, and the combination is under the same control. For business combination under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. Combination date refers to the date on which the combining party actually obtains control to the combined party.

The assets and liabilities obtained by the combining party are measured at the carrying amounts as recorded by the combined party at the combination date. The difference between the carrying amount of the net assets obtained by the combining party and the carrying amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, retained earnings shall be adjusted.

The direct expenses generated by the acquirer for the purpose of business combinations shall be recorded into the profits and losses for the current period.

(2) Business combination under different control

If the enterprises participating in the merger are not ultimately controlled by the same party or parties before and after the combination, the business combination is facilitated under different controls. For business combination not under the same control, the party that obtains control over other participating enterprises on the purchase date is the acquirer, and other enterprises that participate in the combination are the acquirees. The acquisition date refers to the date when acquirer actually obtains control over acquiree.

For the business combinations under different controls, the combination cost includes the assets paid by the acquirer to obtain control over acquiree on the acquisition date, the liabilities generated or undertaken and the fair value of the issued equity securities. The intermediary costs used for auditing, legal services, appraisal consulting and other administrative expenses during the process of business combination are included into the current profits and losses. Any transaction costs occurring in the

process of issuing equity securities or debt securities as consideration paid for combination by the purchaser are included in the initially recognized amount of equity securities or debt securities. The involved contingent consideration is included in the consolidated cost as per its fair value on the purchasing date, if new or further evidences compared with existing circumstances on the purchasing date occur within 12 months after the purchasing date, so that contingent consideration needs to be adjusted, the consolidated goodwill shall be adjusted accordingly. The cost of combination incurred to the acquirer and the net identifiable assets obtained in the processing of combination shall be measured at the acquisition-date fair value. Goodwill is identified as the excess of combination cost over the fair value of identifiable net assets obtained by the acquirer in combination on the acquisition date. If the combination cost is less than the fair value of identifiable net assets obtained by acquirer in the combination, the fair value of identifiable assets, liabilities and/or contingent liabilities of the acquiree and the combination costs should be re-computed first. If the combination cost is still less than the fair value of identifiable net assets obtained by the acquirer in the combination, the difference shall be included into the current profits and losses.

When the deductible temporary difference obtained by the acquirer from the acquiree is unrecognized due to incompliance with the deferred income tax asset recognition criteria on the purchase date, within 12 months after the purchase date, if new or further information shows relevant circumstances of the purchase date have existed, and economic benefits of the acquiree brought by the deductible temporary difference on the purchase date is expected to realize, the relevant deferred income tax assets are recognized, while the goodwill is reduced; if the goodwill is insufficient to offset, the difference part is recognized as current profits and losses; except for the above circumstances, the deferred income tax assets recognized in connection with enterprise consolidation are included in current profits and losses.

Where the consolidation of enterprises not under the same control is achieved through multiple transactions by steps, make judgment on whether such multiple transactions are "package deal", pursuant to the "package deal" judgment criteria in the Notice of the Ministry of Finance on Printing and Distributing the Interpretation of Accounting Standards for Business Enterprises No. 5 (Finance and Accounting [2012] No. 19) and Article 51 of the Accounting Standards for Business Enterprises No. 33-Combined Financial Statement (see the Note IV. 5(2)). The deals belonging to package-deal are accounted based on the above description and Note IV. 13 - Long-term equity investments; the deals not belonging to package-deal are accounted separately based on separate financial statements and consolidated financial statements.

In the individual financial statements, the sum of the book value of the equity investment held by the purchased party prior to the purchase date and the new investment cost on the purchase date shall be taken as the initial investment cost of the investment; if the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to the acquisition of the investment will be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities(that is, other than the corresponding share of the change in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree in accordance with the equity method, the rest is transferred to the current investment income).

In the consolidated financial statements, the equity of the acquiree held before the purchase date is re-measured at the fair value of the equity at the acquisition date. The difference between the fair value and its carrying value is included in the current investment income; If the equity of the purchased party held before the acquisition date involves other comprehensive income, the other comprehensive income related to it shall be accounted for on the same basis as that of the acquiree directly disposing of the relevant assets or liabilities (that is, except for the corresponding share of the changes in the net liabilities or net assets of the beneficiary plan that was calculated by the acquiree after being accounted for under the equity method, the rest are transferred to the current investment income on the purchase date).

5. Consolidated financial statement preparation method

(1) The principle of determining the scope of consolidated financial statements

The scope of financial statements consolidation is decided based on the control. Control means that the Company has the power over the invested entity, earns variable return by participating in relevant activities of the invested entity, and has the ability to influence the return amount by exercising its power over the invested entity. The scope of consolidation includes the company and all its subsidiaries. Subsidiaries are those that are controlled by the company.

The company will conduct a reassessment once the relevant facts and changes in circumstances have caused changes in the relevant elements involved in the above control definition.

(2) Method for compiling consolidated financial statements

From the date of obtaining the actual control of the subsidiary's net assets and production and business decisions, the company began to include it in the scope of consolidation; and ceased to be included in the scope of consolidation from the date of loss of actual control. For the subsidiary in disposal, business performance and cash flows prior to the date of disposal has been included in the consolidated income statement and consolidated cash flow statement; For the subsidiary disposed in the current period, the opening balance in the consolidated balance sheet is not adjusted. For subsidiaries that are not under the same control and whose business combination is increased, the operating results and cash flows after the purchase date have been properly included in the consolidated income statement and the consolidated cash flow statement, and the opening balance and comparison of the consolidated financial statements are not adjusted. For the subsidiary acquired in the business combination under same control, the business performance and cash flows from the beginning of the period to the purchase date has been included in the consolidated income statement and consolidated cash flow statement, and the comparative figures in the consolidated financial statements are correspondingly restated.

In preparing of the consolidated financial statements, when the accounting policies or accounting period of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting policies and accounting period. For subsidiaries acquired under a business combination not under the same control, the financial statements of the subsidiary are adjusted based on the fair value of the identifiable net assets at the purchase date.

All major current balances, transactions and unrealized profits in the company are offset when the consolidated financial statements are prepared.

The shareholder's equity of the subsidiary and the current portion of the net profit or loss that does not belong to the company are separately presented as minority shareholders' equity and minority shareholders' profits and losses under the item of shareholders' equity and net profit in the consolidated financial statements. The portion of subsidiary's current net profits and losses that is attributable to minority shareholder's equity is presented as "minority shareholder's profits and losses" under the net profits in the consolidated income statement. Where losses attributable to the minority shareholders of a subsidiary exceeds the minority shareholders interest in of the equity of the subsidiary, they are still offset against the minority shareholders interest.

When the control over 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 based on the fair value on the date of loss of control. Difference of the sum of consideration arising from equity disposal and fair value of remaining equity minus the net asset portion of original subsidiaries calculated continuously from the purchase date as per the original shareholding ratio is included in investment income of the current period when losing control right. Other comprehensive income related to the equity investment of the original subsidiary, when the loss of control right is used, the accounting basis is the same as that of the acquiree that directly disposes of the relevant assets or liabilities. (That is, except for the change in the net liabilities or net assets caused by the re-measurement of the defined subsidiaries in the original subsidiary, the rest will be converted into current investment income). Afterwards, the remaining equity of this part is subsequently measured in accordance with relevant regulations 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 Note IV. 13 "Long-term equity investment" or Note IV. 9 "Financial Instruments".

If the company disposes of the equity investment in a subsidiary through multiple transactions until it loses control, it needs to distinguish whether each transaction that deals with the equity investment in the subsidiary until the control is lost is a package transaction. When the terms, conditions and economic impacts of disposing subsidiary equity investment transactions comply with the following one or more circumstances, it generally indicates that multiple transactions shall be accounted as package deal: ① these transactions are signed simultaneously or when considering mutual impact; ② these transactions as a whole can achieve a complete business result; ③ the occurrence of a transaction depends on the occurrence of at least another transaction; ④ a transaction alone is deemed as uneconomical, but economical when considering with other transactions together. If they are not the package deal, for each transaction, accounting treatment is conducted according to the applicable principles in "partially dispose the long-term equity investment of subsidiary without losing the control right" (see Note IV 13 (2) ④) and "lose the control right on original subsidiary due to disposal of partial equity investment or other reasons" (see preceding paragraph). Disposal of the equity investment in the subsidiary until the loss of control of the transaction is a package transaction, the transaction will be treated as a transaction to dispose of the subsidiary and lose control; however, before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposition of the investment is

recognized in the consolidated financial statements as other comprehensive income. When the control right is lost, it is transferred to the current profit or loss at the same time.

6. Classification of joint arrangements and accounting of joint operations

Joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies joint arrangements into joint operations and joint ventures based on the rights it enjoys and the obligations it assumes during the joint arrangement. Joint operation refers to the joint arrangement in which the company enjoys the relevant assets of the arrangement and bears the liabilities of the arrangement. A joint venture refers to a joint arrangement where the company only has rights to the net assets of the arrangement.

Corporate investment in joint venture is accounted by the equity method, and treated according to the accounting policy specified in Note IV 13 (2) ② "Long-term equity investment accounting by the equity method".

The company operates jointly as a joint venture, confirming the assets held by the company alone, the liabilities the company assumed alone, and confirming jointly held assets and jointly assumed liabilities according to the shares of the company; confirming the income generated from the sale of the company's joint operating output share; the income generated from the sales of joint operations according to the company's share; confirming the expenses incurred by the company alone, and confirming the cost of joint operations according to the company's share.

When the company operates as a joint venture to jointly sell or sell assets (this asset does not constitute a business, the same below), or when purchasing assets from a joint operation, before the assets are sold to a third party. The company only recognizes the portion of profit or loss arising from this transaction that is attributable to other participants of the joint venture. If such assets meet the asset impairment loss as stipulated in the "Accounting Standards for Enterprises No. 8 - Asset Impairment", etc., for the case of the assets invested or sold by the company to the joint operations, the company fully confirms the losses; Where the company purchases assets from a joint operation, the company confirms the loss according to its share of commitments.

7. Determination standards of cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, investments that owned by the company which are in short-term (usually due within three months from the purchase date), highly liquid, easy to convert to a known amount of cash, low risk of value change.

8. Foreign currency transactions and conversion of foreign currency statements

(1) Conversion of foreign currency transactions

When the company initially recognizes the foreign currency transaction, it is converted to accounting standard currency amount at the spot exchange rate on the transaction date (it generally refers to the central parity rate of exchange rate on the current day published by the People's Bank of China), whereas the foreign currency exchange business of the company or foreign currency exchange-related transaction matters are converted to accounting standard currency amount at the actual exchange rate.

(2) Conversion methods for foreign currency monetary items and foreign currency non-monetary

items

On the balance sheet date, foreign currency monetary items are converted at the spot exchange rate on that date, and the resulting exchange difference is included in current profits and losses, except: ① the exchange difference arising from special borrowings of foreign currency related to constructing the assets eligible for capitalization is treated in the principle of borrowing cost capitalization; ② for the available-for-sale foreign currency monetary items, the exchange difference arising from book balance change other than the amortized cost is included in other comprehensive income.

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates are included in other comprehensive income; When disposing of overseas operations, transfer to disposal of current profits and losses.

Non-monetary foreign currency items measured at historical cost are still measured by the amount of functional currency converted at the spot exchange rate on the transaction date. Non-monetary foreign currency items measured at fair value shall be converted at the spot exchange rate on the date when the fair value was determined. The difference between the converted functional currency amount and the original functional currency amount shall be treated as changes in fair value (including changes in exchange rates) and included in current profit or loss or confirmed as other comprehensive income.

(3) Conversion method of foreign currency financial statements

For the preparation of consolidated financial statements involving overseas operations, if there is a foreign currency monetary item that substantially constitutes a net investment in overseas operations, the exchange differences arising from changes in exchange rates shall be confirmed to be other comprehensive income as a "foreign currency conversion difference"; When disposing of overseas operations, included in disposal of current profit and loss.

The foreign currency financial statement of overseas operation is converted into RMB statement as follows: items of 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 owner's equity items are converted at the spot exchange rate at the time of incurrence. Income and expense items in the income statement are converted by the spot exchange rate on the transaction date. The opening undistributed profit is the undistributed profit at the end of last year after the conversion; the undistributed profits at the end of the year are calculated according to the profit distribution of the items after the conversion; the difference between the total count of asset class items and liabilities items and shareholder equity items after conversion is count as a foreign currency statement conversion difference, confirmed as other comprehensive income. When disposal foreign operations and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the shareholders' equity items in the balance sheet is transferred to the current profit or loss, either in whole or in proportion to the disposal of the foreign operations.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted at the spot exchange rate on the cash flow occurrence day. The impact of exchange rate changes on cash is treated as a reconciliation item and presented separately in the cash flow statement.

The opening balance and actual amount in the previous period are presented in the amount converted from the previous period's financial statements.

When disposing of the entire owner's equity of the company's overseas operations or the loss of overseas operations control rights due to the disposal of part of the equity investment or other reasons, the ownership of the company's equity in the balance sheet and the operations related to the overseas operations are attributed to the difference in conversion of foreign currency statements of owners' equity of the parent company and is transferred to the disposal of current profit or loss.

When disposing of part of the equity investment or other reasons that result in a reduction in the proportion of overseas operating equity but not losing control over overseas operations, the foreign exchange statement conversion differences related to the foreign operations disposal part will be attributed to minority shareholders' equity and will not be transferred to the current profits and losses. When disposing of partial equity in an overseas operation is an associate or a joint venture, the foreign currency conversion difference related to the overseas operation is transferred to the disposal of current profit or loss in proportion to the disposal of the foreign operation.

9. Financial instruments

The following financial instrument accounting policy is applicable to 2021 and beyond:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability.

(1) Classification, confirmation and measurement of financial assets

Based on business model of managing financial assets and contractual cash flow characteristics of financial assets, the company divides financial assets into: financial assets measured at amortized cost; financial assets measured at fair value with changes included in other comprehensive incomes; financial assets measured at fair value with changes included in current profits and losses.

Financial assets are measured at fair value at initial recognition. For the financial assets at fair value and through current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss; for other categories of financial assets, the transaction expenses thereof should be recognized into initially recognized amount. For the accounts receivable or bills receivable arising from product sales or labor service provision excluding or not considering significant financing components, the company regards the amount of consideration expected to charge as the initial recognition amount.

① Financial assets measured at amortized costs

The corporate business model for managing financial assets measured at amortized cost aims at charging contractual cash flow, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements, namely cash flow is generated on a specific date, only for payment of principal and interests based on outstanding principal amount. The company utilizes effective interest rate method for such financial assets, and performs subsequent measurement as per amortized cost, with gains or losses arising from amortization or impairment included in current profits and losses.

② Financial assets measured at fair value with changes included in other comprehensive incomes

The corporate business model for managing such financial assets aims at both contractual cash flow

charging and sales, and the contractual cash flow characteristics of such financial assets are consistent with basic borrowing and loan arrangements. The company measures such financial assets at fair value with changes included in other comprehensive incomes, but impairment losses or gains, exchange gains and losses, and interest incomes calculated according to the actual interest rate method are included in current profits and losses.

In addition, the company designates some non-trading equity instrument investments as financial assets measured at fair value with changes included in other comprehensive incomes. The company records relevant dividend incomes of such financial assets into current profits and losses, and records fair value changes into other comprehensive incomes. When such financial assets are derecognized, the cumulative gains or losses previously recorded in other comprehensive incomes will transfer from other comprehensive incomes into retained earnings, excluded in current profits and losses.

③ Financial liabilities measured at fair value with changes included in current profit and loss

The company classifies the above financial assets measured at amortized cost and the financial assets other than the financial assets measured at fair value with changes included in other comprehensive incomes as the financial assets measured at fair value with changes included in current profits and losses. In addition, during initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company designates some financial assets as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, the company uses fair value for subsequent measurement, and fair value changes are included in current profits and losses.

(2) Classification, recognition and measurement of financial liabilities

Financial liabilities are classified during initial recognition as the financial liabilities measured at fair value with changes included in profits and losses, and other financial liabilities. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

Financial liabilities measured at fair value with changes included in current profits and losses contain transactional financial liabilities (including derivatives that belong to financial liabilities) and financial liabilities designated as measured at fair value during initial recognition with changes included in current profits and losses.

Transactional financial liabilities (including derivatives that belong to financial liabilities) are subsequently measured at fair value, and except for hedge accounting-related, the fair value changes are included in current profits and losses.

The financial liabilities designated as measured at fair value with changes included in current profits and losses, such liabilities are caused by the company's own credit risk changes, with fair value changes included in other comprehensive incomes, and when the liabilities are derecognized, they are included in other comprehensive incomes, caused by own credit risk changes, with cumulative fair value changes transferred into retained earnings. The remaining fair value changes are included in current profits and

losses. If treatment of own credit risk change impact of such financial liabilities in the above manner will cause or expand accounting mismatch in profits and losses, the company includes all gains or losses of such financial liabilities (including the amount of corporate own credit risk change impact) in current profits and losses.

② Other financial liabilities

Except the financial liabilities and financial guarantee contract arising from financial asset transfer at variance with derecognition conditions or continuous involvement of transferred financial assets, other financial liabilities are classified as financial liabilities measured at amortized cost, and subsequently measured at amortized cost, with gains or losses resulting from derecognition or amortization included in current profits and losses.

(3) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine

whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(4) De-recognition of financial liabilities

If current obligations of financial liabilities (or a part thereof) are removed, the company derecognizes such financial liabilities (or a part thereof). If the company (borrower) signs an agreement with the lender, to replace the original financial liabilities by bearing new financial liabilities, and contract clauses of new financial liabilities and original financial liabilities are substantially different, the original financial liabilities are derecognized, while recognizing a new financial liability. If the company makes substantial modification to the contractual clauses of original financial liabilities (or a part thereof), the original financial liabilities are derecognized, and a new financial liability is recognized according to the clauses after modification.

If financial liabilities (or a part thereof) are derecognized, the company records the difference between their book value and consideration paid (including non-cash assets transferred out or liabilities assumed) into current profits and losses.

(5) Offset of financial assets and financial liabilities

When the company has legal right to offset financial assets and financial liabilities of the recognized amount, and such legal rights are currently enforceable, meanwhile, the company plans to settle by net assets or concurrently liquidate such financial assets and repay such financial liabilities, financial assets and financial liabilities are presented in the balance sheet by net amounts after mutual offset. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(6) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. Where the financial instruments exist on active market, the company determines their fair value by using quotation on active market. Quoted market prices in an active market refer to the prices that are readily to get regularly from the exchange, the broker, the trade association, pricing services institution, etc., and they represent the actual market transaction prices in the fair transactions. Where the financial instruments do not exist on active market, the company determines their fair value by using valuation techniques. Valuation techniques include refers to the prices used in recent market transactions by the parties that are familiar to the situation and are voluntary to participate in the transaction, refers to the current fair values of other essentially the same financial instruments, discount cash flow valuation, option pricing models, etc. At the time of valuation, the company leverages valuation techniques that are applicable in the current circumstances and adequately supported by available data and other information, chooses the input value consistent with the characteristics of assets or liabilities considered by market participants in transaction of relevant assets or liabilities, and prefers to use the relevant observable input value. The value that cannot be inputted is utilized, when the relevant observable input value is unavailable or unfeasible to obtain.

(7) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as changes in equity, and transaction costs related to equity transactions are deducted from equity. The company does not recognize the fair value changes of equity instruments.

If dividends for corporate equity instruments are distributed during the existence period (including "interests" generated by instruments classified as equity instruments), they shall be treated as profit distribution.

The following financial instrument accounting policy was applicable to 2020:

When the company becomes a party to a contract of a financial instrument, the company shall recognize a financial asset or financial liability. Financial assets and financial liabilities are measured at fair value on initial confirmation. For the financial assets and financial liabilities measured at fair value and the changes therein are recognized into current profit or loss, the transaction expenses thereof should be recognized directly in profit or loss, and for other categories of financial assets and financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

(1) Determining method of the fair value of financial assets and financial liabilities

Fair value refers to the price that a market participant can be received for the sale of an asset or the price he needs to pay for transferring a liability in an orderly transaction occurring on the measurement date. The Company measures fair values of financial assets and financial liabilities at the price in the major market. If no major market, the price best favorable to the market should be used to measure the fair values of financial assets and financial liabilities and current applicable valuation technique with sufficient applicable data and other information support is used. Input value for measurement of fair value can be divided into three levels, i.e. the first-level input value is unadjusted quotation on same assets or liabilities obtained in the active market at the date of measurement; the second-level input value is directly or indirectly observable input values of related assets or liabilities except the first-level input value; the third-level input value is non-observable input value of related assets or liabilities. The company prefers to use the first-level input value, and use the third-level input value finally. Level of the measurement result of fair value is decided according to the lowest level of input value with great significance for whole measurement of fair value.

(2) Classification, confirmation and measurement of financial assets

The financial instruments traded in a conventional manner shall be conducted accounting recognition and de-recognition at the date of transaction. Financial assets are classified at initial recognition into financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial liabilities measured at fair value with changes included in current profit and loss

Transactional financial assets and financial assets that are designated at fair value through profit or loss are included.

Transactional financial assets refer to the financial assets in accordance with one of the following criteria: A. the purpose of obtaining such financial assets is mainly for sales in the near future; B. belong

to a part of recognizable financial instruments of centralized management, with objective evidence to show the company has recently managed the portfolio by means of short-term profitability; C. belong to derivatives, but excluding the derivatives designated as effective hedging instruments, the derivatives of financial guarantee contract, as well as the derivatives connected with equity instrument investment of which the fair value cannot be reliably measured and unquoted on active market, and settlement by delivering such equity instruments.

Financial assets that meet one of the following criteria are designated as the financial assets measured at fair value with changes charged to current profits and losses at initial recognition: A. such designation can eliminate or apparently reduce the inconsistent recognition or measurement of relevant gains or losses caused by different measurement basis of such financial assets; B. corporate formal written document of risk management or investment strategy have stated to manage, evaluate the financial asset portfolio or combination of financial assets and financial liabilities in which the financial assets exist based on fair value, and report to key management personnel.

Financial assets measured at fair value through current profits or losses are subsequently measured at fair value. Any gains or losses arising from changes in fair value and any dividends and interest income related to these financial assets are included in current profit or loss.

(3) Impairment of financial assets

Except for the financial assets that are measured at fair value through profit or loss, the company checks the book value of other financial assets at each balance sheet date. If there is objective evidence that the financial assets are impaired, the company should make the provision for impairment.

The company conducts the individual impairment tests on the individual significant financial assets; for the individual financial assets not significant, they are individually tested for impairment or included in the portfolio of financial assets with similar credit risk characteristics for impairment test. The individual tested financial assets that have not been impaired (including single significant and insignificant financial assets) are included in the portfolio of financial assets with similar credit risk characteristics for impairment test. For financial assets whose impairment loss has been recognized in individual test, they do not need to be performed impairment tests included in the portfolio of financial assets with similar credit risks.

① Impairment of investments, loans and receivables held-to-maturity

The carrying amount of financial assets measured at costs or amortized costs should be reduced to present value of estimated future cash flows, and the reduced amount is recognized as impairment loss and recorded into current profit or loss. After the impairment loss is recognized in a financial asset, if there is an objective evidence that the value of the financial asset has been recovered, which is objectively related to the event that has occurred after the loss was confirmed, the previous recognized impairment loss is reversed. The book value of the financial asset reversed for loss does not exceed the amortized cost of the financial asset on the day of reverse under the assumption for no impairment.

② Available-for-sale financial assets impairment

As the comprehensive related factors, when the decline in the fair value of available-for-sale equity instrument investment is a serious or non-transient decline, it indicates that the available-for-sale equity instrument investment is impaired.

When the available-for-sale financial asset is impaired, the accumulative loss that is originally recorded in other comprehensive income due to the decline in fair value is transferred to the profit or loss for the current period. The accumulated loss is the balance of the initial acquisition cost of the asset less the paid principal and amortized amount, the current fair value and the impairment loss that has been included in profit or loss.

After the impairment loss is confirmed, if there is objective evidence that the value of the financial asset has been recovered after the period and it is objectively related to the event occurred after the loss is confirmed, the previous recognized impairment loss is reversed. The impairment loss of the available-for-sale equity instrument investment is reversed and recognized as other comprehensive income. The impairment loss of the available-for-sale debt instrument is reversed and included in the current profit or loss.

Equity instrument investments that do not have a quotation in an active market and whose fair value cannot be reliably measured, or impairment losses of derivative financial assets that are linked to the equity instrument and are settled by delivery of the equity instrument, are not reversed.

(4) Recognition basis and measurement method of financial assets transfer

Financial assets are derecognized in one of the following conditions: ① the contractual right to receive cash flow of such financial assets is terminated; ② such financial assets have been transferred, and almost all risks and rewards on the financial asset ownership are transferred to the transferee; ③ such financial assets have been transferred, and although the company has neither transferred nor retained almost all risks and rewards on the financial asset ownership, it has given up control of such financial assets.

If the enterprise neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it has not abandoned the control of that financial asset, the relevant financial asset is recognized at the extent of continuing involvement in the transferred financial asset and the corresponding liability is recognized accordingly. The degree of continuous involvement in the transferred financial asset refers to the risk level that the enterprise faces due to the change of the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria of de-recognition, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes is recognized in current profit or loss.

Where a transfer of financial asset partly meets the criteria of de-recognition, the carrying amount of the financial asset transferred should be amortized between the part that is derecognized and the part that is not derecognized according to the fair value, and the difference between the sum of the consideration received from the transfer and any cumulative change in fair value that has been recognized in other comprehensive incomes and should be amortized to the derecognized part, and the amortized above-mentioned carrying amount, shall be recorded into current profit or loss.

When the company uses financial assets sold with recourse or sells financial assets held in an endorsement, it must determine whether all risks and rewards of ownership of the financial assets have

been almost transferred. If all the risks and rewards of ownership of the financial asset are almost transferred to the transferee, and the financial asset is derecognized; if all the risks and rewards on the ownership of the financial asset are retained, the financial asset is not derecognized; all the risks and rewards of ownership of financial assets are not almost transferred or retained, continue to determine whether the company retains the control over the assets and perform the accounting operation based on the principles described in the preceding paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are initially classified into financial liabilities at fair value recorded in the current profit or loss and other financial liabilities. The initial recognized financial liabilities are measured at fair value. For financial liabilities at fair value through profit or loss, the transaction expenses thereof should be recognized directly in current profit or loss, and for other financial liabilities, the transaction expenses thereof should be recognized into initially recognized amount.

① Financial liabilities measured at fair value with changes charged to current profits and losses

The conditions of financial liabilities classified as transactional financial liabilities and the financial liabilities designated at initial recognition as fair value with the changes to the current profit or loss, and the conditions of financial assets classified as transactional financial assets and financial assets designated at initial recognition at fair value with the changes to the current profit or loss are consistent.

Financial liabilities at fair value to the current profit or loss are subsequently measured at fair value. Any gains or losses from changes in fair value and any dividends or interest payments relating to the financial liabilities are included in the current profit or loss.

② Other financial liabilities

Derivative financial liabilities that are linked to equity instruments unavailable to be quoted in an active market and whose fair value cannot be reliably measured, settled by delivery of the equity instruments, are subsequently measured at cost. Other financial liabilities shall adopt effect interest method, and be recognized at amortized costs in the subsequent measurement, and the gains or losses arising from de-recognition or amortization shall be recorded into current profit or loss.

③ Financial guarantee contract

Financial guarantee contracts that are not classified as financial liabilities measured at fair value to the current profit or loss are initially recognized at fair value, and then, it should be subsequently measured the larger balance, one of them is determined in accordance with Accounting Standards for Enterprises No. 13 - Contingencies and the other is initial confirmation amount after deducting the accumulated amount of amortization determined in accordance with the principle of "Accounting Standards for Enterprises No. 14 - Revenue".

(6) De-recognition of financial liabilities

If the current obligation of a financial liability is discharged in whole or in part, and then the financial liability or part thereof may be derecognized. If the company (debtor) signs an agreement with the creditor to replace the existing financial liabilities with new financial liabilities, and the terms of the new financial liabilities and the existing financial liabilities are substantially different, and then the existing financial liabilities should be derecognized for the new financial Liabilities.

Where entire or part of a financial liability is derecognized, the difference between the carrying value and the consideration (including transferred non-cash assets or assumed new financial liability) is charged to current profit or loss.

(7) Derivatives and embedded derivatives

Derivatives are measured initially at fair value at the date of contract signing, and are measured subsequently at fair value. Changes to fair value of derivatives are included in the current profits and losses.

For the hybrid instruments containing embedded derivatives, if there are not designated as financial assets or financial liabilities at fair value with the changes to the current profit or loss, there is no close relationship between the embedded derivatives and the principal contract in terms of economic characteristics and risks, with the same condition of embedded derivatives and the separate existing tools are in accordance with the definition of the derivatives, and then the embedded derivatives are split from the hybrid tools and processed as the separate derivative financial instruments. If the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet date, the hybrid instrument in its entirety is designated as financial asset or liability at fair value through current profit or loss.

(8) Offset of financial assets and financial liabilities

When the company has the statutory right to offset the recognized financial assets and financial liabilities and it is currently able to implement such statutory rights, at the same time, the company plans to settle the net or realize simultaneously the financial assets and liquidate the financial liabilities, the financial assets and the financial liabilities are shown in the balance sheet as the amount of offset by each other. In addition, financial assets and financial liabilities are separately presented in the balance sheet, which are not offset by each other.

(9) Equity instruments

Equity instruments refer to contracts that demonstrate the ownership of the company's remaining equity in the assets after deducting all liabilities. The company issues (including refinancing), repurchases, sells or cancels equity instruments as a change in equity. The company does not recognize the fair value changes of equity instruments. Transaction costs related to equity transactions are deducted from equity.

The company's various allocations to holders of equity instruments (excluding stock dividends) reduce shareholders' equity. The company does not recognize the changes in fair value of equity instruments.

10. Impairment of financial assets

The following financial asset impairment accounting policy is applicable to 2021 and beyond.

The financial assets that the company needs to confirm impairment losses are financial assets measured at amortized cost, debt instrument investments measured at fair value with changes included in other comprehensive incomes, mainly including bills receivable, accounts receivable, other receivables, debt investment, other debt investments, long-term receivables, etc. In addition, for some financial guarantee contracts, provision for impairment and recognition of credit impairment losses are also conducted in accordance with the accounting policies described in this section.

1. Method for recognizing impairment provision

Based on expected credit losses, the company makes impairment provision and recognizes credit impairment losses according to the applicable expected credit loss measurement method (general method or simplified method) for the above items.

Credit losses refer to the difference between all contractual cash flows receivable under the contract and all cash flows expected to charge and discounted by the company at the original actual interest rate, namely the present value of all cash shortages. Among them, for the financial assets purchased or originated and suffered credit impairment, the company discounts such financial assets as per the credit-adjusted actual interest rate.

General method for measuring expected credit losses means that the company assesses on each balance sheet date whether the credit risks of financial assets have increased significantly since initial recognition, and if the credit risks have increased significantly since initial recognition, the company shall measure loss provision based on the amount equivalent to expected credit losses throughout the existence period; if the credit risks have not increased significantly since initial recognition, the company measures loss provision based on the amount equivalent to expected credit losses within the next 12 months. When evaluating expected credit losses, the company considers all reasonable and well-grounded information, including forward-looking information.

Assuming that the credit risk of the financial instruments with low credit risks on the balance sheet date has not increased significantly since the initial recognition, the Company chooses to measure the loss provision based on the expected credit loss within the next 12 months, and depending on whether their credit risk has increased significantly since the initial recognition, the Company measures the loss provision based on the expected credit loss within the next 12 months or the entire term of its existence.

2. Criteria for judging whether credit risks have increased significantly since initial recognition

If the default probability of a financial asset within the expected existence period determined on the balance sheet date is significantly higher than the default probability within the expected existence period determined during initial recognition, it indicates that the credit risks of such financial asset have increased significantly. Except in special circumstances, the company adopts the default risk changes that occur within the next 12 months as reasonable estimate of default risk changes that occur throughout the existence period, to determine whether credit risks have increased significantly since initial recognition.

In general, if overdue for more than 30 days, the company believes credit risk of this financial instrument has increased significantly, unless conclusive evidences prove credit risk of this financial instrument has not increased significantly since initial recognition.

The company will consider the following factors when assessing whether credit risk is increased significantly:

(1) Whether the actual or expected operating results of the debtor have changed significantly;

(2) Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes;

(3) Whether the value of collateral used for debt mortgage or the quality of guarantee or credit enhancement provided by third party has changed significantly. These changes are expected to reduce the debtor's economic motivation to repay the loan within the specified period of contract or affect defaulting probability;

(4) Whether expected performance and repayment behavior of the debtor has changed significantly;

(5) Whether corporate credit management methods for financial instruments have changed, etc.

On the balance sheet date, if the company judges financial instrument only has relatively low credit risk, the company assumes credit risk of this financial instrument has not increased significantly after initial recognition. If the default risk of financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligation in the short term, and even if unfavorable changes exist in the economic situation and operation environment over a long period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligation, and such financial instrument is deemed to have lower credit risk.

3. Criteria for judging financial assets with credit impaired

When one or more events with an adverse impact on the expected future cash flow of financial asset occur, such financial asset becomes a credit-impaired financial asset. Evidence for credit impairment of financial assets includes the following observable information:

(1) The issuer or debtor has major financial difficulties;

(2) The debtor breaches the contract, such as defaulting or overdue payment of interest or principal;

(3) Considering relevant economic or contract of debtor's financial difficulties, the creditor gives the debtor concession that would never be made under any other circumstances;

(4) The debtor is likely to go bankrupt or undergo other financial restructuring;

(5) The issuer or debtor is in financial difficulties, causing active market for such financial assets disappeared;

(6) A financial asset is purchased or derived at a huge discount which indicates the fact of credit loss occurrence.

Credit impairment of financial assets may be caused by joint action of multiple events, and not necessarily separately identifiable event.

4. Portfolio method for evaluating expected credit risks based on portfolio

The company evaluates individual credit risks of financial assets with significantly different credit risks, such as: accounts receivable in dispute with the other party or involved in litigation and arbitration; accounts receivable with obvious indication that the debtor is probably unable to perform repayment obligations, etc.

Apart from financial assets with single assessment of credit risk, the company classifies financial assets into different groups based on common risk characteristics. Common credit risk characteristics adopted by the company include: financial instrument type, credit risk rating, aging portfolio, overdue account aging portfolio, contract settlement cycle, debtor's industry, etc., to assess credit risk based on portfolio.

5. Accounting treatment method of financial asset impairment

At the end of period, the company calculates expected credit losses of various financial assets, and if such expected credit losses are greater than current carrying amount of impairment losses, the difference is recognized as impairment losses; if they are less than the carrying amount of current impairment provision, the difference is recognized as impairment gains.

6. Method for recognizing credit losses of various financial assets

(1) Notes receivable

The company generally does not consider the provision for bad debts for bank acceptance bills with good reputation.

(2) Accounts receivable and contract assets

With regard to accounts receivable and contract assets excluding major financing components, the company measures loss reserve at the amount equivalent to the expected credit loss throughout the duration.

With regard to accounts receivable and contract assets including major financing components, the company chooses to always measure loss reserve at the amount equivalent to the expected credit loss throughout the duration.

In addition to accounts receivable with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Portfolio classified with aging of accounts receivable and contract assets as credit risk characteristics
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

(3) Other receivables

The company measures impairment losses based on whether the credit risks of other receivables have increased significantly since initial recognition, by using the amount equivalent to expected credit losses within the next 12 months or throughout the existence period.

In addition to other receivables with individual assessment of credit risks, they are divided into different portfolios based on their credit risk characteristics:

Items	Basis of determining the portfolio
Aging analysis method portfolio	Make optimal estimate on the accrual ratio of other receivables based on previous historical experience, and conduct credit risk portfolio classification with reference to aging of accounts receivable
Other combinations	Portfolio is classified with relationship of receivables and trading object and receivable nature as credit risk characteristics, and the company does not make provision for bad debts of government departments, financing platforms under government departments (unless conclusive evidence indicates inability of recovery) sales and current accounts, employee reserve funds, margins, deposits and resettlement house payments by installment in the receivables.

11. Inventory

(1) Classification of inventory

Inventory mainly includes raw materials, stock goods, low-value consumables, packages and engineering construction.

(2) Pricing method to obtain and issue inventory

Inventories are valued at the actual cost when acquired, and inventory costs include purchase costs, processing costs, and other costs. In case of acquisition and delivery, the price is weighted according to the weighted average method.

Actual cost of product development includes land transfer funds, infrastructure support facility expenditures, construction installation project expenditures, borrowings incurred prior to completion of development project and other related costs in development process. When the development product is issued, its actual cost is determined by the individual pricing method.

(3) Confirmation of the net realizable value of inventories and withdrawal method for falling prices

Net realizable value refers to the estimated sold price of inventories less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes in daily activities. When determining the net realizable value of inventories, based on obtaining conclusive evidence, consider the purpose to hold the inventory and the influence of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower between the cost and net realizable value. When the net realizable value is lower than the cost, inventory depreciation reserve is withdrawn. The provision for inventory devaluation is usually based on the difference between the higher cost of a single inventory item and its net realizable value.

After accruing inventory depreciation reserve, if the influencing factors of the previous write-down of inventory value have been disappeared and the net realizable value of inventory exceeds its book value, and then it should be reversed from the provision for inventory devaluation accrued and the amount transferred back is included in the current profit or loss.

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

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

Low-value consumables should be amortized at one-off amortization method when they are received; and the packages should be amortized at one-off amortization method when they are received.

12. Contract assets

For the rights that customers have not yet paid contract consideration, but the company has fulfilled performance obligations in accordance with the contract, not attributable to unconditional (i.e. only depending on time lapse) payment collection from customers, the company presents them as contract assets in balance sheet. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to Note IV 10 Financial asset impairment.

13. Long-term equity investments

The long-term equity investment 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 long-term equity investment of which the company does not have control, joint control or significant impact on the investee

company is measured at fair value or as available-for-sale financial assets with the changes charged to current losses and profits, and the accounting policy is shown in "Note IV. 9 Financial instruments".

Joint control means that the company has common control over an arrangement in accordance with the relevant agreement, and the related activities of the arrangement must be agreed upon by the parties that share the right of control. Significant influence means that the company has the power to participate in decision-making on the financial and operating policies of the invested company, but it cannot control or control jointly the formulation of these policies together with other parties.

(1) Recognition of investment costs

For the long-term equity investment acquired by the business combination under the same control, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If capital reserve is insufficient, retain earnings shall be adjusted. In the case of issuance of equity securities as the merging consideration, the share of the book value of the owner's equity of the merged party in the ultimate controller's consolidated financial statements at the merged date should be taken as the initial investment cost of the long-term equity investment; the difference between the total face value of the issued shares, the initial investment cost of the long-term equity investment and the total par value of the shares issued should be adjusted for the capital reserve; if the capital reserve is insufficient to offset, the retained earnings should be adjusted.

For long-term equity investments acquired by business combinations under non common control, the initial cost of long-term equity investment is the merged cost on the purchase date. The merged costs include assets paid by the purchaser, liabilities incurred or assumed, and the fair value of equity securities issued. Where the equity of the purchased party is obtained through multiple transactions by steps, to ultimately form business combination under different control, the treatment shall be subject to whether it is a "package deal": in case of a "package deal", the accounting treatment is made on each transaction as a transaction with control right. Where the deals do not belong to a package-deal, it shall regard the sum of the share of the book value of the owner's equity of the merged enterprise and new investment costs as the initial cost of the long-term-equity investment that using cost accounting method. Where the original held equity is accounted as the equity method, the related comprehensive income should not be accounted temporarily. Where the original equity investment is an available-for-sale financial asset, the difference between the fair value and the book value, and the accumulated fair value changes previous recognized in other comprehensive income are transferred to the current profit or loss.

Intermediary costs such as auditing, legal services, assessment, consulting, etc. incurred by the combining party or the purchaser for the business combination and the other management cost should be recorded in the current profit or loss when incurred.

Except the long-term equity investment formed by the business combination, the other equity investment is initially measured at the cost. Based on the different way that the long-term equity investment is obtained, the cost should be determined respectively, such as the actual cash 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 the assets in the exchange transaction of non-monetary assets, and the fair value of the long-term equity investment. Relevant costs directly attributed to the long-term equity investment, taxes, and other necessary expenditures shall be recorded into investment costs. In case of exerting significant impact on the investee company due to additional investment or implementing joint control rather than constitute control, the long-term equity investment cost is the sum of fair value of original equity investment determined as per the Accounting Standards for Business Enterprises No.22 – Recognition and measurement of financial instruments and the additional investment cost.

(2) Subsequent measurement and recognition of profit and loss

The long-term equity investment that has common control over the invested entity (except for constituting a common operator) or significant influence is accounted as the equity method. In addition, the company's financial statements use the cost method to account for long-term equity investments that can control the investee.

① Long-term equity investment accounted as cost method

When using the cost method, the long-term equity investment is measured at the initial investment cost, and the cost of the long-term equity investment is adjusted when the investment is added or withdrawn. Except for the actual payment for the investment or the cash dividend or profit included in the consideration that has been announced but not yet issued, the current investment income should be recognized in accordance with the cash dividends or profits declared by the investee.

② Long-term equity investment employing the equity method

Under equity method, if the initial cost of a long-term equity investment is more than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted; if the initial cost of long-term equity investment is less than the investing enterprise's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investment shall be adjusted simultaneously.

When using the equity method, the investment income and other comprehensive income are recognized separately based on the net profit or loss realized by the invested entity and the share of other comprehensive income that should be shared or assumed, and the book value of the long-term equity investment is adjusted at the same time; The booked value of the long-term equity investment should be reduced correspondingly to the part of the distributed profit or cash dividend calculation declared by the investee; the book value of the long-term equity investment should be adjusted for other changes in the owner's equity of the invested entity except for the net profit or loss, other comprehensive income and profit distribution, which is included in capital reserve. When confirming the share of the net profits and losses of the investee, the net profits of the investee should be adjusted for confirmation based on the fair value of the identifiable assets of the investee etc. at the time of acquisition. If the investee adopts the accounting policy and the accounting period inconsistent with that of the company, the financial statements of the investee should be adjusted in accordance with the accounting policies and accounting

periods of the company and the investment income and other comprehensive income should be also confirmed. For transactions between the company and its associated companies and joint ventures, if the assets invested or sold do not constitute a business, the unrealized profits and losses of internal transactions are calculated based on the proportion, the shares that are attributable to the company are offset. On this basis, confirm investment profit and loss. However, if the unrealized internal transaction losses incurred by the company and the invested entity belong to the impairment loss of the transferred assets, they should not be offset.

When the net losses incurred by the invested entity are confirmed, the book value of the long-term equity investment and other actual long-term equity of net investment to the invested entity could be reduced to zero. In addition, if the company has the obligation to bear additional losses to the invested entity, recognize the estimated liabilities according to the expected obligations, which is included in the current investment losses. For the net profit realized by the invested entity in the subsequent period, the company should resume the share of unrecognized losses of its share of profits, and then recover the amount of its share of profits.

③ Acquisition of minority shareholder's interest

When preparing the consolidated financial statements, because of the difference between the new long-term equity investment from the acquisition of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date (or the merged date) based on the new shareholding ratio. Capital reserve should be adjusted, in case of capital reserve less than offset, adjust the retained earnings.

④ Disposal of long-term equity investment

In the consolidated financial statement, if the parent company partially disposes the long-term equity investment of subsidiary without losing the control right, the difference between disposal price and net assets of subsidiary corresponding with the disposal of long-term equity investment is charged to owner's equity; if the parent company partially disposes the long-term equity investment of subsidiary, resulting in losing control right of subsidiary, it is subject to relevant account policy specified in the Note IV. 5. (2) "Method for the preparation of Consolidated Financial Statement".

The disposal of long-term equity investment under other circumstances, for the disposal of equity, the difference between the book value and the actual purchase price should be included in the current profits or losses.

For the long-term equity investment measurement under equity method, the remaining equity after the disposal shall still be measured using equity method, when disposes of the long-term equity, other comprehensive income that has been accounted into shareholder's equity shall be treated, according to the relevant ratio, on the same basis on which the invested equity directly disposes of relevant assets or liabilities. The shareholder's equity recognized because of other change in invested entity's equity except for net profit or loss, other comprehensive income and profit distribution shall be carried forward in proportion to current profit or loss.

For the long-term equity investment accounted as the equity method, if the remaining equity after disposal is still accounted as the equity method, for the other comprehensive income recognized by the

equity method or financial instrument and measurement criteria before the control of the investee is obtained, it should be accounted with the same basis that the invested entity disposes of directly the relevant assets or liabilities, which is transferred in the current profit or loss in the proportion. The changes in the other owners' equity with equity method other than net profit or loss, other comprehensive income, and profit distribution of the investee are transferred in the current profit or loss.

14. Investment properties

Investment real estate refers to real estate held to earn rent or capital appreciation, or both. Including land use rights that have been leased, land use rights that are held and prepared for transfer after appreciation, buildings that have been leased, etc.

Investment real estate is initially measured at cost. Subsequent expenditures related to investment real estate should be included in the cost of investment real estate if the economic benefits associated with the asset are likely to flow in and its cost can be reliably measured. Other subsequent expenditures are included in the current profits and losses when occurring.

15. Fixed assets

(1) Fixed asset recognition conditions

Fixed assets refer to the tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless the economic benefits pertinent to the fixed asset are likely to flow into the company and the cost of the fixed asset can be measured reliably. Fixed assets are initially measured at cost and taken into account the impact of the estimated cost of disposal.

(2) Depreciation methods of various fixed assets

From the next month after the fixed assets reach the scheduled usable condition, the depreciation should be made within the service life as the life-average method. The use life, estimated net residual value and annual depreciation rate of various types of fixed assets are as follows:

Asset category	Service life	Residual value rate (%)	Yearly depreciation rate (%)
Houses and buildings	20-40	5	2.375-4.75
Machinery equipment	5-10	5	9.50-19.00
Transportation equipment	4-5	5	19.00-23.75
Office and electronic devices	3-5	5	19.00-31.67
Other devices	3-5	5	19.00-31.67

The expected net residual value is the amount that the company has currently reduced the estimated disposal expenses from the disposal of the asset, the estimated use life of the fixed asset is finished at the end of its useful life.

(3) Impairment test method and withdrawal method of impairment provision of fixed assets

For the details of impairment test method and withdrawal method of impairment provision of fixed assets, please refer to Note IV. 20 "Long-term Asset Impairment".

(4) Recognition basis and valuation method for fixed assets acquired under financing lease (applicable in 2020, not applicable for the implementation of new lease standards in 2021)

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are

transferred materially and its ownership may be finally transferred or not transferred. Fixed assets leased by financial leases are depreciated by the same policy as that of self-owned fixed assets. If it is reasonably certain that the ownership of the leased asset should be obtained when the lease expires, depreciation should be made within the useful life of the leased asset; if it cannot reasonably be determined that the leased asset can be acquired after the expiration of the lease term, the shorter period of the lease term and the useful life of the leased asset is used for the depreciation.

(5) Other instructions

For the subsequent expenditures related to fixed assets, if the economic benefits associated with the fixed assets are likely to flow in and their costs can be reliably measured, they are included in the cost of fixed assets and the recognition of the book value of the replaced part is terminated. The other subsequent expenses are included in the current profit or loss when incurred.

The fixed assets are derecognized when the fixed assets are disposed or if no economic benefits are expected to generate from the use or disposal. The difference between the disposal income of fixed assets sold, transferred, scrapped or damaged after deducting their book value and related tax fees is included in the current profit or loss.

The company reviews the use life, estimated net residual value, and depreciation method of fixed assets at least at the end of the year, and if any change, it is recorded as a change in accounting estimates.

16. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including various engineering expenditures incurred during construction period and other relevant expenses. Construction in progress is carried over to the fixed assets after it reaches its intended usable condition.

For details of the impairment test method and withdrawal method of impairment provision of construction in progress, please refer to Note IV. 20 "Long-term Asset Impairment".

17. Borrowing costs

The borrowing costs shall include interest on borrowings, amortization of discounts or premiums on borrowings, ancillary expenses, and exchange balance on foreign currency borrowings. The capitalization of borrowing costs that can be directly attributable to the acquisition, construction, or production of assets that meet the conditions for capitalization is started when the capital expenditure and borrowing costs have already been incurred, and the necessary acquisition, construction, or production activities in order to make the assets ready for their intended use or sale have been started. The capitalization is stopped when the constructed or produced assets that meet the conditions for capitalization reach a state of intended use or sale. Other borrowing costs shall be recognized as expenses at the present period.

The actual interest expenses of the special borrowings incurred in the current period should be capitalized after subtracting the interest income earned by the unutilized borrowing funds from bank or the investment income obtained from the temporary investment; the general borrowings should be determined for the amount of capitalization as following, the weighted average of asset expenditures that the accumulative assets expenditure exceeds the special borrowings is multiplied by the capitalization rate of general borrowings. The capitalization rate is determined on the basis of weighted average interest rate of the general borrowings.

During the capitalization period, the foreign exchange differences on foreign currency specific borrowings should be capitalized; exchange differences on foreign currency general borrowings should be recorded in the current profits and losses.

Assets eligible for capitalization refer to the fixed assets that require a long period of time for acquisition, construction, or production for use or sale, investment real estate, inventory, etc.

Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended till the acquisition and construction or production of the asset restarts.

18. Intangible assets

(1) Intangible assets

Intangible assets are identifiable non-monetary assets that are owned or controlled by the company, without physical shape.

Intangible assets are initially measured at cost. The expenditures related to intangible assets are included in the costs of intangible assets, if relevant economic benefits are likely to flow into the company and their costs can be reliably measured. Expenditure for other items is included in the current profit or loss when incurred.

Land use rights acquired are usually accounted as intangible assets. The plant and other buildings of self-development and construction, the related land use rights expenditures and building construction costs are accounted as intangible assets and fixed assets, respectively. For the purchased houses and buildings, the relevant price should be allocated between the land use rights and the buildings. If it is difficult to allocate them reasonably, all of them should be treated as fixed assets.

Intangible assets with limited useful lives are amortized by the straight line staging average method over their expected useful lives from the moment they are available for use, less their estimated net residual value and the accumulative amount of accrued impairment losses. Intangible assets with indefinite useful lives are not amortized.

At the end of the period, the useful life and amortization method of intangible assets with limited useful life are reviewed, if any change occurs, they are treated as changes in accounting estimates. In addition, the service life of an intangible asset with an indefinite useful life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is predictable, the service life of the intangible asset is estimated and the intangible asset with a finite service life is amortized as the amortization policy.

(2) Research & development expenditure

The expenditures of the company's internal research and development projects are divided into research phase expenditures and development phase expenditures.

Expenditure for the research phase is included in the current profit or loss when incurred.

Expenditure in the development phase that satisfies the following conditions at the same time is recognized as intangible assets. Expenditure at the development stage that does not satisfy the following conditions is included in the current profit and loss:

- ① It is feasible technically to finish intangible assets for use or sale;

② It is intended to finish and use or sell the intangible assets;

③ The ways in which intangible assets generate economic benefit includes the way that it can prove the existence of the market of the products from the intangible assets or it can prove the existence of the market of intangible assets itself. If intangible assets are used internally and it can prove their usefulness;

④ Sufficient technical, financial and other resources to support the development of the intangible assets and the ability to use or sell the intangible assets;

⑤ Expenditure attributable to the development stage of the intangible asset can be reliably measured.

If it is not possible to distinguish between research phase expenditures and development phase expenditures, all R&D expenditures incurred should be charged to the current profit or loss.

(3) Impairment test method and withdrawal method of impairment provision of intangible assets

For details of the impairment test method and withdrawal method of impairment provision of intangible assets, please refer to Note IV. 20 "Long-term asset impairment".

19. Long-term prepaid expense

Long-term expenses to be apportioned are various expenses that have already occurred, but they should be burdened by the reporting period and subsequent periods with a time limit of more than one year. The long-term deferred expenses of the company mainly include long-term financing expense amortization. Long-term expenses to be apportioned are amortized on a straight-line basis over the expected benefit period.

20. Long-term asset impairment

For non-current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, right-of-use asset, investment real estate measured in cost mode, and long-term equity investments in subsidiaries, associated enterprises, joint ventures, etc., the company should determine whether there are signs of impairment on the balance sheet date. If there is any sign of impairment, its recoverable amount is estimated and the impairment test is conducted. For goodwill, intangible assets with an indefinite useful life, and intangible assets that have not yet reached their usable status are tested for impairment annually, irrespective of whether there is any sign of impairment.

If the impairment test results indicate that the recoverable amount of the asset is less than its book value, the difference should be withdrawn and accounted as impairment loss. The recoverable amount is the higher of the fair value of the assets minus the disposal expenses and the present value of the estimated future cash flow of the assets. The fair value of the asset is determined on the basis of the price of the sales agreement in an arm's length transaction. If there is no sales agreement but there is an active market for assets, the fair value is determined on the basis of the buyer's bid for the asset; if there is no sales agreement and active asset market, the most available good information is based to estimate the fair value of asset. Disposal expenses include legal fees related to the disposition of assets, related taxes, handling expenses, and direct expenses incurred in bringing assets into a saleable state. The present value of the expected future cash flow of the assets is determined by the amount of discounted cash flow selected in accordance with the estimated future cash flow generated during the continuous use and final disposal of the assets. The impairment provision of assets is calculated and confirmed on

the basis of individual assets. If it is difficult to estimate the recoverable amount of a single asset, the asset group to which the asset belongs should be used to determine the recoverable amount of the asset group. Asset groups are the smallest portfolio of assets that can generate cash inflows independently.

For the goodwill separate listed in the financial statements, the book value of goodwill is amortized to the asset group or combination of asset groups that are expected to benefit from the synergies of the business combination when assessing impairment. If the test result shows that the recoverable amount of an asset group or a combination of asset groups which includes the goodwill that have been apportioned to is lower than its book value, it shall be recognized as the corresponding impairment loss. The amount of the impairment loss shall first charge against the book value of the goodwill which are apportioned to the asset group or combination of asset groups, then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the goodwill excluded.

Once any loss of the above asset impairment is recognized, the value recoverable shall not be switched back in the future accounting periods.

21. Contract liabilities

Accounting policy of contract liabilities is applicable to 2021 and beyond.

Contract liabilities refer to corporate obligation of transferring commodities to customers for customer consideration received or receivable. If customers have paid contract consideration or the company has obtained unconditional right of receiving payment before the company transfers commodities to customers, the company presents such received amount or receivables as contract liabilities at the time of actual payment amount or payable in due time by customers, whichever is earlier. Contract assets and contract liabilities under the same contract are presented in net amount, and contract assets and contract liabilities under different contracts are not offset.

22. Employee remuneration

The company's employee remuneration mainly includes short-term employee remuneration, post-employment welfare and dismissal welfare. Of which:

Short-term remuneration mainly includes wage, bonus, allowance and subsidy, staff welfare, medical insurance premium, maternity insurance premium, work-related injury insurance premium, housing reserve fund, labor union fund and staff education fund, non-monetary welfare, etc. The company recognizes actual short-term staff remuneration incurred during accounting period when the employee provides service for the company as liabilities, and charges to current profits and losses or related asset costs. Of which non-monetary welfare is measured at fair value.

Post-employment welfare mainly includes basic pension insurance, unemployment insurance and annuity, etc. Post-dismissal welfare plan includes defined contribution plan For defined contribution plan, the corresponding payable amount shall be included in relevant asset cost or current profits and losses when incurred.

Prior to the expiration of the labor contract, terminate the labor relations with employees, or propose compensation suggestions to encourage employees to accept voluntary redundancy. When the bank cannot unilaterally withdraw the termination benefits due to termination of labor relation plans or the layoff

proposal provided, confirm with the bank regarding the earlier date of costs relates to the restructure of paying resignation welfare associated, confirm the employee remuneration liabilities generated from termination of benefits, and included in the current profits and losses. Nevertheless, if the dismissal welfare is expected not to be fully paid within twelve months after end of the annual reporting period, it shall be handled as per other long-term employee remuneration.

Internal retirement plan of employee can be handled by the same principle as the above dismissal welfare. The company will include the internally retired staff salary to be paid from the date of staff ceasing providing service to the date of normal retirement and the paid social insurance premium, etc. into the current profits and losses (dismissal welfare), while meeting the criteria of recognizing estimated liabilities.

For other long-term staff welfare offered by the company to the employee, in case of compliance with the defined contribution plan, it shall be accounted for as per the defined contribution plan, or otherwise accounted for as per the defined benefit plan.

23. Provisions

When the obligation related to contingencies simultaneously meets the following conditions, it is recognized as estimated liability: (1) such obligation is the current obligation assumed by the Group; (2) the performance of such obligation is likely to cause outflow of economic benefits; (3) the amount of such obligation can be reliably measured.

On the balance sheet date, the estimated liabilities are measured according to the best estimate of expenditures required for performing relevant current obligations, considering such factors as relevant risks of contingent event, uncertainties and currency time value, etc.

If all or part of expenditures required for liquidation of estimated liabilities are expected to be compensated by the third party, when the compensation amount is basically determined to be receivable, it is recognized separately as asset, and the recognized compensation amount does not exceed book value of the estimated liabilities.

(1) Loss contract

Loss contract refers to the contract of costs inevitably exceeding estimated economic benefits when performing contractual obligations. If the contract to be executed becomes a loss contract, and the obligations arising from such loss contract meet the recognition conditions of above estimated liabilities, the part of contractual estimated losses that exceeds the recognized impairment losses (if any) of contractual underlying assets is recognized as estimated liabilities.

(2) Reorganization obligations

If reorganization plan has been formally and externally announced in details, when meeting the aforesaid criteria of recognizing estimated liabilities, the amount of estimated liabilities is determined as per the direct expenditure related to reorganization.

24. Incomes

The following accounting policy of income is applicable to 2021 and beyond:

When the contract between the company and customers meets the following conditions simultaneously, income is recognized when customers obtain relevant control right of commodity: all parties to the contract have approved this contract and promised to perform their respective obligations;

the contract has clarified the rights and obligations of all parties to the contract pertaining to the transferred commodity or provided labor; the contract has clear payment terms regarding the transferred commodity; the contract has commercial substance, namely the performance of this contract will change the company's future cash flow risk, time distribution or amount; the consideration obtained by the company due to transferring commodity to customers is likely to be recovered.

On the contract start date, the company identifies each individual performance obligation in the contract, and apportions the transaction price to each individual performance obligation as per the relative proportion of separate selling price for the commodity promised by each individual performance obligation. When determining transaction price, the impact of factors are considered, such as variable consideration, major financing component in the contract, non-cash consideration and consideration payable to customers.

For each individual performance obligation in the contract, if one of the following conditions is met, the company recognizes the transaction price apportioned to this individual performance obligation as income during relevant performance period according to the performance progress: customers obtain and consume the economic benefits brought by the company's performance while the company is performing contract; customers can control the commodities in progress during performance of the company; the commodities produced during performance of the company have irreplaceable application, and the company has the right to charge funds on the part that has completed performance so far during the entire contract period. The performance progress is determined by input method or output method according to the nature of the transferred commodity. When the performance progress cannot be reasonably determined, if corporate costs incurred are expected to be compensated, income is recognized according to the amount of costs incurred until performance progress can be reasonably determined.

If one of the above conditions is not met, the company recognizes income for the transaction price apportioned to this individual performance obligation at the time when customers obtain relevant control right of commodity. When judging whether customers have obtained commodity control right, the company considers the following signs: the company is entitled to current charging right for such commodity, which means customers have current payment obligation for such commodity; the company has transferred legal ownership of such commodity to customers, which means customers have held legal ownership of such commodity; the company has transferred such commodity in kind to customers, which means customers have occupied such commodity in kind; the company has transferred main risk and reward on ownership of such commodity to customers, which means customers have obtained main risk and reward on ownership of such commodity; customers have accepted such commodity; other signs indicating customers have obtained commodity control right.

The following income accounting policy is applicable to 2020 and before:

(1) Commodity sales income

When major risks and rewards of the commodity ownership has been transferred to the buyer, without retaining the continuous management right normally associated with the ownership or effective control of the sold commodity, the amount of income can be reliably measured, relevant economic

benefits are likely to flow into the company, and relevant costs that have incurred or will incur can be reliably measured, the commodity sales income is recognized as achieved.

Commodity sales income is recognized when the commodity is delivered to customer at the agreed time according to sales contract, the receipt proof is received and the commodity is confirmed by the customer as received.

Real estate sales income is recognized on an accrual basis, when the housing completion settlement cost can be reliably measured, housing sales income has been able to flow into the enterprise, housing ownership-related risk, remuneration and housing management right and control right have been transferred simultaneously.

(2) Income from rendering labor service

In case the result of provided labor transaction can be reliably estimated, the provided labor income is recognized as per the work completion percentage method on the balance sheet date. The progress of labor transaction completion is determined by the proportion of completed work measurement/provided labor to the total labor service that shall be provided.

The result of labor provision transaction can be reliably measured meaning to simultaneously satisfy: ① income amount can be measured reliably; ② relevant economic benefits are likely to flow into the company; ③ transaction completion degree can be reliably determined; ④ the cost that has incurred and will incur in the transaction can be reliably measured.

If the result of provided labor transaction cannot be reliably estimated, the provided labor income shall be recognized according to the amount of labor cost that has incurred and is expected to be compensated, and the incurred labor cost is deemed as current expense. If the incurred labor cost is expected not to be compensated, the income is not recognized.

When the contract or agreement signed between the company and other companies includes commodity sales or labor provision, if the part of commodity sales and the part of labor provision can be distinguished and measured separately, the part of commodity sales and the part of labor provision shall be handled separately; if the part of commodity sales and the part of labor provision cannot be distinguished, or they can be distinguished but not measured separately, such contract shall be wholly handled as commodity sales.

(3) Construction contract income

In case the result of construction contract can be reliably estimated, contract income and contract expense are recognized as per the work completion percentage method on the balance sheet date. The progress of contract completion is determined by the proportion of cumulative contract cost actually incurred to the estimated total contract cost.

The result of construction contract can be reliably measured meaning to simultaneously satisfy: ① total income of contract can be measured reliably; ② relevant economic benefits of contract are likely to flow into the company; ③ the actually incurred contractual cost can be clearly distinguished and reliably measured; ④ contract completion progress and the cost to be incurred for completing the contract can be reliably measured.

If the result of construction contract cannot be reliably estimated, but the contract cost can be

recovered, the contract income is recognized as per the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when it is incurred; if the contract cost cannot be recovered, it is immediately recognized as contract expense when it is incurred, and contract income is not recognized. If there is no uncertain factor to cause the result of construction contract not reliably estimated, relevant income and expense related to the construction contract shall be determined according to the work completion percentage method.

If estimated total contract cost exceeds total contract income, the estimated loss is recognized as current expense.

The cumulative costs incurred in the contract of construction in progress, the cumulative recognized gross profits (losses) and the settled price are presented in the balance sheet as net amount after offsetting. The part of the sum of cumulative costs incurred in the contract of construction in progress and cumulative recognized gross profits (losses) exceeding the settled price is presented as inventories; the part of the sum of settled price in the contract of construction in progress exceeding the cumulative costs incurred and cumulative recognized gross profits (losses) is presented as an advance receipts.

(4) Use fee income

Income is recognized on an accrual basis, according to relevant contract or agreement.

(5) Interest incomes

It is determined based on the time for other's use of the company monetary assets and actual interest rate.

25. Contract costs

The accounting policies about contract cost apply in 2021 and beyond.

The incremental costs incurred by the company for the acquisition of the contract that is expected to be recovered are recognized as an asset as the contract acquisition costs. However, if the asset amortization period does not exceed one year, it is included in current profits and losses at the time of occurrence.

Where the cost incurred for contract performance falls beyond the scope of accounting standards for business enterprises other than Accounting Standards for Business Enterprises No.14 – Income (2017 Amendment) and simultaneously meets the following conditions, it is recognized an asset as contract performance cost: 1. such cost is directly associated with a current or expected contract, including direct labor, direct material, manufacturing expense (or similar expense), cost explicitly borne by customers and other costs incurred simply due to such contract; 2. such cost increases future resources of the Group for performance obligation; 3. such cost is expected to be recovered.

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

26. Government Grants

Government grants refer to monetary assets and non-monetary assets obtained by the company free from the government, excluding the capital invested by the government as investor and entitled to corresponding owner's equity. Government grants are divided into asset-related government grants and revenue-related government grants. If government grants are monetary assets, measure according to

received or receivable amount. Government grants as non-monetary assets shall be measured at fair value; if fair value can't be obtained reliably, it shall be measured at nominal amount. Government grants measured at nominal amount are directly charged to current profits and losses.

Asset-related government grants are recognized as deferred income and included in current profits and losses within the service life of relevant asset in a reasonable and systematic manner. If the income-related government grant is used to compensate for relevant costs or losses after the compensation period, it is recognized as deferred income and included in current profits and losses in the period of recognizing relevant costs or losses; if it is used for compensating the incurred relevant costs or losses, it is directly included in current profits and losses.

The government grants that include both asset-related part and income-related part shall be accounted for respectively by distinguishing the different parts; in case of difficult to distinguish, they shall be classified as revenue-related government grants as a whole.

The government grants associated with the company's daily activities shall be charged to other revenue or offset relevant costs, according to the nature of economic business; the government grants that are unassociated with daily activities are charged to non-operating income and expenditure.

In case the recognized government grants need to be returned, the related deferred income balance shall write down the relevant deferred income book balance and the exceeding part is included in the current profits and losses; and shall be directly charged to the current profits and losses.

27. 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 current and prior period are measured at the expected amount of income tax payable (or refundable) calculated in accordance with the tax law. The taxable income on which the calculation of current income tax expenses is based is calculated after corresponding adjustment to the pre-tax accounting profit in the reporting period pursuant to relevant tax laws.

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

For the gap between book value of some assets and liabilities and their tax basis, as well as the temporary difference arising from the gap between book value of the items which are not recognized as assets and liabilities but whose taxable basis can be determined according to the tax law, the balance sheet liability method is used to recognize deferred income tax assets and deferred income tax liabilities.

For the taxable temporary difference related to initial recognition of goodwill and initial recognition of assets or liabilities arising from the trade, instead of enterprise merger, uninfluenced accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax liabilities are not recognized. In addition, for the taxable temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the company is able to control the time of temporary difference return, and such temporary difference is unlikely to reverse in the foreseeable future, relevant deferred income tax liabilities are not recognized as well. Except for the above exceptions, the company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

For the deductible temporary difference related to initial recognition of assets or liabilities arising from

the trade, instead of enterprise merger, without affecting accounting profit and taxable income (or deductible loss) when incurred, relevant deferred income tax assets are not recognized. In addition, for the deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, if the temporary difference is unlikely to reverse in the foreseeable future, or the taxable income is unlikely to acquire to offset the deductible temporary difference in the future, relevant deferred income tax assets are not recognized. Except for the above exceptions, the company recognizes deferred income tax assets arising from other deductible temporary differences, limited to the taxable income that is likely to obtain to offset the deductible temporary difference.

For the deductible losses and tax credits that can be carried forward in subsequent years, relevant deferred income tax assets are recognized, limited to the future taxable income that is likely to obtain to offset the deductible losses and tax credits.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured as per the applicable tax rate during the period of expected recovery for relevant assets or liquidation of relevant liabilities, according to the tax law.

On the balance sheet date, the book value of deferred income tax assets is reviewed; if it is likely not to obtain sufficient taxable income to offset the benefits of deferred income tax assets in the future, the book value of deferred income tax assets shall be written off. If sufficient taxable income may be obtained, the write-off amounts shall be reversed.

(3) Income tax expenses

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

Except that the current income tax and deferred income tax recognized as other comprehensive revenue or related to the transaction and matter directly included in shareholder's equity are charged to other comprehensive revenue or shareholder's equity, as well as the deferred income tax arising from enterprise merger to adjust book value of goodwill, other current income tax and deferred income tax expenses or revenues are charged to current profits and losses.

(4) Income tax offsetting

When having legitimate right of net settlement, and intending to execute net settlement or concurrently obtaining assets and settling liabilities, the company's current income tax assets and current income tax liabilities are reported at the net amount after offsetting.

When having legitimate right of net settlement for current income tax assets and current income tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the income tax levied on the same taxpayer by the same tax collection department or related to different taxpayers, but in every future period of reversal for the important deferred income tax assets and liabilities, the involved taxpayer intends to execute net settlement of current income tax assets and liabilities or simultaneously obtains assets and settles liabilities, the company's deferred income tax assets and deferred income tax liabilities are reported at the net amount after offsetting.

28. Leasing

The following lease accounting policy is applicable to 2021 and beyond:

Lease means that the company has transferred or obtained the control of one or more identified

asset use rights within a certain period to exchange for or pay the consideration contract. On the start date of a contract, the company assesses whether the contract is for lease or contains lease.

(1) The company acts as a lessee

The company has no leasing assets.

① Initial Measurement

On the lease start date, the company recognizes its right to use the lease assets during the lease term as right-of-use assets, and the present value of unpaid lease payment amount as lease liabilities (except short-term lease and lease of low-value assets). When calculating the present value of lease payment amount, the company adopts interest rate implicit in lease as discount rate; if the interest rate implicit in lease cannot be determined, the lessee's incremental borrowing interest rate is regarded as discount rate.

② Subsequent measurement

The company accrues depreciation for the right-of-use assets from the current month of starting lease term. If leased asset ownership can be properly determined upon expiration of lease term, the company accrues depreciation within the remaining service life of leased assets. If the ownership of lease assets cannot be reasonably determined at the expiration of lease term, the company makes depreciation provision during the period of lease term or remaining service life of lease assets, whichever is shorter.

As to lease liabilities, the company calculates their interest expense during each period of lease term according to fixed periodic rate, and records them in current profits and losses or relevant asset costs. Variable lease payment amount excluded from the measurement of lease liabilities is recorded in current profits and losses or relevant asset costs when it actually occurs.

After the lease start date, when actual fixed payment amount changes, the expected amount payable of guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation result of purchase option right, lease renewal option right or termination option right or actual exercise situation changes, the company re-measures lease liabilities according to the present value of lease payment amount after change, and adjusts book value of right-of-use assets accordingly. If the book value of right-of-use assets has been reduced to zero, but lease liabilities still need to be further reduced, the company records remaining amount in current profits and losses.

③ Short-term lease and low-value asset lease

For short-term lease (lease of which lease term does not exceed 12 months on the lease start date) and low-value asset lease, the company leverages a simplified treatment method, rather than recognize the right-of-use assets and lease liabilities, but to record lease payment amount in relevant asset cost or current profits and losses by the straight-line method or other systematic reasonable methods during each period of lease term.

④ Lease change

If the lease is changed and the following conditions are met simultaneously, the company conducts accounting treatment of this lease change as a separate lease:

- Lease scope is expanded for this lease change by adding one or more lease asset use right;
- The added consideration is equivalent to the amount after adjustment of separate price in the

expanded part of lease scope according to this contract.

Where accounting treatment is not conducted on lease change as a separate lease (except that the contract change directly caused by COVID-19 epidemic is subject to simplified method,) on the effective date of lease change, the company re-allocates the consideration of contract after change, re-determines the lease term, and re-measures lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate.

If lease change causes reduced lease scope or shortened lease term, the company decreases the book value of right-of-use assets accordingly, and includes relevant gains or losses on partially or entirely terminated lease into current profits and losses. If other lease changes cause re-measurement of lease liabilities, the company adjusts the book value of right-of-use assets accordingly.

(2) The company acts as a lessor

Based on transaction nature, the company divides lease into financial lease and operating lease on the lease start date. Financial lease refers to the lease of which almost all risks and rewards pertaining to the ownership of lease assets have been substantially transferred. The term "operating lease" shall refer to a lease other than a financing lease.

① Operating leasing

The company adopts the straight-line method to recognize lease receipts from operating lease as the rental income for each period of the lease term. Variable lease payment amount related to operating lease and excluded from the lease receipt amount is recorded in current profits and losses when it actually occurs.

② Financial leasing

On the lease start date, the company recognizes financial lease receivables, and de-recognizes financial lease assets. Financial lease receivables are initially measured by net lease investment (the sum of unguaranteed residual value and present value of lease payment amount not yet received on the lease start date discounted at the interest rate implicit in lease), and interest income during the lease term is calculated and recognized as per fixed periodic rate. Variable lease payment amount obtained by the company and excluded from the measurement of net lease investment is recorded in current profits and losses when it actually occurs.

③ Lease change

If operating lease is changed, the company regards it as a new lease for accounting treatment from the effective date of change, and deems as the new lease receipt amount of advance receipts or lease receivables related to the lease before change.

Where financial lease changes and meets the following conditions, the company conducts accounting treatment for this change as a separate lease:

- This change expands lease scope by increasing the right of use for one or more leased assets;
- The added consideration is equivalent to the amount after adjustment of separate price in the expanded part of lease scope according to this contract.

Where accounting treatment is not conducted for financial lease change as a separate lease, the company treats the changed lease under the following circumstances:

- Where the change takes effect on the lease start date, and this lease is classified as operating lease, the company conducts accounting treatment on it as a new lease from the effective date of lease change, and regards net lease investment amount before the effective date of lease change as the book value of leased assets;

- Where the change takes effect on the lease start date, and this lease is classified as financial lease, the company conducts accounting treatment in accordance with the provisions concerning contract amendment or re-negotiation in the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments.

The company acts as a lessee:

Continually calculate interest expense of lease liabilities at the same discount rate as before reduction and include in current profits and losses, and continually accrue depreciation and make other subsequent measurement of right-of-use assets according to the same method as before reduction. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee payment obligation, relevant asset costs or expenses are offset according to discounted amount at discount rate before non-discount/reduction, while adjusting leasing liabilities accordingly; in case of delayed payment of rental fee, leasing liabilities recognized in the previous period are offset when actually paid. Regarding short-term lease and low-value asset lease subject to simplified treatment, the company continually includes the original contract rental fee in relevant asset costs and expenses according to the same method as before reduction, and regards the reduced and exempted rental fee as variable lease payment amount, to offset relevant asset costs or expenses during the reduction and exemption period; in case of delayed payment of rental fee, the rental fee payable during original payment period is recognized as payables, and payables recognized in the previous period are offset when actually paid.

The company acts as a lessor

① If the lease is operating lease, the company continually recognizes original contract rental fee as lease income according to the same method as before reduction. It regards the reduced and exempted rental fee as variable lease payment amount, to offset lease income during the reduction and exemption period; in case of delayed receipt of rental fee, the rental fee receivable during original receipt period is recognized as receivables, and receivables recognized in the previous period are offset when actually received.

② If the lease is financing lease, the company continually calculates interest at the same discount rate as before reduction and recognizes lease income. The company regards the reduced and exempted rental fee as variable lease payment amount. When reaching a reduction agreement or waiving original rental fee receipt right, lease income originally recognized is offset according to undiscounted amount, the portion insufficient for offset is included in investment income, and financing lease receivables are adjusted accordingly; in case of delayed receipt of rental fee, financing lease receivables recognized in the previous period are offset when actually received.

The following lease accounting policy is applicable to 2020 and before:

Financing leasing means leasing that all risks and rewards related to the ownership of the assets are

transferred materially and its ownership may be finally transferred or not transferred. The other lease in addition to financing lease is operating lease.

(1) The company records the operating lease business as a lessee

Rental expenses of operating leasing shall be recorded into related asset cost or current profit and loss using straight line method in each period during lease. Initial direct expenses are charged to current profits and losses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(2) The company records the operating lease business as a lessor

Rental income of operating leasing shall be recognized as current profit and loss using straight line method in each period during lease. The initial direct costs with large amounts shall be capitalized upon occurrence and shall be recorded into current profit and loss by stages in same base as the recognized rental income in the whole lease period; other initial direct costs with small amounts shall be recorded into current profit and loss upon occurrence. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(3) The company records the financing lease business as a lessee

On the lease start date, the lower between fair value of leased asset on the lease start date and current value of minimum lease payment is deemed as recorded value of leased asset, the minimum lease payment is deemed as recorded value of long-term payables, and the difference is deemed as unrecognized financing expense. In addition, the initial direct expenses incurred during lease negotiation and signing of lease contract, and attributable to the lease project are also included in the value of leased asset. The balances of minimum lease payment after deducting unrecognized financing expense are listed as long-term liabilities and long-term liabilities due within one year respectively.

Unrecognized financing expenses are calculated by the actual interest rate method during the lease period to recognize current financing expenses. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

(4) The company records the financing lease business as a lessor

On the lease start date, the sum of minimum lease receipt amount on the lease start date and initial direct expense is deemed as recorded value of financing lease receivables, and the unguaranteed residual value is recorded simultaneously; the difference between the minimum lease receipt amount, initial direct expense and unguaranteed residual value sum and the present value sum is recognized as unrealized financing revenues. The balances of financial lease receivables after deducting unrealized financing revenues are listed as long-term claims and long-term claims due within one year respectively.

Unrealized financing revenues are calculated by the actual interest rate method during the lease period to recognize current financing incomes. Contingent rents shall be recorded into current profit and loss of the period in which they actually arise.

29. Changes in significant accounting policies and accounting estimates

(1) Accounting policy change

① Accounting policies caused by implementing new income standards

On 5 July 2017, Ministry of Finance promulgated the Accounting Standards for Business Enterprises

No.14 – Income (2017 Amendment) (Accounting [2017] No.22) (hereinafter referred to as “new income standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new income standards from 1 January 2021.

For the retained earnings at the beginning of current period of initial execution from adjustment of cumulative impact amount of first execution (i.e. 1 January 2021), as well as other relevant item amounts of financial statements, the comparable period information is not adjusted.

The new income standards established a new income recognition model for the income generated by the contracts with customers. In order to implement the new income standards, the company reassessed the main contract income recognition, measurement, accounting and presentation, etc. According to the provisions of new income standards, the Group chose to adjust only the cumulative impact number of contracts uncompleted on 1 January 2021, and conducted simplified treatment of the contract change occurred before the beginning of earliest comparable period or before 1 January 2021, namely to identify the fulfilled and unfulfilled performance obligation according to final arrangement of the contract, determine transaction price and share transaction price between the fulfilled and unfulfilled performance obligations.

Main changes and impacts for the implementation of new income standards are as follows:

Items	CONSOLIDATED BALANCE SHEET		Parent Company Balance Sheet	
	31 December 2020	1 January 2021	31 December 2020	1 January 2021
Contract liabilities		888,632.65		
Other current liabilities		53,317.96		
Deposit received in advance	941,950.61			

② Accounting policy changes due to implementation of new financial instrument standards

Ministry of Finance promulgated the Accounting Standards for Business Enterprises No.22—Recognition & Measurement of Financial Instruments (2017 Amendment) (Accounting [2017] No.7), Accounting Standards for Business Enterprises No.23—Transfer of Financial Assets (2017 Amendment) (Accounting [2017] No.8), Accounting Standards for Business Enterprises No.24—Hedging Accounting (2017 Amendment) (Accounting [2017] No.9) respectively on 31 March 2017, and promulgated Accounting Standards for Business Enterprises No.37—Presentation of Financial Instruments (2017 Amendment) (Accounting [2017] No.14) on 2 May 2017 (the above standards are collectively referred to as “new financial instrument standards”). Upon resolutions of corporate board of directors, the company began to implement the aforesaid new financial instrument standards from 1 January 2021.

The company applies new financial instrument standards retrospectively, whereas if the classification and measurement (including impairment) involving previous comparison of financial statement data are inconsistent with new financial instrument standards, the company chooses not to restate. Therefore, for the cumulative impact figure under the first implementation of such standard, the company adjusts retained earnings or other comprehensive incomes and amounts of other related items in financial statement at the beginning of 2021, and the 2020 financial statement is not restated.

The implementation of new financial instrument standards had no impact on financial statement as

of 1 January 2021.

③ Accounting policy change caused by the implementation of new lease standards

Ministry of Finance promulgated the Accounting Standard for Business Enterprises No.21—Lease (2018 Amendment) (Accounting [2018] No.35) (hereinafter referred to as “new lease standards”). Upon resolutions of corporate board of directors, and changes of relevant accounting policies according to the new lease standards, the company began to implement the aforesaid new lease standards from 1 January 2021.

On the first implementation date, the company chose not to reevaluate whether previous contracts were lease or contained lease, and applied this method consistently to all contracts, and therefore only the contracts identified as lease under the original lease standards followed linking provisions of such standards.

Additionally, the company adopted simplified retrospective adjustment method for linking accounting treatment on the above lease contracts, namely adjusting the amount of retained earnings at the beginning of the year when such standards were first implemented, as well as other relevant items in financial statement, rather than adjust the information of comparable period, chose the right-of-use asset measurement method as per each lease and adopted relevant simplified treatment on the operating lease, as follows:

Corporate accounting policy for low-value asset leases was unrecognizing right-of-use assets and lease liabilities. According to linking provisions of new lease standards, corporate low-value asset lease before the first implementation date was accounted as per new lease standards since the first implementation date, rather than make retrospective adjustment to low-value asset lease.

The implementation of new lease standards had no impact on financial statement on 1 January 2021.

(2) Accounting estimate change

The company has no change in accounting estimates for disclosure.

V. Tax items

1. Main tax categories and tax rates

Tax category	Specific tax rate
VAT	Applicable tax rate
Urban maintenance and construction tax	Calculated as per 7% of turnover tax actually paid.
Education surcharge	Calculated as per 3% of turnover tax actually paid.
Local education surcharge	Calculated as per 2% of turnover tax actually paid.
Corporate income tax	Calculation and payment is made at 25% of the taxable income.
Housing tax	70% of self-use real estate original value, property rental income (Note 1)

Note 1:

A. Ad valorem levy: the self-use property is calculated and levied at the tax rate of 1.2% as per the balance after original property value deducting 30% at one time;

B. Rental-based levy: the rent property is calculated and levied at the tax rate of 12% as per the rental income of property.

2. Tax benefit and approval document

The Company has no tax preference and approvals.

VI. Notes on consolidated financial statement items

Unless otherwise specified, in the following items of notes (including notes on main items of corporate financial statement), "beginning of year" refers to 1 January 2021, "end of period" refers to 31 December 2021, "end of last year" refers to 31 December 2020, "current period" refers to 2021, and "last period" refers to 2020.

1. Cash at bank and on hand

Items	Closing balance	Previous year ending balance
Cash on hand	30,705.82	37,636.45
Bank savings	763,390,944.35	592,709,686.72
Other monetary funds	211,275,140.00	66,553,980.00
Total	974,696,790.17	659,301,303.17

Note: The total amount of performance bonds in closing balance of monetary funds was RMB 1,275,140.00; the total amount of certificate of deposit was RMB 210,000,000.00.

2. Accounts receivable

(1) Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	450,756.90	4,915,759.78
1-2 years	44,704.16	18,724.80
2-3 years	7,824.90	
Over 3 years		
Subtotal	503,285.96	4,934,484.58
Less: bad debt provision	1,894.36	2,577.35
Total	501,391.60	4,931,907.23

(2) Classified and presented by bad debt provision method

Category	Closing balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Accounts receivable with single provision for bad debt reserve					
Accounts receivable for which bad debt provision has been assessed by portfolios	503,285.96	100.00	1,894.36	0.38	501,391.60
Of which:					
Aging analysis method portfolio	378,869.01	75.28	1,894.36	0.50	376,974.65
Other combinations	124,416.95	24.72			124,416.95
Total	503,285.96	100.00	1,894.36	0.38	501,391.60

(Continued)

Category	Previous year ending balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Account receivables with single significant amount and separate bad debt provision					
Account receivables with bad debt provision as per credit risk characteristic combinations	4,934,484.58	100.00	2,577.35	0.05	4,931,907.23
Account receivables with single insignificant amount but separate bad debt provision					
Total	4,934,484.58	100.00	2,577.35	0.05	4,931,907.23

(Continued)

① In the portfolio, accounts receivable with bad debt provision according to the aging analysis method

Aging	Closing balance		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year	340,981.81		0.00
1-2 years	37,887.20	1,894.36	5.00
Total	378,869.01	1,894.36	0.50

Note: The provision for bad debts is made according to the aging analysis method.

② In the portfolio, accounts receivable with bad debt provision by other portfolios

Name of portfolio	Closing balance		
	Accounts receivable	Bad debt provision	Accrual ratio (%)
Other combinations	124,416.95		
Total	124,416.95		

Note: other combinations without withdrawal of bad debts which is determined according to its relationship with trading object and reputation of trading object, i.e. characteristics of credit risks.

(3) Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of account receivables	2,577.35		682.99		1,894.36
Total	2,577.35		682.99		1,894.36

(4) Accounts receivable of the Top 5 closing balance classified by the overdue party

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Website-Meituan	196,786.38	39.10	983.93

Name of debtors	Closing balance of receivables	Proportion to the total closing balance of accounts receivable (%)	Closing balance of provision for bad debts
Website-Ctrip	78,093.39	15.51	390.47
Tik Tok	36,686.46	7.29	
Jiangsu Hongsheng Construction Group Co., Ltd.	30,580.00	6.08	
WeChat Mall	29,291.34	5.82	146.46
Total	371,437.57	73.80	1,520.86

3. Advances to suppliers

(1) Advance payment is listed by age

Aging	Closing balance		Previous year ending balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	319,333.30	100.00	419,966.99	100.00
Total	319,333.30	100.00	419,966.99	100.00

4. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	2,404,169,490.38	2,348,192,268.03
Interests receivable		
Dividends receivable		
Total	2,404,169,490.38	2,348,192,268.03

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	999,085,363.51	640,034,403.19
1-2 years	454,514,505.33	402,061,027.90
2-3 years	61,403,782.93	417,036,144.81
Over 3 years	889,166,359.16	889,077,859.16
Subtotal	2,404,170,010.93	2,348,209,435.06
Less: bad debt provision	520.55	17,167.03
Total	2,404,169,490.38	2,348,192,268.03

② Provision for bad debt reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				
Book balance of other receivables at the beginning	17,167.03			17,167.03

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
of year in the current period:				
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period				
Reversal in the current period	16,646.48			16,646.48
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	520.55			520.55

③ Bad debt reserve status

Category	Opening balance	Amount of changes in current period			Closing balance
		Provision	Recovery or reversal	Write-off or write-off after verification	
Bad debt reserves of other receivables	17,167.03		16,646.48		520.55
Total	17,167.03		16,646.48		520.55

④ Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Huai'an Development Holdings Co., Ltd.	Transaction accounts	1,188,557,155.13	Within 1 year 395,286,378.77 1-2 years 391,504,522.22 2-3 years 196,197,550.52 more than 3 years 205,568,703.62	49.43	
Huai'an Dongcheng Industrial Investment Co., Ltd.	Transaction accounts	587,000,000.00	1-2 years 37,000,000.00 more than 3 years 550,000,000.00	24.42	
Huai'an Anlan Corporate Management Development Co., Ltd	Transaction accounts	249,500,000.00	Within 1 year	10.38	

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Huai'an Development Logistics Co., Ltd.	Transaction accounts	150,000,000.00	Within 1 year	6.24	
Huai'an Chuangxin Business Co., Ltd.	Transaction accounts	127,700,000.00	Within 1 year 112,700,000.00, 1-2 years 15,000,000.00	5.31	
Total		2,302,757,155.13		95.78	

5. Inventory

(1) Inventory classification

Items	Closing balance		
	Book balance	Provision for depreciation	Book value
Commodity stocks	572,688.01		572,688.01
Total	572,688.01		572,688.01

(Continued)

Items	Previous year ending balance		
	Book balance	Provision for depreciation	Book value
Commodity stocks	553,249.05		553,249.05
Total	553,249.05		553,249.05

6. Other current assets

Items	Closing balance	Previous year ending balance
Prepaying taxes	3,817,143.44	5,820,410.61
Total	3,817,143.44	5,820,410.61

7. Long-term receivables

(1) Long-term receivables

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Financing lease fund	231,211,545.64	2,179,136.65	229,032,408.99			
Of which: unrealized financing income	13,297,880.84		13,297,880.84			
Total	217,913,664.8	2,179,136.65	215,734,528.15			

(2) Provision for impairment reserve

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses in the next 12 months	Expected credit losses throughout existence period (no credit impairment occurred)	Expected credit losses throughout existence period (credit impairment occurred)	
Opening balance				
Book balance of long-term receivables at the beginning of year in the current period:				
—Transfer in Phase II				
—Transfer in Phase III				
—Transfer back to Phase II				
—Transfer back to Phase I				
Provision in the current period	2,179,136.65			2,179,136.65
Reversal in the current period				
Write-off in the current period				
Written off in the current period				
Other changes				
Closing balance	2,179,136.65			2,179,136.65

8. Long-term equity investments

(1) Details of long-term equity investments

Investee	Opening balance	Increases and decreases in current period				
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)	15,785,360.00					
Total	15,785,360.00					

(Continued)

Investee	Increases and decreases in current period			Closing balance	Impairment reserve balance as of 31 December 2021
	Declaration of cash dividends or profits	Provision for impairment	Other		
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)				15,785,360.00	
Total				15,785,360.00	

9. Fixed assets

Items	Closing balance	Previous year ending balance
Fixed assets	46,883,271.38	90,573,593.16
Fixed asset liquidation		
Total	46,883,271.38	90,573,593.16

(1) Fixed assets

① Fixed assets are as follows

Items	Houses and buildings	Machinery equipment	Transportation equipment	Electronics and office equipment	Total
I. Original book value					
1. Opening balance	93,204,949.16	220,800.00	103,414.19	1,814,805.88	95,343,969.23
2. Increased amount in current period		605,871.51		647,566.35	1,253,437.86
(1) Purchase		605,871.51		647,566.35	1,253,437.86
3. Decreased amount in current period	44,139,527.51				44,139,527.51
(1) Transfer in of intangible assets	44,139,527.51				44,139,527.51
(2) Disposal					
4. Closing balance	49,065,421.65	826,671.51	103,414.19	2,462,372.23	52,457,879.58
II. Cumulative depreciation					
1. Opening balance	4,304,520.25	48,317.96	42,208.47	375,329.39	4,770,376.07
2. Increased amount in current period	2,191,195.41	108,538.98	48,390.51	417,834.45	2,765,959.35
(1) Provision	2,191,195.41	108,538.98	48,390.51	417,834.45	2,765,959.35
3. Decreased amount in current period	1,961,727.22				1,961,727.22
(1) Transfer in of intangible assets	1,961,727.22				1,961,727.22
(2) Disposal					
4. Closing balance	4,533,988.44	156,856.94	90,598.98	793,163.84	5,574,608.20
III. Provision for impairment					
1. Opening balance					
2. Increased amount in current period					
3. Decreased amount in current period					
4. Closing balance					
IV. Book value					
1. Period-end book value	44,531,433.21	669,814.57	12,815.21	1,669,208.39	46,883,271.38
2. Book value at the beginning of year	88,900,428.91	172,482.04	61,205.72	1,439,476.49	90,573,593.16

10. Construction in progress

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Dajinaghu hotel decoration				77,151,223.78		77,151,223.78
Total				77,151,223.78		77,151,223.78

11. Intangible assets

(1) Changes in classification of intangible assets are detailed as follows:

Items	Franchise rights	Software	Total
I. Original book value			
1. Opening balance	943,396.20	84,070.81	1,027,467.01
2. Increased amount in current period	39,663,304.53		39,663,304.53
3. Decreased amount in current period			
4. Closing balance	40,606,700.73	84,070.81	40,690,771.54
II. Accumulated amortization			
1. Opening balance	267,295.59	16,814.16	284,109.75
2. Increased amount in current period	8,057,108.06	16,814.16	8,073,922.22
(1) Provision	8,057,108.06	16,814.16	8,073,922.22
3. Decreased amount in current period			
(1) Disposal			
4. Closing balance	8,324,403.65	33,628.32	8,358,031.97
III. Provision for impairment			
1. Opening balance			
2. Increased amount in current period			
(1) Provision			
3. Decreased amount in current period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Period-end book value	32,282,297.08	50,442.49	32,332,739.57
2. Book value at the beginning of year	676,100.61	67,256.65	743,357.26

12. Long-term prepaid expense

Items	Opening balance	Increased amount in current period	Amortization amount in current period	Other decreased amount	Closing balance
Dajianghu decoration		117,192,327.66	11,152,091.88		106,040,235.78
Total		117,192,327.66	11,152,091.88		106,040,235.78

13. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax asset details

Items	Closing balance		Previous year ending balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Credit impairment reserve	2,181,551.56	545,387.89	19,744.38	4,936.10
Total	2,181,551.56	545,387.89	19,744.38	4,936.10

14. Short-term borrowings

(1) Short-term loan classification

Items	Closing balance	Previous year ending balance
Pledge borrowings	608,858,290.00	147,781,715.00
Security borrowings	33,000,000.00	30,000,000.00
Credit borrowings		82,532,715.00
Payable interests of short-term loan	612,180.28	
Total	642,470,470.28	260,314,430.00

Note: The pledge loan is pledged by its and the parent company's certificate of deposit.

15. Notes payable

Items	Closing balance	Previous year ending balance
Bank acceptance bill		4,000,000.00
Commercial acceptance bill	209,980,000.00	
Total	209,980,000.00	4,000,000.00

16. Trade payables

(1) List of payables

Items	Closing balance	Previous year ending balance
Within 1 year	37,678,214.89	2,093,380.20
1-2 years	2,038,177.98	2,473,378.36
2-3 years	172,889.61	
Total	39,889,282.48	4,566,758.56

(2) Accounts payable with large closing balance are as follows

Items	Closing balance	Reasons for outstanding or carrying over
Huai'an Development Holdings Co., Ltd.	2,487,533.40	Not yet settled
Huai'an Chuangxin Business Co., Ltd.	246,070.00	Not yet settled
Employee salary	185,400.00	Not yet settled
Bath Assistance Department	165,275.00	Not yet settled
Daily meal	125,708.14	Not yet settled
Total	3,209,986.54	

17. Advances from customers

(1) List of accounts received in advance

Items	Previous year ending balance
Within 1 year	941,869.21
1-2 years	81.40
Total	941,950.61

18. Contract liabilities

(1) Contract liability

Aging	Closing balance
Advance receipts of sales funds	903,273.58
Total	903,273.58

19. Taxes payable

Items	Closing balance	Previous year ending balance
VAT	74,465.22	2,103,109.78
Corporate income tax	14,078,758.53	12,317,631.22
Other		2,500.00
Total	14,153,223.75	14,423,241.00

20. Other payables

Items	Closing balance	Previous year ending balance
Other payables	192,511,750.97	179,653,212.27
Interest payable		
Dividends payable		
Total	192,511,750.97	179,653,212.27

(1) List of other payables by age

Items	Closing balance	Previous year ending balance
Within 1 year	156,342,794.20	163,578,760.00
1-2 years	35,682,853.66	15,576,850.15
2-3 years	88,500.99	315,914.62
Over 3 years	397,602.12	181,687.50
Total	192,511,750.97	179,653,212.27

(2) The top five other accounts payable with the largest ending balance are as follows:

Items	Closing balance	Reasons for outstanding or carrying over
Huai'an Development Logistics Co., Ltd.	70,010,000.00	Not yet settled
Huai'an New City Investment Holding Co., Ltd.	41,960,507.57	Not yet settled
Huai'an Chengyida Business Planning Co., Ltd.	25,300,000.00	Not yet settled
Huai'an Eastern Youth Western Food Beer Bar Co., Ltd.	20,000,000.00	Not yet settled
Huai'an Higher Education Park Investment Industrial Co., Ltd.	20,000,000.00	Not yet settled

Items	Closing balance	Reasons for outstanding or carrying over
Total	177,270,507.57	

21. Non-current liabilities due within one year

Items	Closing balance	Previous year ending balance
Long-term loans due within 1 year (Note VI. 21)	637,570.00	
Bonds payable due within 1 year (Note VI. 22)	1,908,343,958.05	
Interests payable on long-term borrowings	179,305.68	
Total	1,909,160,833.73	

22. Other current liabilities

Items	Closing balance	Previous year ending balance
Corresponding output tax of contract liabilities	54,196.42	
Total	54,196.42	

23. Long-term borrowing

Items	Closing balance	Previous year ending balance
Pledge borrowings	133,198,205.00	67,532,715.00
Security borrowings	55,000,000.00	95,000,000.00
Less: long-term borrowings due within 1 year (Notes VI. 23)	637,570.00	
Total	187,560,635.00	162,532,715.00

Note: The pledge loan is pledged by its and the parent company's certificate of deposit.

24. Bonds payable

(1) Bonds payable

Items	Closing balance	Previous year ending balance
2019 overseas bonds	1,908,343,958.05	1,943,990,677.08
Subtotal	1,908,343,958.05	1,943,990,677.08
Less: partial ending balance due within one year (Note VI. 20)	1,908,343,958.05	
Subtotal	1,908,343,958.05	
Total		1,943,990,677.08

(2) Increases and decreases of bonds payable (excluding other financial instruments such as preferred stock and perpetual bond classified as financial liabilities)

Bond name	Face value	Issue date	Bond maturity	Issue amount	Opening balance
2019 overseas bonds	2,092,860,000.00 (Note)	2019-6-25	3 years	2,064,983,104.80	1,943,990,677.08
Total	2,092,860,000.00			2,064,983,104.80	1,943,990,677.08

(Continued)

Notes to 2021 financial statements of Hong Kong Xiangyu Investment Group Co., Limited

Bond name	Issue in current period	Accrued interest at face value	Repayment in the current period	Other	Closing balance
2019 overseas bonds				-35,646,719.03	1,908,343,958.05
Total				-35,646,719.03	1,908,343,958.05

Note: the par value is converted according to the foreign currency exchange rate on the date of issuance of bonds.

25. Paid-in capital

Name of investors	Opening balance	Increase in current period	Decrease in current period	Closing balance
Huai'an Development Holdings Co., Ltd.	8,498,119.20			8,498,119.20
Total	8,498,119.20			8,498,119.20

26. Undistributed profits

Items	Current amount	Previous amount
Undistributed profit at the end of the prior year before adjustment	24,628,139.52	31,132,841.87
Total beginning undistributed profits adjusted (increase +, decrease -)		
Undistributed profits after adjustment at the beginning of period	24,628,139.52	31,132,841.87
Add: Net profit attributable to shareholders of parent company in current period	-24,186,320.67	-6,504,702.35
Less: withdrawal of statutory surplus reserve		
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk reserve		
Common stock dividends payable		
Common stock dividends converted into capital stock		
Undistributed profits at the end of period	441,818.85	24,628,139.52

27. Operating incomes and operating costs

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Main business	33,302,384.04	8,098,951.93	57,152,082.83	29,083,296.80
Other businesses	347,059.81		27,947.94	
Total	33,649,443.85	8,098,951.93	57,180,030.77	29,083,296.80

Items	Current amount		Previous amount	
	Incomes	Cost	Incomes	Cost
Sludge drying	9,417,945.47	4,595,612.65	7,312,472.90	2,540,577.32
Financial service	18,603,966.30		44,756,148.31	23,102,388.89
Catering services	5,627,532.08	3,503,339.28	5,111,409.56	3,440,330.59
Total	33,649,443.85	8,098,951.93	57,180,030.77	29,083,296.80

28. Financial expenses

Items	Current amount	Previous amount
Interest expenses	16,383,410.10	5,193,043.00
Less: interest income	182,325.18	7,274,334.23
Net foreign exchange losses/(net gains)	2,922,674.28	17,394,819.02
Handling fee	94,461.38	116,961.73
Total	19,218,220.58	15,430,489.52

29. Investment income

Items	Current amount	Previous amount
Investment income obtained when holding other equity instrument investments	2,196,853.33	
Total	2,196,853.33	

30. Credit impairment losses

Items	Current amount	Previous amount
Bad debt losses	-2,161,807.18	
Total	-2,161,807.18	

31. Non-operating income

Items	Current amount	Previous amount
Other	1,788.37	47,341.70
Total	1,788.37	47,341.70

32. Non-operating expenses

Items	Current amount	Previous amount
Other	20,279.74	2,115.79
Total	20,279.74	2,115.79

33. Income tax expenses

(1) Income Tax Expense Statement

Items	Current amount	Previous amount
Current income tax expense	-341,878.05	1,166,122.65
Deferred income tax expenses	-540,451.79	-1,636.10
Total	-882,329.84	1,164,486.55

34. Supplementary information of Cash Flow Statement

Supplementary information	Current amount	Previous amount
1. Net profits adjusted to cash flow from operating activities:		
Net profits	-27,342,386.65	-7,563,549.64
Add: provision for impairment of assets		4,605.76
Credit impairment reserve	2,161,807.18	
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	2,765,959.35	4,429,235.74

Supplementary information	Current amount	Previous amount
Amortization of intangible assets	8,073,922.22	111,153.78
Amortization of long-term prepaid expenses	11,152,091.88	
Losses from disposing fixed assets, intangible assets and other long-term assets (revenues marked with "-")		
Losses of fixed asset scrapping (revenues marked with "-")		
Fair value change losses (revenues marked with "-")		
Financial costs (revenues marked with "-")	19,306,084.38	5,189,015.22
Investment losses (revenues marked with "-")	-2,196,853.33	
Decrease of deferred income tax assets (increase marked with "-")	-540,451.79	-1,636.10
Increase of deferred income tax liabilities (decrease marked with "-")		
Decrease of inventory (increase marked with "-")	-19,438.96	1,906,307.31
Decrease of operational receivables (increase marked with "-")	-141,565,298.71	-239,974,401.90
Increase of operational payables (decrease marked with "-")	215,634,142.00	113,725,578.24
Other		
Net cash flow from operating activities	87,429,577.57	-122,173,691.59
2. Major investing and financing activities uninvolved cash receipts and expenditures:		
Debt conversion to capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance lease		
3. Net change of cash and cash equivalents:		
Closing balance of cash	763,421,650.17	592,747,323.17
Less: opening cash balance	592,747,323.17	439,784,519.42
Add: Ending balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	170,674,327.00	152,962,803.75

VII. Equity in other entities

1. Equity in subsidiaries

(1) Composition of corporate group

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Huai'an Ganghuai Construction Development Co., Ltd.	127,115.76	Xu Tie	87.82%	It's engaged in construction and related technical consultation of housing construction engineering, civil engineering, road engineering, bridge engineering, pipeline engineering, urban greening engineering; indoor and outdoor decoration design and facilities related dredging services; wholesale of construction decoration materials; sludge treatment. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company

Name of entity	Paid-in capital (RMB ten thousand)	Legal representative	Parent company shareholding ratio	Business scope	Registered place	Enterprise type
Jiangsu Yongtai Financial Leasing Co., Ltd.	32,190.40	Xu Tie	100.00%	financial leasing business; leasing business; purchasing leased property from home and abroad; dealing with and repairing the residual value of leased property held; consulting and guaranteeing of leasing transactions (excluding financing guarantee business and other restricted items); supply chain management; economic information consulting (excluding restricted items) (excluding industries restricted and prohibited by the country). (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company
Huai'an Lianquan Dajianghu Hot Spring Hotel Management Co., Ltd.	3,849.00	Ding Xingfang	100.00%	Hotel management; catering services, bath services, and accommodation services; sales of food and articles of daily use. (The projects subject to approval according to laws shall gain approval by relevant departments before carrying out business activities)	Huai'an Jiangsu	Limited liability company

VIII. Associated parties and associated transactions

1. Parent company of the company

Name of parent company	Registered place	Business nature	Registered capital (ten thousand Yuan)	Shareholding ratio of parent company to the company (%)	Voting right ratio of parent company to the company (%)
Huai'an Development Holdings Co., Ltd.	Huai'an Jiangsu	Solely state-owned	1,400,000.00	100.00	100.00

2. Subsidiaries of the Company

See Note VII. 1. Equity in subsidiaries.

3. Other associated parties

Name of other associated parties	Relationships between other associated parties and the company
Huai'an New City Investment Holding Co., Ltd.	Associated enterprises
Huai'an Higher Education Park Investment Industrial Co., Ltd.	Subsidiaries under the same control
Huai'an Chuangxin Business Co., Ltd.	Associated enterprises under the same control

4. Receivables and payables of related parties

(1) Receivables

Name of projects	Closing balance	
	Book balance	Bad debt provision
Other receivables:		
Huai'an Development Holdings Co., Ltd.	1,188,557,155.13	
Huai'an Chuangxin Business Co., Ltd.	127,700,000.00	

Name of projects	Closing balance	
	Book balance	Bad debt provision
Huai'an New City Investment Holding Co., Ltd.	53,000,000.00	

(2) Payables

Name of projects	Closing balance
Other payables:	
Huai'an Development Holdings Co., Ltd.	1,147,102.83
Huai'an Higher Education Park Investment Industrial Co., Ltd.	20,000,000.00
Huai'an New City Investment Holding Co., Ltd.	41,960,507.57

IX. Commitments and contingencies

1. Major commitments

As of 31 December 2021, the company had no major commitment for disclosure.

2. Contingencies

As of 31 December 2021, the company had no other major contingencies for disclosure.

X. Events after the balance sheet date

As of the approval date of this financial statement, the company had no event after balance sheet date to disclose.

XI. Other important matters

None.

XII. Notes on major items of parent company's financial statement

1. Other receivables

Items	Closing balance	Previous year ending balance
Other receivables	686,458,518.89	481,867,993.43
Interests receivable		
Dividends receivable		
Total	686,458,518.89	481,867,993.43

(1) Other receivables

① Disclosure by age

Aging	Closing balance	Previous year ending balance
Within 1 year	204,590,525.46	142,790,134.27
1-2 years	142,790,134.27	
2-3 years		
Over 3 years	339,077,859.16	339,077,859.16
Subtotal	686,458,518.89	481,867,993.43
Less: bad debt provision		
Total	686,458,518.89	481,867,993.43

② Other receivables of Top 5 closing balance classified by debtors

Name of entity	Nature of funds	Closing balance	Aging	Proportion to total closing balance of other receivables (%)	Closing balance of provision for bad debts
Huai'an Development Holdings Co., Ltd.	Transaction accounts	686,458,518.89	Within 1 year 204,590,525.41 1-2 years 141,504,522.22 2-3 years 134,794,767.59 more than 3 years 205,568,703.62	100.00	
Total		686,458,518.89		100.00	

2. Long-term equity investments

(1) Classification of long-term equity investment

Items	Closing balance			Previous year ending balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,595,485,000.15		1,595,485,000.15	1,497,819,000.00		1,497,819,000.00
Investment in associated enterprises and joint ventures	15,785,360.00		15,785,360.00	15,785,360.00		15,785,360.00
Total	1,611,270,360.15		1,611,270,360.15	1,513,604,360.00		1,513,604,360.00

(2) Investment in subsidiaries

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Huai'an Ganghuai Construction Development Co., Ltd.	1,107,835,200.00	32,641,000.11		1,140,476,200.11		
Jiangsu Yongtai Financial Leasing Co., Ltd.	389,983,800.00	65,025,000.04		455,008,800.04		
Total	1,497,819,000.00	97,666,000.15		1,595,485,000.15		

(3) Investment in associated enterprises and joint ventures

Investee	Opening balance	Increases and decreases in current period				
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Associated enterprises						

Investee	Opening balance	Increases and decreases in current period				
		Additional investment	Reduced investment	Investment gains and losses recognized under equity method	Adjustment of other comprehensive revenues	Other equity change
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)	15,785,360.00					
Subtotal	15,785,360.00					
Total	15,785,360.00					

(Continued)

Investee	Increases and decreases in current period			Closing balance	Closing balance of impairment provision
	Declaration of cash dividends or profits	Provision for impairment	Other		
Associated enterprises					
Huai'an Derui Investment Partnership Enterprise (Limited Partnership)				15,785,360.00	
Subtotal				15,785,360.00	
Total				15,785,360.00	

Hong Kong Xiangyu Investment Group Co., Limited

Legal representative:



Accounting director:



Accounting firm director:





营业执照

统一社会信用代码

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(5-5)

名称 中兴华会计师事务所(特殊普通合伙)
 类型 特殊普通合伙企业
 执行事务合伙人 李尊农, 乔久华
 经营范围 审查企业会计报表、出具审计报告、验资报告; 办理企业合并、分立、清算等事务出具的审计报告; 出具有关报告; 基本建设年度财务决算审计; 代理记账; 会计咨询、税务咨询、管理咨询、会计培训; 法律、法规规定的其他业务。(市场主体依法自主选择经营项目, 开展经营活动; 依法须经批准的项目, 经相关部门批准后依批准的内容开展经营活动; 不得从事国家和本市产业政策禁止和限制类项目的经营活动。)



成立日期 2013年11月04日

合伙期限 2013年11月04日至 长期

主要经营场所 北京市丰台区丽泽路20号院1号楼南楼20层



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仅作为报告附件使用

执业证书

中兴华会计师事务所(特殊普通合伙)
报告编号: 京财会审字(2013)0066号

名称: 中兴华会计师事务所(特殊普通合伙)

首席合伙人: 李尊农

主任会计师:

经营场所: 北京市丰台区丽泽路20号院1号楼南楼20层

组织形式: 特殊普通合伙

执业证书编号: 11000167

批准执业文号: 京财会许可〔2013〕0066号

批准执业日期: 2013年10月25日

证书序号: 0014686

说明

《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的,

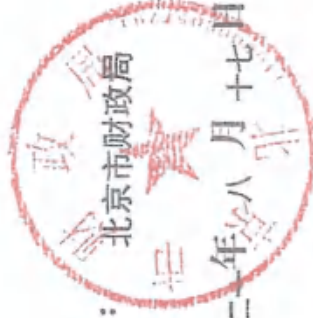
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发证机关:



二〇一三年八月十七日

中华人民共和国财政部



以兴立信 服务社会



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专题专栏

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索引号	bm5600001/2022-00000491	分类	审计与评估机构监管对象
发布机构		发文日期	2022年01月11日
名称	从事证券服务业务会计师事务所名录 (截至2021.12.31)		
文号		主题词	

从事证券服务业务会计师事务所名录 (截至2021.12.31)

从事证券服务业务会计师事务所名录 (截至2021.12.31)



从事证券服务业务会计师事务所名录⁽¹⁾

序号	会计师事务所名称	通讯地址	联系电话
72 ⁽¹⁾	中审亚太会计师事务所(特殊普通合伙) ⁽¹⁾	北京市海淀区复兴路47号天行建商务大厦20层2206 ⁽¹⁾	010-51716767 ⁽¹⁾
73 ⁽¹⁾	中审众环会计师事务所(特殊普通合伙) ⁽¹⁾	武汉市武昌区东湖路169号2-9层 ⁽¹⁾	027-86781250 ⁽¹⁾
74 ⁽¹⁾	中天运会计师事务所(特殊普通合伙) ⁽¹⁾	北京市西城区车公庄大街9号院五栋大楼B1座1七、八层 ⁽¹⁾	010-88396676 ⁽¹⁾
75 ⁽¹⁾	中审会计师事务所(特殊普通合伙) ⁽¹⁾	北京市东城区崇文门外大街11号新成文化大厦A座11层 ⁽¹⁾	010-67088759 ⁽¹⁾
76 ⁽¹⁾	中兴财光华会计师事务所(特殊普通合伙) ⁽¹⁾	北京市西城区阜成门外大街2号22层A24 ⁽¹⁾	0311-85927137 ⁽¹⁾
77 ⁽¹⁾	中兴华会计师事务所(特殊普通合伙) ⁽¹⁾	北京市西城区阜外大街1号东塔楼15层 ⁽¹⁾	010-51423818 ⁽¹⁾
78 ⁽¹⁾	中证天通会计师事务所(特殊普通合伙) ⁽¹⁾	北京市海淀区百善门北大街甲43号1号楼13层1316-1326 ⁽¹⁾	010-62212990 ⁽¹⁾
79 ⁽¹⁾	中准会计师事务所(特殊普通合伙) ⁽¹⁾	北京市通州区百体南路22号国兴大厦4层 ⁽¹⁾	010-88356126 ⁽¹⁾
80 ⁽¹⁾	众华会计师事务所(特殊普通合伙) ⁽¹⁾	嘉定工业区沪宜路叶城路1630号5幢1088室 ⁽¹⁾	021-63525500 ⁽¹⁾



赵紫娟

姓名 女
 Full name _____
 性别 别
 Sex 1990-12-27
 出生日期 兴华会计师事务所(特殊普通合伙)江苏分所
 Date of birth _____
 工作单位 410402199012275549
 Working unit _____
 身份证号码
 Identity card No _____



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



证书编号: 110001673877
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2016 年 05 月 06 日
Date of Issuance / /

赵紫娟(110001673877)
您已通过2021年年检
江苏省注册会计师协会

年 月 日
/ / /



姓名 朱烨

Full name _____

性别 女

Sex _____

出生日期 1988-09-05

Date of birth _____

工作单位 中兴华会计师事务所（特殊普通合伙）江苏分所

Working unit _____

身份证号码 321302198809058823

Identity card No. _____



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

110001670517

证书编号:
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2022 01 27 日
Date of Issuance y m d

年 月 日
y m d



Auditor's Report

Zhongxinghua Audit (2022) No.021486

All shareholders of Ganzhou Tourism Investment Group LTD:

Opinion

We have audited the financial statements of Ganzhou Tourism Investment Group LTD ("Ganzhou Tourism Investment Company"), which comprise the consolidated and parent company balance sheets as at 31 December 2021, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and company statements of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Ganzhou Tourism Investment Company as at 31 December 2021, and the consolidated and parent company financial performance and cash flows of Ganzhou Tourism Investment Company for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ganzhou Tourism Investment Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Ganzhou Tourism Investment Company is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Ganzhou Tourism Investment Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



accounting unless management either intends to liquidate Ganzhou Tourism Investment Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ganzhou Tourism Investment Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ganzhou Tourism Investment Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Ganzhou Tourism Investment Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Ganzhou Tourism Investment Company to express an opinion on the financial statements. We are responsible for the direction, supervision



and performance of the group audit. We remain solely responsible for our audit opinion.

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

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP



Certified Public Accountants
Registered in the People's Republic
of China

Name of CPA: 陈东



Beijing · China

Name of CPA: 苏宏春



24 April 2022



ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

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

Review of the Report

Zhongxinghua Review (2022) No. 020019

All shareholders of Ganzhou Tourism Investment Group LTD:

We have reviewed the financial statements of Ganzhou Tourism Investment Group LTD ("Ganzhou Tourism Investment Company"), which comprise the consolidated and parent company balance sheets as at 30 June 2022, and the consolidated and parent company income statements, and the consolidated and parent company cash flow statements, and the consolidated and parent company statements of changes in owner's equity for the period January to June 2022, and notes to the financial statements. The preparation of these financial statements is the responsibility of Ganzhou Tourism Investment Company's Management and our responsibility is to issue a review report on these financial statements based on our review work performed.

We conducted our review in accordance with PRC CPA Standard on Review Engagements No. 2101 - Review of Financial Statements. The standard requires that we plan and perform a review to obtain limited assurance about whether the financial statements are free from material misstatement. A review is limited principally to making enquiries of personnel of the company and performing analytical procedures on financial data and provides a lesser degree of assurance than an audit. We did not perform an audit and, accordingly, do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements are not prepared in accordance with the requirements of the Accounting Standards for Business Enterprises and do not present fairly, in all material respects, the financial position, results of operations and cash flows of the entity under review.

ZHONGXINGHUA CERTIFIED PUBLIC
ACCOUNTANTS LLP

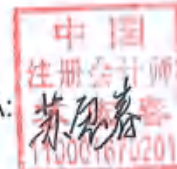
Beijing · China



Name of CPA:



Name of CPA:



28 December 2022



Auditor's Report

Zhongxinghua Special (2022) No.020012

All shareholders of Ganzhou Tourism Investment Group LTD:

Opinion

We have audited the financial statements of Ganzhou Tourism Investment Group LTD ("Ganzhou Tourism Investment Company"), which comprise the consolidated and parent company balance sheets as at 31 December 2020, 31 December 2019, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and company statements of changes in owner's equity for the years then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company financial position of Ganzhou Tourism Investment Company as at 31 December 2020, 31 December 2019 and the consolidated and parent company financial performance and cash flows of Ganzhou Tourism Investment Company for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Ganzhou Tourism Investment Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Ganzhou Tourism Investment Company is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Ganzhou Tourism Investment Company's ability to continue as a going concern, disclosing, as



applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Ganzhou Tourism Investment Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ganzhou Tourism Investment Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ganzhou Tourism Investment Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Ganzhou Tourism Investment Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Ganzhou Tourism Investment Company to express



an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



ZHONGXINGHUA CERTIFIED PUBLIC ACCOUNTANTS LLP

Certified Public Accountants
Registered in the People's Republic
of China

Name of CPA:



Beijing · China

Name of CPA:



10 January 2022